

AFRICA CONFIDENTIAL

AFRICA

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EMERGING MAPS

Map for 1999

The conflict in Central Africa epitomises the nationalism, fluidity and, often, conflict, which marks this New Year's map. Uncertainty reigns in the north-east, in the two Congos and, as we go to press, in a Freetown that is under attack.

In Algeria, a new candidate is emerging as the army's and FLN's presidential favourite. In Nigeria, Gen. Obasanjo's comeback means he's still the favourite for February's scheduled presidential election - though a month is a long time in politics.

South Africa also expects a new President, Thabo Mbeki, when Nelson Mandela 'semi-retires' after the mid-year general elections. Somalia's leadership remains uncertain and multiple but some progress towards reconciliation and new structures is taking place.

Sudan remains isolated and war-torn. Opposition divisions help the government but don't win it support.

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Out on a limb

Secessionist sentiment is growing in the small but strategic strip of land called Caprivi. It's still on a very small scale but has already produced a stream of refugees into neighbouring Botswana. And it is worrying the government in Windhoek, where President Nujoma seems set for yet another term in power.

POINTERS

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Sudan, Ghana, Eritrea/Ethiopia and Tunisia

Doctor on trial and security chief investigated; a President speaks to the nation despite his malaria; warring neighbours buy planes from the same place; and some of the elite are convicted of drug trafficking.

Africa scrambles for Africa

In the wars engulfing Central Africa, soldiers and business people are redrawing Africa's state system at terrible human cost

At the heart of Africa, the **Congo-Kinshasa** war has dragged more than a dozen states into its vortex and dealt a powerful blow to the tottering state system established on the continent over the past 40 years. Historians with a taste for symmetry suggest that Africa's post-colonial state system may prove to have begun and finished with crises in the Congo. The differences at each end of the process are striking.

In the 1960s' Congo crisis, Western capitalist nations vied with the **Soviet Union** and **China** for influence, while the United Nations tried vainly to hold the ring. In the 1990s' Congo crisis, the military, diplomatic and commercial running is dominated by Africans, while foreigners take, at most, a backseat role in mediation and business; UN officials readily concede that their leverage with both sides in Congo is 'strictly limited'. In Congo 1960, the state system's roadmap seemed pretty clear: Africa was going to have a grid of some 50 independent states recognised and, to varying degrees, buttressed, by the world's great powers. In Congo 1999, only the bluffest politicians claim to know where the crisis is leading. Both warring sides agree that the status quo cannot hold.

Central to making sense of Congo is the health of Africa's nation-states. The unmaking of Congo points to several trends reshaping Africa and its component states: the privatisation of diplomacy alongside the growth of informal business networks; the irrelevance of the Organisation of African Unity's strictures on interfering in the affairs of sovereign states and the inviolability of colonial borders; the primacy of personal (often criminal) enrichment over nation-state strategy; the reorientation of Africa from Europe and North America towards Asia and the Middle East (key financiers and arms suppliers in the Congo war); and the dashing of Africa's democratic aspirations, which had flowered again at the start of the 1990s.

Awkward marriage, awkward divorce

Three years ago, *Africa Confidential* wrote that 'the awkward marriage of the nation in the sense of an ethnic coalition and the state as the principal source of political authority is coming under pressure from above and below'. Those pressures have intensified yet imply not a generalised collapse of Africa's nation-states and the end of its borders, but rather a massive restructuring of the continent's international system, which will strengthen some states and maybe obliterate others.

The redrawing of the state system from above is gaining momentum along two routes. Firstly, there is the agglomeration of states and economic systems into regional blocs where there is some pooling of political and economic sovereignty. The pace of these (initially economic) unions varies across the continent. Among the five member states of the Southern African Customs Union, there is a high degree of economic convergence and mutual commercial interest. After the face-off with **Zimbabwe** in the Southern African Development Community over the Congo war, **South African** diplomats now expect SACU to set the pace for economic integration, while SADC struggles with its regional rivalries. For a time, SACU and SADC may compete within the region but South Africa's economic weight - more than 75 per cent of gross domestic product in the region - will tilt the balance towards SACU. Most importantly, all states in the region back transnational economic unions of some kind: **Angola** and Zimbabwe's oil and mineral-fired link-up with Congo-K, or Pretoria's more conventional and formalised trade and customs union with its neighbours.

In East Africa, the regional imperative holds among the three states of the East African Community - **Kenya**, **Tanzania** and **Uganda** - despite their domestic and foreign policy differences. Kenya, with the strongest economy, stands to benefit most, and its businessmen have been energetically buying into the state companies sold off by Uganda and Tanzania, which welcome foreign capital, whatever its source. It might also suit President **Daniel arap Moi** that some of Kenya's wealthy Kikuyu entrepreneurs have switched their attention to neighbouring states and may pose less of a challenge to the increasing grip on Kenya's national economy of business people from Moi's own Kalenjin group.

Big business and the chief economist

All three East African states vociferously endorse the World Bank and International Monetary Fund theology of market economics. A former Bank representative in Nairobi once enthusiastically related that the cabinet referred to Moi as 'chief economist', using this as evidence of the government's new commitment to economic reform. A senior civil servant later explained that the appellation referred not to the President's macro-economic enthusiasm but to the first family's fast growing business empire (AC Vol 39 No 25). There is little to choose between the three states on economic policy.

Questions of corruption and accountability dog all three. In Kenya, the failure of the government to prosecute the key officials involved in the **Goldenberg** 'gold export' scam has cut the country off from IMF funds. Tanzania and Uganda still pull in aid but donors grow increasingly critical of their record on corruption. The three differ on the Congo war. Kenya backs **Laurent-Désiré Kabila's** regime in Kinshasa but has sent no troops. Uganda, with **Rwanda**, backs and tries to orchestrate the rebellion against Kabila. Tanzania maintains a healthy suspicion of both sides, partly because its own cabinet is split on the issue. Yet the three share common economic interests in the Congo. If the current east-west split prevails there, much more of eastern Congo's trade and traffic will be directed through EAC states into Indian Ocean and Asian trade routes.

In West Africa, as in the south, there are alternative regionalisation projects. The over-arching group is the 16-member Economic Community of West African States, established in 1975. Ecowas has moved slowly towards its goal of regional free movement of labour, capital and goods, and a common currency. Much of the problem is Francophone fear of **Nigeria**, whose economy and population dominate the region. Headquartered in Lagos, then Abuja, Ecowas was always seen by Francophone states as a Nigerian show, despite the Francophile diplomacy of President **Shelu Shagari**, General **Ibrahim Babangida** and latterly, Gen. **Sani Abacha's** regime. Francophone fears were reinforced when Ecowas took on a military role as the monitoring group, Ecomog, in **Liberia**, then in **Sierra Leone**. Again the Anglophone-Francophone fault line was tested: Nigeria, **Ghana** and Sierra Leone backed the Ecomog intervention, while **Côte d'Ivoire** and **Burkina Faso** covertly supported the fight against Ecomog forces by **Charles Taylor's** National Patriotic Front of Liberia. These tensions are tightened by Taylor's links to the Revolutionary United Front rebels in Sierra Leone.

Francophone states are as concerned with Nigeria's economic as with its military power. The smuggling of millions of gallons of cheap Nigerian gasoline has boosted neighbouring Francophone economies (while further debilitating Nigeria's) but Nigeria's decision a decade ago to float the naira has severely strained the fixed parity of the CFA franc with the French franc. That could happen again if the CFA is pegged at an uncompetitively high rate against a 'hard' Euro. The Francophone response has been to bolster its own linguistic-economic grouping, the *Union Economique et Monétaire Ouest-Africaine* (UEMOA, with the CFA as its common currency) whose plans for economic and commercial integration far outstrip Ecowas economic convergence plans.

Alongside the formal diplomacy and committees of regional economic groupings, another route towards regionalisation involves more Bismarckian plans of state merger and acquisition by single powers such as South Africa and Nigeria, and by alliances between

smaller states such as Rwanda and Uganda. The obvious targets in the next decade are **Lesotho** and **Swaziland**, where many see benefits in exchanging some national autonomy for further integration into an economic and political federation dominated by Pretoria. The Maputo corridor from north-eastern South Africa lays the ground for closer economic, and later political, integration between **Mozambique** and South Africa.

Such mergers are more likely to be pacific than Nigeria's relations with Liberia and Sierra Leone after almost a decade of civil war. Beneath Nigeria's pro-consular role as the leader of Ecomog and self-appointed political arbiter, Nigerian strategists watch the network of pay-back mechanisms involving Sierra Leone's diamonds and Liberia's rubber, timber and ore. Nigerian officers and their business friends have, like South African, **Lebanese** and **French** traders (not to mention successive governments in Freetown and Monrovia) profited from these flows. Yet people in Abuja reckon that Nigeria has received too small a return on its costly security commitment. At the least, they will seek a more favourable distribution of the spoils as the price of a planned *Pax Nigeriana*. The greatest fear of Taylor and the RUF is that an aggressively nationalist Nigerian government might try to force Liberia and Sierra Leone into a West African Anglophone federation, which a pro-Nigerian regime in **Gambia** might also be interested in joining, to escape **Senegal's** Francophone embrace.

Across the continent

On the other side of Africa, the forcible redrawing of *de facto* boundaries has been in train since the late 1970s. It began when Tanzania helped Ugandan dissidents to overthrow **Idi Amin Dada's** regime. The next stage was the alliance of 'Banyarwanda' and Ugandan dissidents in **Yoweri Museveni's** National Resistance Movement which, in 1986, became the first guerrilla movement to force out an African (rather than white colonial) regime. The pay-back was that Museveni's NRM would help the Banyarwanda - transformed into the *Front Patriotique Rwandais* - to win power in Kigali. After a false start in 1990, the FPR finally seized power after the genocide perpetrated by Hutu extremists grouped behind the late President **Juvénal Habyarimana's** regime.

Since 1994, Uganda and Rwanda have focussed on eastern Congo, which harboured hundreds of thousands of their opponents while holding out prospects of enormous riches if pacified and restructured. The Rwanda-Uganda alliance was the motor which chased **Mobutu Sese Seko** from power in May 1997 and installed Kabila as President. The relationship with Kabila soured within months; by August 1998, the Rwandan-Ugandan alliance actively supported, if not inspired, a rebellion against Kabila by dissident troops of the *Forces Armées Congolaises*.

Their troops have more than matched those of Kabila and his Angolan and Zimbabwean allies. But the Rwanda-Uganda alliance is divided, largely because Kigali and Kampala favour different factions among Kabila's opponents. Both know that it could spell catastrophe for them if Kabila (and his allies, the *Interahamwé*, the *génocidaires* and the **Sudanese** National Islamic Front) could turn the tables in the Great Lakes.

Such top-down reordering of state systems has touched many of Africa's 53 states. Equally significant pressures on the nation-state come from below: the impact of ethnic, regional and religious identities as mobilising forces for reform and, tragically, for war. There is a grim landscape of conflicts where ethnic and religious factors play a key role, from **Guinea-Bissau**, Senegal, Liberia and Sierra Leone in the west across the two Congos to **Burundi**,

Rwanda, Sudan, Somalia and Uganda in the centre and east.

Cultural ghosts

It has become much harder for regimes to stifle ethnic and religious consciousness in the name of national solidarity. Views of ethnic and religious structures are being revised across Africa. For years, according to historian **Leroy Vail**, ethnicity has been treated as a 'cultural ghost... an atavistic residue deriving from the distant past of rural Africa... [which] continues to refuse to obey the laws of social and political change.' In the blunt words of Mozambique's late President **Samora Machel**, 'For the nation to live, the tribe must die.'

Ethnicity has steadfastly refused to die, although ethnic identities have mutated according to economic and political circumstances. Much of Africa's ethnic map was established under colonial rule, in line with the European obsession with demarcating and classifying African and Asian populations. Ethnic classifications were sometimes as arbitrary as the state boundaries that contained them, owing more to European notions of culturally homogeneous 'tribes' than to the more complex and fluid African social reality. It was also convenient for the imperial powers to forge relations with the 'Big Men' (AC Vol 39 No 1) and their ethnically based constituencies.

The local Big Man provided the European administrators with control of a (usually) ethnically defined administrative unit. The Big Man delivered material and political goods to his ethnic constituency in return for its loyalty (the 'patron-client relationship') and became bigger still by using that role for personal accumulation - in other words, the commercial relationship which was central to colonial rule and has thrived in post-colonial times. At Independence, many African politicians rejected such political tribalism. Yet over the past century, the Big Men and their ethnic constituencies have proved surprisingly resilient. Their pervasive roots prompted the French political scientist, **Jean-François Bayart**, to write of the 'rhizome state', a subterranean network that informs most of Africa's political and business relations, official and unofficial.

Many of Africa's growing band of conflict resolution specialists now argue that ethnic organisations, and their participation in politics, are critical to social cohesion. They say that people faced with economic and social change and decay will naturally seek security in ethnic identities and communities. After almost 40 years of lop-sided military and unitary states, few people accept that ethnic identities should be sublimated for the greater good of nation building. The new orthodoxy maintains that, instead of being suppressed, ethnic identities should be accommodated. This is to be done through administrative and political decentralisation. African political scientists such as **Mwayila Tshiyembe** argue that as most African states are multi-ethnic, any legitimate and accountable political framework must be grounded in this reality. It must devolve power from the centre to ethnic and minority-based representatives.

Big Men in Europe and Africa

Looking north for confirmation, adherents of the new ethnic constitutionalism point to the revival of minority identities in Europe, firing up old conflicts in former **Yugoslavia** and **Albania**, once one-party rule started crumbling in the late 1980s. Opportunist politicians can spark ethnic conflict as readily in Europe as in Africa, where colonial state structures were superimposed on the continent's ethnic map. Against the arbitrariness of that map

hundreds of secessionist and irredentist groups have been trying to break free - with a notable lack of success. Only breakaway **Eritrea** has won international recognition, while breakaway Somaliland (northern **Somalia**) sits in relative peace and prosperity (compared to its southern sister), almost ignored by the international community.

African regimes which sponsor ethnic and religious violence as survival strategies are having to pay a higher price, locally and internationally. Regime-sponsored violence has sharpened national political conflicts and led donors and investors to block funds. Kenya's President **Moi** warned his Western critics that their insistence on multi-party politics would worsen ethnic competition; soon there followed state-sponsored attacks on Kikuyu farmers in the Rift Valley. The disputed 1997 national elections were both preceded and followed by attacks against so-called 'non-indigenes' (predominantly opposition supporters) in the Coastal Province. Kenya's biggest and most prosperous ethnic group, the Kikuyu, mainly supports parties which oppose **Moi's** Kalenjin-led alliance, the ruling Kenya African National Union. Many people are sure that the top echelons of KANU orchestrated the Rift Valley and Coastal attacks.

Sudan's National Islamic Front regime under the leadership of **Hassan Abdullah el Turabi** marketed its Islamist credentials after seizing power in 1989; it depicted the long-running war with southern oppositionists as a battle against infidels. This won substantial commercial and diplomatic returns from **Saudi Arabia** but the tap was turned off when El Turabi and the NIF took the side of **Iraqi** dictator **Saddam Hussein** against Saudi and the **United States**-led alliance in the 1990 Gulf War. Since then, the NIF regime has operated a pariah's alliance with Baghdad and the Sudanese opposition and foreign governments have long accused it of involvement in Iraq's chemical weapons programme (AC Vol 39 No 17). As the only Islamist government of a Sunni Muslim country, Sudan's NIF keeps close ties with Shia **Iran**. Skilful play with the Muslim solidarity card enables the NIF regime to maintain commercial and diplomatic ties with a wide range of conservative and radical states in the Middle East and Asia.

Islam versus Islamism

The NIF's association with Baghdad and Tehran, and its role as facilitator, trainer and sanctuary for terrorist operations, resulted in **United States**-backed sanctions, then bombing raids. Even in Sudan's mainly Muslim north, the NIF's Islamism doesn't win it loyalty. Despite (or because of) the battles between the **Algerian**, **Tunisian**, **Egyptian** and **Syrian** regimes and their Islamist opponents, Arab politicians still speak of Islam and Arab identity as unifying factors in North Africa and the Middle East. Where mainly Muslim and Christian populations meet, though, struggles are sharpening, often amid provocation by radical organisations.

Ranged against Islamist groups in South Africa, Nigeria, Mozambique, Tanzania, Kenya and Uganda are growing Christian fundamentalist groups. With funds coming principally from **Germany** and the USA, their politics owe much to America's religious right and their evangelical zeal is often as fervent as that of the Islamist jihadists. So far, no fundamentalist Christian groups have formed rebel militias like their Islamist opponents (such as Somalia's *Al Itihad al Islami*), although several ethnic and regional militias claim adherence to Christianity, including Ugandan **Joseph Kony's** Lord's Resistance Army - which is backed by the Islamist government in Khartoum.

Across sub-Saharan Africa, fast-growing fundamentalist

Christian groups preach spiritual redemption from Africa's economic and political decay. Their conservative message is the mirror opposite to the liberation theology that swept Latin America in the 1970s and 1980s (and backed the anti-apartheid movement in South Africa). Increasingly, the Christian fundamentalists' endorsement is sought by governments such as **Frederick Chiluba's** (himself a born-again Christian) in **Zambia** and **Benjamin Mkapa's** in Tanzania. In post-apartheid South Africa, the conservative Zionist Christian Church is courted assiduously by politicians in both the African National Congress and Inkatha.

The power of religious affiliations, like ethnic identities, to transcend other identities such as family, age, gender and occupation, makes them increasingly important. Ethnic and religious mobilisation has risen as the idea of a nation-state has weakened - in eastern and central Europe, as much as in Africa. For Africa, a critical factor was the turning of the nationalist anti-colonial political organisations, which enjoyed huge popular support, into top-down state-controlled monoliths. Those at the heads of these monoliths decided to tackle poor administrative capacity, weak and dependent economies (and, sometimes, dangerous local dissidents) by using the full force of the state to coopt or suppress centres of opposition. Political parties, even ruling ones, became redundant. So rose the monopoly state, which became an odd bundle of contradictions: authoritarian yet fragile; highly centralised yet dispersed; overdeveloped in size yet undeveloped in function; trumpeting national unity yet controlled by narrow personal cliques; nationalistically resistant to outside political pressures but weakly subordinate to economic ones.

Vulnerability to external economic forces has done most to undermine Africa's monopoly states. The material and social benefits that post-colonial governments delivered - health-care, education, employment and housing - have been cut away by economic failure. The relationship between Africa's monopoly states and economic failure seems to have been mutually reinforcing: top-down, unaccountable, personalised leadership crippled economic policy and its implementation, while the inherited structure of Africa's involvement in global production and trade encouraged political alienation and institutional collapse. Enter the World Bank and the IMF, which from the early 1980s onwards have taken over more and more of Africa's economic management or at least the management of Africa's formal relations with the world economy, through exchange rates, tariffs and debt payment.

Outside the IMF's grasp

Yet escaping the Bank and Fund's grasp is Africa's burgeoning informal and unrecorded economy, which includes everything from presidential slush funds, through the bribes that smallholders and traders must pay to take their produce across borders, to most operations by the continent's local food, commodity and mineral markets. A substantial part of African economic activity remains outside the scope of the Bank and Fund; several new studies seem to show that many of Africa's monopoly state leaders have skilfully avoided complying with most of the institutions' reform imperatives and have in some cases distorted them to serve local and personal political ends. For example, the alacrity with which some leaders have adopted privatisation programmes from the US Agency for International Development and World Bank can often be explained when the new owners of former state companies turn out to come from the presidential circle.

Just as important is the World Bank's own revisionist insistence on cutting the state down to size. Having spent much of the 1980s

advising African governments to cut public spending, sack civil servants and rein in state power, by the mid-1990s Bank strategists conceded that the process had gone too far. In Bankspeak, 'qualitative' not 'quantative' became the critical word. Some years earlier, **Edward 'Kim' Jaycox**, then Vice-President of the World Bank's Africa region, had told a small group of journalists that the Bank's biggest mistake in Ghana, its economic reform star of the 1980s, was its insistence on retrenching half of the civil service when the private sector was incapable of absorbing them or utilising their skills. Aside from the human costs, the policy alienated a major constituency for economic reform in the country. Jaycox was one of the first Bank officials to argue that adjustment and reform policies can't work as a *diktat* from Washington. Almost a decade later, the Fund and Bank are still trying to develop economic policies whose support extends beyond bureaucrats in Washington or African capitals.

Big men, big favourites

If Bank and Fund have found it problematic to impose economic conditions on African governments, Western governments have found the imposition of political conditions doubly problematic. Few African monopoly states had real economic autonomy but for their leaders, political control was a fact. The older generation of Big Men politicians and most of their successors have found it intolerable that Western governments claim the right to dictate clauses in a country's constitution (such as eligibility to stand for office in Zambia) or how its elections should be run. Western attempts to impose political conditions were another symptom of the weakening of African state sovereignty but in practice, the attempts were riven with ambivalence and inconsistency. While Moi was castigated for his dictatorial style, regimes favoured by the West in Ethiopia and Uganda were left to build up party monoliths in ways that Moi could only dream of after multi-party politics returned to Kenya in 1992.

Election monitoring became the great game for governments seeking to qualify for aid funds; foreign monitors therefore became extremely reluctant to dismiss any election as fraudulent. Code-words such as 'difficulties' or 'irregularities' became the currency of innumerable bland election reports which judged successive polls as 'basically free if not totally fair'. Organisations such as the Commonwealth acted both as technical advisors for the organisation of elections and as monitors and observers of the outcome. In most cases, African regimes have seen off externally-imposed political conditions even more effectively than economic ones, yet even thwarted attempts have helped change the political climate. The panoply of civil society, weak and coopted as it may be, has been brought into the process of elections and constitution-making. A real debate about citizenship, economic and political rights has started in many countries. And the experience of the past five years has stripped most African opposition movements of illusions about the profitability of petitioning foreign embassies about a regime's political abuses unless they can (in **Stalin's** phrase) put some divisions on the street.

Such gains, though, seem inconsequential when set against much broader changes in Africa's nation-states and state system. Following the general failure to impose external economic and political conditions, the West's relations with Africa have become increasingly privatised or 'de-stated'. Civic associations and private companies are again the vanguard of Western involvement in Africa. Their motives run the same range, from murderously malign to bountifully benign, as in the 19th century. The primacy

of intervention by private corporations and non-government organisations was spurred on by the prior privatisation and personalisation of the African state.

Yet reports of the death of the African state are exaggerated. The extent to which the state represents more than the personal interests of the dominant political faction varies enormously. There are the so-called shadow states, identified by an American political scientist, **William Reno**, in countries such as **Siaka Stevens'** Sierra Leone, where a leader may consolidate his power by deliberately undermining the state's formal institutions. Former Zaïre's Marshal Mobutu and Nigeria's Gen. Abacha both undermined the national armed forces in favour of their own security organisations, financed through their private networks. For a while, some states have ceased to exist altogether but there are signs, for example, in Somalia, that efforts to build a new administration may work out this year - albeit only, so far, in the north-eastern Puntland region.

In most countries, almost everyone wants to believe that the state still exists, whether or not they also hope to reform it. The state still provides the most convenient mechanism for economic and other diplomacy, even if sometimes as a cover for activities which have nothing to do with formal state functions. Even smugglers need borders. The state remains the prime focus of attention for political and civil society activists. In Africa's conflict zones, which have, sadly, increased over the past five years, different rules apply: foreign non-governmental organisations (NGOs), sometimes guarded by armed private agents, bring in medical and food aid, while the combatants and their political allies build up local fiefdoms over which they claim sovereignty. This is still part of the bigger battle for state power, the control of the (or maybe a) capital city and a 'national' constituency. The 19th century idea that a group of people in a given territory must belong to a state is proving stubbornly enduring.

What's happening in Central Africa, in Congo-Kinshasa and the related conflicts in **Congo-Brazzaville**, Angola, Rwanda, Burundi, Uganda and Sudan, is not about ending the state. It is about how many and what kinds of state there should be in Africa. Dauntingly and tragically, those questions look like being decided on the battlefield, not at the conference table.

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NAMIBIA

Out on a limb

Remote Caprivi is the route to Zambia and Zimbabwe and secessionism is growing

The first real test of post-Independence national unity looms with the emergence of a secessionist movement in Caprivi, the north-eastern region which provides the country's only direct connection to **Zambia** and **Zimbabwe**.

Namibia's success in largely avoiding the ethnic tensions that have plagued most of Africa is challenged by an exodus of almost 2,000

Caprivians to **Botswana** since October. Two years ago, the government set up the Special Field Force to absorb some of the 10,000 unemployed ex-combatants from the former People's Liberation Army of Namibia (PLAN). Now SFF security sweeps of Caprivi villages are exacerbating tensions and most of those seeking refuge in Botswana claim to be fleeing intimidation. The issue threatens to become another bone of contention between the two countries, which are already disputing the sovereignty of Kasikili island in the Chobe River: the first hearings on this are due to begin next month at the International Court of Justice in the Hague, **Netherlands**. Botswana's President **Festus Mogae** has pledged that no Caprivians will be forced to return to Namibia and

Small but strategic

The Caprivi Zipfel (Strip) is a 500-kilometre-long finger of land which connects north-eastern Namibia to **Botswana**, **Zambia** and **Zimbabwe**. It is named after a **German** Chancellor, General Count **Georg Leo von Caprivi**, who negotiated its transfer from **British** control to become German South West Africa at the Conference of Berlin in 1890. After the First World War, from 1918 to 1929, it was part of British-ruled Bechuanaland (now Botswana). It was then handed back to South West Africa under its new colonial master, **South Africa**. This is where the English-language influence stems from.

Caprivi comprises two distinct areas. Western Caprivi, which is only 30 km. wide, was a military zone before Independence and mainly comprises the Caprivi Game Reserve, with only scattered, mainly San, communities. Eastern Caprivi begins at Kongola on the Kwando River, and the Strip widens to 100 km. before narrowing to a point on the Zambezi. With abundant wildlife, fish and Namibia's most extensive forests, East Caprivi is encircled by rivers and much of it is frequently flooded: then mokoros (dug-out canoes) become the main means of transport.

most are expected to be granted asylum as refugees. This also raises the prospect of similar fissiparous tendencies in western Zambia's Barotseland, whose Lozi inhabitants are kinspeople of the Lozi-speaking majority of Caprivians.

At least a proportion of Caprivi's 50,000 inhabitants are evidently disaffected from the ruling South West Africa People's Organisation. This calls into question the main justification which the party leadership advanced for revising the constitution to provide a third five-year term of office for President **Sam Nujoma** (AC Vol 39 No 19). Both houses of parliament approved the amendment with the required two-thirds majority at the end of last year. One member of parliament has already called for Nujoma to become life president. Prime Minister **Hage Geingob**, one of the front-runners to succeed Nujoma, claimed the continued presence of Namibia's 'Founding Father' at the helm of state affairs was essential to preserve national unity. But Nujoma's reluctance to heed Caprivian resentment at the appointment of non-local officials to run the local regional government is just one factor in the present discontent.

The immediate crisis followed the exposure of alleged secessionist plotting by **Mishake Muyongo**, the former leader of the main opposition party, the DTA, in his home district of Linyanti in the south of Caprivi near the border with Botswana. Echoing government accusations of separatism, the DTA expelled Muyongo as President last July after he had reportedly held talks in **South Africa** with undisclosed supporters. However, there has been no independent evidence to support the government's charge that Muyongo and the hitherto unknown Caprivi

Liberation Movement (CLM) were actively planning an armed military rebellion. In late October, Muyongo with a group of 100 Caprivians, including the regional Governor **John Mabuku**, the Mafwe Chief, **Boniface Mamili**, and two of the DTA's regional councillors, fled across the border to Botswana where they were arrested for possessing firearms and initially detained in Mahalapye gaol. The Namibian press at first reported that they were heavily armed but the Botswanan authorities confiscated mainly hand-guns and ammunition.

Yet a week after Muyongo fled, the Chief of Staff of the Namibian Defence Force, Major General **Martin Shali**, accused him of being part of a 'terrorist organisation' which had been conducting military training of secessionists at a bush camp in Linyanti. Shali said the main evidence came from a police informant, **Victor Falali**, whose brother had been shot dead by Muyongo's supporters as he tried to escape from the camp. He said training there was carried out by former members of South Africa's colonial forces, the South West Africa Territorial Force and the 'Koevoet' counter-insurgency unit. Falali remains in police detention - perhaps to be produced as a state witness in any trial of Muyongo - and so far there has been no independent corroboration of Shali's claims. In November, a South African television crew attempting to interview Caprivian villagers was detained by police in the regional capital, Katima Mulilo, before being expelled.

In a nationwide broadcast early that month, Nujoma charged Muyongo with organising an 'armed rebellion' with the aim of securing Caprivi's secession. He warned that he and his supporters would be made to pay for 'a serious act of treason' and 'cold-blooded murder'. However, though he promised to explain 'the roots and purpose' of the alleged armed rebellion, the brunt of Nujoma's address was an invective against Muyongo, whom he described as having a history of dubious alliances based on wild dreams and miscalculations'.

Notably absent from the address was any reference to Muyongo's original political incarnation as SWAPO Vice-President from 1964 to 1980, as leader of the Caprivi African National Union. From CANU's ranks in the 1960s were recruited the first guerrilla fighters against South Africa's occupation of Namibia. Muyongo's role in the politics of SWAPO's exiled leadership was always far from smooth and he was expelled from SWAPO in 1980 on the grounds that he had advocated secession for Caprivi (under the name 'Ipilenge') although the party never made public any evidence.

Among the factors providing fertile ground for secessionism is the resentment of many Caprivians at being marginalised from the main government development programmes in the rest of the north. Apart from the promise of a sugar refinery, to have been built in Chief Mamili's area by Pidico, a firm owned by an **Egyptian** which has not carried out any of its announced investments in Namibia, there is little to show in Caprivi for nine years of Independence. Even the much vaunted Trans-Caprivi Highway, now nearing completion, will do little yet to improve communications with central Africa, as a bridge across the Zambezi will have to be built to give lorries direct access to Zambia. This is the responsibility of the Zambian government, to which the World Bank has refused further loans until it has paid outstanding arrears.

In a tactic straight out of the colonial recipe book, SWAPO has selectively supported pro-government tribal groupings thereby fanning ethnic tension. In Caprivi, the pro-government Masubia tribal leadership has benefitted at the expense of the Mafwe, while Chief **Kippe George** of the Kxoe, a minority San (Bushman) community in western Caprivi, was among those ignored in the list of officially recognised tribal authorities announced early last year. Secessionist supporters reportedly include education officials and police officers, as well as

students, mainly from Linyanti. This suggests that resentment among a significant minority may run deep.

In 1991, there were local protests when the new SWAPO government drafted in officials from outside the area; an official inquiry into the dispute remains unpublished. Although Caprivi is Namibia's potentially most productive area, producing the only significant subsistence maize harvest, the development of other crops, including rice, tobacco and sugar, has been neglected. Several pilot schemes started before Independence by the then First National Development Corporation, now the National Development Corporation (NDC), have still to proceed beyond the pilot stage. As a result, Caprivi has one of the highest unemployment rates among qualified school-leaver: some 5,000-6,000 matriculants are without jobs or further education. Yet it has one of Namibia's highest pass-rates under the **British** General Certificate of Secondary Education system introduced five years ago. In contrast to the rest of the country, where Afrikaans was the pre-Independence medium of instruction in black schools, English was widely used in Caprivi. This meant that local teachers were far better equipped to teach GCSE courses than the bulk of teachers elsewhere.

Muyongo may well now be finished as a credible national political figure yet the government's hopes of securing his return for a show trial look unrealistic. At first, the United Nations High Commissioner for Refugees' regional representative in Pretoria stated that Muyongo's initial group of escapees would not qualify for refugee status because of their membership of CLM. Most of the Caprivians (many of them women and children) who subsequently sought refuge in Botswana, including several hundred Kxoe, have been housed at the Dukwe refugee camp near Gaborone and have already been granted refugee status. The Botswana Refugee Advisory Committee will soon consider the case of Muyongo and his colleagues, who have applied for asylum.

They were released on bail shortly before Christmas and although they could still face prison if found guilty of illegal entry and possession of weapons, are unlikely to be returned to Namibia against their will. Geingob and Botswanan Vice-President **Seretse Khama Ian Khama** (AC Vol 39 No 25) met in Gaborone in November. Both sides agreed that local laws would determine the Caprivians' fate and the issue would not be allowed to cause any deterioration in their 'excellent' bilateral relations. However, this policy could be seriously strained if Botswana does grant Muyongo political asylum and continues to refuse Nujoma's demand for his extradition. The danger to Namibian national unity is that, as elsewhere, heavy-handed attempts by the central government to suppress a small separatist organisation might end up by alienating the majority of local inhabitants and increasing support for the secessionists.

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A Happy New Year to our Readers

Pointers

SUDAN

The long arm

The **Pinochet** effect persists in **Britain** with the trial, now expected this March, of a Sudanese doctor who is charged with committing torture and omitting to prevent it in Sudan (AC Vol 38 No 19). The trial had been due to open this coming week but on 6 January, defence lawyers asked for more time.

The Crown is prosecuting **Mohamed Ahmed Mahjoub 'El Fil'** under the United Nations Convention against Torture, which is incorporated into the Criminal Justice Act, 1988. This is the first such case in the UK. The hearing has been moved from Dundee, where Dr. Mohamed Ahmed works, to the High Court sitting in the Scottish capital, Edinburgh. If convicted of the charges, the defendant could face a maximum sentence of life imprisonment.

Also under the Convention against Torture, as incorporated in **Canada's** criminal code, Ottawa's Department of Justice and the Royal Canadian Mounted Police are investigating the boss of Sudan's external security organisation, **Qutbi el Mahdi**. He has Canadian nationality from his student days in the early 1980s. The Canadian media say he once worked for the Islamic African Relief Agency in Montreal. Later, he was the National Islamic Front government's Ambassador to **Iran**.

In October, *Africa Confidential* understands, Qutbi told Ottawa he wanted to visit, and to meet ministers. Officials reminded him of the small problem of the 1996 UN sanctions. Qutbi astonished them by replying that there was no problem, since he would use his Canadian passport for the trip.

The Justice Department and RCMP set to work, hoping to arrest Qutbi in Canada. But in late November, his impending visit was suddenly announced by a hitherto unknown group, Free South Sudan. It was uncertain who had leaked the news: Canadian officials avoiding embarrassment, the NIF or even the Sudanese opposition.

We understand officials are now 'actively' investigating him; an eventual arrest warrant could seriously restrict his travel options.

GHANA

Medical advice

Suffering from one of his recurrent bouts of malaria and against medical advice, President **Jerry John Rawlings** insisted on personally addressing, *inter alia*, the armed forces, the security services and foreign diplomats on the 17th anniversary of the 31st December revolution which brought the military Provisional National Defence Council to power.

In an emotional two-hour speech which even the government-owned 'Daily Graphic' called 'unfocused' and 'repetitive', Rawlings ranged over topics such as his lack of regret at the execution of two former heads of state in 1979 to his steward's propensity to water down liquor. He emphatically refuted continuing allegations that the late General **Sani Abacha's** security advisor, **Ismaila Gwarzo**, gave him US\$5 million for election campaign funds in 1996: 'I have not collected five bloody million foolish dollars,' he told the crowd.

Three weeks earlier in Sekondi, the ruling National Democratic Congress held its conference which set up a Consultative Committee as the party's top decision-making body. Conference made Rawlings NDC leader for life and therefore, by passing amendments to the party's constitution, automatic chairman of the Consultative Committee. This gives Rawlings a key role in politics, and probably in government, after his retirement as national President, which is scheduled to take place in 2000.

Only five of 2,000 NDC members at Sekondi publicly voiced opinions on Rawlings' new role. Privately, though, many said the changes seemed meant to undercut the NDC reform lobby, which is led by grassroots organisers **Sam Garba** and **Augustus 'Goosie' Tanoh** (AC Vol 39 No 23). Others worried about friction between Rawlings and his likely successor as NDC presidential candidate, Vice-President **John Atta-Mills**, who would remain subject to Rawlings' authority, even if he won the 2000 election.

ERITREA/ETHIOPIA

Who dares, loses

The moratorium on air attacks agreed after June's raids on Asmara and Makelle (and after phone calls by President **Bill Clinton** to Premier **Meles Zenawi** and President **Issayas Afewerki**) still holds. And internal and international pressures for peace (including ultra-discreet mediation, we hear) show signs of overcoming internal pressures for war. Nevertheless, deliveries last month greatly increased both Eritrea's and Ethiopia's air-strike capacity.

Eritrea had only a few airworthy MiG-21s, plus twelve **Italian**-manufactured MB-339Bs and **Finnish**-made Rodigo trainers, both converted into light attack planes. A Rodigo crashed in December, killing its Eritrean and **Rwandan** pilots. Now Asmara has acquired 8 or 10 MiG-29 'Fulcrum' fighters, interceptors with the range to reach Addis Ababa and some variants carry air-to-surface missiles.

Ethiopia has acquired eight Sukhoi SU-27 'Flanker' aircraft - long-range, high-payload ground-attack fighter-bombers. The **Israeli** government is still reluctant to allow the previously agreed sale to Addis Ababa of ten upgraded MiG-21 'Lancers' (AC Vol 39 No 17) by the Elbit company, which would later upgrade 50 MiG-21s and 23s.

Neither country, though, has pilots trained to

fly its latest warplanes. Freelance pilots, many ex-military, are plentiful in the Horn (as they were in Europe post-World War II) but how many of these (mainly ex-East Bloc) might want to go to war is another matter.

Ethiopian pilots are training in **Russia** but on MiG-23s (and on the Mi-24 and Mi-8 helicopters which were acquired in a US\$160 million deal in December). Both Addis Ababa's SU-27s and Asmara's MiG-29s are serviced and flown by Russian or East European 'advisers'. Eritrea's MiG-29s, acquired in an apparently private deal worth at least \$150 mn., were delivered by officials from Moscow's Ministry of Aviation Production. The MiG-29s and SU-27s have never been tested against each other and some see supplying both protagonists as a 'no loser' bid for wider export markets.

TUNISIA

More couscous?

Many of the country's elite were among those sentenced on 23 December after Tunisia's largest ever drugs trial. This was held amid deep secrecy and intense security and under a blanket reporting ban. Of the 139 defendants, the five judges acquitted 13, gaoled 'dozens' for a year or two and gave a couple the maximum of 35 years for trafficking in cocaine, heroin and ecstasy, for local consumption. Appeals to the *Cour de Cassation* are pending.

Some defence lawyers say their clients claim confessions were extracted under torture, including beating, sleep deprivation and ducking heads in soapy water. They also claim police intimidation in court to prevent the naming of the real ringleaders.

Five convicted were drugs squad officers from the *Brigade des Stupéfiants*. Thirteen people were tried *in absentia*, including **Khalid Bei**, a relation of the last king, whom Tunis wants to extradite from **Morocco**.

The case began back in December 1997 after a bust by the *Amn el Doula*, the political police. In the ensuing secrecy, unsubstantiated rumours thrived, especially among those who oppose corruption or who dislike the *nouveaux riches* born of the current privatisation process. Some defence lawyers claim that their clients implicated a close relative of President **Zein el Abidine Ben Ali's**.

In 1992, in the case known as the 'Couscous Connection', the President's older brother **Mouneef** was convicted of drug trafficking in **France** (AC Vol 33 No 20). Sentenced *in absentia* to ten years, he died two years later in Tunisia of (said the local press) a heart attack.

Some relatives of the President, who comes from a poor southern family, now rank among Tunisia's richest citizens. Business rivals accuse some presidential relatives of overriding regulations and building on archaeological sites. Such rumours and the drugs case have further weakened faith in the regime's probity.

AFRICA CONFIDENTIAL

LIBERIA

2

Mr. Taylor's West Africa

Sierra Leone, Ghana, Nigeria, Britain and the USA believe that Liberian President Charles Taylor has trained and armed the rebels of the Revolutionary United Front. Nothing could be further from the truth says Taylor but his fellow West African leaders find him unconvincing and alarming.

CONGO-KINSHASA 3

Central Africa's schism

Few take seriously President Nujoma's claims that a ceasefire in the Congo-Kinshasa war could be signed within a fortnight but there are growing signs that Kabila's foreign backers, beset by domestic problems, are looking for a face-saving exit.

MALI

5

Trial and error

Backstabbing for the succession is getting more vicious among barons of the ruling Adema coalition although few doubt that it will easily win the 2002 elections.

CAR

6

Dubious democracy

The UN's Minurca deployment is supposed to monitor CAR's questionable elections. Yet it can't do much about Patassé's military alliances designed to forestall any challenges from his opponents.

POINTERS

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Sudan/Iraq, Algeria/Niger, Britain/France, Côte d'Ivoire

Political chemistry; hornets' nest; autre entente; Abidjan's Anglos.

SIERRA LEONE

No surrender, no deal

President Kabbah has narrowly missed being overthrown again and still lacks a political strategy to deal with the RUF rebellion

Prospects for a political solution to Sierra Leone's rebel war seem to have perished along with the more than 2,000 civilians officially reckoned to have been killed in the Revolutionary United Front's assault on Freetown. Indeed, local sources say the death toll could be nearer 8,000 (at the height of the fighting 550 bodies were cremated on one day) and that excludes the current round of revenge killings and summary executions by the Kamajor hunter-militias and soldiers from the West African peacekeeping force, Ecomog.

While many Westerners and expatriate Sierra Leoneans argue that the RUF's brutal assault on Freetown and operations in the diamond-rich eastern region make negotiations unavoidable for President **Ahmad Tejan Kabbah's** government, the mood inside the country has hardened. 'No surrender, no negotiations' is the view on the Freetown streets, even among those who a month ago were pushing for a dialogue with RUF leaders and a pardon for leader **Foday Sankoh**, who was convicted of treason in October and is now held under **Nigerian** guard in Conakry, **Guinea**.

In Freetown, politicians have taken to walking around in army fatigues and toting guns, vowing vengeance against the RUF; perversely, the RUF assault may have helped the credibility of the Kabbah government, and the Kamajor and Civil Defence militias which are the people's last backstop against the RUF rebels. This time, with a few exceptions - such as the ruling Sierra Leone People's Party parliamentary leader, **Sana Marrah** - most of the government resisted the temptation to run when the RUF invaded Freetown. Politicians such as Energy Minister **Thaimu Bangura** and Trade and Industry Minister **Allie Bangura**, who had been advocating a political strategy to end the war, have now joined hawks such as Foreign Minister **James Jonah** and Information Minister **Julius Spencer**.

Crossed lines

For now, the determination of the predominantly Nigerian Ecomog forces matters most. Their commanding officers appear to have taken the RUF assault as a personal slight. Another problem is the apparently confused lines of communication between Nigeria's most senior officers: Ecomog Force Commander Major General **Timothy Shelpidi**, Sierra Leone Task Force Commander Brigadier Gen. **Ahmed Ahmadu** and the Chief of Defence Staff of the (virtually non-existent) Sierra Leone Army (SLA), Brig. Gen. **Maxwell Khobe**. Of the three, Khobe has the most hands-on experience in Sierra Leone but was overruled by the other two more senior officers.

Khobe's other problem was the loyalty of his Sierra Leonean forces. He had some 3,000 Sierra Leonean troops under his command, mainly drawn from forces which had surrendered to Ecomog after the West African force had dislodged Maj. **Johnny-Paul Koroma's** junta in Freetown last February (AC Vol 39 Nos 3 & 4). Khobe had warned in an address in Lungi in early December that divided loyalties among the SLA troops under his command was crippling anti-RUF operations. As the problem of SLA collaboration with rebels worsened, Ecomog was forced to withdraw from strategic towns in the interior such as Makeni. There also appeared to be critical failures of intelligence and security among some of Ecomog's senior officers.

The involvement of some Nigerian officers in diamond-mining operations in the east did not just distract them from peace-keeping operations and frustrate their troops (whose pay was months in arrears) but also caused major security breaches. Several clandestine RUF militants, male and female, offered their services to the Nigerian officers in their diamond-mining operations as a means of gathering information about Ecomog troop deployments.

Just as serious were the divisions within Kabbah's government over how to combat the RUF's growing fire power for four months prior to the RUF's near capture of Freetown on 6 January, reports had been circulating among ministers warning of such an operation. But the cabinet's decision-making was paralysed by its lack of influence over Ecomog on security issues, together with its generalised distrust of local militias such as the Kamajors and Civil Defence Force. Ministers widely

West Africa according to Mr. Taylor

Among others, **Ghana, Nigeria, Sierra Leone, Britain** and the **United States** believe **Liberian** President **Charles Taylor** has trained and armed the brutally effective rebels of Sierra Leone's Revolutionary United Front. Nothing could be further from the truth, says Mr. Taylor at tedious length on *Radio France Internationale* and the BBC. He insists that since his landslide election victory in July 1997, he has been working tirelessly for peace, democracy and national reconciliation.

Alternative versions are circulating. Firstly, that Taylor won his election mainly because voters were intimidated by his National Patriotic Front of Liberia, amid international indifference. Secondly that his ruling circle has in fact spent the past 18 months building up an impregnable network of overlapping domestic security agencies, training and re-equipping the RUF. And thirdly that a business empire is growing up, based on smuggled Sierra Leonean diamonds, and logging companies in south-east Liberia using child labour forcibly recruited by former NPFL commanders.

Taylor recently boasted to journalists that Liberia has the most effective guerrilla fighters in Africa. His 'vision' of West Africa extends beyond a Greater Liberia, which initially incorporated large and diamond-rich chunks of eastern Sierra Leone. It seems Taylor and his key ally, **Burkina Faso's** President **Blaise Compaoré**, envisage a string of military-style states from **Niger** through to **Guinea, Guinea Bissau** and **Gambia**. They would be led by younger, authoritarian leaders, happy to build a network of informal (often criminal) business operations, and grateful to Monrovia and Ouagadougou.

Many West African leaders find Taylor unconvincing and alarming. They are less worried by his failure to bring peace and development to Liberia than by his regional ambitions. The latest diplomatic assault started on 13 January when the US government announced it had categorical evidence of Taylor's material and logistical support for the RUF, and warned him to stop. Nigerian and European Union diplomats repeated that they had clear proof that Taylor had supplied and helped to coordinate RUF operations in Sierra Leone.

The evidence, we understand, is based on intercepts of satellite and mobile telephone conversations between Taylor's office and RUF commanders, including **Sam Bockarie** (alias 'Mosquito') and military coordinators close to Compaoré. Bockarie and his commanders have also been sighted cruising around Monrovia (where he has a house), protected by Liberian security. Sierra Leone's Chief of Staff, Brigadier

Maxwell Khobe (seconded from the Nigerian army), says Taylor sent some 2,000 former NPFL fighters into Freetown alongside the RUF. Even the shadowy Brigadier **Brobleh**, who runs a freelance guerrilla outfit called *Kata Kata* (Krio for 'confusion'), reckons there were at least 500 of Taylor's men in the Freetown attack. After they have wreaked vengeance on the RUF in their own country, many Sierra Leoneans demand that 'the war should be taken to Taylor.'

Taylor's envoys are hearing the message. Liberian Vice-President **Enoch Dogolea** arrived in Accra on 14 January to tell President **Jerry Rawlings** that the US and Nigerian accusations were all lies. The Ghanaian leader bluntly told him that Taylor was stabbing West Africa in the back, adding that the US evidence indicated the close involvement in the assault on Freetown not just of Taylor but of another West African leader (Compaoré) plus a North African (**Libya's Moammar el Gaddafi**). Rawlings ordered all Liberian refugees out of Ghana, telling Dogolea that if Taylor could afford a war against Sierra Leone, he could afford to look after his own migrants.

Rawlings, who gaoled Taylor in Accra in the mid-1980s, takes a particularly hard line. He had difficulty persuading his soldiers to join another Ecomog (West African peacekeeping force) operation but on 18 January, 500 extra Ghanaian troops were airlifted by a US troop carrier into Wilberforce Barracks in western Freetown to join the 18,000 Ecomog troops, most of them Nigerian.

Taylor had negotiated a brief rapprochement with the late General **Sani Abacha** and Foreign Minister **Tom Ikimi**. Abuja now thinks it was a huge mistake to appease Taylor, rushing through the 1997 elections and allowing him to build up a new seurocracy. Some military sources favour much tougher action, perhaps stretching to military support for Taylor's growing band of opponents. Yet most believe that restarting the Liberian war, with its multiplicity of warring factions, would be worse than letting Taylor stew in his own juice.

Immediately threatened by Taylor's vision of West Africa is President **Lansana Conté** of Guinea, shaky after winning a rigged election. Up in Liberia's north-east, **Ahmed Touré**, son of Guinea's first President **Ahmed Sekou Touré**, is assembling and training a rebel force helped by Liberian and Burkinabè soldiers. In turn, Conté is happy to accommodate anti-Taylor forces on his eastern borders. Now that Taylor's enemies include Guinea, Ghana, Nigeria and Sierra Leone, some of his fellow Liberians may be emboldened again to turn their fire on the man who claims to be West Africa's greatest guerrilla leader.

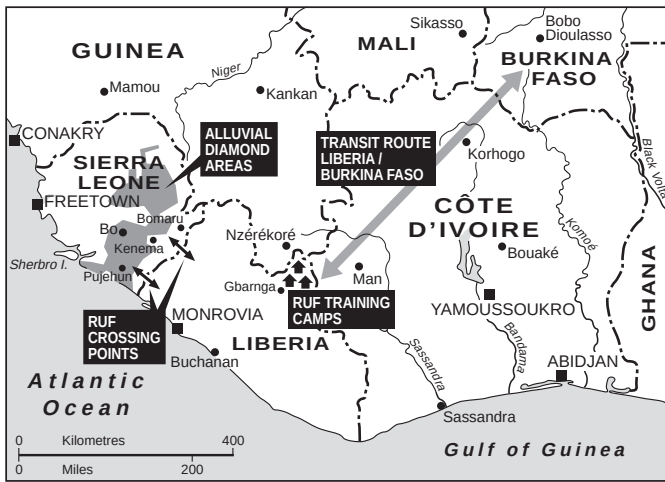
regard the Kamajors as a vehicle for Deputy Defence Minister **Sam Hinga Norman's** own political ambitions and so were reluctant to boost and update their firepower.

However, the speed of the RUF advance across Freetown in the week-ending 9 January surprised everyone. Within four days, on 6-10 January, RUF forces had captured all of eastern and central Freetown and about 70 per cent of the west of the city. The operation was a replica of Operation Octopus, the 1995 invasion of Monrovia by **Charles Taylor** and his National Patriotic Front of **Liberia**. For months before, RUF forces and their mercenary allies had been infiltrating Freetown and sneaking in weaponry and supplies past the poorly run check points, easily circumventing the main Ecomog checkpoint at Kossoh town, some twelve miles from the centre on the eastern route in.

The Ecomog counter-offensive, which got under way on 7 January, was codenamed 'Death before dishonour' in a bid to stiffen the poor morale of Nigeria's troops, who lacked both enthusiasm for a dangerous mission and respect for many senior officers. Within a week, Ecomog had dislodged the RUF from most

of its strategic positions, such as State House, but were not able to forestall the rebels' scorched earth tactics. One of our correspondents counted 500 buildings burned to ashes in central Freetown: the destroyed structures include the **Korean**-built City Hall, the famous Central Prison at Pademba Road, the headquarters of the Criminal Investigation Department, Central Police station, Defence Ministry (close to State House) and the **British**-built Big Market dating back to 1878.

By 19 January, Ecomog claimed total control of Freetown, including the Queen Elizabeth docks and the Kissy suburb. And Ecomog commander Shelpidi spoke optimistically of encircling the remaining rebel enclaves on the fringes of the capital, having inflicted a devastating blow on the RUF command structure. Khobe says the RUF will be crippled by the loss of four of its most effective commanders: Brig. '**Saj**' **Musa**, Col. **Aka Atim**, Col. '**Five Five**' **Sesay** and Col. **Jibril Massaquoi**. He also reported substantial progress against the RUF in the diamond areas where Ecomog had regained control in Kenema, Bo and Pujehun, but conceded that half of Kono District and all of Kailahun District



were still in rebel hands.

Aside from the military imperatives which will remain Ecomog's domain for the next year at least, the government immediately has to address a devastating emergency: some 20,000 Freetonians, evacuated from the east of the city, have crowded into the National Stadium. The arrival in Freetown of British vessel 'HMS Norfolk' on 18 January has helped to ease the crisis, as did the arrival of an **Italian** cargo ship the following day with emergency rice supplies.

HMS Norfolk is also giving some back-up support to Ecomog in terms of intelligence and reconnaissance capacity. We hear that British Foreign Minister **Robin Cook** will argue for an immediate lifting of the arms embargo against Nigeria at a meeting of European foreign ministers on 25 January. That, together with the battle plans of Ecomog commanders in Freetown, presages a major push against the RUF in the coming months. Out of that will come pressure for a complete restructuring of Sierra Leone's military. Only when President Kabbah's government has its own army will it be inclined to reopen negotiations with the RUF rebels.

● In the middle of the latest crisis in Sierra Leone, we heard the tragic news of the death of academic and writer **Stephen Riley**, a former lecturer at Freetown's Fourah Bay College. He will be much missed by his students and readers of *Africa Confidential*.

CONGO-KINSHASA

Central Africa's schism

Kabila is determined to fight on but his foreign backers are looking for an exit

'Peace in our time' was the message emerging from the 18 January Windhoek summit on the Congo-Kinshasa war. Yet sadly, President **Sam Nujoma**'s assurances of a new era of regional peace and the signing of a ceasefire in Lusaka within two weeks lacks much credibility. The substantive talks in Windhoek lasted just two hours, and leaders of the main rebel grouping, the *Rassemblement Congolais pour la Démocratie*, were excluded from the discussions again. The strongest grounds for optimism about a ceasefire of sorts are that the conflict's five main external backers (all under growing internal pressure) want a face-saving way out. That may help a de-escalation of the war and a phased withdrawal of some foreign troops (**Angola** has already substantially wound down its troop deployments) without pushing forward an agreement between President **Laurent-Désiré Kabila** and his armed opponents.

A chink of light flickered at the beginning of the year when Kabila said he was willing to talk to the rebels. This was the first time he had conceded that his regime faced a genuine internal rebellion rather than an invasion by **Rwandan** and **Ugandan** forces. But by 16 January, Kabila had rescinded the offer. 'I will never meet the rebels', he told a press conference in Lubumbashi. He added: 'They are puppets. If they come here, they will be killed.' With these words Kabila closed the door to negotiations. His determination to do just that had caused the cancellation of a regional conference on the war, which was to have been organised that same day by the Southern African Development Community. Its chairman, President **Frederick Chiluba** of **Zambia**, made the excuse that its members - 15 ministers of defence and of foreign affairs, including **Gabon**'s - needed more time for preparation.

Compromise is what the parties to the conflict sorely need. A victory for either side (with their foreign allies) is increasingly improbable. Kabila's Angolan allies are in deep trouble, given the startling success of the rebel *União Nacional para a Independência Total de Angola*, which has retaken almost all the territory it had lost to the government since the Lusaka accords in November 1994. Since Luanda's protégé in **Congo-Brazzaville**, General **Denis Sassou-Nguesso**, is also threatened, Angola has reduced its force in Congo-K to 2,500 men. A tumbling oil price and growing concerns about national security are eating into President **José Eduardo dos Santos**' ambitions to be the regional security manager for the Congo basin.

Moving Mugabe

The pro-Kabila alliance must therefore rely heavily upon the 8,000 - 10,000 **Zimbabwean** troops now deployed. Yet President **Robert Mugabe** faces opposition to the deployment both from the employers' federation and from the trade unions in Zimbabwe, whose unity on this issue is quietly welcomed by the donor governments, which have frozen the flow of aid - although, in December, those same donors pledged US\$2.2 billion for Uganda. President **Yoweri Museveni**'s government has at least said it disapproves of corruption, and admitted that it is worried about its part in the Congo war.

The military situation is confused. In Katanga the rebel forces have advanced and taken Pweto on the Zambian border. They control Nyunzu, 95 kilometres from Lubumbashi, which - according to sources close to their general staff - they intend to attack shortly. One indicator that an offensive may be due is the presence of the chief rebel strategist, **James Kabare**, formerly Kabila's chief of staff, who has been out of action for several months because of an injury.

Elsewhere the rival armies have advanced through each others' front lines, deep into each others' territory. In late December the rebels captured Moba town on Lake Tanganyika; Kabila's *Forces Armées Congolaises*, with Zimbabwean support, promptly bypassed the rebels' defences and shelled the town. On the central front the rebels consolidated their positions in mid-January, at Kalule in Manyema province and at Kongolo in North Katanga, preparing an offensive against Mbuji-Mayi, the capital both of Eastern Kasai and of the diamond trade.

In Equateur province, soldiers who used to serve in **Mobutu Sese Seko**'s army have been enlisted by the *Mouvement de Libération du Congo*, a rebel group formed in December, which is conducting an offensive with Ugandan help. The MLC is led by **Jean-Pierre Bemba**, son of **Bemba Saolona**, who in Mobutu's time was head of the *Association Nationale des Entreprises du Zaïre*. Its offensive is aimed at Mobutu's home town of Gbadolite, with its 3,000-metre

runway, suitable for large jets. In early January Bemba's forces almost captured Zongo, a town just across the Oubangui river from Bangui, capital of the **Central African Republic** (see CAR feature). Yet Bemba's soldiers too have suffered setbacks. Also in January, **Chadian** soldiers and Kabila's *kidogos* (boy soldiers, said by eyewitnesses to be often high on marijuana) recaptured Businga and Gemena, small towns which had been bombed in advance by Antonov aircraft piloted - according to the **France**-Congo network, based in Lyons - by **Sudanese**. During its counter-offensive, Kabila's army massacred 120 people at Zongo and 200 at Libenge.

The rebels lost control of Fizi town, in the mountains near Uvira in South Kivu. It was taken by Bembe resistance fighters commanded by Colonel **Njabiola**, formerly of Mobutu's army, in alliance with Hutu militiamen from **Burundi's** *Forces pour la Défense de la Démocratie*. The confusion helps explain the massacre, apparently by rebel forces, of 500 civilians in Makobola village, some 15 km. from Uvira; this was a reprisal against Bembe 'MaiMai' fighters who, during the week of 9-16 January, mounted an assault on Bukavu, near the **Rwanda** border, which the rebels held off with difficulty.

Bitter rivalry has broken out within the rebel leadership, between the Mobutists and the 'renovateurs' who are worried about the continuing unpopularity of the ex-Mobutists. **Vincent de Paul Lunda Bululu**, who served as prime minister under Mobutu, denounced the New Year speech given by **Ernest Wamba dia Wamba**, the RCD's leader and a renovator. Other prominent renovators are **Michel Tshibuabua**, an advisor to the RCD's 'foreign minister', **Bizima Karaha**; **Willy Mishiki**, a Nandi chief who left the MaiMai to join the RCD; and **Jean-François David**, a businessman who has a Congolese passport, a French passport, and a **Haitian** diplomatic passport. The renovators, who have collected 2,000 signatures from supporters, are also backed by **Arthur Z'Ahidi Ngoma**, a vice-president of the RCD, and **Deogratias Bugera**, a Congolese Tutsi who was previously number two in Kabila's government.

Renovating the RCD

The renovators argue that the RCD needs a wider base, with control of its steering committee. They would like to legitimise the rebellion, by organising local elections wherever possible. Wamba dia Wamba's speech attacked the RCD's Mobutists, saying: 'We reaffirm our militant stand against these former wreckers of the nation, who want to take the RCD hostage.' He made a similar appeal to the rebel army, praising the soldiers' courage, deploring their lack of equipment, blaming the shortages on the Mobutists, and promising to smash the guilty men. The split in the RCD is so deep that the parties have asked their Rwandan and Ugandan allies to arbitrate. It has been agreed to set up two commissions, to restructure the movement and bring the renovators back into full membership. The show of disunity comes as Bemba's MLC is emerging as a credible new focus for the anti-Kabila forces.

For Kabila, things are even harder. Some of his best troops are the 'former Katangese gendarmes', who reckon they did not get their fair share of the loot after helping Kabila to win his victory in May 1997. Some of them are threatening to go home to Angola, whose army wants them to re-enlist in the fight against **Jonas Savimbi** and UNITA; the Angolan army may yet remove Kabila's reserve of 6,000 ex-gendarmes, now in Viana camp, close to Luanda.

The economy is falling apart. Kabila tries to finance his war effort by selling forestry concessions to companies from **Malaysia**,

Argentina and **Egypt**. Former members of the Federation of Congolese Enterprises (FEC) think he is crazy to have made Decree 177, banning transactions in dollars. They think Decree 179 even worse; it compels diamond operators to sell their gems on the Congolese Precious Metals Exchange, which is run by an **Israeli** citizen, **Golan Ramy**. The immediate effect will be to encourage clandestine mining and unauthorised sales, by dealers who do not wish to be landed with unconvertible currency.

Arresting Masangu

The regime's remaining financial credibility was finished off by the arrest on 14 January of the Governor of the Central Bank of Congo, **Jean-Claude Masangu**. His offences were to oppose Decrees 177 and 179, and to fail to make timely payment of \$17 million due to an account held by the Zimbabwean army. Masangu's arrest immediately caused the Congolese franc to fall from 3.5 to 5 francs per dollar. Although Masangu and his deputy were released on 19 January, their future role is uncertain; Masangu was one of the few remaining internationally reputable figures in Kabila's regime. Kabila is also reported to have quarrelled with his key strategist, Minister in the President's Office **Pierre-Victor Mpyo**. The shortage of hard currency, the ban on using dollars, and the failure to control the price of petrol, have caused a fuel shortage in Kinshasa, where there have been several demonstrations in protest. Food is short in the capital, and prices have soared.

On the rebel side, too, local economies are under heavy pressure. The general disenchantment with the leadership on both sides is increasing support for **Etienne Tshisekedi**, leader of the *Union pour la Démocratie et le Progrès Social*, who wants negotiations between all parties, and the withdrawal of all foreign troops. But unless one side or the other wins outright, negotiations and reconciliation look improbable. The rebels have almost ruled out a deal with Kabila, by accusing him of genocide, after the anti-Tutsi pogroms in Kinshasa and the massacres of Banyamulenge in South Kivu. Government leaders in turn accuse the rebels of genocide, since the massacres at Kasika and Makobola, also in South Kivu.

Kabila himself, criticised in Kinshasa for incompetence and for fostering the hold on power of the 'Katanga mafia', is promoting ever more virulent notions of a 'Tutsi plot'. Anti-Tutsi propaganda has been elaborated into the regime's official ideology, in a style that recalls **Adolf Hitler's** campaign against the Jews. At Congo-Kinshasa's embassy in Brussels in December, Kabila publicly called the Tutsi 'slave-traders'; he described Rwanda's Vice-President, General **Paul Kagame**, as a sadist and a blood-drinker, and claimed that President Museveni had knowingly sent 1,500 HIV-positive soldiers to infect Congolese women.

The territory of Congo has over the past six months become de facto divided into two spheres of influence: one Ugandan-Rwandan, the other Angolan-Zimbabwean. Journalists already speak of a 'frontier' east of Mbuji-Mayi. None of the neighbouring, and warring, governments have actually proposed annexing any part of Congo - and the legal problems would be huge.

But in reality the nation is becoming two states, a process that an externally-negotiated ceasefire would do little to halt. The best hope is that if the main foreign backers withdraw from the conflict, pressure might increase on both Kabila and his opponents to seek a political settlement through the medium of a regional conference addressing economic, political and security concerns. For the past three years, France has been pushing for just such a conference; it may be that this time its proposals will get a better reception.

MALI

Trial and error

Faction fighting and an embarrassing dictator pose problems for the President

Backstabbing is getting more vicious among barons of the ruling *Alliance pour la Démocratie au Mali* (Adema). Few doubt that Adema will win the presidential election in 2002 by a walk-over. The fight within the ruling party is about who will be its flag-bearer to succeed President **Alpha Oumar Konaré** (AC Vol 39 No 16).

The ramshackle *Coordination des Partis Politiques de l'Opposition* (Coppo) is badly split along lines of age and personal enmity, not to mention political strategy. Opposition veterans, including **Mohammed Lamine Traoré** of the *Mouvement pour l'Indépendance, la Renaissance et l'Intégration Africaine* (MIRIA), a left-wing breakaway from Adema, accuse it of establishing a new one-party state since the near-total opposition boycott of the botched 1997 elections. Others complain that this argument now alienates potential voters. October saw the end of the mandate of the controversial *Commission Electorale Nationale Indépendante*, accused by opposition figures of corruption and nepotism: pessimists wonder what will take its place, with elections in rural communes

due in April. Coppo's doyen **Almamy Sylla**, of the hopelessly split *Rassemblement pour la Démocratie et le Progrès*, recently dismissed government initiatives meant to show progress on accountability as 'folklore'.

Pressure from Konaré for a national forum on electoral and constitutional changes has led to behind-the-scenes contacts between the high commands of Adema and Coppo. Yet the Adema barons' main concern is to secure a credible mandate for Konaré's successor in 2002. The turnout in 1997 was dismal - a point noted by Konaré's **Burkinabè** counterpart **Blaise Compaoré**, who pulled out the stops in November to secure a poll turnout near 60 per cent.

Adema is far from united. At the municipal elections in April 1998 (also boycotted by Coppo parties) Adema dissidents mounted their own electoral lists against local party establishments. The party elite has since split painfully down the middle over the recently created mayorship of Bamako, a key kingmaking post. **Boubacar Bâ**, Mayor of Bamako's Commune 5, is a close political ally of both *Assemblée Nationale* speaker **Aly Nouhoum Diallo** and Prime Minister (and Adema President) **Ibrahim Boubacar Keïta**. Konaré and his presidential strategists, however, fearing Diallo's growing influence, backed Adema Secretary General **Iba N'Diaye** against Bâ. Intimidated and fearing damage to his own presidential prospects, Keïta also stopped supporting Bâ, whose municipal council was debarred from office after N'Diaye got the nod. Recriminations will continue, especially if Keïta follows up

Many complaints, some satisfaction

The 144 employees of Timbuktu airport wrote to complain that their pay arrived late. They couldn't afford to travel across the desert and mountains to the capital, Bamako, to read their grievances aloud. But Justice Minister **Diabaté Hamidou** duly read their letter.

Sergeant (retired) **Cheick Coulibaly** had a grievance going back 30 years: he wanted compensation for five years spent doing hard labour because his political views did not match the then government's. Dressed in a white bubu and cap, he read his letter directly to Armed Forces and Veterans Minister **Mohamed Salia Sokona**.

Coulibaly was one of forty-odd personal petitioners to last month's EID. Here, this refers not to a Muslim festival but to the five-year-old *Espace d'Interpellation Démocratique* (Forum for Democratic Petitions), partly modelled on the direct democracy of old-time tribal councils. Once a year (this time on 10 December, the 50th anniversary of the Universal Declaration of Human Rights), Malians can submit their grievances directly to Premier **Ibrahim Boubacar Keïta** and his entire cabinet. Since 80 per cent of Malians do not know how to read, the EID is publicised on the radio in all 13 official languages. Last year, 269 people sent letters of complaint; 98 were invited to Bamako and over 40 read their letters aloud.

One woman complained of a badly performed circumcision. A young man had been maltreated in prison. A father of four couldn't afford CFA 7,500 (US\$15) per child for school enrolment. A medical student had been forgotten by the government while on a scholarship in Prague and left to fight for his life with skinheads. A man had been fired after a visiting **American** filed a sexual harassment charge. First wives spoke of the rights granted to second and third wives. And almost every sector of government was addressed.

Each complaint is limited to five minutes but the live broadcast of the EID - brightened by cheers and jeers, songs and skits - lasts 15 hours, for all of which a good proportion of the country's ten million citizens stay glued to the state television channel ORTM. For the benefit of foreign observers, most complaints are made in French, with many others in the most widespread language, Bambara. Many

citizens attend the **Chinese**-built Hall of Congress in colourful bubus, often without shoes. Male ministers wear European grey suits and ties, with the two female ministers (of Communication and Family) in bright traditional dress.

After the complaints have been read, the appropriate ministers respond; they have already seen all the letters and their prepared responses often sound perfunctory and bureaucratic. But the replies are officially recorded and may be reviewed the following year. The letter from the 144 Timbuktu airport employees is their second - last year's ministerial promise was presumably ignored.

Opposition leaders from far left to far right refuse to attend, mocking the EID as '*Espace d'Intoxication Démagogique*' (Forum for Demagogic Intoxication). They claim that the only grievances considered are those for which there is a ready answer and that ministers don't keep their promises. They call the EID an expensive public relations ploy designed to hide corruption and attract outside approval (aid accounts for 20 percent of the national budget).

Proceedings are observed by an honorary jury, which this time included **Laurence Ndadayé**, widow of **Burundi's** slain President **Melchior Ndadayé**, and guests from **Britain, France, Germany** and the International League for Human Rights, together with Malians representing women's, Muslim, Catholic and Protestant groups. After the public hearings, the jury makes policy recommendations; its ten proposals in December included increasing the education and health budgets, expediting laws against female circumcision (which **Senegal** has just banned) and improving gaols. In six months, some jurors will be invited back to evaluate progress. The 1997 jury made twelve recommendations and was impressed by the government's efforts.

Promises made to individuals often go unfulfilled. The Timbuktu workers may not get paid vacations and Sgt. Coulibaly may have to do without compensation, despite the Minister's promise that his case would be examined. Nevertheless, Mali is the only country in the world to risk an EID, which may explain why Timbuktu's airport workers stay at their jobs even when their pay fails to arrive.

the purge at a party congress that must be held by April. High-profile victims already include Diallo's deputy at the Assembly, **Bocar Sall**, and veteran fixer **Abderahamane Niang**.

Against this background, the on-off trial since October for 'economic crimes' of former dictator **Moussa Traoré** has proved a fiasco. On 12 January, Traoré, his wife **Mariam** (née Cissoko) and relative **Douah Abraham 'Ramos' Cissoko**, who was in charge of customs revenue before 1991, were condemned to death. Traoré's last Finance Minister, **Tiénan Coulibaly**, and two others, including a former Interior Minister, General **Sekou Ly**, were acquitted. Questions have been asked throughout the trial, including why the authorities refused to televise proceedings: Traoré's previous 1992 trial, for his regime's part in the deaths of over 100 protesters during his overthrow in 1991, was broadcast in full. This time, the defence lawyers, including **Senegalese** human rights specialist **Magatte Seye**, boycotted the proceedings, which they described as a travesty of justice.

The media blackout is seen by ordinary *Bamakois* as recognition that the prosecution (years in preparation) was hopelessly flawed. The guilty verdicts covered embezzlement of only CFA 202 million (US\$357,000); the Traoré fortune has been estimated at up to \$2 billion. Traoré pointedly refused immediate comment on the sentence, which he adds to a death sentence passed in 1992. There is no real likelihood of execution: neither Konaré nor any conceivable successor would risk the international condemnation this would bring.

Koran-carrying Traoré

Domestic opinion, outside the more radical left-leaning student circles, would also be outraged. In the weeks preceding the start of Ramadan in mid-December, Traoré ostentatiously arrived each morning carrying a Koran. He retains considerable sympathy among the country's regional Islamic dynasties, which Konaré cannot afford to alienate further. The death sentence on Mariam reflects the danger she still poses to the government, despite being gaoled since 1991. If acquitted, she could have concentrated on reviving the Traorés' once worldwide network of contacts in favour of the only opposition party that Adema strategists still take seriously: **Choguel Maïga's** *Mouvement Patriotique pour le Renouveau*. The MPR claims direct descent from Traoré's *Union Démocratique du Peuple Malien* and Maïga was the man Adema policy-makers approached in June for secret talks with Keita on a way out of the political impasse. If the MPR deserted Coppo, the opposition alliance would probably implode. Political progressives fear a nostalgia for the Traoré era, especially in rural areas.

Adema's other tricky proposition is privatisation. Finance Minister **Soumaïla Cissé** has cracked the whip over state enterprises, including power provider *Energie du Mali*, telecoms concern Sotelma (*Société des Télécommunications du Mali*) and the newly profitable cigarette maker, Sonatam (*Société Nationale des Tabacs et Allumettes du Mali*). Cissé wants selloffs, probably to **French** buyers, in 2000. So far, he has kept his private business interests far enough away to avoid controversies like those that have at times surrounded key ministries, including that of Mining.

Cissé may hope to build a presidential political coalition around his connections at the *Compagnie Malienne pour le Développement des Textiles*, the cotton parastatal often referred to as 'the state within the state'. Others in government are slow to move; these companies are the plums in the patronage game. **Vincent Bolloré**, a French magnate known as '*le Petit Prince*' for his armlock on many areas of the Franc Zone's service economy, is keen to add

Sonatam to his collection of ex-state tobacco enterprises.

Konaré and Adema are now confident that Paris will not inflict any pre-electoral dirty tricks on an administration that it has often disliked. Bad blood between Konaré and neo-Gaullists such as **Michel Dupuch**, head of the Elysée Palace's *cellule africain*, goes back at least as far as Konaré's refusal to travel to Dakar, Senegal, for French President **Jacques Chirac's** first presidential tour of Africa in July 1995. After a frustrating year for the would-be reformers of Africa policy in France's governing *Parti Socialiste*, Premier **Lionel Jospin** sees Konaré as one credible element in the new Franco-African relationship for which the PS hopes.

CENTRAL AFRICAN REPUBLIC

Dubious democracy

Election results can be fixed but it will be more difficult to contain the military fall out

On 10 January, soldiers of President **Ange-Félix Patassé's** Presidential Guard, led by General **François Djadder Bedaya**, set free **Théophile Sonny Colé**, veteran leader of the main union federation, the *Union Syndicale des Travailleurs Centrafricains*. Sonny Colé is now also coordinator of the new opposition alliance, the *Union des Forces Acquisées à la Paix et au Changement* (Union of Forces Supporting Peace and Change, UFAPC). He had been arrested the previous day for writing a tract the President called 'seditious'. Colé was beaten up during his arrest, losing two teeth and later needing stitches in his head; protest demonstrations followed.

It is widely feared that these events, immediately after the general elections of November-December and six months before the presidential poll that is due at the end of June, could lead to worse violence. The parliamentary polls - theoretically supervised by 2,000 men of the *Mission des Nations Unies en République Centrafricaine* (Minurca) - elected 109 deputies. (The previous National Assembly had only 85 members. It was presided over by **Hugues Dobozeni**, number two in Patassé's *Mouvement de Libération du Peuple Centrafricain*, MLPC, which has held power since 1993).

The results, as published by the Supreme Court and Minurca, gave the presidential party and its micro-party allies 51 seats, against 55 for the UFAPC; independents won three constituencies.

Just before the new Assembly opened, though, the MLPC (whose campaign was openly funded by **Chad, Congo-Kinshasa, Libya** and **Sudan**) won over two of the independents. The third, **Younous Sidick**, joined them after presidential supporters killed his son, an opposition activist, at the end of December. Now the '*Mouvance Présidentielle*' (Presidential Movement) had 54 seats. The UFAPC had already appointed **Abel Goumba** (73), veteran leader of the *Front Patriotique pour le Progrès*, to head the Assembly. But a few hours before parliament opened on 29 December, **Dieudonné Koudoufara** left the opposition *Parti Social Démocrate* and rejoined the presidential ranks. Now Patassé's supporters had 55 seats, the UFAPC, 54.

Disgusted by the defection of Koudoufara (who hails from Ouadda Djalé in the north-east), the PSD asked the Constitutional Court to declare the result invalid, on the grounds that all its candidates had signed a pre-electoral agreement on campaign

funding. The Court has yet to rule on the case. The opposition coalition, loudly protesting at 'le hold up' of its victory, tried to organise meetings and marches. The Presidential Guard dispersed them. Feelings ran high.

On 3 January, Patassé dismissed **Michel Gbezera Bria** as Premier and gave the job to his ex-Finance Minister, **Anicet Dologuélé**. His first assignment was to try to bring into government some young opposition figures from the south, to help national reconciliation ahead of the coming presidential election. Dologuélé, 42, is an official at the Yaounde-based *Banque des Etats de l'Afrique Centrale* (BEAC), with little experience of politics and may follow the lead of his boss, an expert fixer. More importantly, he is a nephew of **Antoine Ouanzala**, Patassé's former *Chef de Cabinet*, and comes from Ouham Pendé in the far west. He is Gonghe, the group which includes the Kare and Patassé's own Soumah Kaba peoples. On 11 January, at Patassé's instigation, the presidential deputies (now in the majority) chose the man who leads both the Gonghe and the MPLC's radical wing as President of the new Assembly instead of Goumba. This is **Luc-Apollinaire Dondon Kosnabaye**, who is also Patassé's ritual hairdresser.

Voters without borders

All significant opposition parties and politicians are in the UFAPC alliance. One of the ironies of pluralism is that (replacing the aging Goumba, who lost the previous presidential poll) the former military ruler **André Kolingba** has now been propelled into the position of leader of the opposition. The main political divide, emphasised by the rise of Dologuélé, Dondon and their Ouham Pendé allies, is between the 'Savaniers' of the north and the 'Riverains' of the south. Political parties are usually linked to a regional group and no significant leader stood in the multi-ethnic capital. Patassé and even the leaders of the left-wing parties stood in their home districts - Goumba in his native village of Kouango, along the Congo border east of Bangui, and **John-Paul Ngoupandé** in Dékoua, north of Sibut. Parties even get votes from their tribesfellows in neighbouring countries, many of whom cross the border to vote. At the last elections, many southern Chadians, mainly Sara and Kaba, voted MLPC, while many Congolese from Equateur, especially from the late **Mobutu Sese Seko's** Ngbandi people, voted for Kolingba's RDC.

Kolingba, representing the *Riverains*, is widely regarded as the only opposition politician with the support and credibility to go to a second round with Patassé, the *Savanier*. Moreover, Patassé knows that, if he does not win outright and the voting goes to a second round, his rival will pick up hefty support from the 'déçus de Patassé', the disappointed who backed him last time not for ethnic reasons but because they thought he might bring democracy (AC Vol 39 No 5). Democrats **Nicéphore Soglo** in **Benin** and **Albert Zafy** in **Madagascar** were both beaten in second-round votes by former dictators. To avoid that fate, Patassé is striving to ensure a first-round victory.

Patassé also risks being overthrown by the army and told *Africa Confidential* that he fears he might suffer the same treatment as did his friend **Pascal Lissouba** in **Congo-Brazzaville** at the hands of **Denis Sassou-Nguesso**. Yakoma soldiers have already mutinied three times; Kolingba is Yakoma and so are the best-trained 2,000 of the CAR's 6,000 army and security forces. Patassé has therefore formed a 3,000-strong praetorian guard of Kaba, Gbaya, Tale, Kare and Vale people from the north-west, known as 'Karako' after their base. They are backed up by ex-rebels from southern Chad, known as 'Codos Mbakara' (Sara for 'Bullet-proof Commandos'), who

formerly supported **Moïse Ketté** and the late **Frisson Laokein Bardé**, killed in June on the CAR border.

In 1996, Chad's ruler, General **Idriss Déby**, also assigned some 2,000 Chadian troops to safeguard Patassé's security (and his own); in CAR they are known as 'Ya pas la Temps' (sic) because they keep on moving. These Chadian forces are paid for by Colonel **Moammar el Gadaffi's** government.

On 18 December, the UN Security Council extended Minurca's mandate by one year; having supervised the disarming of the warring factions, it is now supposed to monitor the elections. It cannot do much about Patassé's intricate military alliances. Since 2,000 French troops left in 1998, he has signed defence agreements with Congo-K, **Nigeria** and Libya. Now he wants Congo-K's President **Laurent-Désiré Kabila** to help him fix up an accord with **Angola**, partly to avert the kind of bombing President Lissouba underwent in October 1997 in Congo-Brazzaville.

In 1996, Patassé signed defence pacts with both Chad and Sudan; Sudan's forces on occasion pursue Colonel **John Garang de Mabior's** Sudan People's Liberation Army right into CAR and often attack the SPLA from Mboki base in Zandeland, CAR, adjoining Congo and near Sudan. Chad and Sudan have used their accords with CAR to get themselves involved in the Congo-Kinshasa war. CAR itself repeatedly denies involvement (AC Vol 39 No 4). In early November, **Jean-Pierre Bemba's** *Mouvement de Libération du Congo*, supported by Yakoma former mutineers from the CAR army, defeated 3,000 Chadians, who were pre-positioned at Gbadolité in Ngbandi country to support Kabila's government. The Yakoma and Ngbandi belong to a single riverain group whose territory straddles the River Oubangui and so lies across the CAR-Congo border. Bemba and his supporters pursued Kabila's troops and the Chadians (who fled to Bangui), then set up positions in Zongo across the river from Bangui, in the territory of the Ngbaka, another cross-border people (See Congo Feature). Bemba is an Ngbaka from Equateur and the son of *Mobutiste* millionaire **Bemba Saolona**; Mobutu's security services relied heavily on Ngbandi and Ngbaka troops, who are now fighting alongside the rebels in Congo-K. On the CAR bank of the Oubangui, the Ngbaka are regarded as one of the *Riverain* peoples who oppose Patassé and his *Savaniers*. Both President (and Emperor) **Jean-Bedel Bokassa** and President **David Dacko** were Ngbaka.

CAR's cross-border ethnic and political alliances, and the usual political rivalry between *Riverains* and *Savaniers*, have helped involve it in Congo-K's international war, adding an extra danger to the existing instability.

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Pointers

SUDAN/IRAQ

Political chemistry

A key reason why the **United States** bombed *El Shifa* factory on 20 August (AC Vol 39 No 17) was because of its links to Iraq, *Africa Confidential* has learned. US and **British** intelligence feared the pharmaceuticals plant was a secret route by which Iraq was circumventing United Nations sanctions to import raw materials and components for its biological warfare (BW) and chemical warfare (CW) programmes. Combined with reports of weapons manufacture/storage, this triggered the attack.

In 1992, Iraqi intelligence boss **Wafiq el Samarai'i** defected to the Kurdish safe haven in northern Iraq. UN investigators and Western intelligence debriefed him. Though not immediately linked to the weapons of mass destruction programme, he knew of operations to conceal key elements from UN weapons inspectors and of how President **Saddam Hussein** had managed to buy inputs internationally. Most of his information was later verified.

El Samarai'i stated that Saddam had set up Samarra Drug Company as a front to buy materials abroad for the CW, and especially BW, programmes. He also said Samarra was the main location for hiding BW records.

Iraq had two other major front operations to buy 'dual use' goods on the world market, which could be used for civilian purposes or for manufacturing CW and BW: the Technical and Scientific Materials Imports Division (TSMID) and Agricultural Supplies Co. Modern pesticide, fertiliser or pharmaceutical plants are also normally multi-use and could be used for BW/CW production: in Western countries they are subjected to regular inspection.

For the most sensitive purchases, particularly from the USA or Europe, Iraq used Samarra Drug. In 1990, for example, Iraq cultured ten litres of ricin toxin as a BW agent. At Muthanna, this was weaponised into artillery shells and testing took place; Samarra procured the ricin. Muthanna is one of at least three dual-use establishments in Iraq where ordinary research/production also occurred.

Shifa officials publicly said they sought a manufacturing alliance with Samarra. A plant evaluation expert told us that with the UN embargo, such an alliance would not make economic (as opposed to political) sense. Shifa also had contracts to supply Iraq with drugs under the UN-agreed programme; US suspicions were aroused because Shifa negotiated the deal with Samarra. Private Sudanese air companies were contracted to fly the drugs from Khartoum directly to Samarra in Iraq. US suspicions were aroused because of Samarra's other activities.

NIGER/ALGERIA

Hornets' nest

Algerian troops raided into north-west Niger in late November, with approval and support from the government in Niamey, *Africa Confidential* has learned. Their target, in the Azaouak region (AC Vol 39 No 9), was a network set up by the *Comités de Vigilance de Tassara* (Tassara Vigilance Committees), usually referred to as '*Milices arabes*' ('Arab militias'). These are believed to send weapons and medical supplies across the border to Algeria's *Groupements* (or *Groupes*) *Islamiques Armés* (GIA). The Algerian army was probably hoping to wipe out the GIA squads which have made the Azaouak their safe haven. Four Nigerien soldiers were killed in the operation. So were a dozen GIA men; others fled towards the **Malian** border. Niger is politically and economically drained; President **Ibrahim Baré Maïnassara's** government is taking a big risk by confronting the militarily and financially powerful Islamists.

BRITAIN/FRANCE

Une autre entente

It is a reflection of how grave the region's spiralling conflicts are that Britain and France are now working more closely on Africa policy than at any time since General **Charles de Gaulle** established a base for the Free French (Resistance) in West Africa in 1940. We hear that this initiative is to be capped early this year by a joint Africa visit by Foreign Secretary **Robin Cook** and Foreign Minister **Hubert Védrine** - a diplomatic first.

This Paris-London cooperation is being driven more by Whitehall's Africanists (who have always envied the long hours that the *Quai d'Orsay* devotes to Africa compared to the short shrift the continent gets in the higher reaches of the Foreign and Commonwealth Office). It's also backed by enthusiasts in Paris who are fighting a rearguard action against a major switch of economic and diplomatic focus from Africa to the European Union.

Details of plans have emerged since the Franco-British summit in Saint-Malo on 3-4 December, attended by Cook and Védrine and premiers **Lionel Jospin** and **Tony Blair**. Both sides committed themselves to harmonising their policies in Africa, promoting debt relief and the EU tenets on human rights and good governance. They also agreed to exchange information on African developments, organise joint heads of mission conferences in Africa and promote regional integration, particularly between networks of Anglophone and Francophone countries.

As an experiment, they will establish Franco-British diplomatic missions in two African

countries where previously either London or Paris was not represented. For some months, Britain operated a mini-mission in **Burundi** next door to the French Embassy: the two cooperated extensively, sharing intelligence about arms flows and local politics. On 20 January, senior officials in the FCO's Africa Command went to Paris for discussions with colleagues at the *Quai* on the rising tide of African conflicts. They will also prepare the ground for a two-day joint meeting in London in early February on African security: countries on the agenda include **Angola**, **Congo-Brazzaville**, **Congo-Kinshasa** (AC Vol 39 No 24), **Liberia** and **Sierra Leone**.

While there is a growing consensus on Africa policy between Blair's Labour Party and Jospin's *Parti Socialiste*, news of such innovation hasn't yet persuaded the Elysée's Africa *cellule*, where would-be successors to **Jacques Foccart**, such as long-time Ambassador to **Côte d'Ivoire** **Michel Dupuch**, insist that Africa policy is best conducted at president-to-president level, through 'Big Men' and their personal envoys.

CÔTE D'IVOIRE

Abidjan's Anglos

Any diplomatic damage caused by the postponement of President **Henri Konan Bédié's** official visit to **Britain** (AC Vol 39 No 24) seems to have been repaired fast. Whitehall's Minister for Africa **Tony Lloyd** stopped over in Abidjan on a whistle-stop tour of West Africa in November to try to reschedule the trip for later this year. His *escale* may have helped save a major contract for a UK-based consortium considered at risk after the Bédié affair.

This was the US\$100 million development contract for the Locodjoro site in Abidjan port, an expansion including an industrial free zone, international container terminal and 'telecommunications gateway'. On 15 January, it was announced that London-based consortium Lodoco, headed by TCI Corporation and including Standard Chartered Bank, Christiani and Nielsen, OT Africa Line, Alexander Gibb and another shipping group, had won the contract.

Reinforcing British interest in Côte d'Ivoire is the London visit this month of rising political star and new Minister of Development, Planning and Programming **Tidjiane Thiam**, a 38 year-old formerly working for **American** management consultants McKinsey. He is in charge of Bédié's 'twelve great projects', which include the new port, a third bridge for Abidjan and the long overdue refurbishing and extension of the international airport.

UK companies believe that, thanks to Bédié's more even-handed policy towards *les Anglo-Saxons* (compared to his super-Francophile predecessor the late **Félix Houphouët-Boigny**), they can now make headway in **France's** business capital in Africa; Thiam's visit to London is likely to be a busy one.

AFRICA CONFIDENTIAL

NIGERIA

2

Who's counting?

Finance Minister Ismaila Usman and the IMF's Hiroyuki Hino have concluded that Nigeria's economic position is even worse than reported in the cautious budget a month ago. Hino and Usman have yet to sell their agreed reform package to the military rulers and incoming civilian politicians.

ANGOLA I

3

All about power

In the return to all-out war UNITA's aim is to strangle the key cities and provoke a revolt against President Dos Santos' government. Failing that, it hopes that with both sides tearing up the Lusaka Accord it may be possible to negotiate a better deal. Neither goal is realistic.

ANGOLA II

5

The President's men

Two main imperatives drove the formation of President Dos Santos' war cabinet: the need to find scapegoats for the country's crisis and a serious attempt to improve economic management.

COTE D'IVOIRE

6

Pushing out patronage

Ivorians are warming up for two battles this year: the first is about the struggle to decommission the state's creaking patronage machine; the second is for power between President Bédié and his challenger, Alassane Ouattara, in the run up to elections next year.

POINTERS

8

Liberia/South Africa, Zambia,

Frequent flyers; copper crunch; treaty testing.

SOUTH AFRICA/ITALY

Men of honour

For seven years Italian and American police have been trying to extradite Vito Palazzolo and now they may be too late

The net is finally closing around convicted money launderer and Cape Town bon viveur, **Vito Roberto Palazzolo**. He is wanted by the Italian police on charges (which he emphatically denies) of membership of the Sicilian mafia, drug trafficking and money laundering. Indeed an investigating judge in Sicily alleges that Palazzolo manages the investment portfolio of **Salvatore 'Toto' Riina**, the gaoled head of the notorious Corleone clan and still the 'boss of bosses'. Over the past seven years Italian attempts to extradite him from South Africa, backed by the **United States**, have failed, although new South African legislation makes membership of criminal gangs, including the mafia, an extraditable offence. The Palazzolo affair is now opening up mysterious facets of South Africa's police and security services, with implications for some political figures too.

Sources close to the case insist they are moving in on their target. They may be too late. Palazzolo is trying to sell two of his mansions in Cape Town and his farm, La Terre de Luc, in Franschhoek, Western Cape, perhaps wanting to liquidate his assets in South Africa, and move on. For convenient sanctuary, Palazzolo owns several farms in neighbouring **Namibia** (where he faces charges of diamond smuggling); in **Zimbabwe**, his **British** Virgin Islands company Cape International Holdings has banking interests; in **Angola**, he has a stake in the Camatue diamond concession, near the town of Lucapa.

Vita da boss

To back the latest extradition attempt, South African police have relaunched their investigation, from which more is emerging about Palazzolo's political and business networks in South Africa.

1. A cabinet meeting presided over by President **F.W. de Klerk** in March 1993 gave Palazzolo a residence permit, although at the time he was the subject of an Italian extradition warrant. In September 1993, De Klerk's government issued a passport to Palazzolo, despite continued reports from the Italian police about his alleged criminal activities. In January 1993, Palazzolo had written to Law and Order Minister **Hernus Kriel** asking him to tell the Minister of Home Affairs, **Eugene Louw**, that there were no objections to his requests for a residence permit. Palazzolo claims that Kriel had already written a similar letter for his use in **Switzerland**.

2. **Piet Viljoen**, the acting head of the Presidential Task Force investigating organised crime, has claimed that Palazzolo had compromising photographs of former Foreign Minister **Pik Botha**. Botha and Palazzolo's lawyer, **Norman Snitcher**, say there are no photographs. Botha told the Afrikaans daily, *Rapport*: 'I had nothing to do with Palazzolo. He was an acquaintance and a friend of the National Party in the Cape.' But Viljoen has told the Johannesburg *Weekly Mail and Guardian* that he had other photographs of Botha and Palazzolo together with an NP member of parliament, **Peet de Pontes**, who had helped Palazzolo get his South African residence permit. De Pontes was convicted of fraud in January 1991.

3. Dr. **Jan d'Oliveira**, now Attorney General for Gauteng, objected against the withdrawal of Palazzolo's residence permit in July 1991, although it had been established that Palazzolo had entered South Africa illegally in 1986, using a false passport after absconding from a Swiss gaol. After the representations by D'Oliveira, then Attorney General for Eastern Cape, Palazzolo requested a personal interview with the Minister of Home Affairs to draw attention to 'very important issues that I do not wish to put on paper because of the confidentiality thereof, other than to say it directly concerns the government.' D'Oliveira has since been consulted on successive occasions about the validity of Italian extradition warrants for Palazzolo, and has each time recommended that the warrants be dismissed. D'Oliveira, who has the distinction of running the prosecution of apartheid assassin **Eugene de Kock**, is currently in charge of all cases of organised crime reaching the office of the Director of National Prosecutions.

4. Palazzolo struck up a relationship in 1989 with **Anton Lubowski**, a Namibian and an activist in the South West African People's Organisation. In June 1989, Palazzolo's son **Christian** and his lawyer **Cyril Prisman** (who is now an acting judge) visited Lubowski in Windhoek. In the same

month, three payments totalling SA Rand 100,000 were mysteriously made into Lubowski's bank account by Global Capital Investments, a front company for the SA Department of Military Intelligence. In August 1989, Palazzolo invited Lubowski to a meeting in Switzerland. Lubowski returned to Namibia on 25 August and on 12 September was murdered by DMI agents. On 25 September, the Director General of the Home Affairs Ministry issued Palazzolo a visa to re-enter South Africa, to testify for the prosecution against Peet de Pontes, the MP mentioned above. Palazzolo helped the prosecutors prove that De Pontes had assisted the illegal immigration of an Italian financier (viz. Palazzolo) into South Africa.

5. Palazzolo was a generous contributor to NP funds, and knew the Deputy Minister for Constitutional and Provincial Affairs, **Tertius Delpont**, who advocated the lifting of the Reserve Bank's freeze on Palazzolo's assets in South Africa. Delpont's relative **P.J. 'Dup' de Bruyn** was Palazzolo's legal advisor.

6. The Presidential Task Force investigation into Palazzolo turned into a farce. It was headed by **Andre Lincoln**, who has since been arraigned on 46 counts of fraud and corruption. Palazzolo is a potential witness in Lincoln's trial, claiming that Lincoln owes him R11,000 from a trip the two made together to Angola. Police Inspector **Abraham Smith**, who also served on the Task Force investigation, alleged in an affidavit that Lincoln had known Palazzolo for some years before the investigation and had received a Volkswagen car from him prior to 1994, and that Palazzolo was informed about all the task force's major documentation.

Inspector Smith has told friends that he fears he will be murdered. In turn, Lincoln claims that his wife was warned by an African National Congress MP, **Reggie Oliphant**, that Lincoln was at risk of assassination. Lincoln had written to **Cyril Prisman**, Palazzolo's lawyer, apparently exonerating Palazzolo: 'No past or current investigation carried out by myself or my office can implicate your client in the extortion of Italian businessmen in South Africa . . . It has been a pleasure for me to assist your client.' Prisman said this letter would be used to defend Palazzolo against any attempt at extradition; Lincoln claims the letter was a ploy to make Palazzolo feel safe while the investigators continued their inquiries.

Criminal record

Palazzolo's known record includes the following facts. He was arrested in April 1984 by the Swiss authorities (on a warrant issued by a prosecutor in Rome) and later found guilty of financing drug-trafficking in Switzerland and elsewhere. (He was also indicted in a US federal court, along with 34 others, for conspiracy to import heroin into the USA.) In September 1985 he was sentenced in Switzerland to three years' imprisonment. On 26 December 1986, out on a 48-hour special pass, he absconded to South Africa. He arrived at Jan Smuts airport using the passport of his cell-mate **Stelio Frapolli**, and the NP MP De Pontes helped him to move on to the Ciskei 'homeland'. The Ciskei homeland was then the headquarters of the DMI's covert operations. There Palazzolo changed his named by deed poll to **Robert Von Palace Kolbatschenko**, claiming aristocratic German lineage, and applied for South African citizenship without disclosing his real name or his Swiss conviction.

After inviting an official of the Home Affairs Department, **Johan Scheffer**, to his farm at Franschoek, Palazzolo was granted a South African residence permit in December 1987. The following month he was arrested on a Swiss extradition warrant by Major **Andre Fouche**, who found some R500,000 of diamonds and several unlicensed weapons at the Franschoek farmhouse, together with

documents indicating that Palazzolo had invested more than R25 million in various companies in South Africa and Namibia. These findings were submitted to the Harms Commission's Inquiry into Cross-Border Irregularities.

Palazzolo went back to his Swiss jail. Meanwhile a senior state prosecutor in Eastern Cape told Palazzolo's lawyer, Prisman, that they were willing to drop charges if his client would act as a state witness in the prosecution of De Pontes on fraud charges. In October 1989, Palazzolo was in South Africa again, and with his family began building a formidable network of businesses.

Heads in the sand

He is directly involved in the Barrydale Ostrich Company; elsewhere his interests are represented either through his sons Christian or **Pietro**, or through the Von Palace Kolbatschenko (VPK) Trust. The trust, with offices in Cape Town's Greenpoint suburb, is affiliated to Palazzolo's Cape International Holdings. Among the 20-plus companies linked to him are Anglo-Cape Diamonds, Von Palace Cutting Works and La Vie Mineral Waters (Pty). One big foreign deal involved taking a 15 per cent stake in a valuable Angolan diamond concession, Camatue. Since a tax audit on him started in September 1997, he has argued that his only business enterprise in South Africa is the Franschoek farm, and that he has no other tax liabilities in the country.

Disagreeing with this and much else, the Italian police in February 1998 asked for Palazzolo's immediate detention prior to extradition, submitting detailed indictments to Pretoria. (Their case was supported by the legal attache of the US Federal Bureau of Investigation in Rome, **Bob Wright**.) The report from the investigating judge, **Alfredo Montalto**, alleges that Palazzolo, who was born in Terrasini, Sicily, in 1947, has been involved with the Sicilian branch of the *Cosa Nostra* (mafia) for more than 20 years, and links him to other alleged *mafiosi* sheltering in South Africa - **Giovanni Bonomo**, **Giuseppe Gelardi** and **Mariano Troia** charged with the assassination of the *mafioso* Christian Democrat Euro MP, and 'uomo di fiducia' of President **Giulio Andreotti**, **Salvatore Lima**.

The indictment says that Palazzolo's skills in financial engineering have secured him a leading role in the direction and international investment of the Sicilian mafia's funds, and in managing the property and investment portfolio of Salvatore 'Toto' Riina who won control of the cupola (governing commission) of the Sicilian mafia in the early 1980s. Around that time Palazzolo is said to have managed funds routed through Switzerland in the so-called Pizza Connection, in which millions of dollars worth of heroin were transported from **Turkey** to the USA. Italian and US intelligence officers estimate that Palazzolo laundered more than US\$1.5 billion through offshore companies and fronts from 1979 until his arrest in Switzerland in 1984.

Lately, South African investigators have reported that Palazzolo frequents Hemingways, a nightclub owned by his wife **Tsirtsas Grunfeldt**, and a favourite haunt of **Cyril Beeka**, a former DMI operative, and **Rashied Staggie** of the Hard Livings gang. Also part of the circle are the **Bracale** brothers of Avenue Watch security, **Edward Beeka** of Pro Security, former Death Squad operative **Dirk Coetzee** and another former DMI man, **Gert Nel**. In 1989 Coetzee repudiated his apartheid past and pledged loyalty to the ANC; he now works for the National Intelligence Agency, monitoring the group of Islamic activists called People Against Gangsterism and Drugs (Pagad). Coetzee's son, **Dirkie**, works for Palazzolo.

Whatever the outcome of the latest investigations, they point towards long-lasting ties between security operatives of the apartheid state and organised crime - ties which survived the demise of the NP government in 1994. This helps explain why organised criminals, and the mafia, have targeted Southern Africa for drug trafficking, money laundering and car theft since the late 1980s. The Italian police claim that the mafia's international operators like South Africa, with its infrastructure (better telephones than Italy's) but well away from prying policemen. Unless these sinister links are broken, South Africa's shaky reputation as a safe place to live and do business in will sink further.

NIGERIA

Who's counting?

Talks between Abuja and the IMF reveal an even grimmer economic picture this year

Nigeria's politicians, soldiers, bankers, farmers, taxi drivers and creditors all know that the economy is weaker than at any time since Independence in 1960. Indeed, the figures agreed between officials in the International Monetary Fund and Nigeria's Finance Ministry in their recent negotiations show an even more alarming picture than has been publicly acknowledged so far. In his 4 January budget, Nigeria's head of state, General **Abdulsalami Abubakar**, hoped the ailing economy would grow by at least 3 per cent this year, despite plunging world oil prices.

However, with the government assuming an average oil price for 1999 of US\$9 a barrel, oil revenues are projected at \$7.9 billion, barely half the 1997 output of \$15.2 bn. Oil exports constitute some 95 per cent of export earnings. Officials privately say this will mean negative growth and a potential economic catastrophe for the incoming civilian administration due to take the reins at the end of May.

Negotiations in January between the Finance Minister, **Mallam Ismaila Usman**, and an IMF delegation headed by the Japanese senior advisor in the Africa Department, **Hiroyuki Hino**, concluded that the economy was in fact likely to contract by at least 1.6 per cent in 1999. Again, some Nigerian officials still regard even that assessment as overly optimistic.

The other figures used to draw up the strategy for Nigeria's standby programme with the IMF are just as sobering. Reflecting the oil price crash, exports are projected to fall by 15.7 per cent. And, unheard of in an election year in Nigeria, imports are projected to fall by 4.3 per cent; if that happens these will be Nigeria's cheapest elections (and civilian government) on record.

The collapse in prices from mid-1998 onward has already led to a balance-of-payments crisis and severe public spending cuts. Although Nigerian and IMF officials are working on the basis of a financing gap of \$1.5 bn. this year, if the oil price dips below an average of \$9, this gap could widen to as much as \$3-4 bn. Gen. Abubakar announced that international reserves stood at \$7.6 bn. at the end of November, and some fear that the civilian government will have to raid these reserves to staunch the spending gap. Questions are also being raised about how the current exchange rate strategy of a floor rate of N90:US\$1 can be sustained in the face of free-falling foreign exchange earnings.

It is perhaps for these reasons that Hino emphasised that under the terms of the mooted IMF programme, Abuja should consult

with the IMF if strong pressures for depreciation persist, even after monetary policy is tightened. Hino also referred in a letter to the Finance Ministry on 22 January to an agreement about a thorough review conducted by Nigerian officials, with IMF assistance, of laws 'establishing the main principles and institutions in the areas of accountability and the rule of law'. The purpose of this review, Hino says, is to allow the incoming government 'to consider whether existing arrangements should be strengthened or revamped'.

More perspicacious officials in Abuja harbour no illusions about the economic dangers. Hino's IMF team departed with a promise to try to secure not just a staff-monitored standby programme (at which funds are drawn down at near commercial interest rates) but also early agreement on a substantial Enhanced Structural Adjustment Facility, which might encourage other more cautious donors and help prepare the ground for talks with the Paris Club of official creditors. Most of all Nigeria has to establish a track record for effective and accountable economic management.

Yet many within the military's Provisional Ruling Council remain sceptical about the blossoming relationship between Nigeria and the IMF, preferring instead the eccentric, homespun economics of the Chairman of the National Economic Intelligence Committee, **Sam Aluko**. The policy reforms required of Nigeria to qualify for IMF support have therefore been made extremely modest:

- By the end of February the government has to submit externally audited NNPC accounts for 1997 and publish them by the end of May, as well as appoint financial advisors for the privatisation of the state-owned fertilizer plants, telephone companies, electricity company and national airline;
- By the end of May, the government has to enact a new regulatory framework for the sale and distribution of gasoline and other petroleum products - in other words, further cut the subsidy on local gasoline sales;
- By the end of July, the government has to publish a full accounting of NNPC's oil production and refining operations as well as submit externally-audited accounts for 1998;
- By the end of September, the state telephone company, NITEL, should be ready for sale and a final decision should be made on the restructuring of the state electricity corporation, NEPA.

Doubts and debtors

It is by no means certain, however, that incoming civilians, thus far kept out of the loop on the dismal state of the economy, will honour commitments entered into by Gen. **Abubakar** or that donors, to whom Nigeria already owes well in excess of \$20 bn. will abandon their present scepticism. They at least will demand a full reconciliation of Nigeria's outstanding debt, presently estimated at \$26 bn. by government, \$28 bn. by the IMF and \$31 bn. by the World Bank. However fast they move, **Britain's** Crown Agents, who are working with Central Bank and Finance Ministry officials in Abuja, don't expect to have reliable debt figures until towards the end of the year.

Politicians, civilian and khaki alike, are reluctant to start a difficult economic debate in the middle of the political transition with so much regional instability. Instead, Gen. Abubakar's government is trying to herd its civilian successors into an economic strategy agreed in advance with the IMF. How well that works will be clearer after they hold discussions in early March with the successful candidates in the Presidential and National Assembly elections. Officials in Abuja say that it's not just for them and the politicians to reach agreement, there will also be a more national public debate on economic strategy. Only then, they insist, will a Nigerian standby programme be put to the IMF board later in the month.

ANGOLA

All about power

Jonas Savimbi's aims are clear but they are unlikely to prevail

What does **Jonas Savimbi's** *União Nacional para a Independência Total de Angola* hope to gain from the return to all-out war? Power, of course. Savimbi's specific aim is to strangle the key cities and thus provoke a revolt against President **José Eduardo dos Santos'** government. Failing that, Savimbi may hope that, with both sides tearing up the 1994 Lusaka peace accords, it may be possible to renegotiate a better political deal. Neither aim is likely to succeed.

Should President Dos Santos be pushed from power, his probable successor would be a military man, even harder against Savimbi. UNITA's impressive military performance over the past three months shows that the government was unprepared and poorly coordinated. But it is inconceivable that the government's *Forças Armadas Angolanas*, under General **João de Baptista Matos**, the Chief of General Staff, would allow UNITA to keep the initiative for long enough to renegotiate a political accord.

For now, UNITA plans to stave off government offensives in the planalto (central highlands) while gaining as much terrain as it can in the north and north-east. The fall of the capital of Zaire province, M'banza Congo, is seen by some nervous oil companies as part of a threat to the oil-producing centre of Soyo on the Atlantic coast. But M'banza Congo is more than 150 kilometres of hard fighting country from Soyo, for whose defence the government is piling in troops.

Oil company managers are worried that UNITA may switch from its well-tested guerrilla tactics to urban and economic sabotage, pressuring the companies, which produce the government's economic life blood, into at least a temporary shut-down. The oil majors, pinched by the lowest oil prices for a decade, do not want to face vast new security and staff protection budgets. Hitherto UNITA has not made physical threats against the oil companies, as it wanted to work with them once it gained power. For that, some oil companies paid UNITA the odd backhander. Attacking oil installations or personnel would serve little strategic purpose (and the toughest, such as **France's** Elf Aquitaine, would probably stay to take advantage of their competitors' faintheartedness). UNITA commanders, with limited resources, have a greater need to hold onto the diamond-rich Lunda Norte and Lunda Sul provinces, where there have been fierce clashes with government troops, notably around Luzamba.

Despite United Nations' sanctions, **South African, Lebanese, Nigerian** and **Portuguese** dealers fly into UNITA areas to barter arms for diamonds. Weapons have also arrived from Eastern Europe through **Uganda**, which some senior UNITA leaders - including Savimbi himself - have visited. The degree of official connivance in these trips and arms supplies isn't clear: UNITA desperately wants new allies, particularly among the rebels in **Congo-Kinshasa** (and their Ugandan and **Rwandan** allies). **Laurent-Désiré Kabila's** claims that UNITA was helping the Congo rebels persuaded Dos Santos to join the pro-Kabila alliance in August (AC Vol 39 No 16). UNITA has also exploited its refugee supporters in **Zambia**. Several Ovimbundu businessmen with Zambian passports have helped Savimbi, and the Zambian

government has ignored them.

In December, the Congress of the ruling *Movimento Popular de Libertação de Angola* backed the government's decision to make a fresh assault on Bailundo, Nharea and Andulo, UNITA's main strongholds in the planalto. The FAA was surprised by UNITA's firepower, and its first efforts proved fruitless. Savimbi has been preparing to fight since he signed the Lusaka accords in 1994, as several high-ranking defectors from UNITA had made clear. The government was still unprepared.

Older UNITA commanders such as Gen. **Demóstenese Amós Chilingutula**, who has fallen out with Savimbi, served in the Portuguese army and mingled with other Angolans. So did the impressive Brigadier **Isaías Samakuva**, UNITA's former Representative on the Joint Commission meant to oversee implementation of the peace accords. But most UNITA commanders are young and have met urban Angolans only in war, having been raised in UNITA's occupied zones in the bush and trained by South Africans and **Moroccans**.

These officers are deeply suspicious of anyone who deals with the government, and believe that the Angolan *mestizos* who are prominent in Luanda would put them to work on coffee plantations, given a chance. Brokering a deal between them and the MPLA will be even tougher than the last negotiations, and might only encourage both sides to seek the elusive military victory.

UNITA is also determined to defend its bastions on the central Angolan plateau, the Ovimbundu heartland. The reasons are symbolic, historical and practical. Bailundo, their headquarters, is the seat of the supreme Ovimbundu king; Andulo in Bie Province is Savimbi's home town. By persistence, government troops may get there, but the resistance will be dogged.

A dictator's style

UNITA wants to avoid a rerun of the 1975 and 1994 scenarios, when the government forced it out of Huambo in the Central Highlands into the remote, underpopulated south-east. The central plateau remains a plentiful source of recruits, from which both UNITA and the government have press-ganged teenagers. For a long war, however, the plateau has drawbacks: without thick forests it is vulnerable to air-strikes, and its vast population makes it easy to infiltrate UNITA structures. The UNITA leadership has therefore been relocating to the north of the country.

In wartime, Savimbi's dictatorial style plays better. No commander, not even his Chief of Staff **Altino Bango Sapalalo 'Bock'**, is allowed even a broad picture of what is going on. Only Savimbi knows the locations of the secret dumps of fuel and arms, and of the many airstrips from which supplies are transported to the front. Savimbi's personal grip means that even the most high-placed defectors cannot give the government precise information.

Many senior commanders knew nothing about their colleagues who had been trained in Morocco. These men, now in command of UNITA forces, were strictly ordered not to speak Portuguese and told to say they were from Rwanda. Also, few UNITA officials know much about the operations of **José Pedro Katchiungo**, a former student in Lisbon, and **John Marques Kakumba**, a wealthy Abidjan-based businessman with strong links to West African leaders. They have been crucial in organising arms flights into Angola.

Savimbi hopes to profit from tensions within the MPLA. His own organisation too has many (not so open) dissenters. Many of UNITA's overseas representatives, and its numerous students in Europe and Africa, have been kept short of money, since most of

The President's men

Two main imperatives drove the formation of President **José Eduardo dos Santos'** war cabinet, announced on 30 January: the need to find scapegoats for Angola's appalling economic and military problems and a serious attempt to improve the quality of economic management. President Dos Santos says he is taking personal charge of the two wars, against *União Nacional para a Independência Total de Angola* and against economic devastation. He is to form a 'permanent commission' made up of selected ministers to serve as a link between the presidency and the cabinet.

President Dos Santos blames Angola's near-collapsed economy on the war with UNITA and on the three successive premierships of **Fernando França VanDuném** (July 1991-November 1992), **Marcolino José Carlos Moco** (November 1992-June 1996), then the second coming of França VanDuném (June 1996-January 1999). The prime ministers accused the presidency (*Futungo de Belas*) of denying them real power, especially over budgetary matters.

Yet, VanDuném appointed the same weak economic team in both governments: **Emanuel Moreira Carneiro**, Planning; **Sebastião Bastos Lavrador**, Governor of the National Bank, and **Mario de Alcantara Monteiro**, Minister of Finance. They won credibility neither with Angolans, nor with the International Monetary Fund and World Bank.

Policy battles between Futungo and the premiership were supposed to end with the appointment of **José Leitao da Costa e Silva** as new Prime Minister. Leitao has been operating behind the scenes as de facto Vice-President and economic czar. Cigar-chomping Leitao is not only very bright but is also a workaholic. But he is also desperately shy and would find the public and ceremonial duties of the premiership irksome. So Dos Santos abolished the premiership and appointed a heavy-hitting new economic team. At its head is Finance Minister **Joaquim Duarte da Costa David**, who has been head of the state oil company Sonangol for the past decade. David worked his way through engineering school as an air-traffic controller and Dos Santos selected him over more than a dozen lobbyists for the finance post. David is regarded by foreign oil companies as professional and fair, and free from accusations of corruption that plague business in Angola.

Number two as National bank governor is the highly respected **Aginaldo Jaime**. He was Finance Minister from 1990 to 1993 before resigning in frustration at the sidelining of his economic reforms. He left Luanda to join the African Development Bank in Abidjan, where he became the chef de cabinet to ADB President **Babacar N'Diaye**. He returned to Angola last year and launched Angola's first private bank, *Banco Africano de Investimento*. Given the bank's success and his previous frustrations in government, Jaime was reluctant to return to public office.

UNITA leader **Jonas Savimbi** has again criticised the government for having too many whites and *mesticos*. Both Carneiro and Lavrador are white and are replaced as leaders of the economic team by David and Jaime who are Ovimbundu, (Savimbi's ethnic group).

But their appointments are more about improving management than meeting Savimbi's criticisms. More than a quarter of the new cabinet is Ovimbundu and, excepting Dr. **Jorge Alicerces Valentim**, they are among the most talented in the government.

Number three in the economic team is **Ana Dias Lourenço**. She replaces her former boss, Manuel Carneiro, whom she served well as Deputy Minister. Well-regarded in the IMF and World Bank's Washington headquarters, she is married to *Movimento Popular de Libertação de Angola* Information Secretary **João Manuel Gonçalves Lourenço**. The economic team will receive strong support from the hard-headed **Albina Faria de Assis Pereira Africano**, previously Minister of Petroleum and now Minister of Industry.

The new team's room for manoeuvre will widen when the signature bonuses for the new ultra deep-water blocks are paid. The three new blocks 31-33 will be operated respectively by British Petroleum, Elf Aquitaine and Exxon. Under Joaquim David, Sonangol negotiated unprecedented bonuses for the new blocks. Less than a year ago the oil companies thought they would have to double the highest bonuses paid previously, roughly US\$100 million for each block. Now the main operators in each block are engaged in negotiations with their partners and about the division of payments. The final total payment to government will be some \$1 billion.

If the technocrats in the new economic team win the arguments and use part of the signature bonus to pay off some of the major creditors, this could help efforts for a wider debt restructuring and structural adjustment credits from the IMF. The government would have to submit to tough accountability criteria, including audits of Sonangol and the National Bank, but could win access to much more competitive credits than the usurious oil mortgage-based deals it has negotiated in recent years.

Kundy Payama's replacement of General **Pedro Sebastião** as Defence Minister is partly scapegoating Sebastião for the government's military setbacks last year and partly rewarding Payama, who won the largest number of votes at the MPLA's congress in December. Traditionally, the Defence Minister has been quiescent and stayed away from the Chairman of the Joint Chiefs of Staff. Sebastião, dapper and articulate, had been highly visible and represented Angola at a number of international meetings, including the Paris Francophone summit in December and the summit in **Namibia on Congo-Kinshasa** last month (AC Vol 40 No 2).

Sebastião overly involved himself and the ministry in the day-to-day affairs of the military and fell foul of Chief of Staff, **João de Matos**. However, Kundy Payama may be no less intrusive. A popular military and political figure from southern Angola, he is unlikely to sit in the ministry with arms folded. His relationship with the equally charismatic De Matos will be a critical one.

the revenue from diamonds is used to buy arms. In the **United States** the former representative, **Jardo Muekalia**, is heavily in debt. Savimbi may distrust Muekalia, who was close to the late **Tito Chingunji** (murdered, it is thought, by Savimbi) and to **Abel Chivukuvuku**, who now leads a breakaway UNITA group. In New York, **Marcos Samondo**, who was in the government of National Unity as the Geology and Mines Minister, survives on his savings.

To prove its faith in sanctions against UNITA, the US government

would be happy to force out any of its representatives there. In **Britain**, **Anibal Kandeya** has closed his London office because he could not pay the rent. Some UNITA stalwarts suspect that Savimbi fears the party's overseas bureaux could be the springboard for another UNITA dissident faction to emerge. The only well-funded operation is the Paris office, managed by Brig. Samakuva (who was refused residence in Britain), and is now the centre of all UNITA activities in the West.

COTE D'IVOIRE

Pushing out patronage

Politicians are divided over reforms that cut into the ruling party's largesse

Ivorians are warming up for two battles this year. The first is between reformers, backed by the World Bank and the International Monetary Fund, who want to decommission the country's creaking political patronage machine and those determined to block or derail such attempts. More exciting (and better covered in the lively local press) is the battle for political power between President **Henri Konan Bédié** and former Premier and current IMF Deputy Managing Director **Alassane Dramane Ouattara**, who is due back in Abidjan in July to challenge Bédié for the presidency in the run up to the elections next year.

However the outcome of the battle for the patronage machine will have important implications for the battle between Bédié and the ruling *Parti Démocratique de la Côte d'Ivoire-Rassemblement Démocratique Africain* (PDCI) versus Ouattara and his *Rassemblement des Républicains* (RDR), a breakaway group of the PDCI. The PDCI maintained its political dominance through a mixture of muscle (Côte d'Ivoire was a one-party state from 1960-1990) and plenty of patronage dished out to the country's cocoa farmers who enjoyed much better incomes through the state-managed sector than their **Ghanaian** neighbours.

But the Abidjan government's involvement in the cocoa and coffee sector has gradually been reduced and the current disbanding of the state-run crop price stabilisation fund, Caistab, is the last pillar of the state intervention strategy. It also means the PDCI will have fewer funds to distribute to its formerly loyal supporters in the cocoa growing areas. Pro-reformers in Abidjan see it differently and believe the liberalisation could prove politically popular. Bank and Fund figures indicate that if just 5 per cent of the Caistab funds are directed back to the coffee and cocoa farmers, that would be almost equivalent to the national healthcare budget for a year. It will be a one-off payment in a pre-election year.

Bédié's government faces both way on the reforms. He has brought in a slew of 'technocrats' who have worked for **American** companies and speak the IMF's language. They see reform as inevitable and know enough about it to find ways to turn it to the PDCI's advantage. Chief among these is **Daniel Kablan Duncan**, who succeeded Ouattara as Prime Minister on 10 December 1993. Last year **Safiatou Ba N'Daw**, formerly of management consultants Arthur Andersen and of the World Bank, took over the new Energy Ministry, to oversee a big electrification programme. The new Minister for Economic Planning, **Tidjane Thiam**, (whose planned trip to London has been postponed, AC Vol 40 No 2) formerly of McKinsey & Co, also remains in charge of the respected development agency *Bureau National des Etudes Techniques de Développement* (BNETD). Thiam has family connections to the founding President, the late **Félix Houphouët-Boigny**.

Other economic ministries are held by politicians of a more traditional type. The Oil and Mining Minister, **Lamine Fadika**, has political clout in the north-west region where the ruling PDCI is weak. The Finance Ministry is held by **N'Goran Niamien**, a close confidant (and fellow Baoule) of Bédié. The PDCI ancien regime who remain extremely suspicious of reform and politicians such as Duncan include: Security Minister, **Timothee N'Guetta**;

Minister for National Integration, **Laurent Dona-Fologo**; Interior Minister, **Emile Constant Bombet**; and Defence Minister, **Vincent Bandama N'Gatta**.

However, Ouattara's RDR has failed to cut a distinctive line on reform, other than to say it favours it as long as it doesn't hit the poor. Ouattara's campaigning claim is that as a technocrat he can run a more efficient capitalist economy than Bédié. As Deputy Managing Director of the IMF, Ouattara doesn't question the Fund's strategy; indeed some suspect his presence in Washington has persuaded the Fund to take a more flexible approach towards Abidjan. It would be political suicide to give his enemies any claim that he was being disloyal in Washington.

Opening up cocoa and coffee

Ouattara has less sway with the World Bank which is spearheading the coffee and cocoa liberalisation. His RDR followers have been highly critical of the hold of the PDCI and their business friends over the transport, marketing and export of the country's cash crops. But, like others, they question the ability of farmers to benefit from the liberalisation in a year of rising pressure on commodity prices, and to break into the more lucrative areas of transport and marketing which have been the preserve of PDCI-approved operators.

The IMF's strategy has three main objectives; to pay off Côte d'Ivoire's massive foreign debts, to bring government spending more nearly into line with government revenue and to privatise the state sector. So far the record is mixed. The sell-off of state assets has gone quickly, and the biggest company still to be sold is the oil refinery, *Société Ivoirienne de Raffinage* (SIR), in which multinational companies already have a significant stake. Air Ivoire, valuable for its international access rights which it does not use to the full as it has only four small aircraft, has not been sold. Critics insist that liberalisation has favoured the ruling clique.

One dominant private-sector company, Sifcom, was founded in the Houphouët-Boigny era to give top politicians a stake in the cocoa and coffee trade, and still has close links to the presidency, although its ownership is obscured by its complex structure. The Sifcom group, firmly controlled by its Chairman, **Pierre Billon**, who is half **French**, half Ivorian, and its French Managing Director, **Yves Lambelin**, has grown into a conglomerate with an estimated annual turnover of 3.5 billion French francs (US\$625 million) and investments in France and **Benin**. Its Comafrique division has the Nissan and Alcatel dealerships, and is a partner with France Telecom in the national telephone monopoly *Côte d'Ivoire Télécom*, and in the leading mobile phone supplier, Ivoiris.

The heart of Sifcom's business is its subsidiary Sifca, originally a cocoa and coffee exporter, whose Managing Director is **Jean-Baptiste Fofana**. It has bought into many former state companies, and has formed a separate division, Siparal, to look after newly acquired businesses including Uniriz, the dominant rice distributor, and Cosmivoire, a soap and edible oils manufacturer which competes with Unilever's Ivorian subsidiary, Blohorn. Sifca has a minority holding in Palmci, which produces most of the country's crude palm oil, and is a joint venture with Blohorn and Socfinco, a palm-oil specialist owned by the Bolloré group of France.

Sucrivoire, a sugar refiner, is a partnership between Sifca, Harel Frères of **Mauritius** and Oleatech, an edible oils business owned by the **Aga Khan's** Ivorian subsidiary Industrial Promotion Services (IPS). The Aga Khan is an old friend of the Ivorian government, and IPS is the local partner in the \$215 mn. Azito power plant, the biggest private-sector infrastructure project to date, in a consortium

led by ABB, a **Swiss-Swedish** power group.

Traditional French dominance is threatened by liberalisation of investment policy. The state-owned power company *Electricité de France* (EDF) lost the bid for the Azito contract to the ABB, but ABB brought EDF into the consortium through the back door. Since EDF owns Abidjan's two other thermal power stations, this move was opposed as anti-competitive by some foreign investors - notably **Britain's** Commonwealth Development Corporation, **Germany's** DEG and FMO of the **Netherlands** - but not by the International Finance Corporation and the African Development Bank. The main distributor of power, the *Compagnie Ivoirienne d'Electricité*, belongs to Bouygues of France, as does the water company, Sodéci.

Liberalisation of cocoa and coffee exports has caused a big shakeout. Under the old system run by the mighty *Caisse de Stabilisation*, about 60 exporters got their licences as political favours. During the 1997-98 season, 80 per cent of the market was controlled by only about 10 exporters, nearly all managed or controlled by multinationals with access to overseas finance and markets. This season's trade is even more concentrated. The players are: Sifca (30 per cent owned by the US giant Archer Daniel Midland (ADM)); Tropival, a subsidiary of the British commodities company ED&F Man; Swiss-owned Barry-Callebaut, a big local cocoa processor; Cipexi, owned by the Dutch group Continaf; Cargill West Africa, an American giant which began exporting this season and is building a cocoa processing factory in Abidjan; CCA, part of the Swiss-based Andre group; and French-controlled traders Dafci and Proci.

Two Ivorian groups with strong political contacts had hoped, like Sifcom, to diversify out of cocoa trading by buying into privatised firms. Octide Finance is the business empire of **François Bakou**, a former Cargill employee and protégé of Houphouët-Boigny; the *Société Internationale de Café et de Cacao* (SICC) is run by **Daniel Usher**, the flamboyant son of **Arsène Usher Assouan**, former Foreign Minister and now a presidential advisor. Both firms borrowed heavily to finance the acquisitions they hoped for and after defaulting on loans to domestic and foreign banks, they have been cut off from fresh credit to continue trading this season and are now discredited. Before disbursing the second tranche of last year's structural adjustment loans, the IMF had insisted that defaulting cocoa traders must pay their debts. It was announced in the local press at the end of January that Octide's cocoa and coffee trader Jean Abile Gal (JAG - formerly the second largest in the country) is being taken over by Sifca. Although Jag is bankrupt, some assets including its extensive network of warehouses are of interest to the expanding big players. Analysts see Sifca's bid as defensive, preventing the infrastructure being sold to its emerging rival, Cargill West Africa.

Presidential privatisation

Last year Octide hired **Daouda Thiam**, former boss of SIR and brother of the new economics minister, Tidjane Thiam, in preparation for buying SIR when it was privatised. The prospect faded when Hudson Finance, run by **Jean-Luc Bédié**, a son of the President, was appointed advisor to the refinery's privatisation. Meanwhile the local rice trade has been cornered by Cogeco, a company belonging to Bédié's other son **Patrick**. The American commodity trader Cargill, which had tried to make deals both with Sifcom and with Octide, is now prospering on its own in Côte d'Ivoire. Cargill's main rival in the global cocoa industry, ADM, made a shrewd investment in Sifca. But Cargill's cocoa division

buys up to 200,000 tonnes of Ivorian cocoa a year, as much as Sifca. Cargill's financial services division took part in a loan syndicate which helped to keep the government in funds in early 1998, when the IMF delayed disbursement of a crucial loan.

The 'restructuring' of Octide is being undertaken with advice from Rothschild & CIE, the Paris division of the merchant bank group which is well placed in Côte d'Ivoire. In partnership with Hudson Finance it beat Equator Bank, a keen newcomer to Abidjan, for the contract to advise on privatisation of a local bank, *Banque Internationale pour l'Afrique Occidentale Côte d'Ivoire*. Last year BIAO sold off a small division called *BIAO Investissements*, which is managed by the President's brother-in-law, **Guy Koizan**, and held most of the bank's best assets. Bankers in Abidjan say they know little about the buyer, Cofipa, adding the main BIAO, which has not yet been sold, has been left with many bad loans. One potential buyer of BIAO, Standard Chartered Group, may set up on its own in Côte d'Ivoire.

The country's banks have been weakened by bad loans to the cocoa and coffee sector; some economists suspect that loans were often used to stuff politicians' overseas accounts. The World Bank plans a loan to help in restructuring the financial sector, but will not bail out losses arising from default or fraud. It will insist that the debts be recovered, which may embarrass the President.

The Bédié family's expanding business interests cause friction with donors, and potentially with voters too. Privatisation of the cotton trade (AC Vol 39 No 12) is especially sensitive in the north, where Ouattara has his power base and cotton is by far the most important cash crop. There are rumours that Patrick Bédié has been forced by his father to sell his small stake in one of the two privatised cotton milling companies. The cotton farmers well-organised union, Urecosci, led by Seydou Sorro, a protégé of Ouattara, is going into joint-ventures with the French multinational Louis Dreyfus group.

Now the world cotton price has slumped, the new owners of the cotton mills say they cannot afford to pay the farmers more than they got last year, when the sole purchaser was a state agency. One block of shares was sold to a consortium led by **Malian** trader **Cheikh Kagnassy's** Swiss-based *l'Aiglon* group, along with the Bollore group (of France) and Shorex Investments, registered in Nassau, Bahamas, in which Patrick Bédié was a shareholder. Kagnassy borrowed heavily to outbid his multinational rivals, and the investment now looks shaky. Kagnassy dominates the cotton trade in Benin and seems more interested in profits than in political favours. Whatever the benefits of privatisation, they are unlikely to go to the cotton-growers.

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Pointers

SOUTH AFRICA/LIBERIA

Frequent flyers

The frequent visits of convicted fraudster **Nico Shefer** and **Fred Rundle**, former *Afrikaner Weerstandsbeweging* spokesman, to President **Charles Taylor** in Monrovia have attracted the attention of officials monitoring the United Nations arms embargo against the rebel Revolutionary United Front in **Sierra Leone**. **American**, **Ghanaian** and **Nigerian** officials have all accused Taylor of training and supplying arms to the RUF, and on 30 January Nigerian Foreign Minister **Ignatius Ollisimeka** announced that a regional policy 'to contain Taylor' was being drafted.

Particular interest is focusing on the activities of Rundle, a former Colonel in the South African Defence Force who worked as a liaison officer for the rebel *União Nacional para a Independência Total de Angola*, and was responsible for coordinating SADF special forces support for UNITA in the late 1980s. Rundle is an accomplished commander of guerrilla operations, and stayed on with UNITA on a freelance basis (he was paid with diamonds) after the SADF withdrew from Angola.

Rundle also became the most public face of the far-right AWB, after its leader, **Eugene Terre'Blanche**. Rundle also knows Taylor and Liberia well. He was a leading shareholder in the South African-based Amalia mining company which went into liquidation in April 1998, after it was revealed that its offshore branch, Commonwealth Gold, had come to grief in Liberia. London-based Commonwealth Gold, run by **British** businessman **Andrew Cecil**, had borrowed more than R4.5 million from Amalia, and had held its value on the basis of promised mineral rights in Liberia. When these failed to materialise, the value of Commonwealth Gold sank.

As a director of Amalia, Nico Shefer was blamed for its problems and those of Commonwealth Gold. Before that he had been sentenced to 14 years gaol in 1990 for stealing R47 mn. from South Africa's Trust bank. On parole since 1995 (having been described as a 'model prisoner') Shefer now faces charges that he defrauded another bank of R116 mn. in foreign exchange. However, he played a key role in Taylor's campaign in Liberia's 1997 elections.

Shefer coordinated the despatch of thousands of tee-shirts with Charles Gankay Taylor's image on them to be handed out to voters; similarly thousands of bags of rice with Taylor's picture were also sent to Monrovia in mid-1997, bankrolled by Shefer and Rundle. Once Taylor was elected they were to be rewarded with mineral concessions. Shefer has opened up a branch of the Florida-based and

controversial Greater Ministry Africa Foundation in Liberia. They have operations near the border with Sierra Leone. **Ecuador**-born Shefer's commercial style is highly effective. A one-time business partner with **Columbia's Pablo Escobar**, Shefer has an extensive network of contacts in the banking and diamond trading sectors. Currently, Shefer says he is concentrating his interests under the Tandon group of companies in Rosebank in Johannesburg. Yet we hear he has made several trips, with Col. Rundle, to see Taylor in Monrovia in recent weeks.

ZAMBIA

Copper crunch

The timing could hardly have been worse. As the world price of copper plummets, the Zambian government has at last moved decisively towards selling off its one big asset, the best parts of Zambia Consolidated Copper Mines. Under a memorandum of understanding dated 22 January, experts from the Anglo American Corporation of **South Africa**, through its Zambia Copper Investments subsidiary, will now start to examine ZCCM's mines and - especially - accounts. The aim is to close the deal by 31 March.

The price is low. The proposed deal involves the best of the mines - Konkola and Konkola Deep, plus Nchanga and Nkana. Anglo American had really wanted to buy the whole ZCCM corporation, in which it had a substantial minority stake, break it up and manage the sell-off. But several consultants, including Rothschilds, advised President **Frederick Chiluba's** government against such an arrangement. The last potential buyer, the so-called Kafue consortium of Noranda, Phelps-Dodge, Avmin and the Commonwealth Development Corporation, pulled out after the collapse of its bid (made in June 1998) for 88 per cent of these assets of US\$160 million in cash, plus the assumption of \$150 mn. of ZCCM's outstanding debt of over \$700 mn.; the consortium was to invest \$750 mn. Crudely, the consortium would have paid \$310 mn., but Zambian over-optimism and the consortium's tactlessness killed the deal.

Anglo American now proposes to buy 80 per cent of the assets for only \$90 mn. in cash, and (if it can find other firms to share the cost) to invest \$300 mn. plus \$800 mn. in Konkola Deep. The memorandum says nothing about settling ZCCM's debts, and assumes that Zambia can use money from international donors to pay off redundant workers. If Anglo's experts turned up something unexpectedly ugly in ZCCM's mines, or accounts, the deal would be off. Meanwhile Mines Minister, **Syamukayumbu Syamujaye**, defends ZCCM's chief negotiator, **Francis Kaunda**, and insists the Anglo deal is better in real terms than Kafue's offer last year. Few in the mining business find that convincing.

G.BISSAU/SENEGAL

Treaty testing

As regional diplomats struggled to negotiate a truce on 3 February, the **French**-backed peacekeeping initiative, *Renforcement des Capacités Africaines en Maintien de la Paix* (RECAMP), was at risk of failing its first big test. The French naval transport *Siroco* left Dakar on 31 January, carrying 292 soldiers, half from **Benin**, half from **Niger**, to Guinea-Bissau as part of the West African Peacekeeping force (Ecomog) operation. There they witnessed an artillery duel between the rebel forces of General **Ansoumane Mane** and the 3,000 Senegalese/**Guinean** soldiers sent last June to prop up President **João Bernardo Nino Vieira**. The *Siroco* mission remained at a safe distance from Bissau, suffering from sea-sickness, while their advance guard of **Togolese** peacekeepers was trapped in the city. An extra 50 Togolese troops remain in Dakar; 150 **Gambians** are still at home, having been put on hold. Evacuated European Union representative **Miguel Amado** confirmed that both sides had initially agreed to the scheduled Ecomog landing on 1 February. But it seems one side (most people think Gen. Mane's) lured the other into an all-out attack to sabotage the Ecomog operation.

The operation is nominally run on behalf of the Economic Community of West African States, and the official French line to *Africa Confidential* was that 'There is no official French line. France has been asked by Togo's head of state and current ECOWAS chairman, Gen. **Gnassingbé Eyadéma**, to help with the mission'. Local announcements are to come from the besieged French ambassador in Bissau, **François Chappellet**, who is trying for a ceasefire. The big decisions will come from French President **Jacques Chirac** and Elysée Africa advisor **Michel Dupuch**.

Mane wants all foreign soldiers out of Bissau; his men shelled the Guineans because they were near the port, and seemed to be the weak link in the bilateral force. There are fears in Dakar that Mane has lined up alongside his allies in the hardline military wing of the *Mouvement des Forces Démocratiques de la Casamance* (MFDC), which has fought for the independence of Senegal's southern border region with Guinea-Bissau since 1982. Senegalese army hawks think they can win the Casamance conflict by eliminating Mane.

The Senegalese army has been on the move in Casamance since the *Siroco* sailed, but military spokesmen give no details. A visit by the MFDC's figurehead, Father **Augustin Diamacouné Senghor** (who in January welcomed a conciliatory speech by President **Abdou Diouf**) to **Gambia's** President **Yahya Jammeh**, was cancelled. If Mane wins, the MFDC's Bissau-based forces may return across the border, enabling the movement's civilian leaders to start talking to the Dakar government.

AFRICA CONFIDENTIAL

NIGERIA II

2

NIGERIA

It's the economy

Fearing that economic problems will jeopardise the transition to civil rule, Nigerian officials and their Western counterparts are discussing a rescue package which includes debt relief and new money. It seems the price of Western support for this is that Abuja agree to sell some of its equity in its joint ventures with the multinational oil companies.

ERITREA-ETHIOPIA 3

Pride and prejudice

On 6 February Ethiopia launched the first of several attacks to test how deeply the Eritrean forces were dug in along the disputed border areas which they had taken over in May-June. Both sides have deployed over 200,000 troops making this potentially one of the world's biggest conflicts. But the main issue in dispute is still a relatively narrow one of border demarcation.

LIBERIA

6

Taylorland under siege

All the warlords who battled with Charles Taylor dragging out the civil war for seven bloody years have now left the country. Many of Taylor's civilian opponents are following suit. Yet the lack of opposition to Taylor hasn't brought either the hoped for post-war economic recovery or even peace and security.

POINTERS

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Djibouti, Swaziland, Britain/South Africa and Benin

Gouled's successor; new prime minister; spinning south; and jet set.

The General's election

Twenty years after he left power, Gen. Obasanjo looks set to return, this time with an electoral mandate

General **Olusegun Obasanjo**, Nigeria's first military officer to hand power to an elected government, looks set - 20 years later - to become the first officer to win a presidential election. Having won the nomination for the People's Democratic Party, which received the most votes in the local government and state elections, he has been further helped by disarray in the two rival parties, the Alliance for Democracy and the All People's Party, which have been trying to agree on a common anti-Obasanjo presidential ticket.

Seen by outsiders as the cleanest candidate (he was the Nigerian Chairman of the anti-corruption lobby Transparency International), Obasanjo had to negotiate his way through the country's money politics with as much grace as possible as well as convince his sceptical Yoruba kinsmen from the south-west that, once in office, he would be his own man and not a cipher for military or northern interests.

On the face of it, the PDP convention, meeting on 13-15 February to nominate its flag-bearer, was much more about money than policy. From the leaders of the state delegations to the street drummers, everyone had their price. The enthusiastic bands of supporters 'spontaneously' singing and chanting for one of the seven candidates cost 500 naira (US\$ 5.50) per person per day, while the more influential delegates could expect to earn N150,000-200,000 for their votes. Those contracted to chant the praises of defeated candidate **Alex Ekwueme** threatened that unless they received their wages immediately, they would join Obasanjo's supporters by dawn.

Atiku the star

Money alone wasn't enough. As each candidate was willing to pay and the vote was secret, the 2,469 delegates could collect their payments from all sides and vote for whomever they wished. Indeed, the key players at the convention were the state governors-elect, who turned the convention firmly in Obasanjo's favour. The undisputed star of the show was Alhaji **Abubakar Atiku**, Governor-elect of Adamawa State and protégé of the late **Shehu Musa Yar'Adua**, from the far northern state capital of Katsina. The Yar'Adua political machine, which has long championed Obasanjo's cause, again proved itself the most formidable force in modern Nigerian politics.

What this machine lacks in money, it makes up for in organisational ability and social networks. Its importance to Obasanjo is also historical. While Yar'Adua was seen as part of the cabal which favoured **Shehu Shagari**'s National Party of Nigeria in the 1979 polls, his group broke with the NPN in 1983 and backed Yoruba leader **Obafemi Awolowo** (who died in 1987). This was part of Yar'Adua's plan to modernise politics, bringing together southern and northern interest groups on a social democratic platform, and to marginalise some of the traditional centres of elite politics. Both Gen. **Ibrahim Babangida** and Gen. **Sani Abacha** saw Yar'Adua's plans as threatening. Yar'Adua was gaoled under Abacha and appears to have been given a lethal injection prior to his death, ostensibly of a heart attack, in December 1997 (AC Vol 38 No 25).

Atiku and the 19 PDP governors-elect swayed the vote with promises of appointments and threats to withhold them if the correct vote was not registered. The slick street politics and biting newspaper advertisements of former Vice-President Ekwueme, who served in Shagari's NPN government, finished a distant second, with 21 per cent of the vote compared to Obasanjo's 67 per cent. Ekwueme's campaign was slicker and its acerbic press adverts won support but not from those with the convention votes. He packed the stands with non-voting supporters - one group of women dancing and singing his praises had been accredited as diplomats. Just before the vote, he did a lap of honour in front of the delegates, in violation of convention rules, and was met with a wall of silence.

Ekwueme's defeat is also bad news for the political careers of many of his former NPN associates, such as Shagari and former presidential contender **Adamu Ciroma**. They were comprehensively outpointed by the coalition of the Yar'Adua machine and a clique of former generals from the north

and Middle Belt, including Babangida, former Director of Military Intelligence **Aliyu Mohammed Gusau** and Lieutenant Gen. **Theophilus Danjuma**. The latter said he would flee the country unless Obasanjo was elected President on 27 February.

There is little chance that Danjuma will have to pack his bags. Obasanjo's opponents in the (mainly Yoruba) Alliance for Democracy and the fractious All People's Party have shown their anti-PDP marriage to be on the verge of breaking up. The APP conference, run simultaneously with that of the PDP, degenerated into farce. The run-up to the convention turned into a shambles when a faction led by party Chairman **Mahmud Waziri** and another headed by the party's chief financier, **Olusola Saraki**, the former Senate majority leader under Shagari, sacked each other.

At issue was the proposed APP alliance with the AD. Waziri, in league with northern political grandee **Umaru Shinkafi**, argued that the alliance would provide the APP with a legitimate candidate from the south, preferably Yorubaland. Saraki, a wealthy Yoruba from Kwara State (in the northern part of Yorubaland, which was conquered by the Sokoto Caliphate in the 19th century) wanted the nomination himself. This bitter struggle culminated in Waziri producing a bank draft of N30 million which he claimed Saraki had given him as a bribe.

PC power

Since the demise of millionaire Yoruba businessman Chief **Moshood Abiola**, who won the annulled 1993 election and died in detention last July, it has been politically correct in Nigeria to advocate a 'power shift' to the south. And it's better still for a party's presidential candidate to be a Yoruba. This counted against Ekwueme, an Igbo (Ibo). Another Igbo, former Abia State Governor **Ogbonnaya Onu**, actually won the APP nomination by vote of the party's national executive amid riotous scenes at the national convention in Kaduna. That same executive dumped him on the following day (16 February), working out a backroom deal with the AD leadership to name its nominee, **Olu Falae**, as joint candidate of the two parties. Shinkafi, a former intelligence chief and member of the Sokoto royal family, has been named as his running mate.

Under the deal, the much larger APP would get some 70 per cent of ministerial appointments to 30 per cent for the AD, of which the ethnic base limits its influence to the south-west. It is doubtful that the alliance will last, as AD members robustly opposed the late dictator Abacha and significant APP leaders, such as Saraki and **Emmanuel Iwanyanwu**, supported him - so earning the APP the nickname 'Abacha People's Party'.

The key battlegrounds are in the east and north. Many Ekwueme-supporters have vowed to oppose Obasanjo on the grounds that he is a former general, though cynics say it's because he's not an Igbo. What effect they might have on the final tally is questionable, though, given their rout at the PDP convention, where despite the money changing hands beforehand, the voting process itself seemed free and fair.

In the north, Nigeria's traditional seat of power, it will be a straight fight between Shinkafi's Sokoto allies and the former northern generals who have ruled Nigeria for most of its 30-year independence. Behind Obasanjo sits a formidable alliance of elements of the old Kaduna mafia, the more powerful and youthful Minna mafia, led by Babangida and including the current head of state, Gen. **Abdulsalami Abubakar**, and even northern progressives, such as the former Kaduna Governor **Balarabe Musa** and **Abubakar Rimi** from Kano.

While most south-western electors should fall in line behind the

technocratic Falae, they will do so without the same passion they would have displayed for the more strident and charismatic **Bola Ige**. Falae is also vulnerable because he served in the Babangida regime as Finance Minister at the time of the universally hated structural adjustment programme. In recent weeks, Obasanjo has spent much time trying to convince his fellow south-westerners that his national coalition could still do things that they want, such as hold a national conference to produce a more decentralised constitution and embark on a wide-ranging restructuring of the military.

Obasanjo also has problems among the ethnic minorities of the oil rich 'south-south', particularly in the troubled Niger Delta area, who resented his inclusion of the Land Use Decree in the 1979 constitution. This effectively handed ownership of their land to the federal government. But Obasanjo increasingly looks a winner and the ethnic minorities, especially the Ijaws, might feel they can pursue their case for a greater share of the oil wealth by voting for the likely victor. It is a sentiment which favoured Obasanjo at the party convention and it is likely to do so again at the presidential election.

NIGERIA II

It's the economy

Amid the campaign razzamatazz, politicians are ignoring the looming economic disaster

In the party conventions and in the lobbies of Abuja's smart hotels, the talk is of who should be the new civilian president - and of how to win through in the marketplace to which politics has reverted. As gifts and favours are solicited and received, few speak of the parlous inheritance a new government can expect in May. Yet the enlightened within General **Abdulsalami Abubakar**'s government, and those abroad who care, fear that Nigeria faces economic collapse, which could make the trumpeted return to civil rule a brief one.

At talks in Abuja in January with the International Monetary Fund's Senior Africa Advisor, **Hiroiyuki Hino**, the Finance Minister, Mallam **Ismaila Usman**, acknowledged that the economy stood no chance of matching the President's forecast, in his budget speech for 1999, of 3 per cent growth this year. With oil prices at record lows, there will be a recession and a balance of payments crisis, undermining the new civilian government.

Things may prove worse than either the IMF or Nigerian officials have admitted. The forecast of an economy shrinking by 1.6 per cent in 1999, with the oil sector contracting by 10 per cent and a financial deficit of US\$1.3 billion, looks optimistic. One crucial assumption is that the world oil price will average, over the year, US\$11 a barrel. That was the top price in January, when the market seemed relatively strong. Most analysts expect a decline, after a mild winter in Europe and North America and with the world economy shaken by collapses in East Asia, **Russia** and **Brazil**.

A pre-budget paper by the influential Programme Implementation Committee (Pimco), which answers directly to Gen. Abubakar, speaks of a \$10 oil price as a 'worst case' scenario, while a price of \$8 would prove 'a disaster', prompting runaway inflation, massive devaluation of the naira, huge capital flight, loss of confidence in the economy and 'possible political instability.'

Even a price of \$11/b will almost eliminate the trade surplus in

1999, leading to a current-account deficit of \$4.4 bn. and an external financing requirement of \$3.9 bn. Abuja says that it hopes to close the gap by spending \$1.3 bn. in reserves and negotiating a new \$20 bn. debt initiative with creditors, wiping out arrears and releasing over \$1 bn. of new money. This would still leave the government more than \$1 bn. short and spending targets may already have been overrun by the unexpected cost of sending troops to **Sierra Leone** in January. Moreover, there are doubts whether an incoming civilian administration could maintain even the present degree of fiscal restraint. Pressures will hardly ease in 2000, even if oil prices and output recover, as state and local governments will demand a larger share of the federal government's income.

Lost forex privilege

Gen. Abubakar has started reforming the economy but gradually. In January, the dual exchange rate, which allowed favoured government departments and individuals (including generals) access to foreign currency at less than a quarter of the market rate, was abolished. Efforts to reduce liquidity have, for now, proved successful. Privatisation of at least some parastatal companies is promised. A host of top merchant banks have been tipped to advise the government, with *Crédit Suisse* First Boston linked to the sale of the National Electrical Power Authority (NEPA), *Salomon Brothers* to that of Nigeria Telecommunications (Nitel) and *Nomura Securities* to the National Fertiliser Company of Nigeria (Nafcon). Yet the process has been delayed by a political battle for control between **Hamza Zayyad**, the Chairman of the Bureau for Public Enterprises (which was set up under Gen. **Ibrahim Babangida**'s regime) and the Chief of General Staff, Vice-Admiral **Mike Akhigbe**. Banks are, moreover, insisting on payment up front, rather than from the proceeds of privatisation, expected to be only \$95 mn. in 1999.

Nigeria is looking for large concessional loans. The rules of the Paris Club of official lenders are that governments become eligible for debt relief only after agreeing an IMF Enhanced Structural Adjustment Facility and a World Bank Medium Term Economic Strategy. That would normally take several months, leaving a new government in desperate straits, vulnerable to the temptations of the interventionist, economic autarchy policies preached by those in the camp of the Chairman of the National Economic Intelligence Committee, Professor **Sam Aluko**.

Abubakar has already agreed to a staff-monitored programme, which is expected to be approved by the IMF Executive Board at the end of February. In it, the government promises to restrict spending and limit dipping into foreign exchange reserves to solve financing difficulties. In return, it hopes for IMF money before June. Such a move, with the Fund bending some of its own rules, is unlikely to generate more than \$300 million this year.

Britain believes a quick package can be put together by mobilising resources from the G-7 group of the richest nations - although there is no question of a rescue package on the scale of those arranged for **Indonesia** and **Russia**. Since Britain is by some distance Nigeria's biggest official creditor, other rich countries may see this as opportunism. Other G-7 members, including **Germany** and **Japan**, are less enthusiastic, arguing that Abuja's plans to spend some \$580 mn. on 'priority projects' such as the notoriously inefficient and incomplete Ajaokuta steel complex, raise questions about the real commitment to reform, as do the 290,000 barrels of oil allocated every day to domestic refineries which have been out of action for most of the past year.

Nigeria: balance of payments

Figures in \$bn	1995	1996	1997	1998 (estimate)	1999 (projection)
Exports	11.7	16.1	15.2	9.7	7.9
of which: oil	11.4	15.8	14.9	9.3	7.3
Imports	8.2	8.2	9.3	9.8	9.4
Current account balance	-0.9	4.0	1.9	-3.1	-4.4
Financing requirement	2.3	0.8	0.2	3.1	3.9

Nigeria: gross domestic product

	1995	1996	1997	1998 (estimate)	1999 (projection)
Real GDP (% change)	2.5	4.3	3.6	2.3	-1.6
Oil GDP (% change)	2.5	6.9	4.4	-0.4	-10.1
Price of Nigerian oil (US\$ per barrel)	17.2	20.8	19.8	12.8	11.0

Sources: International Monetary Fund, Nigerian authorities

British finance minister **Gordon Brown** hinted at a rescue initiative in a speech to the World Economic Forum in Davos, **Switzerland**, in early February. UK Foreign Secretary **Robin Cook** has been trying to cut short his proposed trip to Nigeria in early March, since real business is more likely to be talked when, shortly thereafter, the Treasury Permanent Under-Secretary, **Nigel Wicks**, visits Abuja. Talks will continue at the end of February, when the Nigerian Finance Minister, with Planning Minister **Rasheed Gbadamosi** and other senior officials, is due in London at a conference organised by the UK Department of Trade and Industry. London says it might persuade its G-7 partners to back debt relief in 1999 and new funds in 2000, if the new Nigerian government keeps up the pace of reform.

UK officials want a quick sale of at least part of Nigeria's stake in oil joint ventures with Western partners. Discussions began some months ago; early proposals included cutting the government's 57 per cent equity to 37 per cent. Political realism has brought that down to the sale of a more modest 6 per cent stake, leaving Abuja with a majority interest while generating \$2-\$3 bn. (according to a complex oil price-based formula under negotiation with Western oil companies). We hear that Banker's Trust, of the **United States**, is advising the government.

However, Nigeria's arrears (for its share of production costs) to the oil companies were running at some \$1.6 bn. at the end of January. Thus most oil companies in joint ventures with government will try to swap those arrears for increased equity and so hand over a much smaller sum. In turn, Abuja is looking to cut a deal with those oil companies (such as *British Petroleum/Amoco* and maybe *Total*) to which it doesn't owe vast arrears. This, for example, would allow *BP/Amoco* to buy equity as a third party in Nigeria's joint ventures with *Shell* or *Mobil*, which would avoid receipts from the sale being cancelled out by arrears. That still leaves the matter of how the government will fund this year's cash calls to the joint venture companies, budgeted at \$2 bn. (the companies wanted \$3.7 bn.) though many in Abuja believe the oil majors have overestimated their budgets for years.

The staff-monitored programme agreement now before the IMF Board makes only modest demands, including government commitments to limited privatisation, some concessions on transparency in oil and foreign-exchange transactions, and tight fiscal discipline (AC Vol 40 No 3). Privately, officials in Washington say the short-term financing gap can be bridged only by selling oil

equity, making the G-7 more likely to offer substantial help, including debt relief and new credit. They look forward to the medium-term prospects, with higher oil prices, new deep-water developments and the start of liquefied natural gas exports. Yet the Washington experts are gloomy about 2000, with sluggish growth, huge balance of payments problems and financial pressures on the central government from individual states.

If the new government proves strong enough to persist with reform, thereby qualifying for G-7 support until the economy turns the corner, Nigeria could avoid the disaster which appears to loom. Worryingly, though, at this year's political rallies there has been almost no realistic debate about the country's dangerous economic state or about possible remedies. Meanwhile, some of the senior army officers sitting on the sidelines have been nodding to each other, knowingly.

ERITREA/ETHIOPIA

Pride and prejudice

Both sides seem to be keen to fight to the death in one of the least explicable wars

On 6 February, Ethiopia launched the first of several attacks to test how deeply Eritrean forces were dug in along the disputed border areas which they had taken over in May-June. Fighting at first focussed on a ridge commanding the Baduma plains near Badme and around Eritrean defences at Gaza Gerehlase. Ethiopian troops overran part of those defences on 7 February but were forced out again, having made surprisingly limited use of their helicopter gunships and MiG-23 fighter aircraft. Eritrean commanders later claimed that they had lured the Ethiopians into an ambush by a feigned retreat. Ethiopia took journalists to the front on 15 February in an unconvincing effort to prove it had taken and held Gaza Gerehlase.

Ethiopia's second attack, on 8 February on the Tserona front, was apparently intended to cut off the Eritrean troops holding Zalemessa, which they had occupied since May (AC Vol 39 No 21). Again, Ethiopia made surprisingly little use of airpower and little headway. On 14 February, Ethiopia launched a third attack on the Assab front in the east, with a heavy artillery bombardment. Eritrea shot down an Mi-24 helicopter gunship; Ethiopia claimed it had first knocked out two Eritrean tanks. The armoured units on this front include Ethiopia's tenth mechanised division with at least 100 tanks. Eritrea claims Ethiopia intends to take back the now empty port of Assab, which is hardly a practical proposition. Ethiopia has, though, built up significant defences in the area and, according to local sources, laid vast numbers of mines. Both sides are bidding for support from the local Afars.

With Eritrea still insisting on 'reserving its position' on the international mediation process, the timing of the recent attacks was also dictated by Ethiopia completing its build-up last month. There had been several weeks of shelling by both sides, each blaming the other. Ethiopia also claimed Eritrea bombed Adigrat on 5 February, though it refused to allow diplomats to take a look. Eritrea said there was no attack and we understand that no aircraft took off from Asmara that morning. Most of the airforce has been dispersed, though, to the air base on Grand Dahlak island and the upgraded airstrip at Sawa, western Eritrea, to guard against a pre-emptive strike.

Ethiopia tried, not very convincingly, to use the alleged Adigrat bombing to justify its own abrogation of the air moratorium imposed on the unwilling parties last June, under pressure from **United States'** President **Bill Clinton** (AC Vol 40 No 1). Both sides made caveats on security and Ethiopia excepted the border area where the recent operations have occurred; two Ethiopian Antonov raids behind the lines killed civilians.

Ethiopia's new Sukhoi 27 fighters, like Eritrea's recently acquired MiG-29s, have not been in action. Neither country has pilots trained for these planes; training and maintenance is handled by pilots and technicians hired from Eastern Europe. It's unclear whether their contracts include combat duty but we hear two Ethiopian Sukhois flew over the border, presumably using their advanced avionics equipment to detect if radar locked on to them. Shortly afterwards, on 7 February, Eritrea's radar station at Adi Quala, a central part of its air defence system, was destroyed, probably by rockets from a helicopter.

The arrival of the MiG-29s and Su-27s worries **France**, which is responsible for **Djibouti's** air defence. It has sent the 3,900-tonne frigate *Jean Bart* to lie off Djibouti, equipped with medium-range (50-kilometre) surface-to-air Tartar missiles and long-range radar. The vessel reinforces France's aging Mirage F-1 fighter-bombers based in Djibouti, which match the old MiG-21s and 23s used by Eritrea and Ethiopia but not the newer 29s and Su-27s.

Despite the rhetoric, there has been surprisingly little fighting, considering that both sides have deployed over two hundred thousand men, making this potentially one of the globe's biggest conflicts. Ethiopia has not yet noticeably exploited its air and armoured superiority; none of its main battle tanks have been used, even on the Assab front, which is ideal for armoured operations. Once the recent clashes have been studied, bigger attacks are expected. Ethiopia might make further probing attacks at Humera, in the west on the **Sudanese** border, and at Rama, on the road to Adi Quala, between Badme and Tserona.

Sudan's opposition under pressure

Since Eritrea has had several months to establish defences in depth, Ethiopian commanders expected and suffered heavy casualties. Eritrean claims of several thousand Ethiopians killed and wounded are more plausible than similar Ethiopian claims a few days later. Also serious for Ethiopia are reports of tension over the tendency of some junior Tigrayan officers to give orders to senior non-Tigrayans. Eritrea, too, has had difficulties between ex-fighters and Sawa national service trainees. And both sides suffer from a predictable unwillingness by troops to fight their 'brothers' and erstwhile comrades. Meanwhile, Sudan's National Democratic Alliance has rebuffed Eritrean attempts to persuade NDA forces which Asmara has been arming and training to join its fight against Ethiopia: this would be suicidal for an opposition already badly damaged by the Ethiopian-Eritrean dispute.

Both sides remain intransigent on mediation, refusing to give up an inch of land. Ethiopia has accepted the totality of the **US-Rwandan** mediation initiative, now continued by the Organisation of African Unity and United Nations. Eritrea balks at this process, which accepts Ethiopia's version that the conflict began with Eritrea's move into Badme in May. Eritrea is prepared to accept a mutual withdrawal and a third force in the disputed territory but not its return to Ethiopian administration, as the proposed return to the status quo before 6 May 1998 implies. Eritrea is especially indignant that Ethiopia has deported more than 50,000 Eritreans in the last few months. Amnesty International has criticised the force

My enemy's enemy

Each side hopes to support the other's dissidents - even when this means helping Khartoum's National Islamic Front government, its Islamist protégés and its own enemies' enemies. Eritrea recently added an Oromo-language programme to the 'Voice of the Broad Masses of Eritrea' in Asmara. The same news-reader had previously broadcast over Radio Omdurman for the Oromo Liberation Front, before the 'Voice of Oromo Liberation' closed in 1992. After talks last year in Asmara, Eritrea agreed to send the OLF weapons: some arrived last year and revived OLF activity along the Ethiopian-Kenyan border.

More recently, five Antonov plane-loads of arms were sent to **Somali** warlord **Hussein Mohamed Farah 'Aydeed'**, who was in Asmara in January. In October, he had been welcomed in Addis Ababa and Ethiopia thought it had mended fences with him. Now it seems that President **Issayas Afeworki** has outbid Premier **Meles Zenawi**. Some of the arms are for Hussein, who returned on one of the arms-flights via **Yemen** to Balidogle. Most are intended for two Ethiopian opposition movements, the OLF and Ogaden National Liberation Front, plus *Al Itahad al Islami*, which was the target of Ethiopian incursions into Somalia in 1997-98. Some of Hussein Aydeed's opponents claim Eritrea is organising a shipment of heavier arms from Massawa to Mogadishu. Another possible recipient is General **Waku Guta**, an Oromo guerrilla leader from the 1970s who still has admirers in southern Ethiopian Oromo circles and is said to have agreed to take the field again.

In turn, Ethiopia is still supplying arms to Aydeed's opponents, the **Rahenweyne Resistance Army** and the newly created **Digil Salvation Front**, both fighting for Baidoa, and to General **Mohamed Siad Hirsi 'Morgan'** in Kismayo. Another possible recipient is Somaliland's opposition **Somali National Movement**, whose leader, **Abdurahman 'Tour'**, accompanied Aydeed to Asmara. Although Somaliland's President, **Mohamed Ibrahim Egal**, says it is not so, Eritrea would like to make sure Ethiopia does not import arms through Somaliland's port of Berbera.

Eritrea is also bidding for Afar support, from a faction of the divided Afar Liberation Front of Sultan **Alimirreh** of Assieta (who prudently went to **Saudi Arabia** for Ramadan and has not returned to Ethiopia). One of his sons, **Habib Alimirreh**, appeared in Asmara a couple of months ago. Habib was the first President of Ethiopia's Afar Regional State in 1992 but was ousted in the 1995 elections and replaced by his elder brother, **Hanfare**, after a split in the ALF. He fled to Saudi a year later. Now Hanfare supports Ethiopia while Habib is reported to be in Assab with another brother, **Oumar**, sent by Ethiopia a few weeks ago to try to persuade Habib to return. Eritrea also backs the **Djiboutian**

Afar opposition movement, **Ahmed Dini's Front pour la Restauration de l'Unité and de la Démocratie**, which attacked an Ethiopian convoy on the Djibouti-Ethiopia border in October (see Pointer).

Ethiopia, too, has been wooing the Afars, setting up a 'Red Sea Liberation Front' to win support among Eritrean Afars and even handing out a little ammunition to an opposition group within Ethiopia, the Afar Revolutionary Democratic United Front and the associated *Ugugumo* militia. Ethiopia has shown no sign of greater interest, though, in ARDUF's demands for an Afar state embracing the Afars of Eritrea and Ethiopia, even though this might provide a pretext for Ethiopia quietly to revive its claims to Assab. A new radio station, the 'Voice of Peace and Democracy in Eritrea', began broadcasting in early February from Makelle in the Tigrinya and Kunama languages. The biggest Eritrean opposition group, the Eritrean Liberation Front-Revolutionary Council, has also started broadcasting in Tigrinya and Arabic, apparently using **Sudan** government transmitters.

Ethiopia has been trying to unite the (long-divided) two main Eritrean opposition groups, the ELF-RC and ELF-**Abdulla Idris**. They will reportedly be allowed to open offices in Ethiopia, and their members will get identity cards to prevent deportation. ELF-AI recently fell out with Islamic Jihad, which the ELF-RC has always refused to ally with, removing a large bone of contention between these two ELFs. Since it apparently broke with ELF-AI, Islamic Jihad has supported Eritrea against Ethiopia and has moved its operations away from the western lowlands. Asmara has adopted the rash policy of giving Jihad leave to operate in the east around Irob and Alitiena, to undercut Ethiopian support among the Saho who live there. Ethiopia is reactivating its relations with the smaller but ideologically more acceptable Eritrean Marxist movements, the Democratic Movement for the Liberation of Eritrea and the ELF-Central Command (*Sagim*), which it armed and trained until 1991.

Interestingly, another anti-Asmara organisation, the (Kunama) Democratic Front for the Liberation of Gash and Setit, is apparently getting increased support from Khartoum. The Kunama, an agro-pastoral people whose lands include the now contested Badme area, have traditionally opposed the Eritrean liberation fronts and, since 1991, the Asmara government.

The Democratic Movement for the Liberation of the Eritrean Kunama, together with the previously unheard of People's Democratic Front for the Liberation of Eritrea-Central Leadership and Eritrean Revolutionary Democratic Front, are reported to have made an alliance at the end of January under Ethiopian auspices.

used in the deportations.

Eritrea's position puts current mediation efforts in a bad way. Both President **Issayas Afeworki** and Prime Minister **Meles Zenawi** have refused to take calls from Clinton several times in the last fortnight, *Africa Confidential* understands. Issayas has given several interviews since the fighting restarted but Meles, who reportedly visited the front on 6 February, has, as we go to press, made no public appearance or statement since. UN Special Envoy **Mahmoud Sahnoun** of **Algeria** has made no progress, it seems, and the latest efforts by the European Union, which backs the OAU proposals, look to be heading for failure.

Both leaders need to be able to claim victory, if not necessarily complete victory. The political cost of a climb-down increases every day, as does the human cost of the war. The UN Food and Agriculture Organisation reckons Eritrea has the world's second lowest per capita calorie intake and Ethiopia the fifth lowest; two of the world's poorest countries are estimated to be spending at least a million dollars a day on an inexplicable and obviously unwinnable war. Eritrea is issuing treasury bonds and even raffling houses in Asmara to raise funds - a registration fee of US\$500 carries a chance of buying one of 300 government houses at half price. Overseas fund-raising has been intensified and an old anti-

Mengistu slogan has been dusted off and updated for use against 'Tigrayan fighters': 'A dollar a day keeps the Woyane away'.

Ethiopia's funding is equally dependent upon 'voluntary' contributions, both internally and from the Diaspora. Eritrea believes, almost certainly correctly, that Ethiopia's war effort is being supported by assets seized from expelled Eritreans. Equally plausibly, Ethiopia claims Eritrea has taken 134,000t. of food and other goods left stranded at Assab last year. Both sides have been seeking funds elsewhere, with limited success (though Eritrea has 'Arab Lake' support from **Libya** and **Qatar**).

UN calls for an arms embargo look futile as **Russia** sells sophisticated aircraft to both sides; Ethiopia gets ammunition and light arms from **China**, tanks from **Bulgaria** and communications equipment from France; Eritrea acquires ammunition, tanks and artillery from **Romania** and Bulgaria. Officials in Antwerp, **Belgium**, seized 91 containers of allegedly military supplies, sold to the Gedam Construction Company of Asmara by East and West **German** companies in a deal brokered by a **British** firm.

Each side remains excessively confident, firmly committed and utterly dismissive of the other. In an interview on 12 February, Issayas said the conflict had been 'caused by the behaviour of a government afflicted by schizophrenia' and suggested that 'admission of failure' was not part of Ethiopian culture: 'They deceive themselves and they deceive the population'. Critics of Issayas and Eritrea make precisely the same points.

A crucial issue mediators have still not fully addressed is how the disputed areas will be administered if and when both sides pull back. Eritrea insists that it alone has right on its side, that it is up to Ethiopia to find a way out, that it did not start the war and therefore cannot be held responsible for it. Ethiopia still argues that it is up to Eritrea to find a solution, that it did not start the war and that Eritrea must withdraw. If the relatively narrow technical issues of the border demarcation can be somehow resolved away from the increasingly bellicose rhetoric from both sides, then there is hope that what many regard as Africa's most avoidable war can be stopped before it further delays the chances of the Horn's political and economic revival.

LIBERIA

Taylorland under siege

The victorious warlord hasn't made the transition to civilian politics

The voters' mood, when they elected President **Charles Taylor** in July 1997, was summed up in a slogan: 'He killed my ma, he killed my pa but I will vote for him!'. As the leading warlord, Taylor promised he would stabilise the country. But Liberians' modest hopes have been dashed and the cycle of West African insurgency and counter-insurgency, in which his role is central, is rebounding on him. The coastal belt between Liberia and **Guinea Bissau** has become one of the most politically unstable areas on earth, a lucrative market for arms and gem traders. Distrusted abroad and with a collapsed economy at home, Taylor grows weaker.

Since launching his own war against the late **Samuel Kanyon Doe**'s regime in December 1989, Taylor and his National Patriotic Front of Liberia have made thousands of enemies. All the warlords whose battles with Taylor dragged the fighting on for six more brutal years after Doe's murder are now outside the country but

they're unlikely to give up. **Prince Yormie Johnson**, the NPFL's tactical genius in the early months, is in Nigeria. So is **Roosevelt Johnson**, whose United Liberation Movement for Democracy (Ulimo-J) militia fought Taylor's security men in Monrovia's streets last September, when hundreds, perhaps thousands, of civilians were killed.

The battle started when Taylor's troops demanded that Johnson's men open the road to their headquarters to traffic. The argument soon became a shootout, which ended in the **United States** Embassy compound with the wounding of two American diplomats. Johnson's men were shot dead as they tried to scramble over the compound walls. Johnson made it into the compound and was airlifted out by a **Nigerian** helicopter. Alhaji **Kromah**, leader of Ulimo-K, and **George Boley** of the Liberia Peace Council, left the country less dramatically.

Besieged from within

Buzzing with plain-clothes and uniformed security officers, Monrovia still feels like a city under siege. Centre-stage is the treason trial in which 32 defendants (including Johnson and Kromah *in absentia*) are charged with trying to overthrow the Taylor government. The prosecution claims that the September shootout was part of a wider conspiracy by Johnson, which looks doubtful; yet many people say Johnson's actions were unduly provocative and local human-rights monitors say government security officers reacted by mounting a pogrom against the Krahn, Johnson and Boley's ethnic group.

Ten state witnesses, some of whom claim to have helped plan the conspiracy, provide most of the prosecution case. One witness attempted to implicate **Ellen Johnson-Sirleaf** of the United People's Party, Taylor's main electoral opponent in 1997 and former Director of the United Nations Development Programme's Africa Division; however, when Johnson-Sirleaf protested, the accusation was withdrawn.

The judge, **William Metzger**, has established some credibility, fining the five prosecution lawyers for delays, demanding the security agencies release detainees held without charge and insisting that the Minister of National Security, **Philip Kamah**, should testify in person. When he at last came to court, he made some gruesome allegations, claiming that one of the accused, **Ted Quiah**, had called him by radio in the midst of September's fighting and told him he would drink water from his skull.

The USA and Nigeria, together with the governments in Freetown and Accra, have accused Taylor's government of backing the Revolutionary United Front's rebellion in **Sierra Leone**. In Monrovia, the links between the government and RUF are common knowledge; RUF commander **Sam 'Mosquito' Bockarie** has a house in the Congo Town district and drives about openly, guarded by Taylor's security men. Senator **Charles Brumskine**, a senior member of Taylor's New Patriotic Party whom Taylor failed to remove as Deputy Speaker of the chamber, has called for an investigation of government links to the RUF and helped draft a law making it a felony for Liberians to fight in Sierra Leone. Nigeria and **Ghana** want US backing for a UN observer mission to monitor the flow of arms and other supplies across the Liberia-Sierra Leone border, with access to both countries' territory.

Access to the areas north-east of Gbarnga where the RUF has its training camps is tightly restricted and Taylor's security apparatus is forbidding. Three new agencies patrol Monrovia and beyond: the (Executive Mansion) Special Security Unit, Special Operations Division (known as SOD) and the Counter Force, a presidential

guard commanded by Taylor's son **Chuck**, who plays an increasingly muscular role. Taylor's powerful cousin **Joe Tate**, the police chief, had Justice Minister **Peter Bonner Jallah** dismissed last year; in theory, the Justice Ministry has supervisory powers over the police.

Security officers armed with Kalashnikovs and rocket-propelled grenade launchers guard the state's telecommunications and electricity corporations and Monrovia's Free Port; some were involved in the street battles with Roosevelt Johnson's followers and the subsequent massacres. These security agencies override both police and army.

Disarmament and security were central to the 1996 Abuja peace accord and made 1997's elections possible. The warring factions then agreed that the armed forces would be rebuilt on the basis of ethnic and regional balance, plus merit, under supervision by the Economic Community of West African States' Monitoring Group and the UN. Taylor now rejects any foreign involvement: 'I don't play with my security', he told journalists in Monrovia last month. City streets are closed off hours before and after a Taylor visit, and the entire cabinet accompanies him on presidential outings. The traffic chaos is appalling.

No warring faction disarmed completely but Taylor's NPFL kept the most weapons and many of its fighters camp out in NPP headquarters in Congo Town. The rebuilding of the national army is still shrouded in mystery. After a press report that 2,000 NPFL fighters had been inducted into the 'new' Armed Forces of Liberia, the Deputy Defence Minister, Colonel **Philibert Browne**, said, puzzlingly, that these soldiers were on the 'orders but not the payroll' of government.

Taylor has disbanded the old Executive Mansion Guard battalion and the 7th and 8th battalions of the old AFL, each of which had a large Krahn contingent and fought against the NPFL. The former AFL Commander, Brigadier **Moses Wright**, one of the few professionally trained soldiers left in the country, has been demoted to military advisor to the Chief of Staff. The armed security forces and most of the AFL are now Taylor-loyalists with no formal training but with an armoury of artillery, RPGs and automatic rifles. We hear former officers of the **South African** Defence Force are training Liberians and others on a contract basis, for service with the RUF in Sierra Leone. The prospect of a trained - let alone disciplined - army is remote.

Reconciliation dormant

The government's reconciliation and reunification efforts haven't gone much further. The Reconciliation Commission appears virtually dormant; its head is Taylor's former media supremo, **Victoria Reffell**, whom Washington accused of organising the smuggling of confidential papers from the State Department. When the Catholic Archbishop, **Michael Francis**, proposed a national reconciliation and rehabilitation conference, the government tried to turn it into a grandiose economic planning conference; it provided a sounding board for unease but few of its recommendations have been implemented.

There were hopes of a power-sharing government after Taylor appointed some opposition politicians to his post-election cabinet. They included Information Minister **Milton Teajay** from Johnson-Sirleaf's UPP; retired General **Hezekiah Bowen** as Rural Development Minister; and Deputy Defence Minister Kamah. Cabinet Director General **Blamo Johnson** is a UPP member but also a close friend of Taylor's. Two other opposition appointees, Kromah and Johnson, have fled abroad. The ministers of Education,

Planning and Finance have no declared political affiliation.

Senior NPP officials dislike even this level of power-sharing. Pressure on Taylor to fire opposition ministers could become irresistible, NPP Secretary General **Cyril Allen** told *Africa Confidential*. After Taylor and Senator **Grace Minor**, Allen is third in the government hierarchy and a rich man after a long business career in West Africa. Reffell, too, is one of the NPFL loyalists who toughed it out with Taylor in Gbarnga during the war and he listens to her.

Senior NPP sources say Taylor is increasingly tired, suffering from throat cancer (for which he is treated in South Africa) and frustrated that most foreign donors and investors are steering clear. After the US government said in January that it had evidence Taylor was arming the RUF, he threatened to expel all the foreign aid agencies (many funded by the US Agency for International Development) that provide basic services. Few health and sanitation facilities have been restored since the war. Outside Monrovia's Bushrod Island suburb, there is almost no piped water; outside the Mamba Point diplomatic district, there's no steady electricity supply.

More widely, the hope for post-war dividends has not lessened. If anything, the economic position has deteriorated. According to figures we obtained from the National Bank of Liberia (Central Bank), Liberia's total imports and exports trade fell to \$119 mn. in 1998 from \$239 mn. in 1997 when the economy enjoyed an election time boom. But both years represent a massive fall from the pre-war figures: total import and export trade was \$707 mn. in 1988. In keeping with this shrinking of the formal economy, President Taylor announced a total budget for capital and current spending of just \$64 mn. To meet the government's fiscal stringency there will have to be further cut-backs in public spending.

Johnson-Sirleaf specifically asked to what use a \$1 mn. grant from the **Moroccan** government and a \$3 mn. grant from the **Taiwanese** government had been put. Finance Minister **Elie Saleeby** was unable to give a convincing reply.

Those outside government grow more fearful of speaking out. The prominent human rights campaigner at the Catholic Commission for Justice and Peace, **Kofi Woods**, moved to the **Netherlands** after threats from Taylor's securocrats. Johnson-Sirleaf is a strident critic of the government, whose media vilify her as a national saboteur, claiming that criticism of Taylor's human rights record drives away foreign donors and investors. Johnson-Sirleaf lives in neighbouring **Côte d'Ivoire**, where she works as a development consultant, but makes regular trips home. Nearly all Taylor's other vocal critics - civilian and military - are now in exile.

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Pointers

DJIBOUTI

Paris and the prince

Nomination by the ruling *Rassemblement Populaire pour le Progrès* on 4 February has formally set **Ismael Omar Guelleh** on the path to succeed **Hassan Gouled Aptidon**, who steps down in May. In fact, Gouled's nephew and head of *Cabinet* has called the shots since his uncle, in his mid-80s, fell gravely ill in 1995. Ismael Omar masterminded the military defeat and division of the mainly Afar *Front pour la Restauration de l'Unité et de la Démocratie* in 1993-94 (AC Vol 39 No 21) and then gaoled rival Issa-Somali politicians and confirmed his ruthlessness as head of the city-state's police, intelligence and paramilitary forces.

The presidential poll, due on 9 April, is little more than a formality; the RPP swept all 65 seats in the December 1997 elections and the two minuscule opposition parties have both suffered leadership struggles. But it could be interrupted by an overspill from the **Eritrean-Ethiopian** hostilities. Ismael Omar is on good terms with Ethiopia and Djibouti suspended diplomatic relations with Eritrea after President **Issayas Afewerki** criticised Hassan Gouled during Organisation of African Unity peace-keeping efforts.

Most Ethiopian imports, including weapons and fuel, are trucked in from Djibouti port. Within Djibouti, as far as the border at Galafi, the road is open to sabotage by Eritrea and by guerrillas loyal to the rejectionist FRUD leader, **Ahmed Dini**. In Ethiopia, the road continues along Djibouti's northern border, where fighting or at least bombing seem inevitable. That's too close for comfort for the **French** garrison of 3,200 troops which sent in an anti-aircraft frigate on 9 February to keep an eye on Ethiopian and Eritrean activities (see Feature). This raises the question of whether Paris will offer aerial photography and intelligence to other parties. France has long been wary of Ismael Omar but thinks he may help keep things stable. On 21 January, Cooperation Minister **Charles Josselin** visited the former colony to announce both new aid and greater military vigilance.

SWAZILAND

King's move

The political relaunch of a former Prime Minister, **Obed Dlamini**, could revive the anti-monarchist opposition. This has been marking time since the 70,000-strong Swaziland Federation of Trade Unions failed to get support for a general strike in 1997 or for a boycott of last October's parliamentary elections (when, to the delight of royalists, there was a 60 per cent turnout).

King **Mswati III** made Obed Premier in 1989; he ran a liberal government until palace advisors had him dismissed in 1993. At a secret meeting last December, he was elected President of the Ngwane National Liberatory Congress, the main opposition party in the 1970s. He has more prestige and is better known than **Mario Masuku**, head of the other significant party, the People's United Democratic Movement; if they sank their differences, the two could make a real mark on politics. On 19 January, Obed described the parliamentary elections as a 'sham' because parliament had no real power and denounced Mswati's new Constitutional Review Commission as a waste of taxpayers' money.

In October and November, a group calling itself the 'Black Tigers' put bombs under a bridge over which the King had just passed and near the Deputy Premier's office. The government responded with the Swazi Administration Order, giving the 200 chiefs powers to arrest and try suspects without warrants or lawyers - and threatening the same chiefs with fines or dismissal if they 'fail to prohibit any act or conduct which might cause a riot or disturbance'. The Swazi Youth Congress plans public rallies to test the Order. Swayco is illegal, as are all political parties. Yet if the government used its full repressive powers, it would risk frightening the foreign investors it desperately needs and whom the monarch himself will be trying to attract at an investment conference in London early next month.

BRITAIN/SOUTH AFRICA

Spinning south

Conflicting reports have emerged about British former Trade and Industry Minister **Peter Mandelson's** offer to help the African National Congress 1999 election campaign. The project doesn't look particularly challenging: most independent analysts reckon the ANC will win a two-thirds majority, even without Mandelson's advice. Known at home as a spindoctor and dubbed the 'Prince of Darkness', the often abrasive Mandelson is seen as architect of the Labour Party's 179-seat majority in May 1997. Premier **Tony Blair** was quoted as saying that one of his political aims was to get Labour 'to love Peter Mandelson'. Now, he may have to extend that project to South Africa.

On 10 February, Labour and ANC officials gave diametrically opposed explanations for Mandelson's trip to Cape Town that week. ANC national spokesperson **Thabo Masebe** insisted Mandelson was on holiday but might be having 'informal chats' with party officials. Certainly, he went on, there was no question of Mandelson advising the ANC on election strategy.

Labour headquarters on London's Millbank insisted Mandelson was on a prearranged working visit. To make the point, party officials released a personal letter from Pretoria's former High Commissioner to London and now ANC

National Treasurer, **Mendi Msimang**, responding to Mandelson's offer to help the ANC election campaign. But, noted Masebe, Msimang had no authority to invite foreign politicians to official meetings: that would have to be done by the ANC Secretary General, as the Labour Party knew.

So for now, Mandelson's offer of campaign advice seems to be on ice. We hear senior ANC figures thought it irrelevant, as they were going to win anyway. A rather defensive Labour press office is now also playing down the possibility of a Mandelson consultancy: 'There are no proposals at this stage for any representative of the Labour Party to advise the ANC on campaign strategy', adding that no conclusions on the consultancy were reached during Mandelson's South African trip.

Yet friends insist that Mandelson, who resigned from the government after failing to declare a £373,000 home loan from Paymaster General **Geoffrey Robinson**, is keen to do 'something useful', preferably in Africa. South Africa looms large in Labour's ideological spectrum; the Party regards the ANC as a sister party sharing its centrist 'third way' approach to politics, a point which Blair made much of during his South African trip last month. Other Labour professionals work alongside the ANC - **Mike Elrick** in the Chief Whip's Office and information technology expert **Ben Coffman**, the son of one of Blair's press officers and Party fund raisers, **Hilary Coffman**.

Both Elrick's and Ben Coffman's expenses are met through the Foreign and Commonwealth Office-funded Westminster Foundation's international programme to promote democracy. Should the ANC change its mind about Mandelson's offer of help, it would most probably be financed through the Foundation, which offers the same funding to all major UK political parties and their sister associations overseas. Perhaps other Labour Party spin doctors have detected a problem with that: that Mandelson might have appeared to be rebuilding his political profile through the South Africa job, with the help of public money.

BENIN

Jet set and match

The latest leader to succumb to the need for personal air transport is President **Mathieu Kérékou**, who has secured three billion CFA francs to buy a second-hand personal jet. He has an unfortunate history with presidential planes. Towards the end of his 17-years as military dictator, he bought an old Boeing 707 from **South Korea's** Reverend **Moon**. He enjoyed the jet - luxuriously transformed, with panelled bedrooms, gold-plated taps and a wine cellar - for only a short time. It was impounded in **Belgium** to pay a repair bill.

Back in power in 1996, he had it sold against the US\$371,000 debt: it's now used as a restaurant in the Belgian town of Genk.

AFRICA CONFIDENTIAL

NIGERIA

2

NIGERIA

Virtual voters

UN and European Union monitors reckoned that Obasanjo's election victory was seriously flawed but 'generally reflected the will of the people'. Translated, that means both sides rigged the vote but Obasanjo's party was better at it and he would have won anyway.

SOUTH AFRICA/USA 3

Transatlantic tryst

Washington now has closer relations with the ANC government than with any other in Africa, including Egypt and Morocco. Deputy President Mbeki and Vice President Gore get on famously and both are set to continue the pattern set by Presidents Clinton and Mandela.

KENYA

4

Up with Biwott

Demoted to Industry Minister in the latest reshuffle, former Finance Minister Nyachae has resigned and publicly protested about the 'powerful untouchable people' who have been frustrating his anti-corruption efforts. Days later, an IMF team arrived in Nairobi to assess the government's progress on accountability.

CONGO-K

6

Hard talk in Kinshasa

Angola and Zimbabwe urge beleaguered President Kabila to talk to the rebels whose military campaign continues relentlessly.

POINTERS

8

South Africa, Africa, Angola and landmines

Ex-trade unionist's turmoil; conference calls; Luanda's note diplomatique; still a minefield.

Soldier go, soldier come

President-elect Obasanjo's greatest challenge will be his plans to reform the military and end the putschist mentality

The Nigerian conundrum - 'it takes a soldier to end army rule' - is to be tested again. General **Olusegun Obasanjo**, the choice of most army officers and the Western powers, was dubbed PDP (Pre-Determined President) - the acronym of his People's Democratic Party. The 27 February presidential election indeed had a pre-determined feel to it (see Box). But that's not entirely surprising when Obasanjo faced an improbable coalition of erstwhile supporters of 1993 poll winner **Moshood Abiola** in the Alliance for Democracy and the All People's Party (dubbed the **Abacha** People's Party because so many of the late dictator's acolytes had joined it). Within hours of his victory, Obasanjo started choosing the transition committee which is to handle policy and appointments up to the formal handover to civilian rule on 29 May. His hotel suite in Abuja has been overflowing with well-wishers and office-seekers.

A paid-up Nigerian nationalist, Obasanjo makes his priority to build a team that brings in the broadest span of constituencies. As a south-westerner himself, with his running mate, **Atiku Abubakar**, from the north-eastern Adamawa State, the gaps are obvious: key roles must be found for candidates from Igboland in the south-east, from the emirates of the north-west, from the powerful and vocal Middle-belt of the country and from the oil-producing Niger Delta, the so-called 'South-South'. Obasanjo's rival for the PDP presidential ticket, **Alex Ekwueme**, is certain to land a top post in the new government: perhaps Ambassador to the United Nations or President of the Senate.

Khaki shuffles

Yet the most important reshuffling will have to happen first in the military. Obasanjo has no delusions about the magnitude of the task. Last year, he asked his son at the Commander and Staff College, how many of his fellow officers saw the army as a route to political power. 'Nine out of every ten', came the reply. Like so many of his generation of officers - Lieutenant Gen. **Theophilus Danjuma**, Gen. **Alani Akinrinade**, Maj. Gen. **David Jemibewon** and Air Commodore **Dan Suleiman** - Obasanjo is appalled at the corruption, politicisation, low morale and breakdown of command structure that have riven the military in the regimes of Gens. **Ibrahim Babangida** and Sani Abacha.

After the election, Obasanjo quickly qualified his pledge to pull Nigerian troops out of **Sierra Leone** by talking of respecting Nigeria's international obligations. Like the current head of state, **Abdulsalami Abubakar**, Obasanjo may want to pressure the West into providing more financial and logistical support for Nigerian peacekeeping operations as well as press President **Ahmed Tejan Kabbah** into serious negotiations with the Revolutionary United Front. Much could be done to boost the morale of Nigerian troops in Sierra Leone by improving equipment and rations and allowing home leave (some soldiers have been abroad for over five years).

He will need to play a subtler game at home. The military is desperately unpopular, in north and south alike. Equally, many in the current military hierarchy are tetchy about being hounded out of power. The worst military malefactors of the Abacha regime who are still holding senior posts are highly suspicious of Obasanjo but he is a bridge between frustrated civilians and prickly soldiers. He wants to reprofessionalise the forces, put them firmly under constitutional control and with effective new training and welfare programmes.

Finance and force strength are two immediate problems. Privately, several senior officers concede that Nigeria needs only a two-division structure (it has four and a substantial presidential guard). This would emphasise flexibility, effective use of technology and professional competence. That could mean cutting the force by almost half. Finding the money to pay for redundancies and re-equipping the remaining soldiers will be difficult, even if the **United States** and **Britain** deliver their promised military assistance.

Military leadership is the other big question. Abubakar has said he's determined to retire on 29 May, although he would have been well-placed to help the military reform effort. Rear Admiral

Virtual voters

Election monitors coined a phrase for General **Olusegun Obasanjo**'s presidential victory on 27 February: the result was not 'free and fair' but 'generally reflects the will of the people'. That is the verdict of the European Union and United Nations. Nigerian cynics reckon that the result also 'generally reflects the will of Nigeria's principal trading partners'. The monitors meant that activists from both Obasanjo's People's Democratic Party and **Olu Falae**'s rival Alliance for Democracy-All People's Party coalition tried to rig their man into power. All the EU monitors were sure Obasanjo had won - but by far less than the 63 per cent given to him, against Falae's 37 per cent.

The assessment was more embarrassing for Obasanjo's old friend, ex-President **Jimmy Carter**, whose **United States** monitoring team questioned the 'wide disparity between the number of voters observed at the polling stations and the final result that has been reported from many states'. Next day, back home, Carter concluded that 'it is not possible for us to make an accurate judgment about the outcome of the presidential election'. Nevertheless, Washington is right behind Obasanjo; it ended all sanctions against Abuja on the eve of voting, and can now support World Bank and International Monetary Fund loans.

Britain and **France** endorsed Obasanjo's victory under the cautious EU 'will of the people' formula, so Europe will almost certainly unblock aid funds of some 365 million Euros (US\$401 mn.) after Obasanjo's civilians take over on 29 May. Officials from Brussels and Abuja are already discussing how to apportion that money between anti-poverty programmes and mutually lucrative 'strategic energy' projects.

The Nigerian Transition Monitoring Group, with 10,700 observers across the country, judged that the 'incidence of electoral fraud was great enough to completely distort the election result'. The defeated Falae accordingly declared the election to be 'a farce and a charade', while his spokesman, **Yusuf Mamman**, a former Ambassador to Madrid, said it amounted to a 'coup d'état against democracy'. Falae initially said he would be reluctant to serve under Obasanjo but later argued that the disputed result made a government of national unity essential.

South Africa was delighted; Foreign Minister **Alfred Nzo** said Obasanjo's victory offered Nigeria a chance to 'firmly entrench a civilian democracy'. Obasanjo, in South Africa as a member of the Commonwealth Eminent Persons Group in the apartheid era, won respect from hard-nosed Afrikaners and adoration from township kids. Some in Pretoria may also feel a bit guilty that they did too little to free him when he was a political prisoner under the late Gen. **Sani Abacha**'s regime.

Mike Akhigbe is likely to follow him into retirement, although there is much dispute about which service chiefs should stay on. The Chief of Army Staff, Maj. Gen. **Ishaya Bamaïyi**, argues that he would provide continuity but his history as an important Abacha *apparatchik* makes him suspect to many. Two rising stars likely to be considered to replace him are the Commandant of the National War College, Maj. Gen. **Chris Abutu Garuba**, and the General Officer Commanding 1st Division (Kaduna) Maj. Gen. **Abdullahi Muktar**.

We hear, moreover, that Federal Secretary **Gidado Idris**, in Pretoria last month, made a generous contribution to the African National Congress's own election fund.

Most anecdotal evidence suggests that Falae's supporters rigged results in Lagos and some of the (Yoruba-speaking) south-west states, such as Osun and his home state, Ondo. Obasanjo's people operated almost at will throughout much of the north and south-east. Most fraud reported was at polling booths, not at the ward, state or central counting centres. Monitors suspect senior officials in both parties ordered local activists 'to do their worst'. In Lagos, voting was effectively in the open, with voters surrounded by Falae-supporting 'area boys'. One observer questioning the stuffing of a ballot box by PDP supporters in Niger State (where the PDP won 83.8 per cent) was advised to go back to Europe where 'there are plenty more elections to watch'.

The fraud (usually pro-PDP) was blatant in the oil-producing Delta states, where hundreds of wards reported unbelievable 100 per cent turn-outs - 123 per cent was recorded in poverty-stricken Bayelsa State. The most suspect results came where the turnout was highest. The national average turnout was just over half of the estimated 40 million eligible voters. Benue recorded 66.7 per cent; Ekiti 66 per cent (pro-Falae); Gombe 75 per cent; Kogi 77 per cent; Kwara 70 per cent; Nassarawa 85 per cent; Rivers 71 per cent; Taraba 88.9 per cent.

Millions of naira changed hands. At pre-election fundraisers, Obasanjo brought in N400 mn. (US\$4.59 mn.) for the PDP and Falae brought in over N100 mn. for the AD-APP. Support shifted improbably towards the PDP. For example, in the gubernatorial elections in Kaduna in January, the PDP won 585,181 votes and the AD-APP 288,950 but in the presidential poll, the PDP vote nearly doubled to 964,216 while that of the AD-APP shrunk to 229,181. A popular story tells of a Kaduna schoolteacher confidently marching her pupils in their school uniforms to the voting stations.

One PDP supporter described the exercise as 'rigging for democracy'. If Obasanjo had lost or won too narrowly, the hopes of taming the military putschists would have been thwarted, he argued, as a Falae government would have been toppled in months. Instead, Nigerians must live with the disputed election of a retired general, pledged to root out corruption and return his fellow soldiers to barracks for good.

The biggest question is how seriously the election's flaws will compromise Obasanjo's legitimacy. Violent protests could give military coup-makers a chance to intervene in the name of 'national stability'. Even optimists expect a tense three months as Obasanjo prepares for power.

Before that, Obasanjo will have to name his Defence Minister. Some advise him to keep the portfolio himself (as is the tradition in military regimes) or to appoint a respected ex-general, such as the former Chief of Army Staff, Maj. Gen. **Salihu Ibrahim**, or Akinrinade (whom Obasanjo appointed to take charge of the army in 1979) or Danjuma. How far the military will be purged and probed will then be hammered out between Obasanjo, his retired general friends and his civilian advisors. Many expect him to employ a surgical strike rather than a gradualist approach. At the

same time, senior officers agree that a drawn-out 'truth commission' on army rule would be high-risk.

By comparison, Obasanjo should find repairing Nigeria's foreign image much easier. On 8 March, he sets off on a post-election tour of Britain, **France**, **Germany** and **Italy**, where he will reopen discussions about economic reform, debt relief and concessionary loans. Obasanjo is probably more sceptical than his rival **Olu Falae** about free market economics but is equally capable of banging the drum for foreign investment in Nigeria. The details of economic strategy will have to emerge quickly: a national conference on economic policy is scheduled for this month in Abuja, followed by a donors' conference chaired by the World Bank.

The Abubakar government's outline agreement with the International Monetary Fund (AC Vol 40 Nos 3 & 4) will need Obasanjo's approval and that of his (yet to be named) finance minister before it can go to the Fund's Board. The highly-regarded incumbent finance and planning ministers **Ismaila Usman**, and **Rasheed Gbadamosi**, will be critical to the transition process.

Olusegun international

Much is expected from Obasanjo's international standing. He is close to several former leaders, including **Julius Nyerere**, **Jim Callaghan**, **Jimmy Carter** and **Helmut Schmidt** and has particularly warm relations with **Nelson Mandela's** government. But he will have to work hard to prevent some of his domestic obligations from alienating his international supporters, for whom Nigerian politics remain somewhat surreal.

Obasanjo's chairmanship of Transparency International's board of advisors and his role in helping to found that anti-corruption lobby group give his anti-graft credentials some credibility. Quite how that squares with Nigeria's system of money politics, which brought him to power, is another matter. He has pledged to set up an independent anti-corruption agency but its real test will be its handling of his business backers, who raised hundreds of millions of naira for the PDP campaign, when they seek a return on their 'investment'. According to one of Obasanjo's fellow retired generals, anti-corruption campaigner Maj. Gen. **Ishola Williams**, it's a matter of breaking down Nigeria's 'contractocracy'.

An interesting mixture of journalists, intellectuals, business people, retired officers and career politicians populate the Obasanjo camp. Among the scribes are **Ad'Obe Obe**, former Editor of *West Africa* and director of Obasanjo's Africa Leadership Forum, who has taken on a virtual chief of staff role; **Onyema Ugochukwu**, also a former editor of *West Africa* and Managing Editor of the *Daily Times* group, who was Obasanjo's press spokesman; and **Haroun Adamu**, who directed campaign strategy.

Business backers include **Kase Lawal**, a Houston-based oil magnate; **S.O. Bakare**, the Lagos-based car dealer who drummed up Yoruba support; **Aliko Dangote**, a Kano-based magnate who was one of the biggest contributors to campaign funds; and the omnipresent **Isyaku Ibrahim**. Among the politicians, one of the most influential will be **Jerry Gana**, a former geography professor at Ahmadu Bello University, along with other ABU luminaries such as **Ango Abdullahi** and **Iyorchia Ayu**. Some political debts will have to be repaid to **Jim Nwobodo** (Anambra State), **Solomon Lar** (Plateau), and **Tony Anenih** (Edo) for helping to deliver critical constituencies. However, perhaps most important are Obasanjo's fellow officers, notably Danjuma and former military intelligence director Maj. Gen. **Aliyu Mohammed Gusau**, who help provide the president-elect with his most convincing insurance policy.

SOUTH AFRICA/USA

Transatlantic tryst

Clinton's White House and Mandela's Tuynhuys have a special relationship

Washington now has closer relations with the African National Congress government than with any other in Africa, including the governments of **Egypt** and **Morocco**. The institutionalisation of the new Washington-Pretoria axis started three years ago, when President **Bill Clinton** and President **Nelson Mandela** launched the Bi-National Commission. Its meeting last month in Cape Town produced a bonding that some diplomats call a 'special relationship', symbolised by US participation in Blue Crane, the Southern African peace-keeping exercise due on 12 April. After last month's commission meeting, Deputy President **Thabo Mbeki** said the discussions 'showed the rapid growth in the detailed relationship between the two countries'.

This bonding follows a ten-day conference at the end of January, to which Pretoria's Department of Foreign Affairs (AC Vol 40 No 4) summoned its top diplomats from 75 countries. Foreign policy has been haphazard under Foreign Minister **Alfred Nzo** (likely to go after the elections) but the new Director General appointed by Mbeki, **Jackie Selebi**, is highly regarded. Pretoria's focus on Africa has been broadened to embrace 'strategic partners', such as **Argentina**, **Brazil**, **Britain**, **China**, **Germany** and the USA. A Foreign Ministry source said Pretoria would not keep its distance from Washington 'just to satisfy African opinion'.

- The relationship is led by the two heirs-apparent, Vice-President **Al Gore** and Deputy President Mbeki, who jointly chair the Bi-National Commission's six-monthly meetings. Discussions range over global issues and conflicts in Africa but centre on economics: growth and job creation. The two leaders announced a new agreement on trade and investment and another to resolve disputes, such as the US complaint about SA's imports of unpatented pharmaceuticals.

- Eight committees cover: Trade and Investment; Environment, Conservation and Water Affairs; Sustainable Energy; Human Resources Development and Education; Science and Technology; Agriculture; Defence; Justice and Crime. There are sub-committees on Health and Housing.

- The key committees, jointly chaired at cabinet level on both sides, will meet alternately in SA and the USA. US Commerce Secretary **William Daley** and SA Trade and Industry Minister **Alec Erwin** will chair the Trade and Investment Committee; Agriculture Secretary **Dan Glickman** will share with his SA counterpart **Derek Hanekom**; Energy Secretary **Bill Richardson** with **Penuell Maduna**. The Justice and Crime Committee, chaired by Attorney General **Janet Reno** and Minister of Safety and Security **Sydney Mufamadi**, includes representatives of Mufamadi's Ministry, Correctional Services (prisons), Justice, Intelligence, Finance, Welfare and Home Affairs. The main target is the invasion of SA since 1994 by international crime syndicates, including drug traders who both spread the use of drugs in SA and use it as a staging post from South America and the Far East to the USA and Europe (AC Vol 40 No 3).

The Crime committee has started already. Gore says it 'will give South African officials access to resources from the FBI, the Drug Enforcement Agency, Customs, the Immigration Service and other law enforcement agencies'. Technical assistance and the training of SA law enforcement agents in the USA will be run by the office of SA's newly appointed National Director of Prosecutions, **Bulelani Ngcuka**.

Defence cooperation has moved ahead fast. The US Air Force is sending two C-130 Hercules troop-and-cargo aircraft to ferry soldiers from neighbouring countries to the Blue Crane exercise at the Army Battle School at Lohathla, Northern Cape; Washington is also helping with finance, as are Britain, **France** and Germany. Participating Southern African countries include **Botswana, Malawi, Mozambique, Namibia, Swaziland, Zambia** and **Zimbabwe**. **Angola** and the **Democratic Republic of Congo** are busy elsewhere with their own wars.

Zimbabwe's President **Robert Mugabe** is irritated because his country hosted the first regional peacekeeping exercise, Blue Hungwe, in 1997, with 1,500 troops; Blue Crane is far larger, with 8,000. The two defence chiefs - Minister **Joe Modise** (who retires after the polls) and Secretary **William Cohen** - have both said things Mugabe dislikes. Referring to President **Laurent Kabila** and his allies (including Mugabe), Modise said: 'Neither can beat the other, they have got to get round the table to discuss and resolve their problems. There can be no lasting peace without that'. Cohen said the Pentagon wanted to broaden its military relationship with SA, which it saw as the 'natural leader' for regional stability'.

Personal chemistry is critical between two men who are would-be successors to charismatic predecessors: one Pretoria official said, 'It is a special relationship because the relationship between Mbeki and Gore is special'; a US diplomatic source described the relationship as 'remarkable' and 'very close', based on 'respect for each other's intellects and thinking'. On Gore's recent trip to Cape Town, they spent seven hours together, much of it on their own, prompting some of Gore's aides to become 'a little worried as to what ideas the two of them might be cooking up on their own'.

No crowing

Washington officials, as one put it, see Mbeki as a 'pragmatist who will make decisions based on what he thinks is best for South Africa. We trust his view on this. Our engagement with South Africa has made us better students of African affairs'. US diplomats says they want closer ties with South Africa because of:

1. Pragmatism: Washington views South Africa as an 'important, stabilising, democratic force in Africa - we want to encourage that stability and influence'.
2. Economics: 'Economically and commercially, we view SA in the same way - stable and free. It is a gateway to the rest of the continent'. Moreover, SA has a 'relatively sophisticated industrial and scientific community'.
3. Psycho-politics: 'We are both trying to make multi-ethnic, multi-cultural societies work. It would be a blow for the US if South Africa failed'. This point appeals to African-Americans, most of whom vote Democrat.

Pretoria seeks to deflect accusations by Mugabe and others that it is becoming a US client-state. Washington had to accept with good grace Pretoria's refusal to join the US-sponsored African Crisis Response Initiative (ACRI). SA said it preferred to respond to crises multilaterally through the Southern African Development Community, Organisation of African Unity and United Nations. Washington has even moderated its criticism of Pretoria's relations with **Libya** and **Cuba**: 'We don't rule out that South Africa can do some good here.' Mandela has used his ties with Tripoli to try and settle the Lockerbie trial issue.

Pretoria's diplomats do not believe the 'special relationship' with Washington will overshadow ties with European powers such as Britain, Germany or France (which have also set up cooperation commissions with Pretoria). Noted one: 'For the US, it is part of

its new policy on Africa - it is a question of showing commitment to Africa'. Asked whether the special relationship would allow Pretoria access to satellite intelligence and cooperation on intelligence gathering, a Pretoria official said the two countries were 'in a process of developing trust. If there was an intelligence committee in our bi-national relationship, I wouldn't expect anyone to crow about it'.

KENYA

Up with Biwott

The ruling party's factions fight for the purse strings

The government reshuffle of 18 February was, as usual in President **Daniel arap Moi's** Kenya, announced by radio during the lunch hour, catching unaware the ministers and top civil servants involved. However, the most sensational change came three hours later, when **Simeon Nyachae**, Finance Minister since January 1998 and demoted to Industry Minister, resigned from cabinet. He was replaced by old Industry Minister **Yekoyada Francis Omoto Masakhalia**, a veteran economist and first-time member of parliament who is little known to the public.

An International Monetary Fund delegation arrived in Nairobi on 1 March. The government wants the Fund to restart its suspended structural adjustment facility, worth US\$230 million, as had been expected until the reshuffle. The IMF has held back credit pending the appointment of a credible head of the Kenya Anti-Corruption Authority. The Fund team may be discouraged by Masakhalia's keen support for Nyachae's main cabinet rival, **Nicholas Kiprono Kipyator Biwott**, whose official post is East African Cooperation Minister and who is widely recognised as the government's hard man. Biwott's faction of the ruling Kenya African National Union lost its grip on the main financial institutions in 1993, when the principal donor governments prompted the removal of **George Saitoti** from the Finance Ministry in the wake of the Goldenberg financial scandal. With an eye on the presidential poll due in 2002, the old crowd is moving back.

Last October, the unassuming and soft-spoken Masakhalia, a respected administrator who had never taken a public stand on anything much, surprisingly called a weekend press conference at Nairobi's Grand Regency Hotel to defend Biwott against the recurring allegations that he was involved in the murder, in February 1990, of the then Foreign Minister, **Robert Ouko**. Masakhalia denied that Ouko and Biwott had disagreed over the tendering for a failed molasses factory at Kisumu.

Against the odds

Masakhalia, **Harris Mule** and **Terry Ryan** were the first three Kenyan economists employed by the government at Independence in 1963. Masakhalia rose to the rank of permanent secretary in the Water Development Ministry but left in disgrace in 1984 after the Moi government accused him of hiring staff from his own Luhya people without following civil service procedures (few insiders believed this). He then worked at the United Nations Economic Commission for Africa in Addis Ababa until 1997, when he retired and was elected to parliament on the KANU ticket.

Now he will have to talk to the IMF. Also talking to the Fund will be the young Treasury technocrats and Central Bank of Kenya

Betrayed

Abdullah Oçalan, leader of the *Party Krekarani Kurdistan* (PKK, Kurdistan Workers' Party) could not have picked a worse time to take refuge in Nairobi. Since the **United States** Embassy was bombed on 7 August (along with that in **Tanzania**) at least 100 American agents have been working in Kenya, with local police, on the trail of **Usama bin Laden** and associated Islamists (AC Vol 39 No 17). US security officials are on permanent stakeout at Nairobi and Mombasa airports, we hear. Oçalan's abduction back to **Turkey** triggered protests by Kurdish exiles across Europe, North America and even in the Middle East.

Oçalan had been identified as soon as he landed, courtesy of the Athens government, at 11.33 A.M. on 2 February, aboard a private jet from **Greece**. Characteristically, sections of Kenyan security helped him or betrayed him, depending on how much was paid to whom and by whom.

With local assistance, Oçalan and four comrades made it to the Greek Embassy residence in the rich Muthaiga suburb, using false passports and without clearing customs or immigration. Once there, Oçalan and his hosts dropped their guard: the US spooks and 'their' Kenyans monitored his walks in the garden, along with his cellphone calls to his lawyer and Kenyan contacts.

Tipped off by the USA, Ankara dispatched commandos to Nairobi: they left their jet in Entebbe, **Uganda**, so as not to attract interest. On the Monday evening, 15 February, *Africa Confidential* understands that Oçalan was seduced out of his hideout by Kenyan security men whom he (and apparently his Greek hosts) thought were on their side, ostensibly to ride in their jeep to the airport for a flight to Amsterdam. *En route*, he was drugged and handed over to the Turkish special forces, whose aeroplane now waited on the Nairobi runway. Ankara was jubilant at the success of 'Operation Safari' in capturing its 'public enemy number one'.

Angry Kurdish exiles occupied Kenyan embassies in **Austria**, **France** and **Germany**. Kenya closed its 34 embassies worldwide for a week. Others took over Greek embassies, including that in **Britain**. **Israeli** guards shot dead three unarmed protesters trying to enter Israel's mission in Bonn. Israel went to

extraordinary lengths to deny involvement, with *Mossad* boss **Efraim Halevi** writing to the PKK and even to his own staff. Widespread belief in Israeli involvement was reported from Israel, despite its traditionally pro-Kurdish stance. Yet the joke also spread, recounted journalist **Haim Baram**, that *Mossad* couldn't have been involved 'or Oçalan would either be walking free on the streets of Nairobi or lost *en route* to Ankara'. Had *Mossad* been involved, the joke ran, 'we would now be in Kenya negotiating the release of our agents'.

Greece did lose three ministers and its internal intelligence boss in the affair. Oçalan had unsuccessfully sought refuge throughout Europe and Greece was reportedly seeking a haven for him elsewhere in Africa (which may partly explain **Egypt's** and **Uganda's** denials of involvement). Athens later slammed the European Union for failing to agree on Oçalan; the affair certainly underlined the problems of any common EU foreign policy. So did **Iraqi** Deputy Premier **Tariq Aziz's** visit to Ankara, at Premier **Bülent Ecevit's** invitation, two days before Oçalan was snatched.

Back in Nairobi, speaking to the press on 16 February, Foreign Minister **Bonaya Adhi Godana** fiercely denied Kenya had handed over Oçalan to Turkey, blaming the Greek Ambassador to Kenya, **George Costoulas**. (Costoulas had been forbidden to ride in the jeep carrying Oçalan, which eluded him when he tried to follow it).

Yet Godana admitted his government had known of Oçalan's whereabouts since his arrival. Meanwhile, immigration chief **Francis Kwinga** was proudly telling the press: 'We sent Oçalan away and are very happy he is no longer here. We put him on a flight. We did our job which was to flush him out'. Two days later, Kwinga was fired.

In Kenya, the memory is fresh of August's bombing, when 250 Kenyans died and over 1,000 were injured, many permanently. Amid widespread fear that the PKK could seek revenge, popular anger focusses on government corruption and ineptitude in handling international terrorism and armed movements from abroad.

officials under Governor **Micah Cheserem** who have braved the political odds in attempting fiscal restraint and loan recovery. Nyachae, though, was quick to take credit for both. After his fall, with his Kikuyu wife **Grace** at his side, he claimed that he had been sacked for his determined pursuit of presidential allies who 'owed billions of shillings' to the banks (AC Vol 39 No 25). He protested loudly against the 'continuous frustration by powerful untouchable people' who resented his 'war against corruption'.

The dispute is part of the faction-fighting within KANU for the succession to Moi (AC Vol 39 No 23), who is supposed to retire in 2002. We hear that ministers from the two main factions, Nyachae's KANU-A and Biwott's KANU-B, refuse to speak to each other, even in cabinet. Biwott's triumph includes both Nyachae's exit and the demotion of Nyachae's ally, **Kipkalya Kones**, from the Public Works Ministry, which hands out contracts, to the innocuous Technology and Research Ministry. Nevertheless, Moi still did not fill the vacant vice-presidency: this might drive the losing KANU faction into opposition arms and Moi isn't risking that.

New Public Works Minister is **Noah Katana Ngala**, a member

of neither faction. Yet as Lands Minister, he failed to stop the allocation of public land and government forests (most notoriously Karura forest in Nairobi) to the same notables in KANU of whom Nyachae complains. His successor at Lands is **Gideon Ndambuki**, who owes large sums to Kenya's troubled banks.

As usual, Moi said the reshuffle was meant to 'bring efficiency in the delivery of public services' and to curb corruption by streamlining tendering procedures for contracts and supplies to government departments. The Central Tender Board and the ministerial tender boards are due for yet another reorganisation. Other highlights of the reshuffle are:

- **Frederick Amuko wa Anangwe** (previously Cooperatives Minister) and **Julius Lekany ole Sunkuli** (former assistant minister) are both promoted to become ministers of state in the Office of the President. The sharp-tongued Amuko wa Anangwe, once lecturer in government at Nairobi University, is fiercely loyal to Moi and Biwott. Julius Sunkuli's elevation will worry his Maasai rival **William Ntimama**, member of Nyachae's 'A' faction.

- **Sally Kosgey**, with robust connections to State House, returns from the

President's Office to the Foreign Affairs Ministry as Permanent Secretary. This follows the embarrassing abduction of **Abdullah Oçalan** (see Box).

● Principal Immigration Officer **Francis Kwinga** has been retired following the Oçalan affair. The controversial Police Commissioner, **Duncan Wachira** ('Strongman' to the cops), was replaced by the Deputy Commissioner for road traffic, **Philemon Abong'o**. **Francis Sang** becomes Director of the Criminal Investigation Division, although **Noah arap Too**, whom he replaces, was regarded as efficient.

In Kenya's ethnically charged politics, the impact of the latest changes has gone deep into the rural homelands where, at weekends, the elites party on roast goat, *ugali* (maize porridge) and warm Kenya beer. Nyachae's departure has increased the anti-Moi rumblings in his homeland, the western area of Kisii; only three months ago, he was assuring his people that it was 'time for a Kisii to lead Kenya'. The fractious Kisii clans have united as never before, even though new Industry Minister **Christopher Obure** is a Kisii. The opposition parties - especially **Mwai Kibaki's** Democratic Party - hope to exploit that anger. The Kisii KANU-B loyalists, whose leader is Local Government Minister **Samwel Ongeru**, are severely weakened.

Among the Luo, **Raila Odinga's** position as supreme leader has been strengthened by the appointments of two other Luo - Abong'o as police chief and **Lazarus Amayo** as High Commissioner to **India**. Odinga's campaign for more jobs for Luo, which began when he joined the pro-Moi chorus early last year, has been rewarded. He has praised Moi, spoken often about the 'danger' of a Kikuyu return to power and refrained from criticising corruption or the theft of public land.

Masakhalia's Luhya people - Kenya's second largest group, after the Kikuyu - are usually divided; his promotion will also promote factionalism. He becomes the most senior Luhya cabinet minister while another Luhya, Anangwe, has been promoted into Moi's office. This angers the dissident KANU Luhya MPs, such as **Cyrus Jirongo**, who claim that Moi and Biwott have neglected their western area and have been trying (in the face of Moi's personal refusal to register the party) to form a new opposition 'United Democratic Movement' to contest the 2002 presidential election. However, the Luhya members of the opposition Forum for the Restoration of Democracy-Kenya, led by **Michael Wamalwa Kijana**, favour an alliance with Moi. In 2002, the Luhya vote will probably split all ways, as usual. That suits KANU-B just fine.

Meanwhile, the constitutional review process, which KANU promised to implement after the bloody riots of July 1997, has ground to a halt. Inter-party consultations began in late 1997 and agreed to set up a 25-member Constitutional Review Commission. Twelve commissioners have already been nominated by civic groups, non-governmental organisations and churches. Thirteen were to have been nominated by the political parties: five by KANU, three by the DP, two by Odinga's National Development Party and one each by Ford-Kenya, the Social Democratic Party and the five other tiny opposition parties together.

The micro-parties balked at this, insisting on a seat each. More formidable obstacles have been erected by Biwott's KANU faction, which understands only too well that it would be in a minority within the Review Commission. The day after the cabinet reshuffle was announced, 17 KANU MPs, led by Biwott, Saitoti and Home Affairs Minister **Shariff Nassir**, stormed the Commission's inaugural meeting at County Hall, opposite parliament, and claimed for KANU a majority in the Commission. Nassir explained this was 'because we want to show you we rule this country'. The proceedings came to an abrupt halt.

CONGO-KINSHASA

Hard talk in Kinshasa

Kabila's allies are pushing him to make peace with the rebels

Looking for a way out of the Congo war, Presidents **Robert Mugabe**, **Sam Nujoma** and **José Eduardo dos Santos** emerged grim-faced from their Kinshasa summit with President **Laurent-Désiré Kabila** on 1 March (AC Vol 40 No 2). Under heavy pressure at home, Dos Santos had already reduced **Angola's** contingent in the pro-Kabila alliance to a few hundred troops around Matadi and the border area; Mugabe and Nujoma are set to follow suit, leaving Kabila dangerously exposed to the military campaign of the **Rwandan** and **Ugandan**-backed rebel movement, the *Rassemblement Congolais pour la Démocratie* (RCD).

Mugabe's tone at a post-summit press conference told the story. Triumphant talk about chasing the invading rebels out of Congo-Kinshasa was junked in favour of a commitment to concluding 'an honourable ceasefire'. After visiting Kinshasa, the **British** Minister for African Affairs and Human Rights, **Tony Lloyd**, said in late February that Kabila was willing to talk to the RCD 'any place, any time'. The RCD, now sensing a clear military advantage, remains unenthusiastic about a meeting.

Behind the public shows of solidarity, we hear there has been much frustration in the alliance with Kabila's methods. Meanwhile at home, he has lost almost all the personal support he initially gained in the war against the rebels. Already appalling economic conditions continue to deteriorate. In March, just eleven ships are expected at Matadi; there were 21 in January, 27 in December. The only civil servants to get regular pay are Kinshasa teachers. Kananga, the capital of Eastern Kasai, has had no drinking water for six weeks, since there is no fuel to run water company *Regideso*.

In Mbuji-Mayi, the capital of Western Kasai and of small-scale diamond mining, the new Congolese franc notes are not accepted: people still use the old Zaïre notes from **Mobutu Sese Seko's** time (AC Vol 39 No 23). Since it was first issued in June 1998, the new currency has depreciated by 80 per cent against the US dollar. Now that the law forbids the sale of diamonds other than for Congolese francs, declared sales of diamonds from the province's small mines have fallen by half. In flight after their October defeat at Kindu, Maniema Province, 8,000 soldiers of the supposed national army, the *Forces Armées Congolaises*, pillaged every parish in Tshumbe diocese and robbed farmers' houses in Lodja region.

Laurent Kabila's forces are on the run, with his foreign allies threatening to pull out. On 27 January, government troops lost the battle for Lubao, 240 kilometres east of Mbuji-Mayi; subsequently, Eastern Kasai Governor **Omer N'Kamba** was arrested, along with the local commander, **Kabengele**, by the chillingly named *Département Militaire pour la Répression des Activités Anti-Parti* (Demiap). This Military Department for the Repression of Anti-Party Activities is a revival of an eponymous agency in Kabila's guerrilla group of 1967-1986.

The peace talks are wavering. Kabila entered the talks as the only way to hold back the tide of unpopularity and for the same reason, he dismissed his government on 20 February, in the hope of widening his political base. His narrow coalition does not even include **Antoine Gizenga's** *Parti Lumumbiste Unifié*, strongly

based in Kinshasa and the Bandundu and the largest of the various groups loyal to the memory of **Patrice Lumumba**.

Nobody believes that Kabila has made public life more honest. The *Office des Biens Mal Acquis*, set up to recover assets stolen by Mobutu's officials, is now accused of fraud by employees of organisations which it has taken over. The only region that backs Kabila is his native Katanga but even the Katangese grumble that he has handed control of *Gécamines*, the profitable mining enterprise, to **Zimbabwean** entrepreneur **Billy Rautenbach**.

One important ministry fell vacant on 27 February, when Foreign Affairs Minister **Jean-Charles Okoto Lolakombe** was made Governor of Eastern Kasai. A candidate for the job is **Gérard Kamanda wa Kamanda**, former leader of the *Front Commun des Nationalistes*, who served as Foreign Minister when **Léon Lobitsch Kengo wa Dondo** was Premier under Mobutu. Kamanda met Kabila when the President visited Paris in late November. Yet Kabila may not manage genuinely to widen his political support. On 9 January, he issued Decree 194, enacting the rules for a new democracy. Opposition parties were not impressed. They suspect that Kabila, like Mobutu before him, wants to buy off his rivals.

Unpopular power

The parties insist they must be recognised unconditionally and allowed to operate freely, with room to negotiate a programme for a government they might join. For several months, Kabila hoped that **André Bo-Boliko**, President of the *Parti Démocrate Social Chrétien*, would become prime minister but Bo-Boliko's senior party colleagues said they would abandon him if he joined up with the President. The PDSC regards Decree 194 as 'absurd', since its conditions for registering parties cannot be met even by the *Comités de Pouvoir Populaire* which Kabila set up early this year to replace his *Alliance des Forces Démocratiques pour la Libération du Congo* (AFDL).

The rules say parties hoping to register must have sections in every province, which is impossible while over half the country is controlled by rebels. Regional organisations such as the *Association des Bakongo* or the mainly Katangese *Union des Fédéralistes et des Républicains Indépendants*, would be shut out of national politics. The Decree bans parties from affiliating in any way with foreign organisations, which excludes both Bo-Boliko's PDSC, affiliated to the Christian Democrat International, and **Etienne Tshisekedi wa Malumba's** *Union pour la Démocratie et le Progrès Social*, which has observer status with the Socialist International. Furthermore, it forbids parties to use names or symbols formerly used by any organisation 'whose attitude or actions have been contrary to the national interest'. This is aimed at Mobutu's old *Mouvement Populaire de la Révolution* and at ex-Premier **Léon Kengo wa Dondo's** *Union des Démocrates Indépendants*.

Kengo wa Dondo and many other exiles would be kept out of active politics by the article asserting that party founders must have lived in Congo for at least a year before registration. Parties wishing to register must pay a deposit of 30,000 Congo francs to the state and their founding members must demonstrate 'an adequate level of intellectual, scientific or technical education' (sic) or 'proven professional or political experience'. They must also enjoy 'perfect physical and mental health', a condition that even Kabila might fail since, on 12 February, he visited Luanda's Central Military Hospital for treatment by **Cuban** doctors for heart problems and a gastrointestinal infection.

Kabila wants to set up a 'People's State' with his *Comités de Pouvoir Populaire* as the instrument for replacing the 'comprador

state'. He stands by his economic ideas and promised on 21 January that Congo would soon be able to produce tanks and armoured vehicles. His gestures towards widening his political base included, on 10 and 11 February, the arrest of two members of the UDPS national committee, **Mukendi M'Paya** and **Sylvain Kamanyi**, who join other party leaders in gaol. On 22 February, Bo-Boliko was forbidden to travel to **Belgium**, in punishment for the PDSC's decision to form a strategic electoral alliance with the UDPS and other parties of the former *Union Sacrée de l'Opposition Radicale*. A decree on 1 February prohibits all political meetings.

With the political opposition disqualified, only a few individuals, most of them former *Mobutistes*, are in line for ministerial jobs. In addition to Kamanda, one is **André Atundu Liongo**, at present based in Sandton near Johannesburg and running the *Comité de Bons Offices et de Facilitation pour le Consensus National*, apparently an organisation for ministerial candidates. Under Mobutu, Atundu Liongo served as head of a security agency, the *Agence Nationale de Documentation*, and as Chief Executive Officer of *Gécamines Commerciale*. He is close to **Victor Nendaka-Bika** who, along with Mobutu and **Jonas Mukamba Kadiata**, organised the transfer of Patrice Lumumba to meet his death in Katanga, in January 1961. Other ex-Mobutist officials in their group include **Célestin Anzuluni Bembe** from South Kivu and ex-Foreign Minister **Bagbeni Adeito Nzengeya**.

The rebel RCD has also been infiltrated by many former Mobutists and is torn by ethnic tensions between its Tutsi leaders and the representatives of Kivu's many minorities who run the MaiMai militias. **Arthur Z'Ahidi Ngoma** has been replaced as party Vice-President by Commandant **Jean-Pierre Ondekane**. External relations go to **Alexis Thambwe Mwamba**, replacing **Bizima Karaha**, a Tutsi who has taken over security and information. Defence becomes the responsibility of a former Mobutist, Gen. **Célestin Ilunga Shamamba**. Z'Ahidi Ngoma, who saw himself as the leading RCD democrat, has resigned in protest and founded the *Union Congolaise pour la Paix*; from exile in Paris he denounces the 'Goma mafia' but still predicts a rebel victory.

In South Kivu, there was fighting in late January between Banyamulenge (Congo Tutsi) soldiers and troops from Rwanda who had been sent to discipline them. The Banyamulenge suspect that the Rwandans, far from selflessly defending Tutsi interests, have their own agenda; Z'Ahidi Ngoma's allies claim Rwanda has lent the RCD \$10 million, on terms known only to party coordinator **Vincent de Paul Lunda Bululu**. There is tension, too, in areas controlled by Ugandan troops, who have detained some Congolese soldiers in camps to submit them to 'ideological education'.

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Pointers

SOUTH AFRICA

Cyril and the suits

The ousting of former African National Congress Secretary General **Cyril Ramaphosa** as a deputy chairperson of NAIL (New Africa Investments Limited) on 22 February raises questions about his business and political future. It was ordered by his most senior fellow-directors - **Nthato Motlana** (executive chairperson), **Dikgang Moseneke** (lawyer and ex-Pan Africanist Congress member) and **Zwelakhe Sisulu** (ex-journalist, ex-head of SA Broadcasting Corporation and scion of a leading ANC family).

Ramaphosa's other directorships (Anglo American, SA Breweries, First National Bank, Malope Bakeries) conflicted with NAIL's requirements, company sources said. There was also disagreement over strategy for Johnnic, a company Ramaphosa chairs and in which NAIL holds a stake via the National Empowerment Consortium (NEC), a black coalition which includes unions.

We also hear Motlana asked Ramaphosa to resign his chair of both Johnnic and Times Media Ltd., in which NAIL also has an interest via the NEC. In Johannesburg, TML owns the mass circulation *Sunday Times*, daily *Business Day* and weekly *Financial Mail*. Ramaphosa refused to go. He had looked set for stardom as main ANC negotiator in the pre-1994 elections settlement. The turning point was **Nelson Mandela's** decision to appoint **Thabo Mbeki** not Ramaphosa Deputy President in 1994, after the latter had made unguarded though private comments about the ANC. Ramaphosa rejected a ministerial job and went into business.

Some believed he wanted to build a financial base to return to politics. Many saw Ramaphosa, ten years younger than Mbeki, as his natural successor; that looks problematic. Mbeki's office dismissed as 'outrageous lies' reports that Motlana, Moseneke and Sisulu had conspired on behalf of Mbeki's camp to weaken Ramaphosa's black empowerment base and remove his influence over TML publications, lest he use them to further his political career.

Ramaphosa insists he isn't interested in politics, describing it as 'much nastier than business'. For now, he has strong support in the NEC but that could change: some NEC partners are indebted to cash-rich NAIL for their stakes in Johnnic; they found it hard to pay the inflated prices Anglo charged for Johnnic shares and so borrowed from NAIL.

Editorial independence is a highly sensitive issue at TML. *Business Day* and the *Financial Mail* are tied into a 50-50 shareholding with Pearsons, owners of *Britain's Financial Times*, with clear guarantees on independence. While TML journalists have vigorously contested political pressures, some fear a change in policy

on senior editorial appointments if Ramaphosa is pushed out. The mass circulation *Sunday Times*, currently edited by **Mike Robertson**, looks vulnerable. It faces a tough challenge this month from the *Sunday World*, to be jointly launched by TML and the *Sowetan* group (in which Motlana also has an interest).

AFRICA

Conference calls

Amsterdam and Geneva have become favoured cities for conference organisers seeking high-ranking African delegates. An impressive array of ministers and power company managers is on the guest list for the 'Power 2000 Africa Energy Forum', due in May in Amsterdam. Most speakers are regulars on the Southern and East Africa circuit, with major projects in the pipeline at home.

Exceptions are **Sierra Leone's** Energy and Works Minister, **Thaimu Bangura**, and electricity corporation Chairperson, **Mustapha Kargbo**. While Sierra Leone badly needs investment in power, it has little hope of attracting foreign capital in the present security climate. One industry source half-humorously suggested that the Freetown delegates may exploit Amsterdam's proximity to the diamond-buying centre of Antwerp, should they wish to 'make a downpayment' on a contract.

Geneva also has its attractions, especially for delegates needing to confer with their **Swiss** bankers. Conference organisers CWC report a brisk trade, having lined up a phalanx of **Libyan** officials to speak in Geneva in April: Energy Secretary **Abdalla el Badri**, **Abdulfaz Zleitini** (Economy and Commerce) and three senior National Oil Corporation managers: Chairperson **Hammouda el Aswad**, Head of Exploration **Ibrahim Baggari** and Crude Oil Sales Department Manager **Mohamed Abani**.

ANGOLA

Francophone fronts

Luanda is sharpening up its diplomatic tactics after a string of military successes by the *União Nacional para a Independência Total de Angola* in the north-west. Key to UNITA's success has been the retraining of officers in **Morocco** (several hundred Moroccan soldiers are said to be helping with logistics and communications in the north-east following meetings in 1998 between **Jonas Savimbi** and King **Hassan II**) and help from Francophone sympathisers, such as **Togo's Gnassingbé Eyadéma** and **Burkina Faso's Blaise Compaoré**, with arms procurement and transshipment.

So Luanda wants to put pressure on **France**: President **Jacques Chirac** has close ties with Hassan and Compaoré. In mid-February, new Angolan Foreign Minister **João Bernardo de Miranda** penned a tough note to his counterpart

Hubert Védérine demanding that Paris end its ambiguous attitude to Luanda. Within days, Védérine had ordered the expulsion of UNITA's Paris representative, the highly regarded Brigadier **Isaias Samakuva**.

Whether Védérine will go much further and start leaning on Compaoré and Hassan is more questionable. Tipped to lead Luanda's Francophone campaign is its current Ambassador to Lisbon, **Hipolito Patricio**. Formerly Press Secretary to President **José Eduardo dos Santos**, Patricio was Luanda's first Ambassador to Washington and is well connected in the Presidency at *Futungo de Belas*.

LANDMINES

Banned, still deadly

The campaign against anti-personnel mines (APM) has grown fast. The Ottawa Convention banning them came into force on 1 March, when 134 governments had signed and 65 ratified it. The latest signatory was **Ukraine**, a big arms exporter said to have over a million mines in stock. Yet in many countries, mines are still laid faster than they are removed. **Angola** and **Sudan**, both signatories, lead the minefield: both increasingly lay mines and so do their armed opponents (AC Vol 39 No 1).

Angola, where our sources recently saw mines being placed, became a test-case after the late Princess **Diana's** much publicised visit in 1997. The National Islamic Front government has lately given the Sudan Campaign to Ban Landmines generous television time. The language at least has changed: combatants depict opponents as beyond the pale if they use mines.

Egypt is now the only African producer but seems not to be exporting. It claims to be the world's most heavily mined country, with 17.5 million World War II devices in the Western Desert (plus others left over from wars with **Israel**) and that clearing them would cost US\$200 mn. Egypt and **Libya** use the 'polluter pays' principle, saying they will sign up to Ottawa only if compensated for mine-clearing. The anti-tank mines in the desert, which can be set off by civilian vehicles, are not covered by Ottawa.

Africa's leading arms manufacturer, **South Africa**, led the call for the ban. **China** and **Russia** say they no longer export but many think they do; an *Africa Confidential* source saw Russian mines at a Paris arms fair in 1998. African customers often buy second-hand mines from government arsenals, through dealers. Both **Ethiopia**, which has signed, and **Eritrea**, which hasn't, have mined their disputed border. The eight other African non-signatories are **Central African Republic**, **Congo**, **Brazzaville**, **Congo-Kinshasa**, **Liberia**, **Morocco**, **Nigeria** and **Somalia**. **Guinea-Bissau** has laid mines since signing. Rebels have laid mines recently in **Djibouti** and, it seems, **Sierra Leone**.

AFRICA CONFIDENTIAL

ZIMBABWE

3

Morgan's third way

Trades Union leader Morgan Tsvangirai and allies are backing a new party against the ruling ZANU-PF at next year's polls. Despite public outrage at the weakening economy, the new party will be stretched to match ZANU-PF's national reach and patronage.

FRANCE/AFRICA

4

Franc-zone to Euroland

Africa's franc-zone has become a euro zone without fuss. But as France passes Africa's monetary baton to Europe's new central bank, Africans worry about the longer term implications of the new order in EU relations. Next year the EU is ending the Lomé preferential trade arrangements.

WEST AFRICA

5

Down with tariffs

West Africa's economic and monetary union, UEMOA, is nine months away from a brave experiment in economic integration. From 1 January, tariffs, with very few exceptions, will be abolished and borders will be opened for trade.

ZAMBIA

6

Mining the depths

The deal to sell off the state's best copper mines must be tied up by the end of this month, or Zambia is, in effect, out of business. The proposed buyer, Anglo American, has struck an extremely hard deal offering just \$90 mn. for three mines - less than a third of a rival offer last year.

POINTERS

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France/Africa, Congo-Brazzaville & Sierra Leone

RWANDA

The fire this time

The 1994 genocide blighted Central Africa and its bloody legacy continues to undermine prospects for justice and regional stability

Five years after Rwanda's holocaust, in which some 800,000 Tutsi and moderate Hutu were slaughtered in 100 days, those blood-soaked events reverberate across central Africa and the international system that failed the victims of the genocide. An arc of conflict, sparked by the 1994 genocide, has been cut across Africa - from Rwanda, **Uganda** and **Burundi** in the east, through **Congo-Kinshasa** to **Angola** and **Congo-Brazzaville** in the west.

The international system's failures in 1994 have produced a rain-forest's worth of reports and some serious recommendations for reform. Almost everyone agrees that Rwanda's reconciliation would have been immeasurably helped if it possessed an effective and well-resourced judicial system and a stable economy. Instead, the political order remains fragile.

The International Criminal Tribunal for Rwanda in Arusha, **Tanzania**, with its counterpart for the former **Yugoslavia** in The Hague, is a shaky start for an international criminal justice system. Whatever the Arusha tribunal's symbolic importance, it took more than four years to bring the first alleged *genocidaire* to trial, for lack of investigators and technical support. Six judges, sitting in two groups of three, share a single courtroom without windows or air-conditioning.

Last year the judges heard the testimony of the United Nations force commander, **Canadian** General **Romeo Dallaire**, that the UN Security Council's order to withdraw UN forces in the midst of the genocide was an abdication of responsibility which cost hundreds of thousands of lives. Gen. Dallaire concluded that such an abdication should never be allowed to happen again. Rwandans are not persuaded that the international system would react very differently to another genocide tomorrow.

Exodus to Congo

The exodus of some two million Rwandans over the border, mainly to the then Zaïre, in July-August 1994, regionalised the Rwanda issue. About a million refugees settled along the Zaïre-Rwanda border, in camps nominally supervised by the UN High Commission for Refugees. In fact the camps were controlled by Hutu militiamen of the *Interahamwé* and their allies, and became bases for cross-border attacks against the Tutsi-led *Front Patriotique Rwandais* government in Rwanda.

In October 1996, after repeated requests to the UN to disband the camps, Rwandan and Ugandan troops stormed across the border to do the job themselves - just as Zaïre's own rebellion against the rule of the dying **Mobutu Sese Seko** was gathering steam. That rebellion brought President **Laurent-Désiré Kabila** to power, but failed to establish border security for Kampala and Kigali. Now, in the second Congo-Kinshasa conflict which started last August, Uganda and Rwanda are allied with the rebels from the *Rassemblement Congolais pour la Démocratie* against Kabila and his backers from **Angola**, **Chad**, **Namibia**, **Sudan** and **Zimbabwe**.

In London on 10 March, Rwanda's Vice-President and Defence Minister Gen. **Paul Kagame** told *Africa Confidential* that he had no doubt that the RCD and its allies were stronger and better coordinated than the pro-Kabila coalition: 'The RCD has not lost any ground and Kabila and his allies have not regained any.' He called for urgent talks with Angola's President **José Eduardo dos Santos** to avert an inferno in the east around Kinshasa: 'We are prepared to discuss this with Angola . . . after all we were allies two years ago'. Kagame categorically dismissed accusations that Rwandan or RCD troops were fighting alongside forces from **Jonas Savimbi's** *União Nacional para a Independência Total de Angola*: 'Why would we want to do that . . . we remember that UNITA has worked with the *Interahamwé* and the *genocidaires*'.

The Angolans, under pressure at home from UNITA, have this year reduced their forces in Congo from some six battalions to one battalion, mainly deployed in defensive positions in the western border zones. With the reported loss of 80 more Zimbabwean soldiers in the south-eastern Kabinda region of Congo, Luanda and Harare are likely to increase pressure on Kabila to negotiate an 'honourable ceasefire' (AC Vol 40 No 5).

Kagame says that his *Armée Patriotique Rwandaise* has driven most of the *Interahamwé* and their

allies away from the Congo-Rwanda border zone, but that their alliance with Kabila's *Forces Armées Congolaises* has given them new equipment, training and military bases. Just a week after fighters from *Palir* (*Peuple en Armes pour la Libération du Rwanda*) murdered four **Britons**, two **Americans** and four Ugandans in Uganda's Bwindi national park, Kagame called for tougher action against those (mainly European) groups which finance and coordinate the rebels' arms supplies: 'The UN security council resolution already exists against . . . supplying arms . . . to these groups. What remains is to bring to book those breaking the sanctions. The UN should ensure that groups or individual countries should be respecting such resolutions'.

Kagame gets a sympathetic hearing on the international stage (save for murmurings about the cost of the Congo intervention which doesn't show on official accounts), but political developments at home are more problematic. Questions are asked about just how 'transitional' the FPR government really is, after five years in office. And serious concerns are being raised at the large-scale 'villagisation programmes' planned for the north-west with some 600,000 people, overwhelmingly Hutu, moving into *Umudugudus*, specially constructed villages with shared amenities and tight security.

Kagame said there is no fixed schedule for democratisation, insisting that the issue is 'its quality and not its timetable.' He outlines a process reminiscent of Uganda's 'no party' system, culminating in competitive multi-party elections.

In the process, political scores are being settled and allegations bandied around. Prime Minister **Pierre Célestin Rwigema**, a long-time stalwart of the Hutu *Mouvement Démocratique Republicain* (MDR), has repudiated publicly allegations of involvement in the 1994 genocide. Rwigema, who took over the presidency of the MDR in July 1998, identifies himself as a reformist and progressive; but his party was associated with Hutu extremism, both in its earlier incarnation as MDR-*Parti pour l'Emancipation du Peuple Hutu* (*Parmehutu*) under the regime of **Grégoire Kayibanda**, and in the genocidal activities of MDR-*Pouvoir* in 1994.

The MDR leadership has ordered the arrest of two senior party members, and had four of its deputies expelled from the non-elected National Assembly on charges ranging from collaboration with the *Interahamwé* to blocking party reform. But Rwigema's reformist credentials have been strongly challenged by his former political ally, **Jacques Maniraguha**, a deputy and business magnate, who reacted to his expulsion from both party and parliament by repeating allegations that Rwigema distributed arms to the *Interahamwé* in Kigali in April 1994. The charges were originally made by **Amri Karekezi**, a local government official from the Biryogo district of Kigali, during his trial on genocide charges.

Allegations and collaboration

Maniraguha is not suspected of participation in the genocide. Former Foreign Minister **Anastase Gasana**, who was transferred to the President's office in the reshuffle of 8 February, heads the commission charged with reforming the party and has stayed above the fray. But two MDR deputies, **Jean-Baptiste Sebareme** and **Léonard Bizimana**, stand accused of active involvement in the events of 1994, and their MDR colleague **Eustache Nkerinka** has been accused of more recent collaboration with the *Interahamwé*. Already under arrest are **Bonaventure Ubalijoro** (replaced as MDR President by Rwigema in July last year) and **André Nkeramugaba**, both accused of involvement in anti-Tutsi pogroms in the 1960s and early 1970s.

Allegations against both men surfaced at the Saturday meetings convened by President **Pasteur Bizimungu**, which are meant to be 'brainstorming sessions', and 'consultative exercises', with soundings taken from different sections of civil society.

The MDR is the strongest political force outside the ruling FPR, but many genocide survivors see it as irredeemably tainted. Its current problems are relished by exiled former Prime Minister and MDR President **Faustin Twagiramungu**, whose *Forces de Résistance pour la Démocratie* accuses the FPR of including the MDR in government as a sop to a repressed Hutu majority. Twagiramungu argues that the transitional government's writ technically expires in July, five years after it took office.

Heavyweights out

The government reshuffle in February was the first in two years, and the new ministerial team is expected to serve for at least two years. Many ministers swapped portfolios, but there was no real purge. Three FPR heavyweights were removed from the cabinet: Minister of Education **Joseph Karemera**, Minister of Youth and Sports **Jacques Bihozagara** and Minister of Gender, Family and Social Affairs **Aloysia Inyumba**. Karemera was made ambassador to **South Africa**, Bihozagara was sent to Brussels and Inyumba is to head a newly-created commission. Sections of the Rwandan press portrayed this as a marginalisation of the old guard, with warnings about corruption and the creation of personal fiefdoms. Kagame said it was about balancing 'elements in the government' and ensuring that Kigali got its case across to the outside world.

The recall to Kigali as Foreign Minister of **Amri Sued**, an indifferent career diplomat with long years of service under President **Juvénal Habyarimana**, has been much criticised. In contrast, the new Minister of Justice, **Jean-de-Dieu Mucyu**, is a Tutsi and a genocide survivor, with a strong record as head of the Judicial Police. Mucyu's three Hutu predecessors since the genocide were all found wanting - the last, **Faustin Nteliyayo**, fled to the United States in January. Finance Minister **Donald Kaberuka**, a lucid and respected advocate of economic restructuring, has stayed on. However, **Marc Rugenera**, the new Minister of Commerce and Industry, has failed to impress; his appointment has led some Hutu exiles to comment that the FPR-led government appoints only ineffectual or compromised Hutu to ministerial portfolios.

While the government carries on as normal, the 70-strong National Assembly seems headed for stormier waters. FPR Secretary General **Charles Murigande** has given warning that many deputies face removal for corruption and incompetence. The Speaker, **Joseph Sebarenzi** of the minority *Parti Libéral* (PL), has complained about outside interference in the Assembly's workings.

Democratisation is tentatively beginning at the grassroots, amid much talk of 'accountability', 'decentralisation' and 'community participation'. Rwanda is divided into 12 prefectures, run by nominated prefets; 155 communes, run by nominated bourgmeisters; each commune has around 10 sectors of around 2,000-5,000 citizens; each sector contains several cells, or *Nyumba Kumi*.

On 29 March, Rwandans will vote for cell leaders, to form executive committees at sector level. Reform is supposed to move up from sector to prefecture to national at a pace dictated by the conduct of grassroots elections'. Rwandans were asked to line up behind their chosen candidate. Elections for women's representatives on the same committees went smoothly with, as Kagame says 'Bahutu voting for Batutsi and Batutsi voting for Bahutu'. A promising start to rebuilding after the 1994 nightmare perhaps, but still too slow for most Rwandans.

ZIMBABWE

Morgan's third way

Trades unionists are backing a new party to challenge ZANU-PF at next year's elections

The party is so new that it has not yet got a name, but its base is in the Zimbabwe Congress of Trade Unions and its leader is the ZCTU's charismatic Secretary General, **Morgan Tsvangirai**, backed by the movement's President, **Gibson Sibanda**. They aim to occupy the political space between President **Robert Mugabe**'s government and old-guard oppositionists such as **Ndabaningi Sithole**, Bishop **Abel Muzorewa**, and **Edgar Tekere**. The unionists have just a year to make an impact before next April's parliamentary elections.

Even government newspapers such as the *Sunday Mail* take Tsvangirai's challenge seriously, noting that he will be well placed to exploit popular discontent about the deteriorating economy. Inflation has hit a record 50 per cent, the government's Central Statistical Office said on 16 March, and is expected to stay at that level for several months due to higher food prices.

The law forbids the use of trade union funds for party politics, nor can foreign donors' cash be used for that purpose. The ZCTU therefore said it was merely 'facilitating' the formation of the new party, explaining that Tsvangirai and Sibanda will leave their union jobs to take up party posts. Many ZCTU militants will follow their leaders, after the union movement holds a special congress in the next few months. The party was launched on 26-28 February at a Working People's Convention of ZCTU people and members of about 30 smaller civic groups, who united behind a resolution calling for a 'vigorous alternative political movement for change'. Tsvangirai aims to include farm workers, women's groups, professional associations and even sympathetic businesses, and there will be intense competition among aspiring candidates.

The ZCTU realises that on its own it will be hard pressed to win much more than the urban 20 per cent of the electorate. A survey it carried out after its successful two-day stay-away in March last year showed the need to bring in the smallholders or communal farmers, egged on by government handouts and promises of land resettlement, who are the political backbone of the ruling Zimbabwe African National Union-Patriotic Front. But the landless agricultural workers are more sceptical about government promises and would be likely to back the ZCTU's new party.

Before the February convention, Tsvangirai and Sibanda carried out consultations in 20 towns around the country, involving over 400 participants from the ZCTU, the civil servants' association, human rights organisations, the Council of Churches, residents' associations and even the police and Central Intelligence Organisation.

Delegates at the convention overwhelmingly backed the move into party politics, saying they wanted to do more than strike to show their opposition to the ZANU-PF government. Even if Tsvangirai, Sibanda and their colleagues formally leave the ZCTU to join the party, the union grouping will be cast as irredeemably oppositionist by ZANU-PF. As the political temperature rises ahead of next year's elections, some major confrontations loom, especially in the public sector unions whose previous strikes have been labelled insurrectionist by some government loyalists. There have been few takers for ZANU-PF's rival Zimbabwe Federation

of Trades Unions, set up by **Jeffrey Mutandare** in 1997 (AC Vol 39 No 6). Trade unions were central to Zimbabwe's nationalist movement; many veterans of the anti-colonial struggle such as **Joshua Nkomo**, **Jason Ziyapapa Moyo** and **Kenneth Manyonda** entered politics via the unions. ZCTU was founded by the President's younger brother, the late **Albert Mugabe**.

In the new movement Tsvangirai will take the lead, with Sibanda playing the moderating role. Not everyone is convinced. Critics, such as **Lupi Mushayakarara** of the Zimbabwe Institute of Freedom, say that Tsvangirai is just the 'flipside of Mugabe'. According to Mushayakarara 'both are populist and operate on the basis of trial and error'. Others say that Tsvangirai has a habit of shooting his mouth, and at 47, after 11 years at the helm of the ZCTU, he is impatient to move on and challenge Mugabe's government whose popularity has crashed since the economic collapse which began in November 1997.

ZANU-PF loyalists such as Justice Minister **Emmerson Mnangagwa**, who was Mugabe's intelligence chief in the late 1970s, say they welcome the new party's challenge and confidently expect to trounce it in next year's elections. Independent observers warn against under-estimating ZANU-PF's survival capacity: 'Even amidst economic depression, the ruling party still has huge patronage power in the towns and reservoirs of genuine popular support in the rural areas.'

'O' levels versus degrees

Tsvangirai appears as confident as his opponents. He told *Africa Confidential*: 'I have led the labour movement for more than 10 years, so I have no problem with leading a nation'. He quickly added: 'And it's not as if I will be leading alone.' He wants to be leader only if three conditions are met: that the government is all-inclusive; that decisions are made through collective effort; and that there is national integration. 'There is need to look at people's capabilities even if they are not members of your party because what you have to do is exploit to the maximum national talent that is available.' He also says collective responsibility will encourage collective ownership of decisions. 'We are divided not only along racial lines but also along ethnic lines. There is so much emphasis on regionalism and even villageism that people don't feel the national integrity.'

Though popular with the crowds, Tsvangirai was educated only to 'O' level standard, leaving school at about 16. If formal education, he says, '...were the yardstick, then we would be the best led country in the world, with the best run economy, the best run government, and the most respectable government because Mugabe has seven degrees.'

At least 16 political parties have been active in Zimbabwe during the last six months. Top of the list is ZANU-PF, in power since 1980 and holding all but two of the seats in the 150-member Parliament. The Reverend Ndabaningi Sithole's ZANU-Ndonga has one seat, and so does **Margaret Dongo**'s Zimbabwe Union of Democrats, which attracted some attention last year when it was formed, focusing on her outspokenness and irreverent tales about her former colleagues in the ruling party. Getting the popular Dongo on board will have to be a priority for Tsvangirai.

Of the remaining small parties, few have the capacity to make much difference in national politics:

- Bishop Muzorewa's United Party is a spent force and the Bishop is the only visible person. Much the same applies to Edgar Tekere's Zimbabwe Unity Movement.

- The long-established Democratic Party (originally a splinter of Tekere's ZUM) is led by **Wurayayi Zembe**, who was once regarded

as a firebrand but seems to have no back-up team.

● The National Democratic Union, in existence since the 1970s and led by **Mark Muchabaiwa**, surfaces only for elections and has been much criticised for its extravagant pre-poll promises.

● The Zimbabwe Congress Party of **Kenneth Mano**, a former Zimbabwe African People's Union (ZAPU) member, is noisy but ineffectual.

In Matebeleland, several parties have recently sought to capitalise on the atrocities committed by the **North Korean**-trained Fifth Brigade in the early 1980s and the subsequent lack of regional development:

● The Federal Party of Zimbabwe seeks a federal government with the different ethnic groups ruling themselves; now led by the little-known **Richard Ncube**, it was founded by Chief **Kayisa Ndiweni**, a respected traditional leader from the Ndebele Khumalo clan, who seems to have stepped out of politics.

● The Liberal Party of Zimbabwe is led by **Canaan Moyo**, who lives in London, and has some support in **South Africa**, where disgruntled former ZAPU members fled during the purge on 'dissidents'. Moyo's only claim to fame is that he is related to nationalist hero Jason Ziyapapa Moyo, who was assassinated in **Zambia**. Liberal rallies have never attracted more than 500 people in Bulawayo, the capital of Matebeleland.

● ZAPU 2000 has a similar following and no clear leader; names that crop up include **Elliot Dube**, a former Bulawayo city councillor who was once elected deputy mayor on a ZANU-PF ticket, and **Cont Mhlanga**, a playwright with a Bulawayo theatre group.

Fighting for labour

Two parties claim to represent workers and call themselves the Zimbabwe Labour Party. One, formed two years ago, is led by **Alois Machokoto**, who was never actively involved in labour issues. The other Labour party, formed this February is headed by **David Matanganyidze** who has been charged with defrauding investors of more than Z\$20 million through a liquidated company called Access to Capital; he fled to the **United States** but came home to face trial. The case is continuing. Another brand-new party began as a non-governmental organisation aimed at promoting development projects; the Zimbabwe Integrated Programme (ZIP) is led by Professor **Heneri Dzinotiwei**, a maths professor at the University of Zimbabwe and businessman.

The Conservative Alliance of Zimbabwe, an off-shoot of **Ian Smith's** Rhodesia Front, is now led by **Gerald Smith**. The Front for Popular Democracy is led by **Austin Chakaodza**, once a respected professor and ZANU-PF supporter, and brother of **Bornwell Chakaodza**, Editor of *The Herald*. The Zimbabwe People's Democratic Party is headed by **Isabel Madangure**. The National Progressive Alliance is led by **Canciwell Nziramasanga**, who has been in trouble with the law on several occasions. The Zimbabwe People's Convention was formed last year under a former student leader, **Obey Mudzingwa**, amid great expectations but failed to make its mark.

Although Tsvangirai says he will try to exploit national talent, he didn't manage it at the ZCTU. Most of the qualified technocrats he recruited in the early 1990s left in frustration, outnumbered by his cronies. But he may have learned that lesson. Business reaction too will be important. For now he's popular with local companies who see him as responsible although they question his economic theory (Tsvangirai insists on returning to price controls). But his main hope now must be to form alliances with other opposition groups and draw support from within ZANU-PF, several of whose

defectors stood as independent candidates after being rejected at the party's primary elections. For the last couple of years there has been speculation that Tsvangirai may be linked to disgruntled politicians within ZANU-PF, who could abandon ship if they feel it sinking.

FRANCE/AFRICA

Franc-zone to Euroland

Europe's new currency is raising some tricky issues in Francophone Africa

Africa's franc zone has become a euro zone without much fuss. But as France passes Africa's monetary baton to Europe's new central bank, some African governments worry about the longer term implications of the new order in Afro-European relations. With the European Commission in disarray on 16 March after the resignation of all its commissioners in response to an investigation uncovering multi-billion dollar frauds at the organisations' headquarters in Brussels, African officials expect a more introverted Europe to concentrate energies on resolving its own political and economic crises. Next year, the European Union is winding down the Lomé agreement on preferential trade arrangements to African, Caribbean and Pacific countries.

When the EU's common currency, the euro, was launched on new year's day, the value of the *Communauté Financière Africaine* franc, the currency of almost all France's former colonies in Africa, ceased to be fixed against the French franc and was instead pegged to the euro. A fixed rate of French franc 6.56 = euro1 became one of CFA656 = euro1. Only a few speculators had moved their money out of Africa's franc zone in the second half of 1998, fearing wrongly that the switch would be accompanied by a second devaluation. Rather than capital flight, the main fear in the CFA zone is that pegging the currency of the mainly commodity producing African countries to a newly launched euro, keen to prove itself on international money markets, could lumber the CFA countries with an uncompetitive exchange rate.

At the insistence of France the CFA was devalued in January 1994 (AC Vol 35 No 2) in the wake of the demise of Francophone Africa's doyen **Félix Houphouët-Boigny** and despite strong opposition from **Gabon's** President **Omar Bongo**. This time **Dominique Strauss-Kahn**, the French Finance minister, and President **Jacques Chirac** won agreement from the new European central bank to leave the rate unchanged, with the approval of African politicians and central bankers.

Changing pegs

The switch to the euro does not affect the treaties between France and the members of the two African regional central banks - *Banque Centrale des États de l'Afrique Occidentale* and *Banque des États de l'Afrique Centrale*. The treaties guarantee that CFA francs will be accepted at par by the French Treasury, where the two central banks must hold 65 per cent of their foreign exchange reserves. Henceforth France must inform the European Economic and Financial Committee before the CFA franc/euro peg is altered, and amendments to the treaties - including changes in membership of the two central banks or to the guaranteed convertibility - must be cleared in advance with the same committee and the European

Down with tariffs

The *Union Economique et Monétaire Ouest-Africaine* (UEMOA), the economic and monetary union of the eight West African states of the Franc Zone, is nine months away from a brave experiment in economic integration. From 1 January tariffs, with very few exceptions, will be abolished within the union and its borders will be open for trade, completing four years of steady tariff reductions under the UEMOA's Ouagadougou-based commission.

Policy wonks at Dakar's *Banque Centrale des Etats de l'Afrique de l'Ouest* worry about the link with the French franc/euro. Many economists believe that the CFA franc is again badly overvalued, as world commodity prices hit lows not seen in real terms since the mid-19th century. But devaluation is unlikely in the short term. While the 50 per cent devaluation in 1994 did more good than harm, governments are scared of raising the price of imports in capitals such as Abidjan and Dakar, where Côte d'Ivoire's **Henri Konan Bédié** and Senegal's veteran **Abdou Diouf** face awkward elections next year.

Heavyweights at the International Monetary Fund and World Bank, such as the Bank's **Jean-Louis Sarbib** and **Serge Michailof**, and the Fund's **Michael Hadjimichael**, are also against a rate cut now. Having helped sell the 1994 measure, along with French officials, to reluctant African governments it would be difficult for them to repeat the exercise five years on.

A well-researched cross-border inflation index has been developed by the statistics tracking agency Afristat, in Bamako, **Mali**, now operating for over a year. Previously, zone inflation figures were unreliable, although the Franc Zone secretariat's estimates of 3 per cent average UEMOA inflation in 1997 are broadly accepted.

UEMOA policies have been driven by the poor smaller economies of the Sahel, where reformers realised early that a financial crunch would come at the turn of the century, thanks to the **American**-style free market rules of the World Trade Organisation, and the decline in European aid.

Behind the process has been Mali's Finance Minister **Soumaïla Cissé**, in the job since 1993 and widely credited with saving his economy from complete ruin after more than two decades of pillage under dictator **Moussa Traoré**. Cissé's boss, President **Alpha Oumar Konaré**, a dedicated pan-Africanist, is the region's leading advocate of integration. **Burkina Faso**'s strongman **Blaise Compaoré** is more concerned with maintaining his influence after 2000, having managed to get the UEMOA commission installed in Ouagadougou, to offset the influence of Dakar and of Abidjan (where the Finance Minister, **N'Goran Niamien**, is struggling to keep domestic expenditure within the tight limits of

the IMF's Enhanced Structural Adjustment Facility.

Another personal force behind the 2000 drive is Senegal's Prime Minister **Mamadou Lamine Loum**, previously Economy and Finance Minister, who has no charisma but the reputation of a visionary technocrat. **Benin**'s Finance Minister, **Abdoulaye Bio Tchané**, laments that his economy, like **Niger**'s, is grossly distorted by smuggling operations with its giant neighbour **Nigeria**; he too regards integration as the only way for Francophone West Africa.

The key government convergence criteria are enforceable in law by the UEMOA's Commissioner, Senegal's **Moussa Touré**. In 1997, the last year for which full data are available, targets were hit, with public-sector salary bills held to half of overall expenditure, and primary budget balances positive to the tune of a minimum CFA fr15 billion (US\$25.7 million). Privately, UEMOA officials say targets were met last year as well, although the 1999 commodities slump could cause havoc.

More uncertainty came with the mass resignation on 16 March of the entire European Commission, including the Commissioner for relations with the African, Caribbean and Pacific economies, **João de Deus Pinheiro**. He believes that the UEMOA countries must hang together, and his officials claim that his backing is crucial for the integration project.

French sceptics, including **Béatrice Hibou** of the influential *Centre d'Etudes et de Recherches Internationales* in Paris, counter that the books are cooked in more than one UEMOA economy, and that latent protectionism will render zero tariffs practically unenforceable. Sentiment is downbeat among French businesses in the *Comité des Investisseurs en Afrique*, and the prospect of a Nigerian economic recovery under President **Olusegun Obasanjo** may attract French investment away from the zone.

French academics, including **François Gaulme**, Editor of *Afrique Contemporaine*, question the relationship between UEMOA's economic leader, Côte d'Ivoire, and neighbouring **Ghana**. They argue that genuine regional integration depends on Ghana's adoption of the CFA franc and UEMOA membership but such ideas can be ruled out for the foreseeable future.

President **Jerry Rawlings**, welcoming French and **British** Foreign Ministers **Hubert Védrine** and **Robin Cook** to Accra on 10 March, deplored the 'Anglo/Franco' divide in West Africa, but both Rawlings and opposition presidential flagbearer in next year's elections **John Kuffour** see the franc zone as neo-colonial. **Guinea**, too, is unlikely to abandon its cautious independence under new Prime Minister **Lamine Sidibé**, whose mostly unchanged economic ministers will carry on the policies of his technocratic predecessor, **Sidia Touré**.

Commission, both of which must consult the European Central Bank.

The fixed parities are likely to come under pressure given the wide range of rates of inflation and productivity growth in the different member countries. The CFA zone's peg is complex, with 14 countries and two central banks involved on the African side, while 11 very different economies share the euro. Although the African economies have only a marginal impact on the euro zone economies, except France's.

The official line in the zone and in France is that there is no need to revise the treaties or alter the peg. The Deputy Governor of BCEAO, **Boukary Adji**, argues that the status quo maintains

monetary stability and that there's no exchange rate risk on exports and imports with members of Euroland, which make up more than half of the zone's external trade. The Governor, **Charles Konan Banny**, said before the switch that the zone was the fastest growing sub-region in the world in 1998, with sufficient foreign exchange reserves to cover seven months' imports.

Yet the euro itself has already been fluctuating, and the CFA franc countries are slowly losing the competitive edge they won from the 1994 devaluation (which was less for BEAC countries, much of whose external trade is in oil, so reckoned in US dollars). Inflation in the CFA zone is currently about 4 per cent, compared with less than 2 per cent in Euroland, while productivity growth in

the CFA zone is much lower. But, unlike their rival commodity producers of palm-oil, rubber and coffee in East Asia, CFA zone producers cannot devalue to keep their exports competitive.

At present most CFA countries are dependent on primary commodity exports. Many of the zone's initial attempts at state-sponsored industrialisation have foundered as governments have liberalised their economies. Only the bigger economies, such as **Côte d'Ivoire** and **Cameroon**, have the urban labour and infrastructure necessary to attract industrial investment. Côte d'Ivoire has recently won investments in processing equipment to add value to export crops, notably cocoa.

Without substantial foreign investment, the high growth rates cited by Konan Banny cannot be sustained. To maintain growth at 5 per cent a year, the World Bank reckons investment should be running at some 25 per cent of gross domestic product. The BCEAO and BEAC areas have growth at 5 per cent, but investment rates of less than 20 per cent. A lower exchange rate would help to make manufacturing projects viable.

The 1994 devaluation, and the accompanying economic and financial reforms, reversed the zone's decline but exchange rates have to stay competitive. One option would be for the CFA franc to move within regularly adjusted bands in relation to the euro: this 'crawling peg' formula would require periodic intervention by the French (and European) monetary authorities, and has already created problems in, for example, **Mexico** and **Brazil**. It would maintain convertibility but require a rewriting of the French treaties with the two central banks.

From Abidjan to Libreville

A competitive exchange rate for one CFA country could be an overvalued rate for another. At one extreme is **Gabon**, the only country in the zone that the World Bank calls a middle-income country. As such, it pays commercial rates for most of its borrowing so its debt service bill is proportionately higher. It is too small to create viable industries, and imports a lot. This explains why Gabon's free-spending and apparently ailing President Bongo opposes further changes. Bongo doesn't worry much about competitiveness - more than 95 per cent of Gabon's exports are crude oil cargoes sold for dollars.

At the other end is Côte d'Ivoire which welcomed the devaluation, and has seen its economy grow since by an annual average of 6 per cent. Until 1994 it was classified as middle-income; since then much of its debt has been cancelled by the Paris and London clubs of creditors. Thanks to vigorous French lobbying, Côte d'Ivoire is in line to qualify for further relief in 2001 under the Highly Indebted Poor Countries (HIPC) initiative, provided that it keeps to the International Monetary Fund rules. Devaluation has lifted its manufacturing sector, both in commodity processing and in import substitution. Its agricultural exporters have profited because their costs (labour, inputs and credit), unlike those of the oil companies, are mostly in CFA francs.

Between Gabon and Côte d'Ivoire lie the other 12 members of the zone on the African mainland. None seriously considers establishing a national currency, which can be hard to defend when the level of reserves depends on fluctuating commodity prices. Zone membership brings monetary and fiscal discipline; a standard formula prevents governments borrowing from BCEAO/BEAC to cover deficits.

Because the two banks both issue currency and have separate treaties with France, it would be feasible to have two arrangements. BEAC would not welcome any change to the status quo. **Chad** is

currently scheduled to start oil production in 2001, which would leave the **Central African Republic** the only one of the six members which doesn't export oil (although oil prices have fallen by more than 50 per cent). But the BCEAO, particularly Côte d'Ivoire, could benefit from exchange-rate flexibility.

Quick changes are unlikely. Both in France and in the African capitals, the euro link is working better than expected. Before 1994 the government in Paris resisted all IMF/World Bank calls for a devaluation, and changed tack only when alarmed by the rising cost to its Treasury of budget and balance-of-payments support for the zone's ailing economies. Officials consoled themselves that they had preserved a fixed exchange rate for the CFA franc.

Africa is now less important to French exporters and investors. Only a few companies (notably Bouygues, Bolloré, Elf Aquitaine and *Électricité de France*) are very interested. Only 1 per cent of French offshore investment is in the CFA zone, compared with 52 per cent for the EU. Sentimental ties have faded, especially since the death of Houphouët-Boigny in December 1993, and of some old French agents who remembered the days of General **Charles de Gaulle**.

Nonetheless, the zone's performance since the 1994 devaluation has boosted a traditional market for French goods and services. In 1997 France enjoyed healthy trade surpluses of \$1.0 billion and \$400 million with BCEAO and BEAC countries respectively; the cost in budgetary aid has shrunk, and the zone reinforces France's claim to world-power status. France has no motive to weaken its commitment to the zone; but a slowdown in growth rates and a failure to attract much foreign investment could change the African partners' minds.

ZAMBIA

Mining the depths

Delay on privatisation has cost the country dear, and it isn't over yet

The deal to sell off the state's best copper-mines must be tied up by the end of March, or Zambia is in effect out of business. For now, the economy is ticking over thanks to a loan of US\$70 million, approved by the International Monetary Fund on the strength of a memorandum of understanding for the sale of the mines. But a memorandum is not a contract, and the deal is not yet closed.

The proposed purchaser, **South Africa's** Anglo American Corporation, through its subsidiary Zambia Copper Investments (ZCI), has struck an extremely hard bargain offering just \$90 mn. for 80 per cent of Konkola, Nchanga and Nkana mines (AC Vol 40 No 3). Some in Lusaka believe Anglo's bargaining brinkmanship can partly be attributed to the conglomerate's pique at having its original privatisation plans rejected by the Zambian government (acting on advice from the World Bank and private consultants). Anglo, particularly its *eminence grise* **Harry Oppenheimer**, has wanted to take the lead role in the unbundling and privatisation of Zambia Consolidated Copper Mines (which had been forged out of a collection of mines mostly owned by Anglo and in which President **Kenneth Kaunda's** government took a 60 per cent stake in 1982).

Having procrastinated and argued for seven years while the world copper market collapsed, President **Frederick Chiluba's** government now believes it has no option but to accept Anglo's offer. Last May the rival Kafue consortium's \$1.1 billion bid for

94 per cent of ZCCM's Nchanga and Nkana had comprised a cash payment of \$131 mn.; the assumption of \$35 mn. of long-term debt; copper and cobalt price agreements totalling \$150 mn.; initial working capital investments of \$76 mn.; and a five-year capital investment programme totalling \$708 mn.

One of Anglo's conditions for closing the sale is that, by 31 March, it must find 'a substantial mining partner' to share the risks and improve the techniques of a difficult operation. East Asia's economic troubles, and the spread around the world of fibre-optic cables instead of traditional metal ones, have brought the world price of copper down to only 61 cents a pound and falling. Zambia's share of that declining market has slipped also: in the mid-1970's it was the fourth biggest producer in the world; now it is the 12th.

National treasure hunt

Zambia has chosen the worst moment to put its national treasures on the market. Indecision during the past two years over the sale of the mines by President Chiluba's government has cost the country some \$1.5 bn. in direct revenues (from a higher sale price, continuing ZCCM losses, lack of new investment and donor funds), plus some \$200 mn. of indirect costs (continuing losses and redundancies in the mining supply companies, lower tax revenues and withdrawal of non-mining investments). If Anglo, after completing its investigation of the mines and their accounts, fails to find an acceptable partner, Zambia's position could worsen further.

It was Finance Minister **Edith Nawakwi** who persuaded the cabinet and the Chairman of ZCCM's negotiating team, **Francis Kaunda** (who has seemed in no hurry to strike a deal with any of the bidders), to cut their losses and go for a quick deal with Anglo.

Nawakwi took the Finance portfolio after her predecessor, **Ronald Penza**, was dropped from the cabinet on 20 March 1998. Later that year, on 6 November, Penza was murdered by armed robbers, the government says, but local police shot dead the alleged culprits before they could be tried and nothing was stolen from Penza's opulent home. Instead we hear that Penza had crossed some of the powerful business interests that have been running the highly lucrative supply of weapons and fuel across to the border to **Jonas Savimbi's União Nacional para a Independência Total de Angola**. There are plenty of other problems on the copperbelt:

- The first sizable mine to be privatised was Roan Antelope, bought by Binani. Roan is now heavily in debt, kept afloat by ZCCM whose losses are thereby increased. Some 6,000 jobs are at risk. First Quantum, the company that came second when Binani was the successful bidder, has done well by recovering metal from mine tailings at Bwana Mkubwa, and might make a fresh offer for Roan.

- **America's** Cyprus Amax had encouraging results from its earlier drilling at Kansanshi but is now understood to have suspended operations. It paid \$28 mn. for the mine two years ago.

- Reunion Mining postponed the signing ceremony for the purchase of Mufulira, ostensibly because they had failed to get consent from the London Stock Exchange. Even before the postponement there had been a lot of renegotiating downwards.

- **China's** State Mining Corporation which paid \$20 mn. for Chambishi mine seems barely to have started work.

- No movement is visible on the sale of ZCCM's Ndola Lime to Socomat, a firm understood to be linked to President Chiluba. If the delays continue the plant might be sold instead to the underbidder, Premier Portland Cement. We hear Anglo has said

that if Ndola's prices are too high it will import from South Africa or set up a rival plant. Chilanga Cement is also thinking about starting up on the copperbelt.

There are some encouraging stories too:

- At Chambishi cobalt plant Avmin is successfully processing concentrate, both from its own mine-dumps at Nkana and from other companies on a toll basis. Since almost half of Zambia's valuable cobalt (mined along with copper) is sold as concentrate, Avmin's plant has room for expansion.

- At Chibuluma mine, the new Chibuluma PLC (belonging to Crew of **Canada** and Genbel and Metorex of South Africa) has cut the labour force, and its tight operation seems to be making money even at today's low prices.

- **Switzerland's Société Générale de Surveillance** plans to set up a laboratory on the copperbelt for sample preparation and analysis; it should improve efficiency now that various companies do specialist work for each other on a toll basis.

- As the mines, and ZCCM itself, trim their labour-forces, redundancy pay may give the retail sector a temporary boost; Barclays is reported to have released to ZCCM some 30 bn. kwacha (about US\$13 mn.) of World Bank money for redundancy payments.

Privatisation remains unpopular, in the unions, in parliament, in the press and in polite society. Zambians are not keen on competition, mass redundancies, foreign ownership and white (especially South African) managers. Incomers have often made things worse through tactlessness and failure to keep workers and the general public informed. Anglo has been careful to recruit to their 'due diligence' and policing teams some old copperbelt hands who know the local ways; a major challenge for **Nap Mayer**, who will run the new operation if Anglo's bid goes through, will be to restore morale. Anglo proved smart in their dealings with the African National Congress in South Africa, and will need those skills again amid Zambia's fractious politics.

With the copper privatisation saga drawing to a close, the latest budget involved much friendly talk about business but little real help for it. The best news has come from the sky in the form of plentiful rain - although peasant farmers have been short of fertiliser. National elections - and the economic distortions that usually accompany them - are not due until October 2001, so more than a year of relative stability should lie ahead.

If after seven years of negotiations, the Anglo deal is safely finalised at the end of April, and if copper holds its price or even rises, the Chiluba government hopes it will be able to go to the polls with claims that it has managed to reverse Zambia's economic decline - even if it did its fair share to cause the collapse.

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Pointers

FRANCE/BRITAIN

Une autre entente II

The *entente cordiale* on Africa between London and Paris is warming up after Foreign Secretary **Robin Cook** and his French counterpart **Hubert Védrine**'s double act in Accra and Abidjan on 10-11 March. While the stated goals - 'clearer procedures for working together' - are modest, the visit had a symbolic importance in conflict-ravaged Africa. Cook and Védrine, who have worked closely together on Kosovo, believe there is diplomatic value in cooperating in Africa (AC Vol 40 No 2).

They are the two European powers with most at stake - in citizens living there and in investment - in Africa. The Cook-Védrine axis can help push Africa initiatives through the European Commission while Africanist officials on both sides of the Channel argue that Franco-British cooperation on Africa enhances bilateral cooperation on other European Union business.

Head of the Foreign & Commonwealth Office's Africa Department **Ann Grant** and her opposite number **Jean-Didier Roisin** are working to develop coordinated policies based on the St. Malo principles such as debt relief, good governance and human rights. But lower down the respective bureaucracies, reservations and old rivalries abound. Some *Quai d'Orsay* officials insist that France must be the senior partner, while others believe the cooperation strategy will increase the influence of outsiders, such as academics, on policy.

Africanist academics, such as **Jean Copans**, and director of the *Centre d'Etudes et de Recherches Internationales* **Jean-François Bayart** and heavyweights from Bordeaux's *Centre d'Etude d'Afrique Noire*, were scathing about Africa policy under late President **François Mitterrand** and remain suspicious of **Jacques Chirac**'s Gaullist line. They say the Elysée is still sabotaging reforms which threaten Chirac's relations with 'dinosaurs' such as **Gnassingbé Eyadéma** of **Togo** and **Gabon**'s **Omar Bongo**.

But Védrine sees bilateral cooperation as a way of undercutting the residual Gaullist hardliners in the administration. The new *Direction Générale de la Coopération et du Développement*, the most recent move in rationalising France's thicket of cooperation outlets, is now under the control of the *Quai d'Orsay* and is staffed predominantly by career reformers and officials. They continue to talk of 'distancing ourselves' from the *réseau*-based practices of the past. The confirmation in February of career Middle Eastern specialist **Jean de Gliniasty** as Ambassador to Dakar is a further step in this direction.

Others are now convinced that what remains of *Coopération* is doomed, even in its present

attenuated form. They predict that the *Fonds d'Aide et de Coopération*, France's principal funding window for the *pays du champ*, will not last much longer: Quai and finance ministry mandarins want such flows strictly under their control henceforth. Cooperation Secretary **Charles Josselin**, himself in favour of thoroughgoing reform, has less room for manoeuvre than ever.

CONGO-BRAZZAVILLE

Look in The Mirror

Who sent sent a putschist's shopping list of arms and mercenaries, purportedly drawn up by ousted Congo-Brazzaville President **Pascal Lissouba** to a mass circulation London tabloid, the *Daily Mirror*? The claimed target of the plot, President **Dénis Sassou-Nguesso**, has since asked the British Foreign Office about the report. Sassou is currently fighting off two opposition militias - the *Zoulous* (loyal to Lissouba) and the *Ninjas* (loyal to former mayor of Brazzaville and Lissouba ally **Bernard Kolélas**).

In the same week Sassou sent a private memorandum to Pretoria's Foreign Ministry, naming a group of Congolese putschists allegedly linked to Lissouba and Kolélas and operating out of **South Africa**. Lissouba insists that the arms shopping list sent to **Belgian** arms suppliers, Labayfar, was for President **Laurent-Désiré Kabila** in Kinshasa. Instead he had been ordering food, clothing and medicines for his followers in Congo. Under **Britain**'s new Criminal Justice Act it is an offence to conspire in Britain to do something in a third country if it is an offence in that country. After the *Mirror* story, Lissouba met with Foreign Office officials who warned him of the new rules and he protested his innocence. However, Labayfar chairman **André Lafosse**, unlike Lissouba, is now threatening to sue the *Mirror*.

But such cross denials don't explain why the story was leaked. Some in Lissouba's circle suspect that local political enemies of British Foreign Secretary **Robin Cook** deliberately chose the *Daily Mirror*, once regarded as a house paper for the ruling Labour Party, to create trouble. Under fire for getting early unauthorised access to reports from the independent cross-party Parliamentary Foreign Affairs Committee and for his handling of the Sandline - Arms to **Sierra Leone** fiasco, Cook has plenty of enemies in his own party.

Another possibility is commercial rivalry. Under pressure militarily, President Sassou has been frustrated by **France**'s Elf Aquitaine's reluctance to make advance payments (which are needed to finance weapons and mercenaries) against future oil production. He has threatened to audit Elf's operations in Congo during the past five years which would cover both his own period of rule and that of Lissouba. More significant commercially, Sassou has been sounding out some British and **American** oil

companies about their interest in Congo-Brazzaville's ultra deep oil exploration blocks (which are close to **Angola**'s highly prospective oil structures currently raising almost US\$1 billion in exploration advances). **Angola**'s President **José Eduardo dos Santos** has also weighed in on Sassou's behalf, asking Elf to treat his regional military ally with 'more flexibility'. Should Sassou consider offering Congo's oil exploration blocks more widely, he may be keen to find out about *les Anglo-Saxons*' attitudes to his rival Lissouba. Sassou and his wife, dinner guests at President **Jacques Chirac**'s Elysée Palace, have until now been firmly wedded to *la Francophonie*.

A third explanation is that the report may be the work of some nefarious British or French civil servants unimpressed by the above mentioned *entente cordiale* between London and Paris. Or finally it might just be that the *Daily Mirror*'s 3 million readers have at last developed a keen interest in the internecine politics of oil-rich Francophone African states.

SIERRA LEONE

Leaving for Lomé

Foreign pressure is growing for President **Ahmad Tejan Kabbah** to start substantive negotiations with the Revolutionary United Front. Even Kabbah's closest backers question his grip over the mainly SLPP (Sierra Leone People's Party) cabinet - let alone his ability to reunite and stabilise the country, after the RUF's new year massacres in Freetown. The probable venue for the talks is Lomé where **Togolese** President **Gnassingbé Eyadéma**, as current Chairman of the Economic Community for West African States (Ecowas), would preside.

Getting Kabbah to concede that negotiations with the RUF are essential has required the concerted weight of **Nigerian**, **Ghanaian**, **British** and **American** delegations, who have indicated that continued security support from Ecowas peace-keeping forces (Ecomog) and UN monitors would be contingent on an early start to the talks. Agreeing on logistics, particularly the status of detained and condemned RUF leader Corporal **Foday Sankoh**, has taken weeks of detailed discussions.

Talks continue about how Sankoh can be transported to the RUF commanders without compromising the security of government or rebels. We hear Washington has offered to provide a plane to airlift Sankoh to his commanders in the field, and then fly them together to the talks in Lomé. Doubts are growing about how much influence Sankoh, whose recent radio broadcasts have sounded somewhat ethereal, will have on the commanders. Some in Monrovia suggest that the **Sam 'Mosquito' Bockarie** wing, backed by President **Charles Taylor**, sees Sankoh as little more than a useful pawn in the negotiating game.

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Washington who's who

Few are indifferent about Washington's Assistant Secretary of State for African Affairs, Susan Rice, who inspires critics and loyalists in equal measure. She's set to stay in the Africa Bureau for the rest of the Clinton presidency.

ALGERIA

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Boutef is bounced back

Just as in Nigeria and Indonesia, Algeria's generals are controlling the election process and have decided on their favoured candidate - Abdelaziz Bouteflika.

SUDAN

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War in the mountains

Alarmed at the success of opposition fighters in the Nuba mountains, President El Bashir told a passing out parade that the government was launching a major offensive.

DJIBOUTI

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Gouled's choice

Incumbent President Gouled's circle reckons it's sure to win the 9 April elections and its candidate is his nephew, Ismael Guelleh.

LESOTHO

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Disunited kingdom

When Lesotho's young nationalists protested against South Africa's 'protective' intervention, they jeopardised the country's future as a sovereign state.

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Nigeria, Togo & Namibia

Battle lines in Washington and Africa

Washington's ministerial meeting raised morale but offered no new strategies for tackling the worsening regional conflicts

For a time during Washington's 16-18 March Africa Ministerial Conference, the capital's political hatchets were buried and politicians, business people and bureaucrats applauded the administration's efforts to bring together more than 80 senior African ministers with senior officials from 15 government departments. Administration kingpins such as Treasury Secretary **Robert Rubin** and Secretary of State **Madeleine Albright** addressed the meeting, as did Agriculture Secretary **Dan Glickman** and Labour Secretary **Alexis Herman**. Only **Libya**, **Somalia** and **Sudan** were barred from attending, but 46 African states sent delegations, as did the World Bank, the United Nations and the African Development Bank.

African diplomats, such as dean of the Africa corps in Washington, **Djibouti** Ambassador **Roble Olhaye**, argued that at last Africa was being treated with the same gravitas as Asia or Latin America. Delegation leaders, such as **Tanzania's** Foreign Minister **Jakaya Kikwete** and **Rwanda's** Finance Minister **Donat Kaberuka**, commended President **Bill Clinton's** promise of support for a US\$70 billion debt write-off for Africa. This was the conference highlight; the trickier questions of winning congressional support for such a measure, let alone getting European creditors to agree, were left for later.

Annus horribilis

The Washington conference was partly Assistant Secretary of State for African Affairs **Susan Rice's** response to an *annus horribilis* in Africa. Almost everything that could have wrong-footed US policy in Africa has conspired to do so since President Clinton's historic six-nation trip there a year ago. Clinton had echoed **South African** Deputy President **Thabo Mbeki's** talk of an African renaissance and the State Department had chosen six states - **Ghana**, South Africa, **Botswana**, Rwanda, **Uganda** and **Senegal** - thought to be representative of emerging Africa. Of these six, three are now embroiled in new wars.

Rwanda and Uganda are energetically backing the rebel *Rassemblement Congolais pour la Démocratie* in **Congo-Kinshasa**, while Senegal has become involved in the **Guinea-Bissau** war, propping up beleaguered President **João Bernardo Vieira**. A side-shoot from the Clinton entourage last April flew to Luanda to encourage the government's peace-making efforts; by December **Angola** was back at war. And Washington's key allies in its battle against Khartoum's National Islamic Front regime, **Ethiopia** and **Eritrea**, have started a deadly border war against each other. The final blows were the bombings, linked to **Saudi Arabian** Islamist **Osama bin Laden**, of US embassies in **Kenya** and Tanzania.

Asking about these developments in Washington elicited a sardonic response from one veteran Africa watcher: 'And do you blame the United States for all this?' No realistic observer does, especially not Rwanda's Vice-President **Paul Kagame** who insisted to *Africa Confidential*: 'US policy isn't wrong - we Africans have gone wrong'. Yet many argue Washington's foreign policy efforts are misplaced: 'I'm not saying that the US should have stopped these wars, just that we should have seen them coming . . . and done more to help prevent them,' said one American businessman, 'if we can send our air force to Kosovo to help a few thousand refugees, then what about Africa . . . and we do much more business with Africa than former **Yugoslavia**'.

The other problem for Africa policy is economic. Attempts to boost US-Africa trade have been marred both by the Asia-inspired global recession and by congress' reluctance to support the administration's Africa Growth and Opportunity Act (AGOA) which aims to secure US market access for African textiles. It proposes that African textiles should be allowed in tariff-free, provided they don't exceed 3 per cent of the USA's imports. It also includes provisions for debt relief, technical assistance, and greater access to US loans and credit through government-backed equity funds and insurance schemes. Clinton's Trade Representative **Charlene Barshefsky** and her Africa representative, **Rosa Whittaker**, expect a hard struggle if the bill is to pass through congress

at all, even without major amendments.

African ministerial delegations joined the lobbying effort for the AGOA on 21 March on Capitol Hill, along with the bill's supporters in both houses of congress: Senator **Richard G. Lugar**, and Congressmen **Ed Royce**, **Charlie Rangel** and **Phil Crane** in the House of Representatives. AGOA's supporters will have to work hard to convince more protectionist elements in congress that just 3 per cent of market access for African producers will not grossly damage the domestic garment industry. But African ministers also faced criticisms of the bill from non-governmental organisations' such as **Randall Robinson's** TransAfrica lobby. While ministers dismissed such critiques as irrelevant, they worried that the rival 'Hope for Africa Bill' (which includes provisions for a total debt write-off and much more favourable market access for Africa), sponsored by the Reverend **Jesse Jackson's** son **Jesse Jr.**, might divide support for AGOA in Congress. The end result, they feared, was that no Africa bill would pass at all.

Republican rightists, liberal leftists

Arguments over the Africa trade bill mirror wider divisions over Africa policy. From the republican right, the administration is criticised for not promoting US commercial interests strongly enough and for doing too little for stability; the liberal left lobby the administration to stop putting US commerce above development, and 'forces for stability' above 'forces for democracy'. Aside from the politically-aligned critics there are plenty of plain sceptics, such as South Africa's *Business Day* correspondent **Simon Barber** who, referring to Clinton's 'simulated Africa policy', questions his characterisation of the US-Africa partnership as one of substance and backed by long-term commitment. 'Happily for Clinton,' wrote Barber, 'lying to Africans is not an impeachable offence'.

While the general framework for Africa is agreed across the administration, much of the detailed policy is ad hoc. The Africa summit in Washington was originally planned in October to include just 15 strongly reforming countries in Africa and invitations were sent directly to African capitals for what was to be the Economic Cooperation Forum. But African governments rejected such cherry-picking and the African diplomatic corps went to work with Susan Rice's Africa bureau and a small secretariat to organise in a matter of weeks a substantive conference. The next obvious step is the US-Southern Africa Development Community forum to be held in Botswana this month. It is meant to work on a regional level in the way that the US-South Africa commission works on a bilateral basis (AC Vol 40 No 5). After that comes the US-Angola bi-national commission designed to improve the prickly relations between Washington and Luanda.

Other regional initiatives might follow with US officials holding a series of meetings with groupings such as the Economic Community for West African States, the Inter-governmental Authority on Development, and East African Cooperation. These moves, together with Clinton's Africa trip (he may also be going to **Nigeria** for **Olusegun Obasanjo's** inauguration) have raised the continent's profile and made Washington's departmental officials more Africa-literate but leave out central questions about conflict and instability. While the ministerial meetings discussed such matters alongside a few hastily-arranged bilaterals between governments embroiled in the Congo conflict, little substantial progress was reported.

Critics from all sides in Washington want a more interventionist strategy. Many accuse officials of 'hiding behind' an 'African solutions for African problems' strategy. 'We should be helping to

facilitate an African dialogue to get substantive talks going, engaging strongly with countries that want to work with us,' a Washington-based academic commented, '... standing back like this means we're losing influence'. Former NSC chairman **Tony Lake** got high marks for his repeated, if unsuccessful, attempts to head off the Ethiopia-Eritrea conflict but some criticised the administration's failure to see it coming.

But in Congo-Kinshasa and Angola, the Washington critics want to see more heavyweight diplomacy 'right up the food chain - to the White House if necessary'. As one self-confessed old generation Africanist commented: 'Some of us fear that this new style Africa policy is heading towards something rather old - the sort of bloody process that led up to Europe's Treaty of Westphalia in 1648 - and we don't think we should stand back and watch Africa go through another Thirty Years War.'

USA/AFRICA II

Washington who's who

The capital's Africanists are divided over new policies and their authors

Few are indifferent about Washington's Assistant Secretary of State for African Affairs, **Susan Rice**, who inspires critics and loyalists in almost equal measure. The press oscillates from adulation to condemnation as sentiment on Africa swings from hope to despair - and back. Few question her abilities as a Washington operator, with strong political skills and connections, notably a family friendship with Secretary of State **Madeleine Albright**. She also meets frequently with President **Bill Clinton** and Vice-President **Al Gore**, both of whom have become increasingly enthused about African issues. Rice is also on first-name terms with the Director of the Central Intelligence Agency, **George Tenet**, who was working on the intelligence dossier at the White House when she was Senior Director for Africa and Special Advisor on African Affairs to the President at the National Security Council.

Like Clinton, Rice was a Rhodes scholar at Oxford; her doctorate was on **Zimbabwe** but she says she isn't an Africanist. She started her Washington career as Director for International Organisations and Peacekeeping at the National Security Council in 1993 after a stint with McKinsey's management consultants in **Canada**.

In the white-male-dominated world of Western diplomacy, an assertive and cerebral African-American woman in her early thirties was bound to make enemies. She has. Some critics accuse Rice of 'policy by tantrum', of pointlessly alienating governments which although fairly venal might have been able to assist US policy aims; others say she runs an antiseptic 'laser-guided' policy (referring to her support for the US decision to bomb the El-Shifa factory in Khartoum, **Sudan** (AC Vol 39 No 17), with a reluctance to engage diplomatically. Old-stagers accuse her of not using established expertise; some younger Africanists blame her for relying too much on the old Washington networks.

Equally, Rice has engendered fierce loyalty (14-16 hour working days are common) from those who regard her strategy as symptomatic of a new US approach to Africa, leaving behind Europe's colonial baggage and Washington's old Cold War perspectives on 'shaping' the continent. No one disputes that Rice has raised Africa's profile among Washington policy-makers and

lobbyists, with President Clinton's six-nation Africa tour last year and the African Ministerial Conference this month. This plays well with the Democrats' African-American voters. One Republican Party official complained: 'We've given Africa to the Democrats'.

Rice is set to continue in the Africa Bureau job for the duration of the Clinton Presidency, so long as she wants it. The coming reshuffle among Deputy Assistant Secretaries (DAS) and Bureau Directors is unlikely to change much, in style or in substance. The well-regarded Principal DAS, **Johnnie Carson**, ex-Ambassador to Zimbabwe, becomes Ambassador to **Kenya** and will be replaced by the current Director for West Africa, Ambassador **Howard Jeter**. The second DAS **Vicky Huddleston** goes back to the **Cuban** interests section, to be replaced by the current US Ambassador to Uganda, **Nancy Powell**. The third DAS, **Witney Schneidman**, a former consultant to the World Bank who covers economic policy and Southern Africa, stays on.

Rice's experience on the NSC has helped coordination with the White House's Africa team - **Gayle Smith**, **Erica Barks-Ruggles** and **Robin Sanders** - and with the State Department. **John Prendergast**, a fellow at the US Institute for Peace, recently left the NSC for the Africa department at the US Agency for International Development. Both Smith and Prendergast have strong backgrounds on the Horn of Africa and agree with Rice on containing Khartoum's National Islamic Front regime. After his stint at USAID, Prendergast is likely to move to the State Department as an advisor. The USAID makes critical input into Africa policy; particularly important here are its Assistant Administrator for African Affairs, **Vivian Derryck**, and Chief of Staff to the Director of USAID **Dick McCall**, an enthusiastic Africanist.

Call the ambulance

Differences persist on Sudan within Washington's policy establishment but have become less marked on Nigeria in recent months. One source said the trip by Rice and Under Secretary of State **Thomas Pickering**, a former Ambassador to Lagos, to Nigeria last July was a 'consensus defining' period for them. They were both in the room when 1993 election-winner **Moshood Abiola** collapsed and died. It was Rice who called the ambulance.

Relations between the State Department and the Department of Defense on Africa matters have been more problematic. Pentagon officials have lost much of their early post-Cold War enthusiasm for innovation in Africa, after disasters such as intervention in **Somalia**. Insiders say proposals by Pentagon staffers for a 'quiet review' of Africa policy have been rebuffed by the State Department. While globally the Pentagon has more than ten times the budget of the State Department, in Africa the budgetary proportions are reversed and the State Department insists on taking the lead on new initiatives.

Pentagon-State Department coordination on the African Crisis Response Initiative has been difficult at times, with the State Department maintaining control over 'presentation' and diplomatic negotiations over deployment and structure. Both sides have been disappointed with the lack of progress on ACRI, overtaken by conflicts from the Red Sea to the Atlantic. The ACRI idea was modelled on the Pentagon's Baltic Battalion project which aimed to provide the Baltic States with the military training and capacity for a regional police force, but Africa's military has proved more intractable and more blighted by conflict. The appointment of **Bernd McConnell** (who replaces **Vince Kern**) as the Pentagon's top Africa watcher (DAS for International Affairs for Africa) may galvanise policy. McConnell, who has just finished a stint in

Bosnia, is an experienced Africa hand who reportedly sees eye-to-eye with Rice 'on the big picture'.

Also on the military beat, Lieutenant Colonel **Jim Babbitt** (ex-Defence Intelligence Agency and former Defence Attaché in Brazzaville) is to replace **Peter Jordan** as Vice-President Gore's advisor on Africa. Also important is Lt. Col. **Rick Orth**, Africa representative on the Joint Chiefs of Staff Policy and Planning Committee (J5). Orth, a tank commander in the Gulf war, was also in the DIA and a Defence Attaché in **Rwanda** where Vice-President **Paul Kagame** requested his tenure be extended.

There are changes afoot in Washington's key ambassadorial posts: Ambassador **James A. Joseph** in Pretoria is to be succeeded this year by former director of National Public Radio, **Dell Lewis**; **Prudence Bushnell**, shortly to leave Nairobi for **Guatemala**; also well-regarded is **Brian Curran** in **Mozambique** who is due for a more senior posting this year. There is another tough year ahead for both **Tom McDonald**, a political appointee from Ohio, in Zimbabwe and **William H. Twaddell** in Nigeria. Ambassadors in the conflict zones include: **Robert Gribben III** in Rwanda; **Nancy Powell** in Uganda; **Bill Swing** in Congo-Kinshasa; and **Joseph Melrose** in **Sierra Leone**, currently engaged in setting up peace talks.

ALGERIA

Boutef is bounced back

The generals' choice seems certain to be the people's new president

Like **Nigerians** last month and **Indonesians** in June, Algerians will get their chance on 15 April to vote for a civilian president after decades of despotic and corrupt military rule. Up to a point. Just as in Nigeria and Indonesia, Algeria's generals control the process and choose their favoured candidate. But the political class too looks forward to the poll. The front-running candidate, **Abdelaziz Bouteflika**, is backed by veteran establishment jobbers, such as retired Generals **Larbi Belkheir**, former President **Chadli Bendjedid**'s chief aide, and **Khaled Nezzar**, who as Chief-of-Staff in January 1992 ordered Chadli's overthrow. Bouteflika's main rival, a former foreign affairs minister, is **Ahmed Taleb Ibrahimi**. He is backed by former members of the banned *Front Islamique du Salut* (FIS), including **Abdelkader Hachani**, who think he might follow an Islamist agenda and settle with the FIS.

The military prerogative takes precedence over the 17,495,707 voters registered within Algeria and 773,000 registered abroad. In his Berber-speaking Kabyle heartland, many voters will support a genuine opposition figure, **Hocine Aït Ahmed**, one of the nine '*chefs historiques*' of the 1954-62 Algerian revolution, who went into opposition as early as 1963 with the creation of his *Front des Forces Socialistes* (FFS). Economic liberals will rally to **Mouloud Hamrouche**, now seen as Algeria's most reformist Prime Minister despite his background in the *Front de Libération Nationale* (FLN). Villagers who support the self-defence militias established by outgoing President **Lamine Zeroual** may opt for **Youcef Khatib**, a distinguished guerrilla fighter now linked to the 'patriot' groups. Partisans of militant Islam may prefer **Abdallah Djaballah**.

But most potential voters are unmoved. Given that the electoral system is controlled by a constitutional council, few voters expect a surprise landslide like that which brought **Mohammed Khattami** to power in **Iran**. The 'opposition' vote will be split. There have been

rows over eligibility; the constitutional council blocked four candidates from running, including the leader of the legalised Islamist *Mouvement de la Société pour la Paix* (MSP, formerly Hamas), Shaikh **Mahfoud Nahnah**, a skilled political operator who came second to Zeroual in the poll of November 1995.

Nahnah was rejected for the technical reason that he did not take part in the war of independence, a condition for candidates born before 1942. Several leading wartime figures, including Khatib, his former commander in military region IV, have however said that Nahnah was indeed a *moudjahid*.

The other excluded candidates all failed to muster the necessary support: **Noureddine Boukrouh**, also a candidate in 1995; former Premier **Sid Ahmed Ghazali**, who in the early 1990s took French nationality; and the respected *Parti des Travailleurs* (PT) leader, **Louisa Hanoune**. The line-up is therefore Bouteflika, Ibrahimi, Hamrouche, Khatib, Aït Ahmed, Djaballah and **Mokdad Sifi**. Some might drop out before polling day.

Transparent voting

On 23 March, two days before campaigning officially started, Aït Ahmed met Zeroual to discuss the President's promise that the voting would be transparent, free and fair. The opposition candidates' main concerns are that the security establishment's backing for Bouteflika would make their candidacies irrelevant. Without clear assurances Hamrouche (whose FLN supporters complain of harassment) and Aït Ahmed might withdraw.

This would leave Bouteflika and Ibrahimi poised for a second-round run-off. 'Boutef' is said to have told senior security officers that, in the spirit of his slogan 'for a strong and dignified Algeria', he would prefer to avoid the indignity of a second round. Bouteflika was largely invisible in the months before the campaign proper, preferring to work among the power brokers than on the hustings. To underline his credentials, he started his campaign in the FLN heartland of Guelma, birthplace of his mentor, the late President **Houari Boumedienne**.

All the candidates come with historical baggage:

● Bouteflika (62), as Boumedienne's Foreign Affairs Minister from 1965 to 1978, built up formidable international contacts, then went into business in the Gulf where he bought a couple of hotels. He is expected to exploit those links if elected. After Boumedienne's death in 1978 he played no formal role, and has since spent much of his time in 'exile', based in Geneva. He was expected to be named president after an extraordinary national conference in January 1994, but refused the terms offered, leaving the presidency to the then Defence Minister Zeroual. He was born in the Moroccan border town of Oujda.

● Ibrahimi (67) was Chadli's Foreign Affairs Minister but seems untainted by the unfashionable 1980s; supporters point to his revolutionary past, formidable intellectual record and, above all, his links with political Islam: his father, Shaikh **Bechir Ibrahimi**, succeeded Algeria's Islamic reformist Shaikh **Ibrahim Ben Badis** as head of the Ulema movement. Some see Ibrahimi as a guarantor of the regime's Arab/Islamist wing, and some former FIS members support him as the best hope of a negotiated peace; born in Setif, he will be strong in his native Constantine region.

● Sifi (59) born in Tebessa, is a former prime minister (1993-95), whose limited support comes from members of the *Rassemblement Nationale Démocratique* (RND) who failed to climb on the Bouteflika bandwagon when the RND imploded in the last year. Sifi sells himself as an anti-Islamist technocrat and a safe pair of hands.

● Khatib (67) born in Chlef has impeccable credentials as a commander of the FLN's army of the interior, with the *nom-de-guerre* 'Colonel Hassan'; he is untainted by the *hizb franca* (party of France) slur. As an adviser to Zeroual, Khatib was closely linked to the 'patriot' militias, and he opened his campaign in the 'triangle of death' region - but this may no longer be an electoral asset.

● Hamrouche (56) born in Constantine is on the regime's dissident, reformist wing; as Premier in 1989-91 he oversaw economic and political reforms and led the rump FLN into the Rome Group of parties who sought reconciliation with the FIS. His few supporters advocate liberal reform.

● Djaballah (43) has split from his own party *Ennahda* - whose opportunists opted for Bouteflika - and created the *Mouvement de Réforme Nationale* (MRN). He started as an Islamist and moved into the Rome Group; he has little support outside his base in Skikda and the east, but gives the election credibility as a formal Islamist candidate.

● Aït Ahmed (73) counts on his Kabyle supporters, and will be backed elsewhere by those who have appreciated his opposition to the regime from abroad; 20 per cent of the poll is his top limit.

Critical to the election's success is whether the power-brokers - led by Chief-of-Staff Lieutenant-Gen. **Mohamed Lamari** and the head of military intelligence **Mohamed 'Tawfik' Medienne** - tolerate a result unapproved by the military establishment. The winner may open talks with part of the FIS, but rule out any formula which might bring back the FIS's President, **Abbasi Madani**, and especially the radical **Ali Belhadj**, still in gaol.

Meanwhile, units of the *Groupe Islamique Armée* (GIA) will carry on their fight against the security forces and Algeria's most vulnerable communities. The Islamists are divided, and elements of the FIS's *Armée Islamique du Salut* seem happy to operate with the army against the GIA. The movement no longer seems in a position to overthrow the regime (AC Vol 39 No 19). Whoever wins - probably Bouteflika after a second-round run-off against Ibrahimi - will seek to co-opt more FIS supporters.

Senior officers will remain Algeria's most powerful political force. Some junior officers and many ordinary Algerians - including many within the *Union Générale des Travailleurs Algériens* (UGTA), which is formally pro-Boutef - grumble about this. But unless a discredited election pulls down a tired regime, their protests will remain private. There could well be a mass resignation of the senior generals quite soon. But their immediate replacements would hardly want to rock a boat which has brought such profits to Algeria's nomenklatura.

SUDAN

War in the mountains

The National Islamic Front fears the Nuba revolt will derail its partition plan

The ruling National Islamic Front has started a major new offensive against the Sudan People's Liberation Army in the Nuba mountains. Apparently alarmed at the success of opposition fighters in the Nuba mountains, President **Omer Hassan Ahmed el Beshir** told a passing out parade this month for the People's Defence Force militias that the government intended to crush the rebellions in the Nuba Mountains and the Blue Nile.

NIF forces have recently attacked the rebels' umbilical cord - the bush airstrips through which the SPLA brings in weapons, a minimum of humanitarian supplies and visitors to publicise their cause to the outside world. The SPLA's air-lifted supplies, at some US\$10,000 a charter plane, are tenuous and expensive; it currently gets only marginal external support, mainly from **Uganda**. Indeed one SPLA official told *Africa Confidential* they planned to raise funds by exporting agricultural commodities grown in specially designated farms.

Prisoners taken by the SPLA say government troops have been ordered to crush the Nuba rebellion within three months. **Ismael Khamis**, Commander of the SPLA's 5th Division in the Nuba mountains, says: 'Their intention is to cut us off from the world so that the Nuba are not on the agenda at the coming Inter-Governmental Authority on Development (IGAD) talks, and they just talk about the problem of southern Sudan.'

Backing the south

Nuba leaders believe Khartoum wants to divide the SPLA by agreeing to self-determination for southern Sudan, but not for the 48,000 square kilometres of the Nuba mountains, which are defined as within northern Sudan. Many Nuba are Muslim, and the government is thought to fear that concessions to them would encourage rebellion among the north's other marginalised peoples in Darfur, the Red Sea Hills and Blue Nile province. **Yussef Kuwa**, the Nuba rebel leader, believes that SPLA leader Colonel **John Garang de Mabior** is committed to Nuba self-determination. But many Nuba fear they would be left out of an eventual peace agreement. Kuwa thinks that possible, but argues that a separate southern state would at least give the Nuba a sympathetic regime on their southern border.

Both the Khartoum government and its northern Sudanese opponents are determined not to let the Nuba secede. The opposition vehemently re-asserted its opposition to Nuba self-determination in February, when the Inter-Africa Group organised a conference in Kampala, **Uganda**, on 'Human Rights in Sudan in the Transitional Period'. One delegate suggested that the Nuba should be offered self-rule only if it was also offered to the Baggara Arabs who live in and around the Nuba mountains.

The NIF started attacking the Nuba bush airstrips in November, three months ahead of its usual dry-season offensive. From 28 November to 23 December, a government force estimated by the SPLA at 700 men tried to take the busiest and most central of the three strips, Zulu 2, near Koya village. The attack was driven back after three days of fighting, 5 km short of the airstrip; but that was close enough to let the government artillery move up within range, to Tebari village, and Zulu 2 was closed in February. Alternate Commander **Youssef Karrar** claims the government attackers left behind three mass graves, several artillery pieces and a 122 mm howitzer, while the SPLA lost only seven men from a total force of 280. The rebels also claim the commander of the government's 10th Brigade, Brig. **Abdul Halim**, was killed by one of their mines on the el-Obeid-Koya road, outside the garrison town of Um Sirdiba.

Government troops had taken Um Sirdiba in 1994; in January the rebels failed to recapture it but claimed to have killed 25 government soldiers and taken 25 prisoners, several rifles, a machine-gun, a rocket-launcher and a light mortar. The SPLA adds that, in January, it lost three men when repulsing an attack on another airstrip near Tadjura; a captured government flag flies high in the nearby SPLA garrison of Gidel to encourage young recruits. A

third airstrip is so far safe from attack, and the rebels hope to find a location for a fourth. On 16 January, arguing that 'attack is the best means of defence', they tried to pin down the NIF forces by attacking their garrison at Buram.

The government has tried to take Tima, birthplace of Commander Khamis and backbone of the rebel movement in the west. The SPLA claims that it killed 50 NIF troops in three attacks there, two in November and the third on 14 January. 'Government morale is very, very low because we have managed to contain the offensive this year,' said Khamis. He claims that NIF soldiers are deserting, and that the local Arab ethnic groups are no longer keen to join the government side: 'Now, if we have prisoners, we don't kill them. We treat them well and give them the choice of joining us or going back. Up to now, no Nuba have said they want to go back. We have one Arab who wants to return to his family, and we will be releasing him shortly.'

The United Nations' Operation Lifeline Sudan is not allowed to operate in the Nuba areas controlled by the SPLA, but some small civilian relief agencies defy the ban and try to help the 300,000 Nuba thought to have remained there. Last May the UN Secretary General, **Kofi Annan**, was assured by the Khartoum government that OLS would be allowed to send an assessment mission to the mountains, but it has still not arrived. Commander Khamis thinks that Khartoum's early offensive had a secondary motive of keeping the UN out. 'Khartoum's promise to allow the UN to come was a delaying tactic. The government is using food as a weapon here. Although the rainy season was good, some people affected by last year's famine were weak and unable to cultivate. Some areas have been burned by government troops. They are fighting an economic war.'

The SPLA estimates that 5,000 people left the mountains last year in hope of finding food on the government side. **Nira Suleiman Bashir**, Women's Coordinator of the Nuba Relief, Rehabilitation and Development Society, said some have risked their lives to return. 'They said the government gave them only one small container of sorghum and some sugar on the first day. After that they had to work to get food. You wash clothes for them, you clean the houses for them. Sometimes the enemy uses them for sex.'

The rebel area's only hospital is small, run by the **German** Emergency Doctors at a secret location in the eastern jebels. It was evacuated from Kauda in November, when NIF troops advanced on the town but failed to capture it. Earlier, two people were killed outside the hospital, and its water system was destroyed, by what are thought to have been 500-pound bombs dropped by Antonov aircraft. Dr. **Sebastian Dietrich** of GED claims the hospital was deliberately targeted. He bitterly criticises the UN's failure to challenge Khartoum's veto on relief to the Nuba, accusing it of complicity in the war. He says the UN Children's Fund refused a request for vaccines 'because the Nuba mountains are out of the OLS area. I think it is a scandal'.

At a recent meeting with OLS officials in Nairobi, the rebel leader Kuwa warned the SPLA 'could not permit' the UN to continue supplying government-held areas but not rebel-held areas. 'It would be agreeing to commit suicide', he told *Africa Confidential*. 'They should help both, or help neither.' He did not spell out what action he would take, but hinted that SPLA guns could move up within range of the government-held capital of South Kordofan, Kadugli, where Nuba civilians who have moved out of SPLA areas are given UN food aid in 'peace camps', before being transported outside the mountain region.

DJIBOUTI

Gouled's choice

Ismael Guelleh is set to win the election - having an uncle for President helps

The ruling group reckons it is sure to win the presidential election on 9 April; the opposition keeps up its spirits by claiming the result is open. The probable winner, **Ismael Omar Guelleh**, is chief of the private office of the aged and ailing outgoing President, **Hassan Gouled Aptidon**. He is also the President's nephew, and officially 51, although widely thought to be 53. Since his uncle took office in 1977 he has been in charge of state security, and his nomination by the ruling *Rassemblement Populaire pour le Progrès* (RPP) on 4 February was a mere formality (AC Vol 40 No 4).

The opposition's standard-bearer is political veteran **Moussa Ahmed Idriss**, (66), who sat proudly in the **French** parliament from 1962 until 1967, when the newly independent government of Djibouti gaoled him for 'defaming the President' and dissolved his *Parti du Mouvement Populaire* (PMP). He was gaoled again for six months in 1981 when, with **Ahmed Dini** and others, he tried to form an opposition *Parti Populaire Djiboutien* (PPD), but in 1997 he accepted a parliamentary seat for the ruling RPP.

The new coalition backing Moussa Ahmed Idriss is called the *Opposition Djiboutienne Unifiée* (ODU); its policies are vague, its three constituent parties have different bases, but by contrast with the RPP, the ODU wants to talk peace to the armed opposition, the *Front pour la Restauration de l'Unité et de la Démocratie* (FRUD), whose leader is Moussa Ahmed's old ally, Ahmed Dini. The FRUD, which draws its support primarily from the Afars but now includes some prominent non-Afars in its ranks, has set up the *Front Unifié de l'Opposition Djiboutien* (FUOD) to back Moussa Ahmed alongside the ODU. The government's counter-move was to invite Ahmed Dini to meet its candidate, but the FRUD insists it will meet the government only for genuine peace negotiations.

The FRUD was gravely weakened in 1994, when the government persuaded a faction led by Commandant **Ougoure Kiffle** to join the administration. Kiffle and one of his comrades became ministers, and the FRUD's unity was broken, leaving its President, Dini (a former prime minister), out of the presidential contest. In February 1997 President Gouled ruled out the two contenders within the RPP, when **Ismael Guedi Hared**, then director of his private office, and **Moumin Bahdon**, then Foreign Minister, were deprived of their civic rights for five years, having been convicted of defamation of the Head of State.

The government's advantages are vast. Ismael Omar began campaigning on 4 February, and can rely on support from the two main state enterprises, Djibouti port authority and *Électricité de Djibouti*. The power monopoly - whose director, **Djama Ali Guelleh**, is a cousin of the candidate - is two months in arrears with salary payments, and it is widely assumed that the cash is in use for the campaign. The port authority's chief, **Aden Ahmed Doualeh**, is also related to Ismael Omar, but has smaller available cash resources. Power cuts are frequent.

The government's candidate may also be helped by the United Nations Development Programme, which announced on 13 February that it is putting US\$580,000 into projects for promoting 'good

governance', strengthening non-governmental organisations, and fighting malaria. That has enabled Ismael Omar and his supporters to announce official backing for popular schemes. Three weekly magazines have been launched, targeted at young people, women and disadvantaged communities. The candidate's wife, **Kadra Haid**, a former teacher, has been organising among her ex-colleagues, and has encouraged ministers' wives to do likewise. An NGO forum at Tadjourah on 19 March gave local women a chance to sell handicrafts. Moreover, Ismael Omar has promised a new clinic for Dorra where a recent malaria outbreak killed 70 people; and the government stopped the French army distributing anti-malaria drugs in November 1998.

The opposition candidate, by contrast, is backed by Djibouti's two main trade unions, and by Mrs. **Amina Ismael** widow of the late opposition leader, **Mohamed Djama Elabe**, and known as a defender of human rights. **Choukri Abdourahman**, a leading opposition figure whose father was killed in 1963, has also declared for Moussa Ahmed.

The army Chief of Staff, General **Zakkaria Ibrahim**, with Lieutenant Colonel **Osman Nour Soubagle**, visited barracks in the north of the country in early March, to look for signs of dissidence. But the army (90 per cent of its soldiers are Issa) was purged of suspected opposition sympathisers in August-September 1998, and its loyalty is not seriously in doubt. The *gendarmérie* is solidly pro-government, and its commander, Col. **Mahdi Cheik Ahmed**, is closely related to Guelleh. The civilian police, whose chief, Gen. **Yassine Yabe**, supports the government, seem largely favourable to the opposition.

Since the government's base is perceived as being among the Issa clan, Ismael Omar Guelleh has sought to appeal to others such as the Gadaboursi. He has a tougher job reconciling the Afars, who form 40 per cent of the population and blame him for what they regard as their disadvantages in access to jobs and promotion. They suffer especially in the districts affected by the war with the FRUD; 18,000 Afars are exiled in **Ethiopia**, and 6,000 in **Eritrea**.

Ismael Omar Guelleh makes much of his experience in dealing with neighbouring states. He is a friend of Ethiopia's Prime Minister, **Meles Zenawi**, and the two armies cooperate. On 4 February two Ethiopian helicopters machine-gunned the FRUD's camps at Ayri and Dalha, in the Tadjourah district. Inevitably the FRUD has grown closer to the Eritreans, especially since Meles deported several of its leaders and staff, who now face tough conditions in their Djibouti prison; one of them, **Abdi Houffaneh Liban**, died in suspicious circumstances in his cell on 12 March. Guelleh met an Eritrean delegation in Rome on 10 February, and hopes to re-establish contact with them. To counter Arab suspicions of his friendship with Ethiopia, he promises to make Arabic an official language in Djibouti.

When the campaign officially opened on 26 March, Ismael Omar made his first speech in Arhiba, Djibouti's poor Afar quarter. There were more policemen than supporters. Moussa Ahmed, at Balbala, began his campaign by denouncing the government's faults and promising to bring real peace by negotiating with Ahmed Dini and the FRUD. The opposition is ready with accusations of electoral fraud; Moussa Ahmed wants to see the electoral rolls, not yet published for some districts, and to know which international observers will be present. The Minister of the Interior - **Elmi Obsieh Wa'ays** - has announced that Ethiopia, the Arab League and **Japan** will send observers. The opposition claims that the European Union, the **United States** and the UN were ready to send observers but that the government has refused to accept them.

LESOTHO

Disunited kingdom

South Africa rescued the government but may have destroyed the nation

When they looted and burned businesses in the capital, Maseru, last September, Lesotho's young nationalists meant to protest against the 'protective' intervention in their country by **South African** soldiers, acting in the name of the Southern Africa Development Community. The unintended result was to weaken their own fragile state. To do their shopping now, people from Maseru travel 10 kilometres across the border to Ladybrand, a small South African town which is booming as a result of its neighbour's misfortune.

When the National University of Lesotho held its graduation ceremony in November, the proceedings were broadcast in the Sesotho service of the South African Broadcasting Corporation. One student won loud applause by castigating the government for 'surrendering' Lesotho to the South Africa National Defence Force, but met a deafening silence when he condemned the burning of businesses. He went on to ask three crucial questions:

- What happens to Lesotho's economy once South Africa has renegotiated the terms of the Southern African Customs Union, whose revenues provide most of Lesotho's government income? Lesotho could lose as much as 70 per cent of its current tariff revenues after the renegotiation.
- What happens as South Africa's gold-mines try to survive by cutting their labour-forces, and send home many of the migrant workers whose remittances are levied by Lesotho's government?
- Will revenue from the Lesotho Highland Water project be enough to replace those dwindling sources of income?

Pretoria's apron strings

The hard answer is that Lesotho faces economic devastation unless it stays tied to South Africa's apron strings. The mountain kingdom's economic problems loom even larger with its domestic politics in disarray. The traditionalists of the ruling Lesotho Congress for Democracy had for decades been at odds with South Africa's African National Congress; now the ANC has sent troops to save them. The main opposition party, the Basotho National Party, used to be close to the ANC, which in November put down an uprising which the BNP had quietly supported. BNP leader, **Retselisitsoe Sekhonyana**, spoke as diplomatically as he could about the South African action, but his supporters vigorously denounced **Nelson Mandela**, as did his opposition partner **Qhobela Molapo**, leader of the smaller Basotholand Congress Party.

Sekhonyana died in early December, while Molapo is unwell after suffering a mild stroke. The opposition is leaderless. The BNP-BCP alliance was anyway based not on agreement, but on shared anger at the LCD's crushing election victory in May 1998. Neither leader had fully carried his party faithful into the alliance, whose younger members, in particular, spearheaded the September protests. The discontented young activists have, moreover, not accepted the all-party compromise deal that emerged after meetings organised by South Africa's Minister for Safety and Security, **Sydney Mufamadi**. The opposition parties wanted a government of national unity. Because they did not get it, the young feel

betrayed.

The deal brokered by Mufamadi allows the LCD to run the government, until a national election is held in 2000. The poll will be organised by an Independent Electoral Commission and its running overseen by an Independent Political Authority, including two representatives of each of the 12 opposition parties.

Against the fragmented opposition, weakened by Sekhonyana's death and Molapo's illness, the LCD has the obvious advantages of a party holding power. The Lesotho army, which was formerly a rival power-centre, has been weakened by the South African intervention. The monarchy, also seen as opposing the LCD, has lost prestige through its alleged role in the South African intervention. Once regarded as a force for national pride and unity, over the past four years the monarchy has been associated with minority parties, which together with factions in the military, have backed and provoked armed confrontations.

Much will depend on how King **Letsie III**, 35 years old, handles the aftermath of the present crisis. Although he had no constitutional powers to intervene in last year's political crisis he is caught between the opposition, who regard him as ineffectual, and the government, which suspects him of sympathising with the militant oppositionists in the army. He had spoken sadly of 'looking into the possibility' of setting up a commission of inquiry, just days before the South African army moved into Maseru. No one in the government had consulted King Letsie. Alongside other constitutional reforms, some Basotho are calling for a referendum on the future of the monarchy. On present showing King Letsie might not survive such a test. Even the widespread anti-South African feeling, which worked against the LCD, seems to be subsiding. In the rural areas where most voters live, South African soldiers have organised football matches against village teams as part of their post-intervention charm offensive.

The LCD itself has never been united since its formation as a BCP breakaway in 1997. **Shakhane Mokhehle**, younger brother of the late **Ntsu Mokhehle**, former Prime Minister and LCD founder, has never hidden his ambition to follow his brother as leader, and barely tolerates present Prime Minister **Pakalitha Mosisili**. Quarrels within the party could, perhaps, hand the opposition an election victory. Whoever wins, the student's questions will haunt any Maseru government. Lesotho's fate cannot be separated from that of the larger nation which surrounds it, South Africa, - and an LCD victory would do nothing to assert the smaller partner's independence. Last September's military incursion may have hastened the reinvention of Lesotho as South Africa's tenth province.

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Pointers

NIGERIA

Muddy waters

Friends of President-elect General **Olusegun Obasanjo** say he is incensed by the decision of the outgoing military regime under Gen. **Abdulsalami Abubakar** to award 11 oil exploration blocks and eight oil lifting contracts to a group of well-connected military officers and local businessmen. The lack of accountability in the awards of some of West Africa's richest exploration acreage (alongside blocks where Shell, Texaco and Agip have made major discoveries) may have cost the treasury millions of dollars. Some Western officials say the awards and the associated mismanagement of public funds could damage Nigeria's chances of securing debt relief.

How Obasanjo tackles this issue will be an early indicator of his ability and determination to make the oil business more accountable. Abuja insiders expect him to take personal charge of the oil sector after his scheduled inauguration on 29 May and to appoint a high-level oil advisor.

A former chairman of the Berlin-based anti-corruption lobby Transparency International, Obasanjo's reported ire is understandable. The awards were finalised during his triumphal post-election overseas tour to re-establish Nigeria's diplomatic and financial credibility. The state-owned Nigeria National Petroleum Corporation (under the control of Abubakar and the Provisional Ruling Council) didn't open a public competitive tender: only one of the 11 exploration blocks has been granted to a local oil exploration and production group with a proven track record, Amni International. The Chairman of Amni is **Sani Bello**, whose son **Abu** is married to Abubakar's eldest daughter, while economic advisor for the victorious People's Democratic Party **Emmanuel Edozien** is a director of Amni.

Arousing greater interest in oil company circles are the powerful figures associated with the other 'virtual' oil companies. Under the terms of the contracts, the recipient companies must pay signature bonuses of US\$20 mn. each to NNPC by 7 April. They must also assure NNPC's exploration division they are capable of development. Apart from Amni's block, foreign companies are likely to be brought in - both to pay the signature bonus and an additional 'joining fee' of a further \$10-20 mn.

Nigerians associated with the other ten awards include the glitterati of military-business circles: OPL (oil prospecting licence) 215 - Anchorage Petroleum (Chief of Defence Staff Air Marshal **Al-Amin Daggash**); 242 - Dajo Oil (Chief of Army Staff Gen. **Ishaya Bamaïyi** and leading oil trader **Mike Adenuga**); 243 - Ozeko

Energy Resources (Chief of General Staff, Vice-Admiral **Mike Akhigbe**); 244 - Totex Oil (Brigadier **Anthony Ukpo** and Texaco); 245 - Malabo Oil (former Oil Minister **Dan Etete**, who uses his **Ghanaian** name, **Kweku Amafeha**, on company documents, and senior diplomat 'Alhaji **Aminu**'); 247 - Heritage Oil and Gas; 248 - Zebra Oil and Gas (trader **Leni Adesanya** of Lenoil has approached Mobil); 249 - Oil and Gas Petroleum Limited; 314 - Paragon Group of Companies (**Prince Oladoyin**); 315 - Lagoon Petroleum (**Gilbert and Jack Chagoury**).

Foreign exploration companies are sceptical about whether awards will stand. Concern that Obasanjo might rescind the contracts on taking office deters them from teaming up with what they regard as Nigerian front companies. Even those who believe the awards were part of an agreed 'golden parachute' plan for the outgoing military and their business allies believe that most of the companies won't deposit the necessary \$20 mn. signature bonus by 7 April. Some Abuja-watchers detect a wider pattern. The Abubakar regime announced 41 senior diplomatic appointments this month. Although all 41 are career diplomatic posts, some are said to have made way for political appointments, such as former Internal Affairs Minister **Babagana Kingibe** to head the Embassy in **Spain** and serving Information Minister **John Nwodo** to become High Commissioner to **Britain**. Perhaps most significant was the statement by Defence Chief Gen. Daggash that while Gen. Abubakar and Vice-Adml. Akhigbe would retire on 29 May because they were political appointees, the service chiefs (including himself and Chief of Army Staff Gen. Bamaïyi) would stay on, with Chief of Naval Staff, Vice Adml. **Jubril Ayinla** and Chief of Air Staff Air Marshal **Nsikak Eduok**. As an afterthought, Gen. Daggash added that any subsequent redeployment of officers would be, of course, the prerogative of the incoming civilian government.

TOGO

Lomé minus Lomé

President **Gnassingbé Eyadéma**'s latest round of fraudulent elections, held on 21 March, could provoke Togo's suspension from the European Union's preferential trade treaty known as the Lomé IV agreement. The EU suspended aid after last June's equally fraudulent presidential elections when security agents took over the counting of the votes from the electoral commission (AC Vol 39 No 14). Not only will the EU Commission not resume aid to Togo but it will be pushed by members such as **Germany** and **Britain** to ratchet up the pressure on Eyadéma. After the June elections, EU officials persuaded Eyadéma to talk to his opponents about arrangements for the parliamentary polls.

All the opposition parties, from those of **Gilchrist Olympio** and **Edem Kodjo** to that of

Yaovi Agboyibo, boycotted the election. Unsurprisingly then, Eyadéma's *Rassemblement du Peuple Togolais* swept the polls, winning 58 seats in the *Assemblée Nationale*; the remaining 23 seats were won by 'independent candidates' close to the RPT. The National Electoral Commission reported a 76 per cent turn out but the opposition insisted it was under 10 per cent. Diplomats and independent observers said the opposition figure was nearer reality.

Eyadéma is banking on his chairmanship of the Economic Community of West African States, and his involvement in regional negotiations on both **Sierra Leone** and **Guinea Bissau**, to forestall tougher sanctions. But his backing within the EU has sunk to an all-time low. His former supporters in Paris regard **Burkina Faso**'s President **Blaise Compaoré** as a more acceptable operator in West Africa. Agreeing a tough line on Eyadéma may be one of the first tests of the new **Robin Cook-Hubert Védrine** axis between Britain and France (AC Vol 40 No 6).

NAMIBIA

Ulenga's challenge

Ben Ulenga, who resigned last year as Namibia's High Commissioner to **Britain** in protest at intolerance in the ruling South West African People's Organisation, has helped launch a new party, provisionally called the Congress of Democrats (CD). He has not said he is a candidate, but the party will fight Swapo at the presidential and parliamentary elections next year. Business donations will be crucial as state funds go only to parties with parliamentary seats: Swapo has two-thirds.

At a public meeting on 23 March Ulenga said that detailed policies will be set by a party congress, but identified as symptoms of a 'deadly disease' Swapo's changing of the constitution to enable President **Sam Nujoma** to stand for a third five-year term; involvement in the **Democratic Republic of Congo**'s civil war; the Caprivi secessionist crisis; and self-enrichment by politicians. The CD's committee contains an equal number of men and women broadly representing the main ethnic groups. Ulenga, a former liberation fighter, political prisoner and mineworkers' leader, is from the predominant Ovambo north. Other members include a former trade and industry permanent secretary, **Tsudaog Gurirab**, a Damara, who resigned from the public service and has done well as a private consultant; **Kaveri Kavari**, a Herero and an ex-member of the South West African National Union (Swanu); **Marthina Shulz** and Dr. **Neville Cupido**, from the mixed race/Rehobother community, leaders of Swapo's disaffected 'internal' wing. **Peter Katjavivi**, University of Namibia's Vice-Chancellor is not joining just now but his wife **Jane** was at the meeting which was filmed by state security agents.

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Fantasy rules

Both President Kabila and his armed opponents insist almost daily there should be a peaceful resolution of their differences but both sides are doing their best to wreck the mediation initiatives now on offer from would-be peacemakers in Africa and the West. Meanwhile the military advantage remains with the three main rebel factions.

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The fiscal fight

The ANC want South Africa's tax system to do two contradictory things: to correct inherited discrimination and make the country more attractive to new investors. However, Finance Minister Trevor Manuel and his deputy Gill Marcus have succeeded in simplifying the tax system and greatly increasing the revenue base.

ANGOLA I 5

Shell-shocked

No one in Luanda wants to take the blame for the government's military defeats by Jonas Savimbi's rebels over the past five months. So Luanda officials have singled out the UN and through it the USA, arguing that they knew about the massive rearmament of UNITA and didn't pass on the intelligence.

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Deadly diamonds

Its coffers full of diamond money, UNITA went on an arms buying spree to mount its defence of the Central Highland cities of Andulo and Bailundo last December.

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NIGERIA

The \$2.7 billion hole in the bank

The military regime is leaving its civilian successor a mountain of dubious debts and undermining prospects for economic recovery

General **Olusegun Obasanjo's** newly elected government starts work on 29 May. But the bright hope is dimmed by an unexpectedly grim financial legacy from the outgoing military regime of Gen. **Abdulsalami Abubakar**. Finance Minister **Ismaila Usman** has announced that Nigeria's foreign reserves were drawn down by US\$2.7 billion, to \$4 bn., between the end of December 1998 and the end of March 1999. Senior officials in the People's Democratic Party, which will hold the majority under Obasanjo, have been asking sharp questions about the pace at which foreign reserves have fallen, and the volume of unbudgeted government expenditure.

At a donors' meeting chaired by the World Bank in Paris on 9 April, Usman tried to explain the sudden drop in reserves. His 1999 budget projected a \$1.5 bn. financing gap; his statement to the donors reported that the gap had reached \$1.9 bn. by the end of March and was heading for \$2.9 bn. by the end of the year. He noted that the economy has faced extraordinary financial demands, including the drastic fall in the oil price, the cost of three sets of nationwide elections, and the return to civilian rule - as well as the cost of Nigeria's military leadership of Ecomog, the West African peacekeeping force, in **Sierra Leone** after the rebel invasion of Freetown in January (AC Vol 40 No 2). Banking sources suggest that the government might also be using its foreign reserves to shore up the value of the naira, which has been under growing pressure this year.

Extra-budgetary payments

Western officials, already concerned about 10 oil exploration awards last month (AC Vol 40 No 7) are unconvinced, and worried. They fear that such a rapid and unexplained depletion of the country's foreign reserves must affect the newly elected government's hopes of stabilising the economy. The 1999 budget was based on an estimated oil price of \$9 a barrel (crude oil accounts for 95 per cent of Nigeria's exports). So far this year the price has averaged \$11.50, and the government was not expected to be liable for large extra-budgetary payments to compensate for price fluctuations. Similarly, the three rounds of elections and the expensive federal system (with 36 state assemblies below the national house of representatives and senate) were anticipated last year. Spending on these items was hardly an 'unforeseen contingency'.

The extra cost of the Ecomog operations was not foreseen in the budget calculations, but would not account for much of the \$2.7 bn. drawdown. Nigeria's operations in Sierra Leone are said to cost \$1 million a day. Even if that doubled after the rebel assault on Freetown, it would have added just \$90 mn. to extra-budgetary expenditure, already partly defrayed by contributions from **Britain** and the **United States**. As for payments to service foreign debts, they have fallen well short of the level set in the 1999 budget (AC Vol 40 No 3).

No explanation is provided for a fall of at least \$2.6 bn. in the foreign reserves. Large amounts may have been dissipated in foreign exchange deals, in which civil servants and officers exploited the last days of the two-tier exchange rate system, whose abolition the government announced on 1 January. The system set a 'market' exchange rate of \$1 = N86 and an 'administrative' or 'official rate' of \$1 = N22. Cheats with government connections could get authorisation to buy dollars at the official rate, then sell them the same day for four times what they originally paid in naira. Some fine fortunes went to well-connected individuals who kept their cash circulating through the system, regularly multiplying itself by four - a practice known as 'round-tripping'.

Business sources in Lagos say that, despite the abolition of the dual rate on 1 January, some contractors were buying dollars at the cheap official rate as late as mid-February. These contractors (most of them linked to senior military officers or state officials) had secured approval to buy cheap dollars a few days ahead of the scheduled abolition of the two-tier rate. We hear that the government wants to surcharge all those who bought dollars at the official rate after mid-January. But it's unclear how much this would raise, or how the illicit profits would be valued.

Officials from the IMF are tight-lipped about the significance of the loss of foreign reserves until

they have 'better information'. In January Usman agreed an economic reform programme to be monitored by the Fund's staff; Fund officials are due to meet officials of the outgoing government twice before it finally gives up power. The IMF and the World Bank are keen to get to work again in Nigeria, reckoning that economic resuscitation there could boost the entire, troubled West African sub-region. The multilateral organisations, including the African Development Bank, have been encouraging Western governments to back the transition to civil rule, with one senior World Bank official telling donors to move from 'platitudes to action'. One of the Bank's Vice-Presidents for Africa, **Jean-Louis Sarbib**, told the donors' meeting that a 'wait and see attitude' on Nigeria would be dangerous. Sadly for Obasanjo's incoming government, 'wait and see' sums up the position of many donors. The **French** government, for example, has delayed doing even preliminary research on a cooperation strategy for Nigeria until it's convinced that Nigeria's soldiers have gone back to the barracks for the long term.

The Bank and Fund are getting tough on corruption; their reports to the Nigeria donors' meeting are peppered with the 'C' word, instead of diplomatic flannel about 'governance problems' or 'lack of transparency'. The Bank reported that Nigeria's economic performance has fallen far below potential 'due mainly to mismanagement and corruption'; the Fund speaks of 'many years of misguided policies and corruption' ruining the economy. The fresh problems with the outgoing government's record could put back by another six months the cash-strapped civilian government's efforts to reach agreement with the Fund, arrange balance of payments support, and start negotiating debt reductions.

Backing for the barracks

Realising this, Usman made a strong appeal at the end of the meeting for financial backing from Western governments. He called for international support for a programme to re-professionalise the army and improve conditions in the barracks, winning time for the civilians to consolidate and concentrate on redressing economic weaknesses.

Sarbib, who chaired the meeting, told journalists afterwards that the proceedings had been marked by 'hope, optimism and realism'. He said he was personally impressed by President-elect Obasanjo's credentials as an anti-corruption fighter, but cautioned: 'No one is going to throw a switch and change Nigeria overnight.' The donors agreed to another discussion meeting in six months time, but say that progress on economic reform has been too slow to consider a session to pledge financial support.

Western officials noted that the outgoing government has failed to meet the reform benchmarks of the staff-monitored programme agreed with the fund. It has allowed the foreign reserves to drop below the agreed levels and failed to make foreign debt service payments. The 1997 audit of the Nigeria National Petroleum Corporation was late and privatisation is moving very slowly. One official insisted that the West would give Nigeria no special help until it got its IMF programme back on track. Fund officials hope that may happen before the new government takes over.

Western officials admire Obasanjo's commitment to establish an anti-corruption agency and to work closely with the Fund and Bank to cut graft. But their hopes grow dimmer as the rotten state of the military regime's legacy appears. Obasanjo's government may find its early days preoccupied by a politically dangerous investigation of the huge outflow of government reserves in the final months of military rule.

CONGO-KINSHASA

Fantasy rules

International and regional peacekeeping efforts fail to impress the belligerents

Surrealism is taking over in Congo-Kinshasa. Both President **Laurent-Désiré Kabila** and his armed opponents insist almost daily that there must be a peaceful resolution of their differences. But both sides are doing their best to wreck the mediation initiatives now on offer from would-be peacemakers in Africa and the West. The President, when urged to negotiate, calls for a 'national debate' whose terms he seeks to dictate and from which he excludes his some of his main opponents.

On 9 April the United Nations Security Council called for an immediate cease-fire in Congo, in a resolution which deplored both the fighting and the presence of foreign troops. Western diplomats do not think this likely to impress the belligerents. The **United States** had refused to accept the naming of the foreign countries involved, claiming that this might complicate the task of the UN's new representative in the region, **Moustapha Niasse** of **Senegal**.

Kabila and **Zimbabwe's** President **Robert Mugabe** accuse Washington of openly siding with the rebels when it unblocked two billion dollars in aid to **Uganda**, while in late March the US Agency for International Development announced the blocking of its aid to Zimbabwe because of human rights violations there. Uganda, of course, is Kabila's main foreign enemy, Zimbabwe his best friend.

Moustapha Niasse faces plenty of other complications. In Dar-es-Salaam, **Tanzania**, on 9 April Kabila said he was ready to talk to the rebels; but in Luanda the previous day he had insulted their two main backers, **Yoweri Museveni** of Uganda and **Paul Kagame** of **Rwanda**, calling them 'Central Africa's **Milosevics**'. Nor is there any agreement between Kabila and the various rebel factions on what the negotiations should be about. In mid-March Kabila announced the opening of a national debate with three themes: the legitimisation of the government, the draft constitution and the decree on political parties. He wanted a debate that would confirm him in power, not one about who should be in power.

Cold water

Cold water was at once poured on Kabila's proposal by **Alexis Thambwe Mwamba**, 'foreign minister' of the main rebel organisation, the *Rassemblement Congolais pour la Démocratie* (RCD), which Rwanda supports. He told *Africa Confidential*: 'Kabila's appeal must be properly stated. He cannot just invite us by radio'. Thambwe's own idea is that Kabila's team should meet the RCD to discuss the conditions for a ceasefire. Then there should be a round-table meeting of representatives of all sectors of opinion in Congo. 'Without a round-table we accept no meeting', said Thambwe Mwamba.

Furthermore the main Congolese parties - including **Etienne Tshisekedi's** *Union pour la Démocratie et le Progrès Social* (UDPS), **Andre Bo-Boliko's** *Parti Démocrate Social Chrétien* (PDSC) and the *Parti Lumumbiste Unifié* (PALU) - have refused to ask the regime to recognise them. Not one of their leaders has said he will join Kabila's 'national debate', all the more so since, a few hours after announcing it, Kabila said the national debate would not address the legitimacy of his own *gouvernement de salut*

The military imbalance

In most regions the rebel forces are driving back **Laurent Kabila's** soldiers and their foreign allies. In southern Congo, though, neither side is advancing: on 12 April the rebels held Kasenga town, on the **Zambian** frontier, but in the Moba region they are in trouble. They are up against the **Zimbabwean** army, and their front has been infiltrated by two Hutu militias - from **Burundi's** *Forces pour la Défense de la Démocratie* under **Jean-Bosco Ndayikengurukiye**, and from the *Interahamwé* of **Rwanda**. Since 5 March the fighting has driven almost 20,000 people across into Zambia, where the World Food Programme handed out emergency food to refugees who had begun to steal crops from the local farmers' fields.

Lambert Mende, the rebels' 'minister of information', admitted in Brussels in late March that his people had problems in Nord and Sud Kivu because of infiltration by thousands of ex-*Forces Armées Rwandaises* and militiamen, who had been retrained in camps at Kibomango, Kananga and Kamina.

In Western Kasai the fighters of the *Rassemblement Congolais pour la Démocratie* have reached Tshofa, 300 km from the diamond capital, Mbuji-Mayi, and found that the Zimbabweans have littered the roads inward with mines, which the rebels try to clear by driving herds of sheep and goats ahead of them. The 1.2 million Luba Kasai people of Mbuji-Mayi regard **Etienne Tshisekedi** as their leader and detest Kabila, who is determined to hold on to the city and its diamond wealth. Thousands of government troops have been stationed among the concessions worked by the state diamond company *Société Minière de Bakwanga* (MIBA) to seize the stones which, according to local sources, are then handed over to the President's office.

The effort to hold Lubumbashi and Mbuji-Mayi ties down a high proportion of Kabila's troops. He has therefore been unable to prevent the advance in the north of the *Mouvement pour la Libération du Congo*, founded in Equateur province in December 1998 by **Jean-Pierre Bemba**. In late March **Belgian** television showed MLC fighters at Lisala, more than 500 km downstream of Kisangani along the Congo river, towards Kinshasa. At this point Bemba's men had crossed the river and by early April they had advanced to within 300 km of Mbandaka, the provincial capital of Equateur, which is almost 600 km downstream of Lisala.

The few Westerners who have managed to visit the areas controlled by Jean-Pierre Bemba have been impressed. Being from Equateur, he

is welcomed as a local hero and organises local elections on the **Ugandan** pattern wherever he passes; unlike the RCD, he tries to set up some sort of local administration. There has been tension between the MLC and the RCD since, a few weeks ago, the Rwandan army tried to prevent Bemba from broadcasting to the people of Butebo in Nord Kivu; he did so later, from a Ugandan army camp.

Another sign of tension was the flight to Kisangani in mid-March of the RCD's President, **Ernest Wamba dia Wamba**, and his Marxist-inclined adviser, **Jacques Depelchin**. The two men, who had accused the RCD's **Alexis Thambwe** and **Vincent de Paul Lunda Bululu** of being too close to the Mobutists and the Rwandans, got away under the protection of Bemba and the Ugandans. This row is closely watched by the Kigali government and by Banyamulenge leaders like the RCD's first Vice-President, **Moise Nyarugabo**. Nothing irreparable has yet happened; Wamba, seen as the 'democratic conscience' of the RCD, because he is against both the Mobutists and the Kabilists, remains within the party.

The MLC is gradually becoming more of an equal partner with the RCD, especially since Bemba is on good terms with the leaders of a third resistance front, the *Union des Nationalistes Républicains pour la Libération* (UNAREL), who are former soldiers of Mobutu's *Division Spéciale Présidentielle*. On 2 March they crossed the river from **Congo-Brazzaville** and took Bolobo town, in the Bandundu, 400 km upstream of Kinshasa. Kabila's people claim to have retaken the town, but UNAREL holds out around it.

A fourth front south of Kinshasa, in Bas-Congo and Bandundu province, also gives Kabila problems. In August 1998, RCD fighters were driven south from this area by **Angolan** and Zimbabwean troops, and took refuge in northern Angola with the *União Nacional para a Independência Total de Angola*. These men have been joined by Bakongo from both Congo and Angola, who have scores to settle with the Angolan army. For now UNITA gives the RCD a safe haven, but has far closer links with Bemba than with Rwanda or the RCD.

Some RCD leaders now think it essential to work on closer co-operation with the MLC. While Kabila's troops are tied down in defence of Lubumbashi and Mbuji-Mayi, the MLC, UNAREL and UNITA could combine to conquer the western provinces, in an alliance that excludes Rwanda - and the Banyarwanda in Congo. As the Kabila regime loses its grip, the shadows of struggles to come are looming.

public. The same reluctance to consider the key issues was apparent when Kabila excluded such parties from the new government he formed on 15 March.

Kabila really wants a discussion among four thousand members drawn from 'the people' - in other words from the *Comités de Pouvoir Populaire* (CPP) which are intended to replace the *Alliance des Forces Démocratiques pour la Libération du Congo* (AFDL), which brought him to power. Most observers in Kinshasa think his gesture was merely meant to impress outsiders, while overwhelming his domestic critics in a flood of approval for himself.

There are other reasons to doubt Kabila's willingness to hold a real debate. His new Foreign Minister, previously his diplomatic advisor, **Abdoulaye Yerodia Ndombasi**, calls Tutsi 'vermin', and last month he wrecked an attempt at mediation by the Archbishop of Kisangani, Monseigneur **Laurent Monsengwo Pasinya**, a former president of the *Haut Conseil de la République*, on the grounds that the Archbishop had no presidential mandate.

The next sign of unwillingness to negotiate came on 10 March, when the Minister of Justice, **Mwenze Nkongolo**, confirmed in his office just five days earlier, called for progress in prosecuting

former high officials of the **Mobutu Sese Seko** regime, whom he accused of economic and political crimes. Local defence teams and CPP squads have been encouraged to track down and identify 'irregular' residents in their districts. A further blow to sceptics and opponents came with the arrest, on their return to Kinshasa, of the individuals who had been authorised to travel to Durban in March for discussions with Archbishop Monsengwo, Mobutist exiles and representatives of the RCD.

And the economic debacle continues. Kabila is in conflict with the forestry companies: in mid-March a group of European companies operating in Congo sought a court order in **Portugal** for the arrest of a cargo of 6,500 square metres of uncut and sawn timber in Lisbon port. The President's office had tried to sell this cargo, part of a stock of 40,000 cubic metres of timber belonging to the companies which had been seized on Kabila's orders in Matadi port. The companies are furious that the President's office, on what they say are bogus ecological grounds, has forbidden them to cut or sell timber, and taken the profit itself.

Something similar happened in March when 800 tonnes of cobalt, worth US\$40 million, were seized on the premises of City Deep in

Johannesburg, at the request of several companies including Manica, a transport agency, and Swanepoel, employed on road repairs in the Katanga copperbelt. The companies demanded the seizure after waiting for payments of \$13 mn. which, they said, had been due since October. A few days ago, in **Belgium** this time, another transport company called DMF, claiming that it had not been paid, had 40 tonnes of cobalt seized in the port of Antwerp.

Officials of *Gécamines*, the state mining company, say that its problems originate in an exclusive agreement signed by the company's Executive Chairman, **Billy Rautenbach** of Harare, with Metal Resource Group Cobalt Sales (MRG), a London trader. The agreement gives MRG the exclusive right to sell cobalt from *Gécamines*. But the price of the metal had fallen by the end of 1998 to one-third of its previous level and MRG, wanting to push the price back up, has held onto stocks rather than selling them and so has no revenue to pass back to *Gécamines*, which therefore cannot pay its bills. **Zambian** fuel suppliers are refusing deliveries to *Gécamines* and others in Katanga: one result is vast queues at filling stations in Lubumbashi.

In its isolation, Kabila's regime talks vaguely of economic and diplomatic self-sufficiency. Rautenbach is preparing to fire half of *Gécamines*' workforce. Kabila is trying to repossess properties belonging to Mobutists and other oppositionists, and attempting to reactivate farms and mines with workers drawn from the prisons and the unemployed. As imports run out, Kabila announces that the nation will soon be producing its own uniforms and tanks.

Kabila's diplomatic and economic strategy seems inspired by notions of self-sufficiency derived from the late **Kim Il-Sung** of **North Korea**, from **Mao Tsedong**, or from **Benito 'Il Duce' Mussolini**, but without any comparable economic base. He also thinks his government has been ambushed by the West from the beginning. The Kinshasa leader-writers, urged on by Kabila, advocate South-South co-operation and reject the 'traditional co-operation with the former colonial powers, now regrouped within the European Union'. Fantasy rules - and so does Kabila for now.

SOUTH AFRICA

The fiscal fight

The ANC is winning an unsung victory in the battle to collect the people's taxes

The ruling African National Congress wants South Africa's tax system to do two apparently contradictory things - both to correct social and economic discriminations inherited from apartheid, and to make the country a more attractive destination for much-needed foreign investment. Finance Minister **Trevor Manuel** and his tax advisors try hard to balance these aims. Company taxes are due to come down, while personal taxes remain high.

South Africa has bucked the tax trend that prevailed in most African states after liberation. Instead of seeing the tax base shrink, President **Nelson Mandela's** government has broadened the base by building an efficient collection agency outside the regular civil service. In few other African countries do workers and employers outside the government sector pay significant amounts of income tax. Activists in the civic organisations think that's good; as one told *Africa Confidential*, 'It helps democracy. If the government's taxing your income at source, there's more

incentive to hold it to account for the way it's spending your money'.

Most of the credit for boosting the fiscal take without imposing new taxes goes to the Deputy Finance Minister, **Gill Marcus**, who in the 1980s ran an efficient propaganda unit for the ANC in exile. Marcus looks set for promotion to another ministry by President-in-waiting **Thabo Mbeki** after the elections in June. Marcus's diligence on the practicalities of fiscal policy has left Manuel, who shares Mbeki's economic thinking, to concentrate on the main project of stimulating the economy to grow faster and create more jobs.

Call the tax lawyers

The ANC's core economic team - Mbeki, Manuel, Marcus and the Trade and Industry Minister, **Alec Erwin** - believes that South Africa's appalling unemployment rate of some 30 to 40 per cent can be cut only by boosting investment, despite the economy's low savings and high interest rates (gross domestic savings fell to 15.2 per cent of GDP in 1997 - the government's target is to increase them to more than 21 per cent by 2000). Encouraging local entrepreneurs, let alone foreign ones, to invest in South Africa requires intelligent reform of the tax system.

To do this the government in 1994 set up a commission headed by **Michael Katz**, a leading tax lawyer. The main thrust of the Katz Commission's nine interim reports has been to simplify the tax system and improve collection. The biggest improvement in collection, recommended in Katz's first interim report, was achieved by taking the revenue section out of the civil service, and making it into an autonomous entity. The commission argued that successful reform of tax laws and policies depended on improving collection and the service's administrative capacities. Marcus undertook most of the pushing and bureaucratic bullying necessary to establish autonomy for the service and professionalise its staff.

The old revenue department, freed from the civil service, was restructured as the South African Revenue Service (SARS), whose independence enabled it to pay relatively high salaries, and to recruit better-qualified staff. This was achieved first under **Piet Liebenberg**, a former commercial banker, and now under **Trevor van Heerden**. Van Heerden's deputy is **Pravin Gordhan**, a cerebral Durban-based lawyer and former leader of an ANC underground unit, who was until recently an ANC MP. Gordhan is expected to take over in the next few years, and to show whether a politician can do as well as a professional money-man.

Unexpectedly high revenue collection by SARS has in recent years helped Manuel bring down the budget deficit towards his targets, even when some government departments weren't meeting theirs. SARS produces impressive statistics about the broadening of the tax base, achieved by registering people, businesses and employers as taxpayers and reducing the rate of non-compliance. Between October 1997 and December 1998 SARS evaluated 760,000 cases involving income tax, value-added tax and pay-as-you-earn, and about 181,000 of them proved eligible for registration.

According to Manuel: 'Tax base broadening goes beyond the campaign to identify and register unregistered taxpayers. It involves creating a culture of voluntary compliance. The base broadening efforts also involve changing the adversarial relationship between the tax collector and taxpayer'. But the greatest incentive to voluntary compliance is the expectation of South Africans that, if they do not comply, SARS will be much more adversarial than they might like.

Katz's other main recommendations, on many of which the

government still has to make a decision, cover transfer pricing, capital transfer tax, capital gains tax, devolution of revenue powers to the provinces and a land tax. The commission is now compiling its final report.

There is widespread support for Katz's stress on simplification and his general rejection of tax incentives. In line with experience in other countries, Mbeki and Manuel agree that tax incentives and reliefs intended to promote specific business sectors tend to distort an economy, and that such devices may have unintended consequences, creating new opportunities for avoidance and evasion, as well as cutting revenues. South Africa's few remaining tax holiday provisions are being phased out.

Tax revenue in South Africa in 1998-99 accounted for 27.4 per cent of GDP, making it one of the more highly taxed middle income countries. This compares with tax revenues at 25.3 per cent of GDP in 1995-96.

ANC-ruled South Africa is one of the last bastions of progressive income tax - using taxes to redistribute income. Personal direct tax is the main source of tax revenue. The government estimates that in 1998-99 42.7 per cent (R76 billion) of tax revenue came from personal income tax; and taxes on individual plus corporate income made up 55.7 per cent of total revenues - double the average among middle income countries, and up from 51 per cent in 1995-96. Some 30 per cent of total tax revenue comes from personal income tax paid by the top 15 per cent of income earners.

Middle class taxes

There are almost no social security contributions in South Africa. In most other middle income countries these would account for some 20 per cent of total tax revenues. Most social security in South Africa is privately funded; social security contribution provides just 2 per cent of the tax take. Value Added Tax (VAT) on goods and services is the second most important source of tax revenue. It accounted for 24.4 per cent of total taxes in 1998-99. Indirect taxes on consumption have increased as a share of total revenue in recent years, in line with international trends. But this has not significantly softened the progressive character of South Africa's tax system. This is because basic foodstuffs - which account for much of poor people's budgets - are exempt from VAT. The Department of Finance's Unit for Fiscal Analysis estimates that perhaps as much as 75 per cent of VAT is paid by middle or upper class South Africans.

Gavin Woods, an economist for the right-wing Inkatha Freedom Party, naturally disagrees with the ANC's thinking on tax. He says there is too much emphasis on simplifying the system and not enough on imaginative ways to encourage savings, investment and, above all, economic growth. Woods thinks the government should listen more to economists like himself, less to tax lawyers like Katz. But tax philosophy is hardly in the forefront of political debate. There seems to be a grudging acceptance that, somehow, someone has to pay to help reverse the inequities of the apartheid legacy.

But many South African economists argue that taxation and the range of 'supply-side' incentives, although important, come some way down the line in influencing investment decisions. Taxation is important in helping to boost government coffers and to drive down the budget deficit. Investors worry less about tax incentives and more about inflation, the falling value of the rand and prospects for domestic political stability, and the strength of the regional market as **Angola**, **Zimbabwe** and **Zambia** get sucked into the war over **Congo-Kinshasa**.

ANGOLA - I

Shell-shocked

Caught off guard by UNITA, Luanda is trying to replay its previous military comebacks

No one in Luanda wants to take the blame for the government's string of military defeats by **Jonas Savimbi's** rebels over the past five months. It has been particularly embarrassing because the *Movimento Popular de Libertação de Angola* government had confidently predicted that its forces would wrest Bailundo and Andulo from *União Nacional para a Independência Total de Angola* control by mid-December. Instead it is now desperately trying to recapture the positions it lost in the first two weeks of that ill-fated campaign in the *planalto* last December and UNITA is threatening traditional MPLA strongholds such as Malanje and Cuito.

For want of a willing local scapegoat, Luanda officials have singled out the United Nations and, through it, the **United States**, for special blame, arguing that they knew about the massive rearmament of UNITA in recent years but didn't pass on their intelligence to the government in Luanda. MPLA loyalists in Luanda hold an abiding belief that Washington has never relinquished its support for Savimbi and UNITA and are convinced that covert US aid is still going to the rebels. Washington's tilt towards the **Ugandan** and **Rwandan**-backed rebels who are tying up the MPLA's forces in the **Congo-Kinshasa** war merely bolsters the point. But Washington insiders insist there's no backing for Savimbi in President **Bill Clinton's** administration and Congressional support for UNITA has all but disappeared.

The UNITA rearmament may have occurred under the noses of the UN but it also took place through the binoculars of the MPLA government. Not only did government officials complain loudly and frequently about resupply but they also justified their intervention in the **Congo-Brazzaville** and Congo-Kinshasa wars, hoping it would help cut air supply routes to UNITA. That government troops encountered a heavily armed UNITA should have come as no surprise.

While the President's *Futungo de Belas* office blames outsiders, Angolans are asking what intelligence agencies were doing. In recent years Angola has spent more money on collecting intelligence than any other country in Africa, but the service has also been seriously corrupted and heavily politicised. A purge of military intelligence is already underway. And there has been criticism of intelligence officers by the *Forças Armadas Angolanas* (FAA) Chief of Staff, General **João de Matos**, who took a group of journalists down to Cuito. There he gave an extraordinarily honest military assessment, admitting that UNITA had been much stronger offensively and defensively than expected (suggesting, by implication, a failure of military intelligence). He has repeated this line, we hear, at closed-door meetings between the political leadership and FAA commanders.

Some fingers have been pointing at President **José Eduardo Dos Santos'** National Security Advisor, Gen. **Manuel Helder Vieira Dias 'Kopelipa'**, also in charge of counter-intelligence. His critics argue that Kopelipa should have warned the politicians against starting the *planalto* offensive as a stunt, timed to coincide with the MPLA's party congress last December. Kopelipa, who had been in

charge of FAA's arms procurement deals, has also been criticised for buying inappropriate equipment, failing to secure the best value for money and not clamping down on corrupt practices on the government's side of the purchase arrangements. We hear that responsibility for arms procurement has now been brought back under direct control of Gen. De Matos and the FAA.

But the current military disequilibrium is not a matter of armaments, as argued by some government officials. Luanda is spending much more on weapons than UNITA, but the rebels' equipment is more effective on Angola's battle-grounds. Also the MPLA's failure to pay and adequately train, kit and motivate its soldiers helps explain the FAA's demoralisation and defeats. At Luanda's military airport a group of conscripts were seen being herded onto planes with uniforms - but barefoot. Even the feared emergency police, *Ninjas*, have abandoned their positions under attack and are said to spend much of their time searching for food.

The government is relying heavily on new conscripts to do the bulk of the fighting. They are primarily recruited in the cities, especially Luanda Province which is now home to perhaps a third of Angola's 11 million population. Conscripting is terribly resented, particularly because the children of Luanda's elite are excused from it - with some notable exceptions such the son of new Defence Minister **Kundy Payama** who insists, to popular applause, that his child is proud to fight for his country. The war is in rural areas, UNITA's backyard but a foreign country to the kids from Luanda's *favelas*. Moreover, UNITA appears to have better strategy, motivation and discipline.

The consensus is that if UNITA wanted to take the northern provincial capital of Malanje, which it has been shelling for months, it could do so tomorrow. Cuito and Huambo would be much more difficult. For now UNITA prefers to stay out of the cities because holding them would leave them vulnerable to government bombing. And UNITA doesn't want to take on any responsibility for feeding and caring for the large number of displaced people who have fled to these three cities. UNITA has also been tremendously aided by the regional configuration of conflicts which has drawn FAA troops into Congo-Kinshasa and Congo-Brazzaville. Savimbi knows he's unlikely to have such a favourable position again, with the entire Southern African region split over the Congo wars and his forces operating a de-facto alliance (at least) with rebel forces fighting President **Laurent-Désiré Kabila's** regime, backed by Luanda.

Despite UNITA's current strong position, the MPLA government retains several advantages. As a legitimate government it can buy and transport arms through legitimate commercial channels; UNITA has to pay a substantial premium on the purchase price and carrier costs because of the UN sanctions. Although it has built up considerable stockpiles, in the longer term UNITA is vulnerable on supplies of diesel fuel, spare parts and ammunition if it is to maintain its military pressure. Logistically, the government is much better placed, with five major ports at Luanda, Lobito, Benguela, Namibe and Soyo along with control of many airfields around the country.

The FAA's current military predicament is a replay of the 1992 return to war, when it also seemed that UNITA's apparent superiority would propel Savimbi into power. At that time it took almost a year for the government to recover the initiative. By the time it signed the Lusaka Accord in November 1994, the FAA was in a position of indubitable military superiority, thanks to the military acumen of Gen. De Matos and the greater spending power of the MPLA to hire foreign mercenaries, maintain an airforce and

procure better equipment.

Since then the spending gap between MPLA and UNITA has narrowed and is now widening again. As discussed below, UNITA is reckoned to have earned between US\$2.3 billion and \$3.7 bn. from smuggling Angolan diamonds between 1993 and 1998.

Notwithstanding, the government controls some of the most lucrative oil fields in the world. And, although almost all of current oil production and increasing amounts of production over the next three years are mortgaged against credit facilities, the government will be able to raise over \$500 million for arms purchases this year. At the centre of its efforts are negotiations on the payment of signature bonuses (up-front payments on exploration licences) on ultra-deep water Blocks 31-33. These have been awarded to BP/Amoco (**Britain/USA**), Elf-Aquitaine (**France**) and Exxon (**USA**), and the companies expect the contracts to be finalised by mid-year and yield more than \$800 mn. for the government.

While the conventional wisdom is that neither side can secure an outright victory and that a return to the negotiating table after another year to 18 months of fighting is the most likely outcome, few can see the government being prepared to reopen talks with Jonas Savimbi for a third time. There is also growing concern that as the spending gap between the government and UNITA grows, translating into a much better military performance from FAA, that Savimbi's rebels may become increasingly desperate, resorting to urban terrorism and attacking economic targets, such as oil company installations. At the least if UNITA wants to maintain its military momentum, it will be looking soon to restart the war in Lunda Norte and Lunda Sul, and retake some of the major diamond fields around Luzamba which provided so much of its financial muscle in previous rounds of the conflict.

ANGOLA - II

Deadly diamonds

UNITA's new armoury is financed by a web of deals from Luzamba to Antwerp

Its coffers full of diamond money, *União Nacional para a Independência Total de Angola* went on an arms-buying spree to mount, first its defence of the central highland cities of Andulo and Bailundo in December, and then its assaults on the provincial capitals of Cuito and Malanje.

After four years of UN peacekeeping and seven years of intensive diamond mining and smuggling, UNITA has retained a formidable strike power since its last round of offensives in the aftermath of its defeat at the 1992 elections. Then UNITA was able to capture more than a 100 cities in a month, fighting a government army which had largely demobilised, save for its commando forces and paramilitary police, the '*Ninjas*'.

President **José Eduardo Dos Santos'** spokesman, the fast-rising and insomniac *Futungista* (member of the Presidential circle) **Aldemiro Vaz da Conceição**, reels off the details of UNITA's new armoury with some disgust. Conceição, who frequently travels overseas on ill-defined missions, has led the charge of official accusations against **Zambia's** alleged complicity in UNITA's arms resupply and smuggled diamond trade.

UNITA is now said to have: about 50 T-55 and T-62 tanks; G5 155mm howitzers, B-2, D-30 and D-130 medium- and long-range guns; BMP-1 and BMP-2 armoured personnel carriers; **South**

African Kaspir APCs and 106mm field guns; ZU-23 rockets, for use against aircraft and vehicles; and BM-21 truck-mounted multiple rocket launchers.

All this equipment was flown to UNITA headquarters at Bailundo where the UN observers, although present, were prevented from watching night landings. UNITA's logistics have for many years been run by former members of South Africa's special forces, through South African dealers who source weapons in the **Ukraine** and **Bulgaria** and arrange transit.

Senior UNITA officials such as **Azevedo Kanganje** and **Isaías Samakuva** claim that all their 'new' weapons were either captured from the Angolan army or traded for diamonds by corrupt Angolan senior officers. UNITA will not comment on claims that it has acquired six MiG 23s - fighter-bombers with a combat radius of about 500km - and six **Russian**-built Hind helicopter gunships. Western diplomats and military sources in Luanda doubt this. They point out that such a package would cost at least US\$200 million, plus several more millions for maintenance and for expatriate pilots and engineers, while fighter-bombers, which need two-mile-long runways and well camouflaged hangars, would be little help in UNITA's speciality of mobile guerrilla fighting. Their most obvious use would be to bomb Angola's cities - all of which (except Andulo) are at present in government hands - or foreign oil installations in Cabinda or offshore.

Bombing heavily populated areas would turn public opinion even more strongly against the rebels. After a clandestine meeting with representatives of Elf-Aquitaine, UNITA's Secretary General, **Paulo Lukamba 'Gato'**, said the rebels wouldn't endanger oil companies' property or personnel. But few are reassured by that.

UNITA ran the world's largest diamond-smuggling operation between late 1992 and the beginning of 1998. Despite UN sanctions, the rebels still have little difficulty selling stones - reportedly valuing \$32 mn. in February alone. The sales are made to buying offices in **Rwanda**, **Uganda** and Zambia, countries which produce few or no diamonds. Last year two dealers in **Congo-Kinshasa** were buying UNITA's diamonds. By November the **Belgian** dealer known as '**Papa Phillipe**', based in Kisangani, was buying from the dealer who had himself been buying from UNITA's Cuango operations.

Total sales are hard to calculate. De Beers, which dominates the world diamond trade, reckons that UNITA smuggles out at least half of Angola's total production; it estimates that UNITA mined diamonds worth at least US\$2.3 billion between January 1993 and December 1998. Diamond analysts such as **Hilton Ashton** at BOE Securities suggest the De Beers figures for UNITA might be too high and points out that a sizable proportion of diamond mining - maybe a third of total production - is controlled neither by the MPLA government nor by UNITA but by independent business interests. Ashton's estimates put UNITA's accumulated (1993-98) income below \$2 bn. Yet Global Witness, a **British**-based non-governmental organisation, reckons UNITA has consistently controlled 60-70 per cent of Angola's diamond production and estimates its 1992-98 earnings at \$3.7 bn.

In 1992 UNITA held all Angola's diamond-producing areas except Luzamba. In mid-1994 it lost control of the Cafunfo area to the government army, retaining most of the Cuango Valley and other areas of the Lundas, and moving its main operation downstream to Luzamba. From the end of 1994, with the signing of the peace accords, UNITA built up its mining operations, hiring outside professionals to maintain equipment and dive down to the river-bed. Miners were recruited from Zaïre under an agreement

with the late President, **Mobutu Sese Seko**. By 1996, satellite photographs showed more than 100,000 miners working for UNITA in the Cuango valley. With this vast workforce, UNITA is reckoned, by independent traders, to have earned more than \$1 bn. between 1995 and 1997. Meanwhile it was slowly losing mines in the eastern Lundas to the government. Six months before UN sanctions, at the end of 1997, UNITA abandoned the Luzamba mines.

The diamonds ended up in the vaults of the Central Selling Organisation. De Beers acknowledge that they were the end buyer, and said they had done nothing illegal since they bought the stones on the open markets in Antwerp and Tel Aviv. UNITA's mining income dropped to an estimated \$200 mn. last year and, depending on its military success in the diamond fields, its revenues could fall further. The price of rough diamonds is currently hitting historic lows. UNITA's Brussels representative, **Azevedo d'Oliveira Kanganje**, confirms that his organisation is still mining diamonds, but names no sites. Mining companies in the Lundas have identified as UNITA diamond sites: North of Luremo, along the Cuango River border with Congo; the Mavinga region and elsewhere in Cuando Cubango, near Savimbi's old headquarters at Jamba; Kwanza Sul Province, near Andulo, perhaps interrupted by fighting; along the Lovua river; and in pockets across the Lundas.

Diamonds are critical to UNITA's arms purchasing power; the trade in diamonds and arms links the civil wars in Congo and in Angola; it is also drawing in neighbouring Zambia.

In an open letter to President **Frederick Chiluba**, Luanda said there was evidence of 'direct support of the Zambian government' and intelligence services in pro-UNITA operations. The public letter linked Energy Minister **Ben Mwila**, former Commerce Minister **Enock Kavindele**, several Lusaka businessmen, as well as Angolan-born South African businessman **Hugo Batista**, with UNITA's business operations.

On 28 February seven bombs rocked Lusaka: six were placed against electricity and water supplies and one in the Angolan Embassy. The bomb at the Embassy was on the second floor behind a sealed door, resulting in one death. The US and **Netherlands** sent investigating teams to Lusaka and we hear that the US investigation concluded that the Angolan government had been responsible for these bombs and that the explosion in the Angolan Embassy was an accident. Three weeks later, in late March, US, British and **French** intelligence uncovered information in Angola that the MPLA government might use its commandos to strike the Ndola oil refinery, suspected of supplying fuel to UNITA. Through diplomatic channels Luanda was told such action would seriously damage its diplomatic standing.

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Pointers

GABON/USA

Bongo for Bill

Frenetic efforts are being made by Washington lobbyists to secure a meeting for President El Hadj **Omar Bongo** with President **Bill Clinton**, with a White House encounter slated for 21 April. However, we hear the lobbyists have been trying to find a way around opposition to the Bongo-Bill meet from two of the administration's key decision makers on Africa: Assistant Secretary of State for African Affairs Dr. **Susan Rice** and National Security Council Senior Director for African Affairs **Gayle Smith**.

But Bongo's friends in Washington may have found a way of negotiating these hurdles by contributing funds to President Clinton's favourite causes: the Democratic Party and a planned Presidential Library (that is a public or university library in Clinton's honour after his retirement in 2001). Bongo's trip to Washington follows his growing concerns about relations with Paris and his status as doyen of *La Francophonie*. He also worries that he could be embarrassed by ongoing investigations by **Swiss** and **French** judges into corrupt payments by France's Elf Aquitaine. Bongo's aides say that accusations that Swiss bank accounts recently frozen by the investigators were linked to the Libreville government and that some of Bongo's own funds may have been channelled to France's disgraced former Foreign Minister **Roland Dumas** have soured Franco-Gabonese relations.

To counter this, Bongo is particularly keen to strengthen ties with Washington, presenting himself there as the elected leader of a small but oil-rich African emirate that can play an important diplomatic role in Central Africa's worsening conflicts. Key among Bongo's associates in Washington is Scribe Communications' Chief Executive **Joseph J. Szlavik** who travelled to Libreville in February with Democratic National Committee (DNC) fundraiser **Terry McAuliffe**, regarded as one of the most successful party fundraisers in the West. We hear that following this trip, McAuliffe received a US\$50,000 contribution to Democratic Party funds and that a further \$50,000 may be forthcoming following Bongo's Washington visit. Clinton's Presidential Library is also set to receive a donation directly from President Bongo later this year.

McAuliffe had organised for Gabonese Foreign Minister **Jean Ping** to meet President Clinton and National Security Advisor **Samuel 'Sandy' Berger** when Ping was in Washington for the 16-18 March African Ministerial Summit (AC Vol 40 No 7). On 21 April McAuliffe has arranged for Bongo to be received by Berger in his White House West Wing office on the understanding that President Clinton will 'drop

by' for a few minutes if his schedule permits. This would be the first time such a meeting took place over the objections of both National Security Council and Department of State officials.

Both NSC and State Department officials insist no such meetings will take place despite being bombarded with phone calls from lobbyists who insist the meeting is going ahead. President Bongo is reportedly also to visit New York, Los Angeles and Houston, where he has already confirmed his attendance at the 25-27 April Corporate Council on Africa business summit.

NIGER

Accidental coup

The murder of President **Ibrahim Baré Maïnassara** on 9 April was a genuine coup d'état. After a couple of days' confusion, the dead man's supposed ally, Commandant **Daouda Malam Wanké**, head of the Presidential Guard, was nominated as transitional head of state, with a National Reconciliation Council composed almost entirely of majors and captains. Malam Wanké, who was in charge of the airport escort when Maïnassara was shot en route to a military helicopter, at first claimed that the shooting began with an accidental discharge, and that the President was caught in the resulting cross-fire. Malam Wanké has been described as 'a jovial man who likes telling jokes'. Most of his former superior officers were retired right after the killing.

General Maïnassara, then Chief of Staff, himself took power 'reluctantly' in January 1996 (AC Vol 37 No 3) when deadlock had arisen in a newly elected regime between the then President **Mahamane Ousmane** and his Prime Minister, **Hama Amadou**. Maïnassara declared that he meant to impose civilian rule, and did so with military authority, sacking the electoral commission whose impartiality seemed to threaten his chance of winning the presidential contest in July 1996. He won then, but his supporters lost the local elections this February.

Malam Wanké was named head of state on 11 April, supposedly after Maïnassara's *Chef d'Etat Major*, Colonel **Moussa Moumouni Djermakoye**, the apparent choice of the Presidential Guard, had refused the position. Djermakoye had been on Ecomog business in Ouagadougou when Maïnassara was shot, and he flew back to Niamey a few hours after. His refusal was probably due firstly to rumours already rife that his absence had been 'convenient', and secondly because his family connections place him firmly in the old military establishment. Djermakoye was then replaced.

The army is chronically divided against itself and prone to mutiny, often about pay which is frequently in arrears because the government is chronically broke. The price of uranium, Niger's only significant export, collapsed a decade ago

and the overseas debt is US\$1.5 billion, equal to total annual GNP. After the murder **France** said it was stopping military aid to Niger, which may revive the warlike ambitions of the Tuareg in the north, who are at present fairly peaceful, but by no means content with the state they are reluctantly included in. The army faction to which both Maïnassara and Malam Wanké belonged consists of a Hausa subgroup, the Tienga, which had tended to lean towards **Nigeria** instead of the usual Francophone allies. Indeed some may detect parallels between the sudden demise of the unpopular Maïnassara and that of Nigeria's **Gen. Abacha** last June.

CÔTE D'IVOIRE

Fighting the fund

President **Henri Konan Bédié**'s attempts to make political capital out of his government's problems with the International Monetary Fund have badly misfired. Bédié had insinuated that the IMF, whose Deputy Managing Director is Bédié's arch political rival **Alassane Dramane Ouattara**, was taking an unreasonably tough negotiating stance over Abidjan's three-year structural adjustment programme. Ouattara, a former premier of Côte d'Ivoire, is retiring from the IMF in July to return to Abidjan and challenge Bédié in next year's elections.

An IMF team visited Abidjan in February, to review the adjustment programme that had begun last July. It found the economy off track. Bédié and hawks in the *Parti Démocratique de la Côte d'Ivoire*, including PDCI Secretary General **Laurent Dona Fologo**, attacked **Amor Tahari**, the IMF mission's leader, implying the criticism was inspired by Ouattara. But Bédié and co were rebuked by IMF Managing Director **Michel Camdessus** who condemned such personal attacks on IMF staff, saying they were 'baseless and unacceptable' and that the Ivorian IMF mission had been conducted with 'professionalism and objectivity'.

Camdessus advised the Ivorians to focus on putting economic policy back on track. The adjustment programme stalled within 3 months of its start: the public finances leak like a sieve. The IMF found large payments arrears to the private sector, including unpaid bills to the privatised telecom and power companies, plus a CFA 30 billion (US\$53 million) gap in the postal service's budget.

If it approves the government's management, the IMF is due to disburse roughly US\$217 mn. of soft credits this year and next. Moreover, compliance with the programme is prerequisite for most of the \$3 bn. official aid hoped for during the period, including \$1.2 bn. in debt rescheduling and \$1.9 bn. from official bilateral and multilateral sources. Securing relief on Abidjan's \$11.6 bn. debt and getting some \$1 bn. in private direct investment also rides on a deal with the donors; raising \$220 mn. for the Azito power project requires a World Bank private-sector guarantee.

AFRICA CONFIDENTIAL

BRITAIN/AFRICA II 3

Whitehall's Africa team

Since their election two years ago, Labour's front-line ministers, Chancellor Gordon Brown, Development Minister Clare Short and Foreign Secretary Robin Cook, have moved Africa up the FCO agenda with a focus on debt relief proposals, development budgets, and Franco-British cooperation.

SOUTH AFRICA I 4

Confusions in the Cape

Of South Africa's nine provinces, Western Cape faces the fiercest battle for control in the run-up to the 2 June provincial and national elections. It is the only province to have been ruled by the National Party since 1994. But now the ANC has an outside chance of a majority in the new provincial legislature.

SOUTH AFRICA II 5

Provincial power struggles

With the ANC bound to win the elections for the national parliament, more interest is focusing on the provincial polls. In at least five, the ANC will win but opposition parties may make big gains in Gauteng, KwaZulu-Natal, Northern Cape and Western Cape.

ETHIOPIA-ERITREA 6

World-class war

With more than half a million troops deployed along the disputed border and tens of thousands of casualties so far this year, the Ethiopia-Eritrea conflict is the world's biggest war.

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Algeria, Gabon/USA & Equatorial Guinea

The enemy within; Bongo's lobby fest; Abubakar's offer.

BRITAIN/AFRICA

Diplomacy with attitude

The Labour government's ideas of an ethical foreign policy and activist diplomacy have met their toughest test in Africa's conflicts

British ministers talk boldly of 'militant humanitarianism' and 'defending civilians against terror'. They refer to Kosovo, but some African officials have asked their Western counterparts if such considerations extend to the wars enveloping almost a third of Africa's 53 states. Most Western capitals reply with a definitive if slightly apologetic 'no'. But African diplomats hope that Britain may push their continent's case in the United Nations Security Council when the international focus moves on from the Balkans. The kill rate in Africa's wars - 1.5 million in **Sudan**, 1 million in **Rwanda**, over 500,000 in **Angola**, 150,000 in Liberia, 80,000 in **Algeria**, 15,000 in **Sierra Leone**, and 40,000 in a few weeks in **Ethiopia** and **Eritrea** - easily eclipses the Balkans' death toll of some 400,000 dead since 1990. There is no causal relation between war casualties and diplomatic concentration.

Of the three Western powers that matter in Africa, Britain is now seen as most likely to put its diplomatic weight behind Africa. The **United States** faces an election, **France** is rationalising its African interests while jointly managing Europe's new currency. **China** has shown little interest in Africa's conflicts although - like the Western powers and **Russia** - it sells plenty of arms there.

The Kosovo syndrome - ethnic fragmentation, economic collapse, rampaging militias - is all too familiar to diplomats in Africa, yet African diplomatic experience is chronically undervalued by the West's foreign policy establishment. British diplomats are expected to engage with Africa, and inherit a comparative advantage both from the colonial backdrop and from alliances with both America and Europe. 'They think we're more influential than we actually are,' worry some British officials. Others argue that this perception can help Britain set the agenda and tone for other Western powers in Africa. Among the Security Council's five permanent members, fixing Africa's wars is hardly a sought-after assignment.

Fighting fatalism

Britain's Ambassador to the UN, Sir **Jeremy Greenstock**, is pushing for greater focus on Africa's conflicts by the Security Council. British diplomats want to counter fatalistic notions about 'letting Africa's conflicts fight themselves out', adding that, without outside assistance, the conflicts may spread even further. 'There are no good wars now. The liberation wars were justified in the past. African wars now simply kill people, divert resources, and don't bring lasting security,' a Foreign & Commonwealth Office official told *Africa Confidential*. All the other imperatives of a more ethical foreign policy in Africa - in favour of the poor, human rights, good governance and against arms proliferation - are being subsumed in efforts to resolve and limit the continent's wars. 'As long as the wars rage, the development agenda is on hold.'

The Kosovo effect may cut both ways. It may make Western powers less inclined to walk away from a genocide such as Rwanda's five years ago, and it may add teeth to efforts to bring human rights violators before a UN-backed International Criminal Court. But if the Balkan struggle goes badly wrong, or drags on for many months, it could - like **Somalia** - deter future humanitarian interventions. For now, it dominates foreign policy in all Western capitals, sidelining other issues and other wars.

Kosovo aside, Africa is some way down the list of Whitehall's foreign policy concerns: somewhere between South Asia (where the risk from **Indian** and **Pakistani** nuclear warheads has concentrated minds) and South America (with the exception of the **Argentina**/Falkland Islands issue). Africa has no place in the FCO's key targets, such as strengthening relations with European Union countries, reshaping the North Atlantic Treaty Organisation, and promoting British firms in the 80 countries offering the best business prospects - just two or three of them African states.

After two years of Labour government, some budgetary changes have favoured Africa. **Clare Short**, Secretary of State for International Development, has negotiated the foreign aid budget up to £3.1 billion (US\$5 bn.) by fiscal year 2001-02, from £2.1 bn. in 1996-97 when Labour took over,

with Africa's share of bilateral aid rising from £300 million to £487 mn. Africa's share of the FCO budget rises this year to 11 per cent of the £544 mn. total, from 9 per cent in 1995-96 - against growing demands from the Russian and Eastern Europe departments. At least some credit for Africa's climb at the FCO goes to the 'Arms to Sierra Leone' affair (AC Vol 39 No 5), which sounded alarm bells about running government departments on shoestrings.

Whitehall's Africa corps tries to add value to its regional brief by linking it to more central policy concerns, such as Anglo-French relations. In the St Malo declaration of 4 December 1998 London and Paris agreed to work together for more debt relief, good governance and human rights. Foreign Secretary **Robin Cook** went on a three-nation West African tour in March (AC Vol 40 No 6), taking in **Ghana** and **Côte d'Ivoire** as a bi-national visit with France's Foreign Minister **Hubert Védrine**. This allowed Cook to say 'farewell to Fashoda' and pretend that he and Védrine had at last ended the destructive Anglo-French rivalries in Africa; officials in King Charles Street and the *Quai d'Orsay* had started close cooperation on Africa some two years earlier.

Third Way in Cape Town

Prime Minister **Tony Blair** stopped over in **South Africa's** parliament in January, after a Christmas holiday in the **Seychelles**, to make 'a Third Way' speech extolling the virtues of centrist politics and globalisation, neither of them hugely popular in Cape Town just now. More discreetly, we hear, Blair tried to persuade President **Nelson Mandela** and his heir-apparent **Thabo Mbeki** to support, or at least not stridently oppose, the British-USA bombing campaign against **Saddam Hussein's Iraq**. The Blair-Mandela-Mbeki talks also moved forward the - now successful - attempts to persuade **Libya's** Colonel **Moammar el Gaddafi** to hand over the two suspects in the Lockerbie bombing for trial. Blair is due back in South Africa in November, together with Queen **Elizabeth II**, for the Commonwealth Heads of Government Meeting in Durban. Some royal stopovers en route in Africa are being planned, we hear.

But the central issue is trying to staunch Africa's worsening conflicts and growing instability. Whitehall's Africanists want to push as hard as possible as a 'catalyst and advocate for positive change' in the multilateral organisations that matter in Africa: the UN, the EU, the Group of 8 and the Commonwealth. Diplomats acknowledge that little has been done by the Security Council, including Britain, to follow up UN Secretary General **Kofi Annan's** report last year on Africa's economic and security crises. The aim is to get interested countries (such as Britain, **Nigeria** and the USA who are working on Sierra Leone) to coordinate action on military, humanitarian relief and reconstruction matters, through contact groups which would help stabilise national security, just as the World Bank-led consultative groups are meant to stabilise a country's economy. London punches above its weight in the UN, partly because of its perceived influence on Washington, whose finance and endorsement is essential for any major new UN operation.

In each case one country must take the lead, as Britain has in Sierra Leone by providing £10 mn. (US\$16 mn.) and seeking to double that in matching funds. Nobody plays that role in Africa's biggest wars, in Angola, **Congo-Kinshasa** and Sudan. Britain has weighed in more than most on Sudan and Congo-Kinshasa, while happily supporting the USA, **Portugal** and Russia on Angola. With more than \$1 bn. spent and 7,000 peacekeepers deployed in the UN's 1994-98 operation in Angola, last December's return to war has discouraged all but the most resolute from trying to foster

fresh negotiations between the government and **Jonas Savimbi's** rebels.

There is little commercial imperative for activist diplomacy in Africa. During wars, foreign traders stop trading or switch from consumer goods to arms, and mining companies stop mining; most oil production is safely off-shore or in relatively well-protected enclaves. Many British-based companies have maintained their far-flung interests (Unilever remains the biggest investor in Congo-Kinshasa) but do not interfere in politics.

Oil companies, such as Shell or British Petroleum/Amoco, worried by bad press from conflict zones in the Niger Delta and Angola, have launched social development programmes and cooperation projects with local non-governmental organisations. Whitehall is pushing harder in the EU and the UN for tougher embargoes against those profiting from African wars, and encouraging British companies to help enforce international sanctions against the smuggling of arms, diamonds and oil, which fuels many African wars.

British diplomats warn that the devolution of diplomacy and peacekeeping to Africa's regional organisations doesn't absolve the UN from its over-arching diplomatic role. The aim, they say, must be to bring all regional peacekeeping efforts under international law, and to secure proper and accountable funding for operations undertaken on behalf of the international community. Britain, other EU countries and Washington have helped finance peacekeeping efforts by the Organisation of African Unity, the Southern African Development Community and West Africa's Ecomog, but questions remain about how effective these organisations are on the ground. Usually one or two countries within these regional organisations act almost unilaterally, and make the diplomatic running.

Whitehall's prized new security strategy for Africa is an exercise in the (Tony) Blairite notion of 'joined-up government'. It involves close coordination between the FCO, the Department of International Development and the Ministry of Defence, to reform poor countries' armies and make them accountable to civil authorities. The idea is criticised by development specialists, who resent the idea that hard-fought-for development dollars might be used for training soldiers (even socially conscious ones) - and by military types, who dismiss as absurd the idea that armies can operate with well-meaning aid workers and foreign monitors breathing down their necks.

Freetown fracas

In Sierra Leone, British efforts to reform and retrain the national army, most of whose soldiers defected to the rebels in mid-1997, are central to plans for reconstruction and peace. Getting it right in Sierra Leone has become a Whitehall imperative after last year's political row over the involvement of British security company, Sandline, in supplying arms and mercenaries to reinstate the ousted (and elected) government of **Ahmad Tejan Kabbah**. A year and two inquiries later (one by the civil service and one by parliament's foreign affairs committee), it is still unclear how Sandline's involvement squares with Foreign Secretary Cook's proclaimed ethical foreign policy.

Cook's reactions to the Sierra Leone row - to deny he knew anything about it and to blame his officials - looked shabby in both London and Freetown. Blair dismissed the row as an 'overblown hoo-hah', although the 'good-guys' (Kabbah and his government) won. But Sierra Leone's people are still threatened by rebel incursions, and diplomatic reputations hang in the balance as

Kabbah and the Revolutionary United Front move uncertainly towards negotiations, and maybe fresh elections next year.

Events in Sierra Leone depend on closer British cooperation with Nigeria, whose soldiers still command and predominate in the Ecomog peacekeeping force. Nigeria itself has become Whitehall's biggest African hope - or risk. Britain is ahead of other Western powers in calling for support for General **Olusegun Obasanjo's** new government, which will inherit a shattered economy and a fragile political system. The outgoing military regime has drawn down, without explanation, more than \$2 bn. of foreign reserves. That overshadows Britain's offer of a £750,000 military reform programme to, among other things, run Nigeria's defence budgets more transparently - but that's more than anyone else is doing. Most Western donors took a 'wait and see' attitude to Nigeria at their Paris meeting on 9 April.

Pushing with Pretoria

On South Africa, British policy is predictably set to continue with strong financial and diplomatic support for the African National Congress-led government, and a wide range of bilateral cooperation in economic management, technology, education and security. Pretoria wants Britain to push the South African trade and investment case in the EU; Britain wants Pretoria to play a more hands-on security role within SADC (where South Africa's rival is **Zimbabwe's** President **Robert Mugabe**).

Clearly, Pretoria's support would be crucial if Whitehall could move the Congo-Kinshasa peace agenda forward at the UN or the OAU. Britain's strong relations with Rwanda and **Uganda** could also help coax the rebel *Rassemblement Congolaise pour la Démocratie* to the negotiating table. The present danger is that the Congo conflict may destabilise not just **Laurent-Désiré Kabila's** regime, but the governments in Kampala and Kigali. Britain's tilt towards **Yoweri Museveni** and **Paul Kagame** has plenty of critics, even inside Whitehall. There is special concern that the Congo entanglement has caused higher military spending by both countries and the unravelling of some major development projects in Uganda. International Development Minister Clare Short has moved away from the keen endorsement by her predecessor, Baroness **Lynda Chalker**, of the Museveni-Kagame project, and has asked awkward questions about the distribution of their countries' limited resources. Short's blunt advice to war-torn regimes is 'the best way to get security is to spread development as widely as possible'.

Whitehall disavows the picking of winners in Africa. 'British policy is based on shared policies, strategies, values. We have partners, not clients, but as with any complex relationship there are going to be positives and negatives according to context - we're obviously trying to get the maximum agreement over the broadest range of issues,' a senior FCO official said. Such evenhandedness is stretched to the limit by rumbling political crises in the bastions of British interest - **Kenya** and **Zimbabwe**.

Western intelligence officers report that President Mugabe believes there is an Anglo-American conspiracy to destabilise his government, which inspires their accusations of economic mismanagement, corruption and involvement in the Congo war.

Mugabe had expected socialist solidarity from Britain's Labour government, but has found its policies less sympathetic than those of the Tories, Lords **Carrington** and **Howe**, as **Margaret Thatcher's** Foreign Secretaries. The headlined debate over land seizures between Harare's state-owned *Herald* and the conservative British *Daily Mail* dates back to that period; it still stirs passions, but avoids the real issues of accountability and grassroots

involvement in resettlement.

Mugabe enjoyed respect as an austere and intellectual liberation leader at the 1979 Lancaster House talks, and is now appalled to be bracketed with political dinosaurs such as Kenya's President **Daniel arap Moi**. But Moi could teach Mugabe a lot about dancing the donor polka: one step forward to satisfy the International Monetary Fund and World Bank, one step backwards to reinforce the presidential grip on power and patronage.

Moi plays his foreign policy cards skilfully. He can point to some success with East Africa Cooperation (despite his deployment of his political and business points man, **Nicholas Biwott**, to run it); to a budget deficit well under half Zimbabwe's; and to a political system which, however compromised, allows massive opposition representation in parliament and a voice in key oversight committees; and to Kenya's status as perhaps the only East African country not actively sending troops or arms to a neighbouring conflict. But the post-colonial era that produced Moi and Mugabe is drawing to a close. Whitehall, like other Western powers, lacks a script for the end-game.

BRITAIN/AFRICA II

Whitehall's Africa team

After an eventful two years for politics and personalities, Africa is getting more space

Along with Washington and Paris, London is a key city for Africa specialists in diplomacy, academia and business but they break cover less often than their **American** and **French** counterparts. The sort of fanfare seen in Paris for the Francophone summit last November (AC Vol 39 No 24) or the 16-18 March Africa Ministerial Conference (AC Vol 40 No 7) in Washington wouldn't work in Britain. 'I don't think the average Brit would want taxpayers' money used for 40 African governments to visit London - development projects in **Mozambique** yes, but Anglophone summits no,' a Whitehall official told *Africa Confidential*. The London-based Commonwealth Secretariat differs markedly from *la Francophonie*: with 54 members drawn from five continents (most of whom energetically bashed Whitehall's **South Africa** policy in the 1980s), the Commonwealth has shed much of its colonial baggage and its summits are usually held outside Britain.

To push a specific agenda such as regional security, Whitehall's Africanists would favour a smaller, more focused gathering of half a dozen heads of government along with, perhaps, United Nations Secretary General **Kofi Annan** at Chequers (the Prime Minister's country residence) rather than a grandiose conference in London. In the last two years the Labour government's front line ministers - Chancellor of the Exchequer **Gordon Brown** (48), Foreign Secretary **Robin Cook** (53) and Minister for International Development **Clare Short** (53) - have raised the profile of African issues.

Brown, in tandem with Short, has argued strongly for greater Western generosity in the multilateral debt relief schemes. Brown has concentrated on the technical weaknesses of the World Bank and International Monetary Fund's own Heavily Indebted Poor Country initiative, while Short has focused on the need to link debt writeoffs to higher social spending. Short is deemed tougher than her predecessor, Baroness **Lynda Chalker**, who survived successive reshuffles in the Conservative government and was regarded as a semi-permanent British institution by several African governments.

More of an innovator than Chalker, Short is noticeably less sympathetic towards the 'New Africans': **Yoweri Museveni, Paul Kagame, Meles Zenawi** and **Issayas Afewerki**.

Short works well with Brown and has succeeded in wresting a more than 40 per cent increase in development funding for Africa over the next three years from normally cautious Treasury officials. Her relations with the Foreign Office have been more problematic. Her Department of International Development was hived off from the Foreign Office after Labour's 1 May 1997 election victory - some months before Premier **Lionel Jospin's** government decided to return France's *Ministère du Coopération* to the political control of the *Quai d'Orsay*. Jospin's officials wanted to stop aid officials pursuing an independent foreign policy. Some in Whitehall's Foreign & Commonwealth Office worry that Short, a professional civil servant before she entered politics, might have her own agenda.

So far, most of the tensions have been about personality not policy. Short, working class from the Midlands, pulls no punches when dealing with Cook, a thin-skinned middle-class Scot ill at ease with forthright women. Both are said to be having a 'good war' in **Yugoslavia** and are likely to survive Prime Minister **Tony Blair's** forthcoming reshuffle, although any leadership hopes Cook may have harboured were dissipated after his *annus horribilis*: the arms to **Sierra Leone** row and his messy divorce last year. Unlike many of his cabinet colleagues, Cook eschews the use of spin doctors, relying heavily on the career diplomat, **Nigel Sheinwald**, who runs the FCO's news department. But recent press coverage of Cook's 'rehabilitation' after the Sierra Leone affair suggests a touch of 'media guidance'.

Cook's Minister for Africa, **Tony Lloyd** (49), also looked vulnerable during the Sierra Leone row, especially after a few lacklustre performances in parliament. Despite his crowded brief (human rights, Eastern Europe, Latin America as well as Africa) Lloyd's failure to sound the political warnings played badly in the government where he is seen as a 'good bloke but not necessarily a good minister'. For continuity's sake, Lloyd is likely to survive a reshuffle that promotes his highly-regarded colleague, the Minister for North Africa and the Middle East, **Derek Fatchett** (52). Cooperation between Fatchett and Short, where the FCO takes the political lead on the move towards substantive peace talks, has been important for Whitehall's **Sudan** strategy. This strategy, however, sits oddly with Whitehall's rapid endorsement of the US bombing of Khartoum's *El Shifa* factory last August (AC Vol 39 No 17). Apart from joining the polite EU pressure on **Algeria's** military rulers, Fatchett's focus has centred on the Middle East side of the brief, and in particular **Iraq**.

The current Labour-dominated intake has far fewer MPs with foreign policy experience or interest than the previous parliament so there's less jostling for the foreign affairs portfolios, which include the Foreign Secretaryship and four deputy ministerial posts. For aspiring Labour politicians, foreign affairs - outside the current Yugoslavia war - isn't the way to get noticed, either by party grandees or the voters. 'Labour won its May 1997 landslide by concentrating on six strong messages on domestic policy so no one's keen on taking risks with foreign policy,' *Africa Confidential* was told. Tony Blair, whom FCO officials regard as a 'natural' diplomat, has assembled an inner circle almost devoid of foreign policy experience, save for the former career diplomat in Washington, **Jonathan Powell**.

Of the new MPs, **Oona King** and **Tess Kingham**, on the Select Committee on International Development, have proved committed

and energetic on issues ranging from Western Sahara to **Uganda** and the **Congo-Kinshasa** war, and may be contenders for political elevation. A thorn in the side of New Labour, leftist **Diane Abbott** was one of the more determined inquisitors on the Foreign Affairs Select Committee's inquiry into the Sierra Leone fiasco.

If anything, the FCO's Africa department has been given a lift (and a bigger budgetary allocation) because of the affair. The newish (appointed last August) Director of the FCO's Africa and Commonwealth command, **Ann Grant**, is developing new strategies to increase public interest in African issues; she is tapping Non-Governmental Organisations' and academic expertise on Africa policy in the tradition of the US and French foreign services. In an address to London's Africa Centre (run by **Ghanaian** economist **Adotey Bing**) Grant was adamant that the need to resolve Africa's worsening conflicts was now the central policy issue. With a career including postings to the UN in New York, a stint as Communications Director of the British aid agency Oxfam, and a secondment to the Ministry of Energy, Grant represents a new generation of diplomats.

The head of the Equatorial Africa department is **James Bevan**, previously posted to Washington, Kinshasa and Paris; his counterpart for Southern Africa is **Christopher Wilton** whose most recent appointments include Dubai, Riyadh and Tokyo. And the Director of the Near East and North Africa Department is **Derek Plumbly**, previously posted to **Saudi Arabia, Egypt** and the USA.

Among the key ambassadors and high commissioners are: **Maeve Fort** in South Africa who impressed many as head of mission in Mozambique and **Lebanon**; **Graham Burton**, whose experience as ambassador to **Indonesia** recommended him for the High Commission in **Nigeria**; **Jeffrey James** in **Kenya**, who has taken a somewhat more critical line than his predecessor; and in the front-line of the Congo-Kinshasa war are **Michael Cook**, based in Uganda, and **Graham Loten**, in **Rwanda**. Heads of mission whose names may become legendary are: **François Gordon** in **Algeria**, where the need to work alongside a Special Air Services officer has not deterred him from travelling to massacre sites deep in the interior; and **Peter Penfold** in Freetown, one of the few - if any - British High Commissioners to have provoked street demonstrations in his support in a foreign capital - and to have been made an honorary chief.

SOUTH AFRICA

Confusions in the Cape

Apartheid's bitter legacy still complicates electoral calculations in the Western Cape

Of South Africa's nine provinces, Western Cape faces the fiercest battle for control in the run-up to the 2 June provincial and national elections. Western Cape is the only province to have been ruled by the New National Party (the rebranded version of the old National Party) since 1994. But now the African National Congress, running a clever campaign, has an outside chance of a majority in the new provincial legislature.

The most likely outcome is a hung legislature and a coalition government in which the NNP would team up with the Democratic Party (DP) or the ANC. The latest poll by the authoritative Institute for a Democratic South Africa (Idasa), unpublished as we went to

Provincial power struggles

The African National Congress (ANC) is bound to win the elections for the national parliament on 2 June and its leader, **Thabo Mbeki**, will become the next president. That focuses more interest on the simultaneous elections for the nine provincial legislatures. In at least five the ANC is equally sure to win, but opposition parties may gain seats, or hold the balance of power, in Gauteng, KwaZulu-Natal, Northern Cape and Western Cape. Opposition gains will symbolise South Africa's diversity but, as in the days of white rule, the powers of the provinces are little more than a cursory nod towards federalism.

The provinces won their limited powers because of concessions made by the ANC during the 1991-96 constitutional negotiations. (An interim constitution was in force until the present one was adopted in 1996.) The concessions, made in favour of the white, coloured and Indian minorities, as well as of secessionists in Chief **Mangosuthu Buthelezi's** Inkatha Freedom Party (IFP), left the provinces in charge only of planning, licensing, the provision of services and supervision of municipal and city authorities. For example, the central government has political and operational control over the police in each province, and the provincial minister of safety and security is responsible for little more than community liaison.

The provincial legislatures raise only about 1 per cent of the national gross domestic product, and spend about 16 per cent of GDP. Grants from national government make up the difference, so the centre has the whip hand. Many senior ANC people think the provincial tier of government administratively unnecessary and financially wasteful, but accept it in order to keep minorities quiet; the Minister of Constitutional Affairs, **Mohammed Valli Moosa**, whose portfolio includes provincial matters, is sensitive to minority fears.

At the national Department of Finance the key official dealing with provincial affairs is **Ismail Momoniat**, who made his reputation during the struggle against apartheid. He has worked to reduce waste and improve the provinces' once chaotic financial controls, most dramatically in KwaZulu-Natal and the Eastern Cape. In 1997/98, provincial deficits amounted to one per cent of GDP, whereas in 1998/99 the provinces, collectively, are set for a surplus of R600 million - 'a remarkable turnaround', according to Finance Minister **Trevor Manuel**, although accumulated debt and interest costs remain high.

The constitution makes it hard to change the provincial system. Amendments require a two-thirds majority in the National Assembly and the consent of six of the nine provinces in the National Council of

Provinces (NCOP), parliament's second chamber. (The same majorities are needed to change the wide-ranging Bill of Rights.) Parties are represented in the 90-seat NCOP according to the votes they poll for provincial legislatures. The 400 Assembly seats are filled similarly - 200 on the basis of votes secured nationally by the parties, 200 according to the proportion of votes polled by parties in each province.

After the elections on 2 June the ANC may well have the required two-thirds majority in the National Assembly, and a pact with Inkatha would give it control of six provinces. But even if the party could force through amendments on provincial questions, senior members have given no indication that they intend to do so. Weakening the provinces might make them even harder to control, while tampering with the new constitution might upset the financial markets - and annoy the ANC's probable partner, Inkatha.

National political leaders are irritated when ambitious politicians use their provincial bases in ways not easily controlled by headquarters. Two such individuals - **Tokyo Sexwale**, ex-Premier of Gauteng, and **Patrick 'Terror' Lekota**, ex-Premier of the Free State - have been speedily shunted out or sideways and the party's rules have been changed to enable the President of the ANC (and, after the elections, of South Africa) **Thabo Mbeki** to determine the choice of provincial premiers. The constitution says that premiers are to be elected by majorities in provincial legislatures, but the ANC's new rules give the national executive committee (effectively Mbeki) the right to tell ANC provincial majorities whom to elect. (But where there is no ANC majority deals must be struck with other parties).

The party leadership argues that it must curb centrifugal tendencies and ensure that its premiers have the necessary skills - not necessarily the main consideration for ordinary ANC members. On 22 April the ANC announced that three of its sitting premiers would not be candidates for premierships after the elections; **Manhole Motshekga** in Gauteng, **Matthews Phosa** in Mpumalanga and **Ivy Matsepe-Casaburri** in the Free State. Mbeki tried unsuccessfully last year to prevent the election of Motshekga because of his doubtful past; Phosa is accused of corruption and mismanagement; Matsepe-Casaburri, picked by party headquarters, proved unable to suppress factionalism. It remains to be seen whether Inkatha, which has controlled KwaZulu-Natal since 1994, will be allowed to keep control under its expected deal with the ANC. The ruling party may well decide that handing its old foes a province is a concession too far.

press, suggests a dead heat, with the ANC and the NNP each on 30 per cent, and the DP on about 11 per cent. Idasa's raw figures suggest that, when the field-work was done about six weeks ago, the ANC had not increased its support in the province since 1994, when it polled 33 per cent of the vote.

Control of Western Cape has symbolic significance. Its capital, Cape Town, is a seat of national government; it was the site of the original white settlement in 1652; it is the only province in which black Africans are not a majority of voters (more than half are the mixed-race 'coloureds'); and it is seen as a haven by whites in other provinces, and by property-buying foreigners.

The ANC has suffered some inroads into its black support by the United Democratic Movement (UDM), led by **Bantu Holomisa**, a Xhosa general who ruled the Transkei homeland after a military coup, and **Roelf Meyer**, a former NP cabinet minister. In 1994, the NP's stridently racist campaign in coloured districts, claiming that the ANC would favour black Africans, won it the majority of the coloured vote. Since then the ANC has been working hard to win

over those working class, coloured voters disappointed with their slice of the post-apartheid cake. Professionals and intellectuals in the coloured community have, however, a strong radical tradition of support for the ANC and for small nationalist and socialist groups such as the Pan Africanist Congress and the Unity Movement. Results are still unclear from a pro-ANC campaign recently started by the Congress of South African Trade Unions (Cosatu), the country's main union federation formally allied to the ANC.

Support for the NNP has fallen sharply in the Western Cape from the 53 per cent scored by the old NP in 1994. The coloured voters who backed the NP in 1994 are drifting into apathy; many white NNP supporters complain that the party has become directionless, and have crossed to the DP, whose support has almost doubled since 1994 from 6 to 11 per cent. When the real voting comes, it may be found that the Idasa figures overstate NNP support. With its organisation in disarray, and a crisis in its morale and image, the party may have trouble delivering voters to the polls; moreover the NNP has failed to make sure that its supporters have the bar-coded identity documents needed for registration as voters.

Both the ANC and the DP concluded separately that they should start their campaigns by trying to smash the NNP, and in particular to break its support among the majority coloured population. Many prominent NNP people have recently defected to other parties. For this, credit is claimed both by **Ebrahim Rasool**, the ANC's coloured Western Cape leader and candidate for the premiership, and by **Hennie Bester**, the DP's white provincial leader, who has served as a minister in a provincial coalition with the NNP.

And the ANC has also recently converted five NNP Members of the Provincial Assembly, most notably **Nic Koornhof**, a provincial minister who had been placed third on the NNP's regional list for the elections on 2 June. The colourless (white) and none-too-gifted **Gerald Morkel**, provincial Premier and leader of the NNP, has seemed unable to halt the tide of defections. One of his most senior members struck a deal with another party within his hearing.

Short-breeches

The NNP's national leader **Marthinus van Schalkwyk** - a boyish figure, known even to his friends as Kortbroek (Short-breeches) - has failed also to stop the defections, and more are likely before polling day. The ANC seems to have sought a drip-drip effect, to maximise the impression that the NNP is dying on its feet. **Pieter Marais**, a rabble-rousing NNP provincial minister, is said to have been hawking his virtues around all parties, but particularly the ANC.

The ANC's chief strategists in the Western Cape campaign have been Rasool, a devout Muslim with a reputation for decency on the Cape Flats around Cape Town, where most of the coloured population live, and a group of coloured and white members of the South African Communist Party (SACP), who control the ANC in the province. A prominent Communist is the son-in-law of Deputy Defence Minister **Ronnie Kasrils**: **Garth Strachan**, a former ANC military leader in exile in the late 1980s, and the party's spokesman on trade and industry in the Western Cape legislature.

Yengeni's challenge

The dominant communist group in the provincial ANC has beaten off challenges by a more nationalistic black group behind **Tony Yengeni**, a former *Umkhonto we Sizwe* commander in the Western Cape, one-time photographic model and former Chairman of the National Assembly's Defence Committee. Yengeni is now the ANC's Chief Whip in the National Assembly, having succeeded **Max Sisulu**, who has been 'redeployed' by the ANC leadership to a management job with the arms manufacturer Denel. **Thabo Mbeki**, the ANC's President, was thought to favour Yengeni as party candidate for the provincial premiership, but settled for Rasool as more acceptable to both factions.

The DP's chief provincial strategist is **James Selfe**, the party's able former national head of research and a member of the National Council of Provinces (NCOP), the federal upper chamber; he is now number one on the party's Western Cape provincial list for the National Assembly. Hennie Bester, an Afrikaner who went to a **British** university, appeals to disillusioned members of the NNP and the far-right Conservative Party. The provincial election will probably produce no clear winner, so a government will have to be formed by a coalition between two of the three parties. Although the NNP denies it, the most likely is a DP-NNP coalition. The DP has ruled out a coalition with the ANC, since its pugnacious leader, **Tony Leon**, argues the country needs independent centres of power if democracy is to survive.

ETHIOPIA-ERITREA

World-class war

UN envoy Mohammed Sahnoun mediates while the world ignores its biggest war

With more than half a million troops deployed along the disputed border and tens of thousands of casualties in fighting so far this year, the Ethiopia-Eritrea war is the world's biggest war - although most of the world doesn't seem to have noticed. Modern weapons have been used with the trench tactics of World War I - heavy artillery barrages, followed by infantry assaults (with tank support where possible) and air attacks.

In February at Badme, Ethiopian commanders expected and accepted heavy casualties, attacking fixed positions which the Eritrean forces had spent ten months preparing. Neither side has given a figure for its own losses, and neither has allowed access by the International Committee of the Red Cross to the wounded or to prisoners. At Badme, casualties appear to have been roughly 15,000-20,000 on each side, though many more Eritreans were taken prisoner than Ethiopians, and more Ethiopians died than Eritreans.

At Badme (23-26 February), at Tserona (13-16 March) and again on the Badme front (17-26 March), Ethiopia claims to have killed, wounded or captured 45,000 Eritrean troops and destroyed nearly 100 tanks and many artillery pieces. The Eritrean government has made similar claims. Both are exaggerating, but casualty figures were heavy, particularly at Badme.

Casualties were also heavy at Tserona, when Ethiopian forces under Brigadier General **Abdullah Gemada**, formerly head of intelligence and communications, broke through one Eritrean line of defence but stumbled at the second; and, in late March, when the Eritreans failed to recapture Badme from Ethiopian troops under Brig. Gen. **Samora Yunis**. After their February victory, Ethiopian forces advanced about 25 kilometres into Eritrea, where they established and still hold defensive positions.

These battles have underlined how much Ethiopian logistics have improved in the past few months, under Brig. Gen. **Hailu Tilahun**, with support from logistics specialists from **Mengistu Haile Mariam's** army who were released from detention last September. The recapture of Badme in February was so well prepared and organised that it took by surprise units of three Eritrean corps, 161, 271 and 381. The Eritreans had been over-confident, and set up only a single line of defence (with an estimated 150,000 land mines); they had no reserves nearer than Barentu, across the Mareb river. The Ethiopians broke through in two places, and rolled up the Eritrean line fairly easily.

The Ethiopian airforce has beaten its Eritrean enemies on every level. Four, possibly five, of Eritrea's eight new MiG-29s have been shot down, and another badly damaged, largely by older MiG-23s with Ethiopian pilots. Ethiopia's new Sukhoi-27s, still with **Russian** pilots (AC Vol 40 No 4), have been kept out of direct combat. Most importantly, the Ethiopians have successfully coordinated air and ground activity, using Mi-24 helicopter gunships and Mig-23s. Russian advisors have helped with training and planning; former Mengistu pilots, including Gen. **Techane Mesfin**, a former air operations commander, have performed well.

Despite Eritrean claims, there is no indication that Ethiopia

intends to take over any Eritrean territory, or to drive to Asmara to overthrow President **Issayas Afewerki**. The Ethiopians realise that this would both boost Issayas' support, and have international repercussions. A year ago Ethiopia would certainly have liked to get the port of Assab, but it has been surprised by **Djibouti's** capacity to cope with the expanded traffic. Anyway Assab is said to be so heavily mined that it will be unusable for years.

But Ethiopia wants the Eritrean forces back where they were before 6 May 1998, and hopes that Eritrea's internal opposition will bring down a president it can never trust again. The refurbishment of the external Eritrean opposition (the Alliance of Eritrean National Forces (AENF)) should help. Eritrea's army has been weakened. **Sebhat Ephrem**, who as Defence Minister had overall command in February, has been replaced by Gen. **Omar 'Taweel'**, who commanded a corps at Badme. Several divisional commanders, including **Fitui Belayneh**, **Kassai Woldetensai**, **Haile Gebrey** and **Asgedom Kifle**, are said to have been replaced, or even arrested. In training, Eritrean recruits were taught to despise the Ethiopians; the massive losses of national service trainees at Badme has severely damaged morale.

OAU's peace proposals

The Badme defeat was not concealed behind the usual references to 'redeployment', if only because of Issayas' sudden announcement that Eritrea did after all accept the Organisation of African Unity's peace proposals. Recruitment has been stepped up; exit visas are refused to all those under 40, draft dodgers have been rounded up, and training for conscripts has been cut from six months to three.

Ethiopia hopes that these unpopular moves will bring extra support to the expanding AENF, whose operations in western Eritrea have **Sudanese** and Ethiopian backing. But the AENF is still largely a Muslim organisation. One of its elements, the Eritrean Liberation Front-Revolutionary Council (ELF-RC), is backed by some Christians and Tigrayans; they still support Issayas, even with the war going badly, but are uneasy about the Muslim preponderance and groups such as Islamic Jihad. Issayas has sought to propitiate the Muslims who make up more than half Eritrea's population by giving top jobs to two former leaders of the ELF-United Organisation, **Mohammed Siad Nood** as a presidential advisor, and **Saleh Iyeh** as Governor of Serai region.

Both sides suffer bitter economic and social effects. Last year the harvest was good, but Ethiopia has deployed 300,000 men, Eritrea 270,000, and well over half a million people are displaced on both sides of the border. Each side has spent several hundred million dollars on weapons, from suppliers who insist on cash in advance. Russia has sold aircraft to both countries. Ethiopia has bought from **China** and **Bulgaria**; Eritrea from **Italy** and **Romania**. Both countries have sought help from Arab states. Ethiopia has been particularly concerned by Eritrea's move towards the Arab world: its application to join the Arab League, its new alliance with **Libya**, and its support from **Egypt** in finance, arms and, possibly, expertise. As usual, Egypt is worried about the future allocation of Nile water, most of which originates in Ethiopia.

The conflict has been seen - especially by the Ethiopian opposition - as a Tigrayan quarrel. Eritrea's ruling People's Front for Democracy and Justice (PFDJ) is a Tigrayan body, and the controlling element in the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) is the Tigray People's Liberation Front (TPLF). Prime Minister **Meles Zenawi**, and the Ethiopian government, have tried (and believe they have succeeded) in mobilising the people behind 'the concept of Ethiopia' and creating

a truly national army, turning back to ideas played down since 1991 in pursuit of 'ethnic federalism - Ethiopian-ness, the Ethiopian flag, Amharic as the national language. The result has been growing support for the war.

Two registered opposition parties, the All Amhara People's Organisation (AAPO) and the Southern Ethiopian People's Democratic Coalition (SEPDC) recently backed the government's position 'until all occupied territory has been reclaimed', and denounced the United Nations resolution calling for an arms embargo on both sides. Yet the government has so far not shown much sign of greater openness, or released its political prisoners. The seriously ill AAPO Chairman, Professor **Asrat Woldeyes**, was allowed to the **United States** for medical treatment in December, but his case was suspended, not cancelled; in late March his 23 co-defendants received sentences of between three and 20 years, after a trial notable for poor prosecution evidence and for allegations of torture. Supporters of the Oromo Liberation Front (OLF) in southern Ethiopia have been under pressure because the OLF is widely believed to be backed by the enemy.

National unity, and freer institutions, could result if Ethiopia gets Eritrea's forces out of all the areas they occupied after 6 May last year. The lagging peace process at last seems to be gathering momentum; the UN's Special Envoy, the highly-regarded **Mohammed Sahnoun**, visited Asmara and Addis Ababa over the last week, and plans to return to Asmara on 30 April and Addis Ababa on 1 May. His efforts to secure implementation of the OAU's peace plan, to which both sides have ostensibly pledged support, were boosted two weeks ago when Prime Minister Meles indicated that Ethiopia would accept a cease-fire if Eritrea agreed to a timetable for withdrawal from all occupied areas. Previously he had insisted on withdrawal before a cease-fire. The Eritreans said this was nothing new, but observers thought it made a little space. The search for agreement wasn't helped by United States Secretary of State **Madeleine Albright** (apparently trying to be evenhanded between Asmara and Addis Ababa) insisting on 27 April that anything less than an unconditional ceasefire wouldn't work.

Along with Sahnoun's efforts, the UN has produced a plan for a cease-fire and mutual withdrawal, and a meeting in New York last week started preliminary planning for a possible peace-keeping mission, with a discussion about military observers, border demarcation and, crucially, UN financing. With current cost projections of the West's war against **Yugoslavia** estimated to exceed \$10 bn., it will prove difficult for the UN's richest members to balk at financing a peace operation in the Horn.

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Pointers

ALGERIA

Enemies within

Although the establishment candidate **Abdelaziz Bouteflika** won, the manner of his victory in the 15 April presidential election - with the authorities failing to bludgeon any of his six rivals into competing - led the Algiers rumour mill to suggest that 'Boutef' may be in office for only for a matter of months. A holding operation has been announced, with Prime Minister **Smail Hamdani** staying on at least until this summer's Organisation of African Unity summit on 12 July (AC Vol 40 No 7).

Much will depend on whether popular protests, launched the day after the 15 April presidential election, can be sustained - perhaps linking into other grievances following a decade of tough economic reforms. To enforce its ban on a planned demonstration on 27 April, the day of Bouteflika's inauguration in Algiers, the government deployed 10,000 riot police in the city centre. Continued protest could this time challenge *le pouvoir* - the military and security establishment - on a new political front. To channel this discontent and shape a platform for a renewed tilt at the presidency, three candidates who pulled out on 14 April - **Mouloud Hamrouche**, **Ahmed Taleb Ibrahimi** and **Youcef el-Khatib** - plan to create new parties. Of the rest, veteran *Front des Forces Socialistes* (FFS) leader **Hocine Aït Ahmed** - who suffered a mild coronary in the run-up to polling day - and Islamist **Abdallah Djaballah** already have parties; and **Mokdad Sifi** may try to regain the initiative within the anaemic 'ruling party', the *Rassemblement Nationale Démocratique* (RND).

Bouteflika can claim support from much of the RND/*Front de Libération Nationale* (FLN)-dominated parliament and refer to official figures which showed him scooping 73.8 per cent on a turnout of 60.3 per cent to make him Algeria's first elected civilian president (**Mohamed Boudiaf**, assassinated by members of his presidential guard in mid-1992, was appointed by the military).

But the failure of outgoing President **Lamine Zeroual** to ensure credible elections is widely seen as a victory for old guard military manipulators led by retired Generals **Larbi Belheir** and **Khaled Nezzar**, and the eventual reluctance of Chief-of-Staff, Lieutenant-Gen. **Mohamed Lamari** to countenance any candidate who might deal with the banned *Front Islamique du Salut* (FIS) - notably Ibrahimi, to whom Lamari had promised he would not intervene in the polls, a commitment also made to Aït Ahmed. Bouteflika's supporters succumbed to his demand that it would be more 'dignified' if he won on the first round, thus avoiding a second round of balloting (for which

no arrangements were ever made).

Bouteflika's negotiating skills are trumpeted in Algiers, with some suggestions he might seek to underline his independence by a bold move, such as releasing **Abbasi Madani** from house arrest - pointing to the perception that the ageing FIS President is a spent force. But under pressure from his backers, Bouteflika is unlikely to radically alter the *pouvoir's* relations with the Islamist movement, which mixes attempts at co-option with security crackdowns.

There are reports that despite their earlier support for Boutef, security chiefs **Mohamed 'Tawfik' Medienne** - set to retire but still powerful - and Colonel **Smain Lamari** are unhappy, while below them a little-known but more Islamist/Arab nationalist generation of officers is even more uncomfortable. Enemies within rather than mass protest may yet prove the new President's undoing.

In the *maquis*, the *Groupe Islamique Armée* (GIA) will fight on. **Hassan Hattab's** group has reportedly been buying large quantities of **Israeli, Belgian and Czech** arms in Europe. Having received FIS backing for his candidacy, Ibrahimi's withdrawal has led to suggestions that the *Armée Islamique du Salut* (AIS) might terminate its ceasefire. But it is unlikely the FIS' military wing could cooperate with the GIA, against which its Commander **Madani Mezrak** is said to have worked with the authorities (AC Vol 39 No 19).

GABON/USA

Bongo's lobby fest

President El Hadj Omar Bongo may not have got to see President **Bill Clinton** or Secretary of State **Madeleine Albright** (the latter because of an ostensible diary clash) but his 18-21 April visit to the US capital excited Washington's eager lobbyists. Leading the pack to steer Bongo and some of his 72-strong entourage through DC was the African-American firm, Southall & Walker which has good connections with the Congressional black luminary **Donald Payne**. Close behind was Janus Merritt Strategies with their links to Congressional Republicans **Benjamin Gilman** (International Affairs) and **Ed Royce** (Africa Sub-Committee). Former lobbyists for the late General **Sani Abacha**, also with good connections on the Republican side of Congress (with Congressman **Bill Archer**, Chairman of the House Ways and Means Committee), Barron-Birrell also won Bongo's confidence.

Also in the scrum to lobby for Bongo was **Jean-Marie Coulbary**, a **Senegalese** confidant of the late **Mobutu Sese Seko**. Less successful it seems were former US Ambassador to Libreville **Elizabeth Raspolic** and former National Security Council Director for Africa **Joe Wilson**. Bongo also had to turn down requests for a meeting with **Congo-Brazzaville** oppositionists, **Bernard Kolélas** who is based

in Washington, and deposed President **Pascal Lissouba** who wanted to fly from London for the occasion. Regrettably, Bongo said, he would have to decline such a meeting as it could seriously damage his marriage. His wife **Edith** is the forceful daughter of Brazzaville's military leader Gen. **Dénis Sassou-Nguesso**, the very man Lissouba and Kolélas want to depose.

● We wish to make it clear that in our Gabon/USA pointer (AC Vol 40 No 8) we did not intend to suggest that Scribe Communications Chief Executive **Joseph Szlavik** had personally paid US\$50,000 to the US Democratic Party on behalf of President Bongo or made any contribution to Clinton's planned Presidential library. We have also learned that the Democratic Party fundraiser and Chair of the 1996 Clinton-Gore fundraising campaign, **Terry McAuliffe**, visited Libreville in December not in February as we wrote. McAuliffe went to Libreville as a partner with a **Mexico**-based conglomerate to discuss a possible investment in Gabon's cement sector with President Bongo, we are told.

EQUATORIAL GUINEA

Abubakar's offer

A rare visit to Malabo by a **Nigerian** head of state allowed General **Abdulsalami Abubakar** to congratulate President **Teodoro Obiang Nguema Mbasogo** on joining the ranks of Gulf of Guinea oil producers and to discuss the thorny issue of their maritime boundaries.

Following talks on 21-22 April, Abubakar said officials had been given 'final directives' to be hammered out at meetings starting in Bata on 5 May to resolve bilateral border disputes. Both leaders also gave their backing for the creation of a commission of Gulf of Guinea countries to resolve disputes in one of the world's few oil provinces where significant new investments are planned despite the current low oil prices. Abubakar's ministers are keen to get an agreement at Bata and tie the matter up before they leave power on 29 May.

Nigeria also believes that if it can agree its maritime boundaries with Equatorial Guinea, this would help its case at the International Court of Justice at The Hague where its maritime boundary dispute with **Cameroon** is being heard.

But no final settlement of the boundary dispute will be possible without the involvement of all three disputants: Cameroon, Nigeria and Equatorial Guinea (which share a common maritime boundary). Equatorial Guinea's First Vice-Prime Minister with responsibility for foreign affairs **Miguel Oyono Ndong Mifumu** is closely watching Nigeria's negotiations with Cameroon at the ICJ. Ndong has threatened to go the ICJ if Equatorial Guinean interests are ignored in a Nigerian-Cameroon deal. On 6 March, the Malabo government passed a decree law adopting an equidistant median line to define its territorial boundaries as opposed to the former 'traditional boundaries'.

AFRICA CONFIDENTIAL

NIGERIA

3

Golden parachutes

It's now clear that President Obasanjo's incoming civilian government will face a major financial crisis when it takes office on 29 May. The massive drawdown in foreign reserves continues, state borrowing is rising sharply and the programme with the IMF has been all but derailed.

SOUTH AFRICA

4

Compulsory coalition

However the people of KwaZulu-Natal vote, their party leaders have decided that the province will be ruled by an ANC-Inkatha coalition for the next five years. The deal between Thabo Mbeki and Mangosuthu Buthelezi means the voters' choice is really about which party dominates the coalition.

ANGOLA

6

Oil-fired warfare

As the government's economic and military position worsens, its apparatchiks are finding ever more innovative ways of financing the war effort. The latest strategy uses the marketing of equity stakes in new oil fields to guarantee funds to companies linked to defence and security services.

TANZANIA

7

Island initiative

After four years of stalemate and three years of hard work by the Commonwealth, a new agreement promises an end to the Zanzibar crisis. President Mkapa may have to remind Zanzibari leader Salim Amour that when it comes to political and economic solutions, outsiders' opinions matter.

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Zimbabwe/Congo-Kinshasa, Sudan and West Africa

HORN OF AFRICA

Regional collisions

The Eritrea-Ethiopia war is helping the Islamist regime in Khartoum and further destabilising Djibouti and Somalia

The main beneficiary of the Eritrean-Ethiopian war (AC Vol 40 No 4) is **Sudan's** National Islamic Front government. A year ago, both Addis Ababa and Asmara were committed to backing the northern and southern Sudanese opposition, grouped in the National Democratic Alliance, which was making increasingly effective attacks on NIF forces. Ethiopia has since reduced its support for the NDA after meetings with the NIF; more surprisingly, Asmara is also cosying up to Khartoum, signing a 'reconciliation' agreement in **Qatar** on 2 May. The terms include an Eritrean promise to give the Sudan Embassy, handed to the NDA after Asmara broke diplomatic relations in December 1994, back to the government. The NIF regime, which persists in its regional destabilisation strategy through the sponsorship of armed Islamist fighters, is now in the improbable position of being courted by two of its once most determined enemies - though who began the courting ritual is in each case a moot point. Relations have become an exercise in mutual manipulation.

Since 1994, Eritrea has backed the NDA with training, arms and (denials notwithstanding) with troops; Eritrean forces have crossed the border several times. **Hassan Abdullah el Turabi's** NIF appeared to have earned the enduring hostility of Eritrean President **Issayas Afeworki** because of its support for Eritrean Islamic Jihad and the Eritrean Liberation Front of **Abdullah Idris**. Abdullah's ELF (ELF-AI) has recruited both inside Eritrea and among Eritrean refugees in Sudan, prompting Issayas to announce publicly that Hassan el Turabi and the NIF 'had got to go'. Issayas told *Africa Confidential* two years ago that he was confident the NDA would be able to topple El Turabi and the titular President, Lieutenant General **Omer Hassan Ahmed el Beshir**, even if that meant a protracted struggle.

Changing calculations

Now the calculation has changed and Issayas is concerned about possible Sudanese sponsored rearguard action through organisations such as the ELF-AI while Eritrean forces are concentrating on the border war with Ethiopia. Two years ago the ELF-AI formed a united front with other anti-Issayas elements called the ELF-National Congress.

Ethiopia has been trying to persuade other small Eritrean opposition movements to join this anti-Issayas alliance. In Khartoum in March, Eritrean opposition groups finally created the Alliance of Eritrean National Forces, headed by Abdullah Idris (who was military commander of the original ELF). The new Alliance brings together ELF factions (ELF-National Congress, including ELF-AI, with ELF-Revolutionary Council) and three small Marxist organisations (the Popular Democratic Front for the Liberation of Eritrea, Eritrean Revolutionary Democratic Front and Eritrean Kunama Democratic Movement). Also included are another Kunama group called the Eritrean Democratic Resistance Movement, the Khartoum-based Eritrean Initiative Group, and the two wings of Islamic Eritrean Jihad, now called the Eritrean People's Congress and the Eritrean Islamic Salvation Movement.

The Alliance includes opponents of Eritrea's ruling People's Front for Democracy and Justice (PFDJ, formerly Eritrean People's Liberation Front) from most ethnic groups. Yet the Afar Red Sea Front, recently created by Ethiopia and based there, apparently refused to join. The Alliance largely represents Muslim opposition to the PFDJ, though the ELF-RC has significant Christian support. At least three of its elements have some military experience and it can probably put some 3,000 or so fighters into the field; it will get significant support from Sudan and may strengthen Ethiopia's proxy operations in Eritrea, all the more effectively since it will presumably be able to use both Sudanese and Ethiopian territory.

Facing this spectre, Issayas has been sounding out the possibilities of the Sudanese-Eritrean rapprochement mediated by **Libya's** Colonel **Moammar el Gadaffi**. The agreement includes a commitment to stop supporting each other's opposition groups. Then the NDA launched an attack in the Eastern Region region on 5 May (see Pointer), partly aimed at destabilising the Asmara-Khartoum agreement. It may have succeeded in showing at least that whatever Gadaffi mediated,



it was not an effective non-aggression pact: the NDA continues to be based in Eritrea, with the clear aim of overthrowing the NIF regime while the Eritrean opposition alliance stays on in Khartoum, having been assured by Sudan that 'its status was unchanged'.

Djibouti is also having a mixed war (AC Vol 40 No 7). Its port is benefiting from the Ethiopian business rerouted from Eritrea over the past year but the Asmara-Addis Ababa conflict is spilling

over into domestic politics. Eritrea wants to threaten Ethiopia's main road and rail link abroad, via Djibouti port, so it backs the opposition *Front pour la Restauration de l'Unité et la Démocratie* (FRUD); on 13 April, Djibouti's Foreign Minister, **Muhammed Musa Chechem**, warned that President Issayas' 'intransigence' and 'irrational and insane' behaviour could drag Djibouti into a 'swamp of border conflict'.

After FRUD attacked an Ethiopian road convoy near the border last October, Ethiopia started helping the Djibouti government; Ethiopian troops and helicopters have been in action at least twice this year against suspected FRUD forces. Most FRUD units operate in northern Djibouti, close to the Eritrean-controlled Mount Moussa Ali, where the borders of the three countries meet. However, on 14 and 15 April, two landmines exploded in Tadjourah district, one of them killing or wounding twelve policemen, and demonstrating FRUD's disruptive power.

Eritrea has also supplied arms to opposition movements in eastern and southern Ethiopia, including the Oromo Liberation Front (OLF) and Ogaden National Liberation Front (ONLF). The intermediary is **Hussein Mohamed Farah 'Aydeed'** in Mogadishu, who has close links with both groups as well as with the **Somalian** Islamist front, *Al Itihad al Islami*. OLF fighters have fought in Aydeed's militia against the **Rahenweyne Resistance Army (RRA)** in Bay and Bakool regions, and some were recently seen in Mogadishu. Aydeed has sent the OLF weapons and in April 1998, allowed it to hold a congress in Mogadishu, where it elected new leaders drawn largely from its military and Muslim elements.

When Hussein Aydeed visited Addis Ababa last August, Ethiopia offered him nothing, so Eritrea won him over when he visited Asmara in February. He was accompanied by **Abdurahman**

Eritrea and its cousins

The odds are stacked against Eritrea. Ethiopia has a bigger and better equipped army and airforce, and a bigger population and economy to sustain a long war. But President **Issayas Afeworki** tells visitors not to forget history: little Eritrea took on and beat Colonel **Mengistu Haile Mariam's** regime in Ethiopia, which had boasted the biggest army in Africa plus massive backing from the **Soviet Union**. This time, Issayas says, Ethiopia is weaker and more divided because most Ethiopians won't support what they see as a war prosecuted in the interests of Premier **Meles Zenawi's** Tigrayan-dominated government.

The Tigrayans, who constitute 'a minority within a minority', are the aggressors and suffer from an inferiority complex about Eritreans, Issayas says. He says that he stood almost alone in the Eritrean People's Liberation Front in wanting cooperation with the Tigrayan People's Liberation Front during the war against the Derg. Although he won the argument, he says he has now been proved wrong: 'I was too tolerant'.

Issayas' contention that most Ethiopians wouldn't support Meles' war effort has so far proved wrong, although both Asmara and Addis Ababa are actively supporting oppositionists in each other's territory. If the war drags on, Eritrea's resources will be stretched far more thinly than Ethiopia's. Already businesses are closing in Asmara because their workers are being sent to the front and the shortage of foreign exchange is slowing down trade. The Eritrean talent for improvisation, which was critical in resistance to Mengistu's regime, is more difficult to harness in a modernising economy engaged in First World War trench-style warfare against a much bigger and more powerful enemy.

Yet none of this has weakened Issayas' personal position nor

increased the threat from his harder-line compatriots. There are no open signs of discontent in Asmara and Issayas' simple lifestyle still endears him to his people. Yet Eritrea's diaspora, mainly in the **United States** and **Britain**, which is expected to give some US\$400 million to the war effort, has started asking some awkward questions. Instinctively, exiles back their country against what they see as Ethiopian aggression but may start to show their frustration if Issayas doesn't produce some results on the diplomatic front. Youngsters in Eritrea, whom Issayas calls the 'Coca-Cola generation', are being drafted to the front but without the fighting morale that their elder brothers and sisters had in the 1970s and 1980s. Such new recruits could cause problems.

Eritrean fighters and financiers will want to see more diplomatic progress if the military stalemate (which benefits Ethiopia) continues. Issayas' call for international backing for a solution acknowledges this. But would-be peacemakers are unlikely to rush to Asmara. Issayas' ambivalent foreign policy has chipped away at the country's international support.

Washington had wanted to use Eritrea as a bulwark against **Sudan** (as had the Sudanese opposition). But after a series of clashes between Asmara and US non-governmental organisations and businesses, early US enthusiasm for Eritrea's discipline, incorruptibility and sense of purpose seems to have waned. Washington listens more to Ambassador **David Shinn** in Addis Ababa than to **William Clarke** in Asmara. Not many other Western countries have heavyweight representatives in Asmara; Britain, despite being a former colonial power, has no one there. Asmara's best friends these days are **Libya**, which helps with money for arms, and **Egypt**, which is suspicious of Ethiopia's intentions concerning the Nile waters.

'**Tour**', the predecessor and opponent of Somaliland's President **Mohammed Ibrahim Egal**. Eritrea might try to revive the opposition in Somaliland in order to try to stop Ethiopia using the port of Berbera.

Aydeed returned to Mogadishu's Balidogle airport with two plane-loads of weapons provided by Eritrea, financed by Libya and flown via **Yemen**. One Eritrean-chartered **Russian** freighter visited Merca in March, delivering hundreds of Kalashnikovs and much ammunition. Another shipload of arms, including anti-aircraft and heavy machine guns, arrived in early May. The price of Kalashnikovs has now fallen by 20 per cent to US\$150 each in Mogadishu's Bakara market. Fighting broke out in Merca in early May as local militias pressed for their share of the weapons.

Eritrea denies sending weapons to Aydeed but Somali sources insist the latest consignment includes several Oromo fighters, coming from Eritrea. We hear that Oromos have been trained in a camp near Adi Caieh in Akele Guzai, southern Eritrea. Following Ethiopian bombing raids, they are being moved to Somalia, where a camp has been set up in Qoryoley, south of Mogadishu. Accompanying the Oromos were 11 Eritrean officers, engineers and specialists in mine-laying, reports say.

Gutema in Puntland

Most of the new weapons have gone to the OLF, and to the ONLF, which recently organised two kidnappings in Ethiopia's Region Five and which claims to have killed and wounded 340 Ethiopian soldiers in the first four months of this year. An Ethiopian military delegation, led by General **Lemma Gutema**, visited Puntland at the beginning of May to talk about military assistance and border security.

OLF units of 200-300 men have, since late last year, been operating along Ethiopia's southern border and Ethiopian troops have several times raided across the border to repel OLF attacks. After attacking a military post at Garbit near Mega, the OLF claimed that several hundred suspected OLF members were rounded up. Boran Oromo live in **Kenya**, too; Addis Ababa doubts whether Nairobi has seriously tried to control OLF activity. (Kenyan troops have recently been on a military training exercise with **United States'** troops in the traditionally lawless North-East Province).

Eritrea is now orchestrating efforts to organise a 'Coalition of Ethiopian Oppressed Peoples', an idea underlined at an OLF meeting in Stockholm, **Sweden**, on 3 April which included both moderate and hard-line OLF groups, plus the Sidama Liberation Movement. The OLF formed a military alliance with the ONLF two years ago and has recently signed agreements with the smaller Oromo People's Liberation Front and United Oromo People's Liberation Front. Eritrea wants to include anti-Ethiopian Somali groups, including the factions of Aydeed and his allies, and *Al Itahad*.

Ethiopia has reacted sharply to these efforts to widen the war. On 8 April, its troops once more crossed into Somalia's Gedo Region, seizing temporary control of Bulo Hawo, an *Itahad* stronghold, and of Dolo. This operation (officially denied) also supported a faction of the Somali National Front, the Marehan political organisation in Gedo. When its Chairman, Gen. **Omar Haji Masaleh**, lined up with Aydeed in 1998, the SNF split, and one of Omar Haji's leading opponents was killed on 7 April. Ethiopia's intervention in Bulo Hawo encouraged Omar's opponents to launch an unsuccessful attack on Bur Dhibo on 21 April. In early May, opposition groups were claiming that Ethiopian forces continued to hold areas of Gedo and had set up their own

administration in Luq.

On 11 April, Omar's allies in Mogadishu, Aydeed and **Ali Mahdi Mohamed**, had already made a formal complaint to the United Nations, with copies to the Organisation of African Unity, Arab League and the regional Inter-Governmental Authority for Development (IGAD). Seeking to neutralise *Itahad*, Ethiopia made the first of several cross-border incursions into Gedo in 1996, seizing and holding Dolo, Luq and several other small towns for most of 1997. It has also provided arms and finance to movements opposed to *Itahad* and its allies, including Aydeed's.

It has armed the Somali National Front (Marehan) in Gedo; RRA in Bay and Bakool (and the newer Digil Salvation Front in the same areas); United Somali Congress-Peace Movement (Hawadle/Hawiye) in Belet Weyne in central Somalia; Ali Mahdi's United Somali Congress (Abgal/Hawiye) in Mogadishu (but when Ali Mahdi lined up with Aydeed, it switched support to one of his main rivals in the USC, **Hussein Haji Bod**, who received several lorry-loads of equipment at the beginning of May); Somali Salvation Democratic Front (Majerteen) of Col. **Abdullahi Yusuf**, which now rules Puntland in north-east Somalia; and the Somali Popular Movement (Majerteen/Harti) of Gen. **Mohamed Siad Hirsi 'Morgan'** in Kismayo. Morgan used his latest consignment to attack *Itahad* training camps around Ras Kamboni, south-west Somalia, on 14 April, forcing some *mujahideen* to take refuge in Kenya.

NIGERIA

Golden parachutes

Military 'pensions' and mismanagement threaten the incoming civilian government

It's now clear that President **Olusegun Obasanjo**'s incoming civilian government will face a major financial crisis when it takes office on 29 May. The massive drawdown in foreign reserves (AC Vol 40 No 8) continues, government borrowing is rising sharply and the staff-monitored programme with the International Monetary Fund has missed nearly all the major benchmarks agreed in January (AC Vol 40 No 2).

Not only have foreign reserves plummeted, from US\$6.7 billion to \$4 bn. in the first quarter of this year, but the outflow goes on. According to senior officials in Obasanjo's People's Democratic Party, the incoming civilians will be fortunate if they find more than \$1.5 bn. left in foreign reserves by the end of May.

A substantial part of the drawdown has been used to fund what the World Bank and IMF euphemistically term 'extra-budgetary expenditure'. Also in the first quarter, the budget deficit swelled to N60.1 bn. (\$668 million), nearly double the projection for the entire year. Trying to shore up its financial position, the government has been borrowing heavily from local banks. By 21 April, total domestic borrowing had reached the equivalent of \$7 bn., with interest payments of nearly \$1 bn. due in 1999 alone.

The government has forced banks to make compulsory purchases of N40 bn. (\$444 mn.) of treasury bills in an effort to soak up liquidity. This further strains Nigeria's rickety banking sector, with a sharp rise in interest rates (now at 35 per cent) adding to the atmosphere of looming crisis. The naira has been devalued twice since January, from \$1 = N86 down to \$1 = N95 by the first week of May. But with the parallel rate already below \$1 = N100, the

Central Bank of Nigeria may have to make further adjustments.

What puzzles many Nigerians and outsiders is the IMF's and World Bank's deafening silence on these developments. Was it wishful thinking or diplomatic understatement that led the IMF's senior Africa advisor, **Hiroyuki Hino**, to describe Nigeria's recent economic performance as 'uneven' to a conference organised by the daily *Financial Times* in London on 4-5 May? Some Nigerian delegates at the conference suggested the Fund and Bank fear that if they speak out too loudly, they'll be held responsible for any resulting political instability provoked by members of the outgoing military government. Yet others insist that failure by the Bank, Fund and foreign governments to speak out would weaken President-elect Obasanjo's government as it would be blamed for the economic crisis caused by the military's profligacy.

Kaduna-based veteran oppositionist **Balarabe Musa** has gone further, suggesting that the coming financial collapse is just one of a series of booby-traps set by military officers to undermine the incoming civilians. Other anti-military groups have already started referring to a 'coup by bankruptcy'.

At a donors' meeting in Paris on 9 March, Finance Minister **Ismaila Usman** made pledges to restore some order to government spending. Within days, though, the military government was again dipping in to the till, approving projects of dubious merit and of no particular urgency for some of the lesser government ministries, to a value of an astonishing N280.3 bn. (\$3.1 bn.). With Defence and other ministries also putting in sizable bids, alarm bells began to ring even in government at the prospect of imminent, total financial meltdown.

Walking capital

A special government committee to prioritise approved government projects awaiting funding was established to try to prune back the military's potentially catastrophic generosity. Those represented at the 22 April meeting included Planning Minister **Rasheed Gbadamosi**, Health Minister **Debo Adeyemi**, Solid Minerals Development Minister **Patrick Yakowa**, National Economic Intelligence Committee (NEIC) Chairman **Sam Aluko** and senior officials from the ministries of Power and Steel, Works and Housing, Finance, the Federal Capital Territory (FCT) and Central Bank. Gbadamosi, along with Finance Minister Usman, has been one of few ministers trying to keep spending within the limits of the IMF agreement.

However, with so many bogus and inflated proposals on the table, the meeting amounted to little more than a kind of lottery. Total spending was cut, but only to N63.3 bn. (\$703 mn.), a huge sum - even if Nigeria was not already in desperate economic straits and a new government about to take over - for which only token efforts at justification were made.

The Aviation Ministry wanted N34.6 bn. (\$384 mn.) for a new radar system, a project which, according to the official minutes, had 'been on the drawing board for some years now.' Nobody explained why this huge contract - some specialists reckon that Nigeria could buy adequate radar services for a third of the price - had suddenly become an emergency. The committee approved spending of N25.6 bn. (\$284 mn.).

The federal Ministry of Works and Housing, which had projects worth N9.8 bn. approved by Head of State **Abdulsalami Abubakar**, received N3.9 bn. (\$24.8 mn.) and a stern warning to 'change its orientation with respect to award of contracts', and to consider only those 'contractors with the requisite competence and integrity.' On what basis the Ministry had previously awarded

contracts was not made clear.

The FCT lost out, too. It had asked for a massive N36.4 bn. (\$404 mn.), including N5 bn. (\$55.6 mn.) for housing newly elected National Assembly members and N8.4 bn. (\$93 mn.) for completing a new international terminal for Abuja airport. **Ibrahim Aliyu**, Chairman of the once influential but now increasingly marginalised Programme Implementation Committee, which Abubakar had established to direct his agenda, pointed out that another proposal, for infrastructure at Gwarinpa, 'might be unnecessary, in view of the release of funds by the federal government to the federal housing authority for the same purpose.' The meeting cut the FCT's funding to N5.9 bn. (\$65.6 mn.).

The Ministry of Power and Steel was unintentionally transparent about its request for 'walking capital' of \$40 mn. for the notorious white-elephant Alscon aluminium smelting plant. The document was amended by hand to request the more technically appropriate, if less accurate, 'working capital'. Its massive subvention for N104 bn. (\$1.2 bn.) alone was reduced to N14.3 bn. (\$158 mn.).

At the FT conference, Vice-President-elect **Atiku Abubakar** said the incoming administration was not in a position to prevent such activities but pledged a review once the new government was in place. We hear Obasanjo has met Head of State Abubakar on the matter. On 5 May, Abubakar told a meeting of the full cabinet that he had reduced the emergency spending programme to N48 bn. (\$533 mn.) and ordered the Finance Minister to ensure that only projects directly related to the transition be implemented. But the damage may already be done.

There are signs that some of Obasanjo's advisors are trying to address the accountability issues. A team is already gathering information for a review of oil sector policy, including marketing. They want to sell crude more directly to end-users and cut out the system of middle-men and sponsors for lifting contracts. Past efforts to limit sales to end-users have failed because traders have been ready to pay more commission to influential backers in Nigeria's political and military establishment than the end-users. Nigeria's equity crude market remains the preserve of seven traders - Addax, Arcadia, Attock, Glencore, Marc Rich, Trafugura and Vitol. Any attempts to change this system would cut into the commercial interests of many senior officers.

SOUTH AFRICA

Compulsory coalition

KwaZulu-Natal's political leaders insist that power-sharing will stop the violence

The people of KwaZulu-Natal (KZN) will cast their votes on 2 June, in national and provincial elections. However they vote, their party leaders have decided that their province will be ruled by a coalition for the next five years. The deal, between **Thabo Mbeki**, President of the African National Congress, and Chief **Mangosuthu Buthelezi** of the Inkatha Freedom Party, means that the electorate can choose only which party dominates the coalition in the most populous, and the most violence-prone, of South Africa's nine provinces.

Both Mbeki and Buthelezi have appealed for tolerance, but the fearful history has not been buried. The province is still divided into party fiefdoms where rivals dare not enter. In the month before the 1994 elections, an average of ten people died each day in

Uneasy peace

The Zulu people are proud of their reputation as fighters, which is sadly confirmed by the history of their region. Historic Zululand, incorporated wholesale into the white-ruled province of Natal, regained a nominal identity in 1970 when the Zululand Territorial Authority began to function. The apartheid government, under its Bantu Authorities Act, intended to create a puppet Zulu 'homeland', with 48 major pieces of territory and more than 100 smaller so-called 'black spots' scattered amid white-owned towns, farms and sugar estates.

But the wily Chief **Mangosuthu Buthelezi**, elected as the territory's chief executive officer, had other ideas. He was determined not to see his people shuffled out of the South African mainstream and into a bantustan. Encouraged by the exiled African National Congress, Buthelezi (who is related to the Zulu royal family) in 1975 transformed Inkatha, a Zulu 'cultural organisation', into the Inkatha Freedom Party (IFP) - a legal body, pursuing the aims of the banned liberation movement. Buthelezi and Inkatha successfully resisted the pressure from Pretoria to accept 'independence'.

But Inkatha was as much Zulu as South African. There was an awesome falling out with the ANC, many of whose leaders were from the rival Xhosa people. From the early 1980s onwards, KwaZulu-Natal became a killing field in which thousands died. Elements in the apartheid regime's brutal security services armed and backed Inkatha's

fighters, in order to damage the ANC. President **Nelson Mandela**, on his release from prison in 1990, tried to try to bury the hatchet, and failed. Yet when open elections were at last held, and a Government of National Unity was formed, Buthelezi accepted cabinet representation for Inkatha, and served as acting president on more than a dozen occasions when both Mandela and Deputy President **Thabo Mbeki** were out of the country.

Mbeki, following Mandela's lead, has sought to accommodate Buthelezi. Gradually, the endless behind-the-scenes talks paid off, and violence began to recede in KZN. The emerging plan was that the ANC and IFP would jointly govern KZN, with the IFP getting a share of the ANC's power on the national scene. But by drawing closer to the ANC, the IFP risked losing its identity. Pact or no pact, the two parties are now fighting for control of KZN. Old animosities simmer just under the surface, threatening to spill over once more into violence.

Meanwhile a potentially dangerous newcomer has come on to the scene, the United Democratic Movement. The UDM's leaders are **Bantu Holomisa**, formerly military dictator of the (Xhosa) Transkei homeland, and **Roelf Meyer**, a former National Party cabinet minister. ANC and UDM supporters have clashed already, not only in KZN, but also in the Western Cape. Political violence has not yet gone away but the province is in better shape than five years ago.

politically-motivated crimes. The election itself involved obvious irregularities, and its confirmed (but not undisputed) result was a narrow 50.3 per cent majority for Inkatha, with 32.2 per cent for the ANC.

The opinion polls suggest that, this time round, the ANC will emerge as the province's largest single party, with about 38 per cent of the poll, the IFP trailing badly at about 20 per cent. Just possibly the ANC's share might rise above 50 per cent, once the 25 per cent of voters who are undecided or undeclared have made their choice - but fear, and the high proportion of voters in remote rural areas, make opinion polls unreliable in KZN. Past polls have tended to under-estimate support for the IFP. However that may be, a coalition is thought indispensable to the maintenance of relative peace.

So far, inter-party violence remains well below the level of 1994. But a recent worsening of ANC-IFP relations has raised fears that it could pick up in coming weeks. As if to forestall damage, the National Director of Public Prosecutions, **Bulelani Ngcuka**, a subtle former ANC politician, recently ordered a raid on the home of **Nyanga Ngubane**, a senior IFP man who is the province's Minister of Safety and Security.

Death squads

Ngcuka also put two other prominent provincial politicians on notice (via leaks to the press) that they too could face arrest. One is **Zweli Mkhize**, the ANC boss in the party's KZN Midlands stronghold. The other is **Philip Powell**, a security policeman during the apartheid era and now an IFP politician. Powell's ANC detractors suggest he knows more than he admits about several tons of weapons, which were advanced to Inkatha by ex-Colonel **Eugene de Kock**, who ran the apartheid state's main death squad operation. Detractors also implicate Powell in the military training of IFP militants.

As *Africa Confidential* went to press, local and national security officials were considering how best to police the province over the election period. As many as 60,000 police and troops could be

deployed, so the ground would be well covered. But the security forces complain of the lack of good operational intelligence making it hard to establish targets.

ANC-IFP relations have got worse this year, since Buthelezi dismissed the provincial Premier, **Ben Ngubane**, a thoughtful IFP politician who had worked with like-minded ANC leaders to reduce tension. His replacement is **Lionel Mtshali**, an Inkatha hard-liner who served briefly and controversially as Minister of Arts, Culture, Science and Technology in the Government of National Unity (GNU). Buthelezi apparently intended him to firm up the IFP's organisation and support, which had softened since peace broke out between the IFP and ANC at national government level, and the ANC gave Buthelezi the prestigious title of acting president. That happened in 1996, when the National Party, then led by **Frederik de Klerk**, left the GNU, and the ANC (Mbeki in particular) was keen to keep the IFP within the GNU.

Once the election is out of the way, Mtshali seems unlikely to remain head of the IFP in the province. The ANC blames him for damaging its careful peacemaking, and he made a mess of his last ministerial job, but to keep him out of harm's way he could be restored to the national cabinet as one of Buthelezi's nominees in an ANC-IFP national coalition; or be given an obscure diplomatic post.

If the ANC does lead the KZN coalition, Mtshali's successor as provincial premier will probably be **Sibusiso Ndebele**, who heads the ANC's provincial list. He has a cool head, and would be instructed to avoid triumphalism both by Mbeki and by **Jacob Zuma**, the ANC's Deputy President, a Zulu who has done much to pacify the province. Zuma is tipped to take over from Mbeki as South Africa's First Deputy President, with Buthelezi as Second Deputy President. The ANC's other key leaders in KZN would be the Midlands boss **Zweli Ngubane Ngubane** and **Bheki Cele**, the provincial Spokesman on Safety and Security.

The ANC seems to believe it can outlast Inkatha. Buthelezi, aged 71 and suffering from diabetes, is tired, according to senior IFP colleagues. When he goes, his party will lose much of its force.

ANGOLA

Oil-fired warfare

Luanda is tying new investments in its oil sector to arms procurements

As the government's economic and military position worsens, its leading apparatchiks are finding ever more innovative ways of financing the war effort. The latest strategy, we hear, centres on marketing equity stakes in new oil fields to companies specialising or linked to defence and security services. For over a year, foreign oil companies have been trying to finalise negotiations to secure licences for three ultra-deep-water oil blocks, thought to contain the largest untapped reserves being offered for exploration anywhere on earth. The government is hoping to reap more than US\$800 million in signature bonuses from the operating companies and their equity partners in these blocks. Much of this will be funnelled into the war, specifically to arms procurement.

Luanda has already appointed the leading operator in each block: **British Petroleum-Amoco** (26.6 per cent in Block 31); **Elf-Aquitaine** (30 per cent in Block 32); **Exxon** (35 per cent in Block 33). Yet the final agreements, and the handing over of signature bonus cash, are being held up as the government chooses the remaining equity partners in each block. The interest of both oil and arms traders focuses on three companies - Pro-Dev, Falcon and Naphta - which have links to defence and security specialists but little apparent expertise in upstream oil production.

Swiss-based Pro-Dev has been awarded a 15 per cent stake in Elf's Block 33, though only minimal public information is available about the company. It is owned by a **Syrian** businessman who has mediated in substantial arms deals between British Aerospace (BAe) and several Middle Eastern governments. Industry sources tell us that Pro-Dev has been offering similar services to the Angola government and that its equity share in Block 33 would be part of a medium-term payments guarantee structure. BAe categorically denies it has reached any arms supply agreement with Angola or that it has approached Britain's Department of Trade and Industry about processing the appropriate export licences. However, a company spokesman did confirm that it was in purchase negotiations with **South Africa's** Denel Corporation, the other company named in Pro-Dev's procurement arrangement. Elf officials say they know nothing about Pro-Dev's track record.

More is known about Naphta (holding a 5 per cent stake in Block 33), which is 49 per cent owned by Houston-based Isramco, and has long-standing links with Levdan, a private security company owned by former General **Zeev Zahrine**. Isramco also has a diamond-buying arm which has been active in Angola. After he retired from the **Israeli** army, Zahrine helped, among other things, to train soldiers in **Congo-Brazzaville** and is believed to be trusted by both Luanda and the Israeli government. In 1997, Naphta purchased the government's holding in the Israeli National Oil Company and Naphta Chief Executive **Yossie Levy** acknowledges it paid Zahrine's Levdan about \$300,000 'when they bought us the project in Congo'. Luanda sources say that Levdan still provides security services for President **João Eduardo dos Santos'** government.

Even more dispersed are the operations of Falcon Oil and Gas (holding a 10 per cent stake in Block 33). Based in West Virginia,

United States, Falcon is linked to two businessmen active in Luanda - a Paris-based **Brazilian, Pierre Falcone**, and '**Mosquito**', who represents the commercial interests of a senior member of Dos Santos' government. Falcone has excellent financial and intelligence connections in Paris; he played a major role in helping to arrange an oil-based pre-financing deal involving Swiss-based oil trader Glencore and **France's** Paribas on behalf of Luanda. The deal, mediated by former Paribas executive **Jean-Didier Meill**, who has since moved to Glencore, helped free up funds for major arms purchases from **Russia's** Rosvooruzhenie.

Worried about the ramifications of such an equity partner, Exxon contacted a senior US government official and was 'reassured' that Falcon's background was well known to Washington. Less well known, perhaps, are the activities of **Nigerian-born** oil trader **Diende Fernandez**, who stopped over in Europe in early May to tell oil company executives that he had the authority to sell the final equity positions in the three major oil blocks, and was also authorised to trade in Angola's diamonds (AC Vol 40 No 8).

Against this backdrop, the economic position grows increasingly desperate. Foreign suppliers wait to be paid for goods shipped long ago (some angry creditors have hired asset-tracing companies to claim from government bank accounts); teachers and doctors have not had their salaries; and businesses are unwilling to take on new government contracts.

Oil output of 780,000 barrels per day produces little revenue. Angola has borrowed heavily, using future oil production as collateral, so most of today's production goes to repay loans taken out earlier (and often misused). Almost every oil cargo this year, with oil prices close to \$10 per barrel, went directly into repayments on earlier loans, leaving almost nothing for the pot.

Murky money

Past oil-backed loans have come in all shapes and sizes. Four previous *Union des Banques Suisse* (UBS) facilities, and others arranged by Paribas, *Banque Nationale de Paris*, *Société Générale* and Bankers' Trust, have typically involved advances of \$300 mn., repayable over three years or less. Interest rates have usually been high, at two percentage points or so above the benchmark Libor rate. Other loans (including some backed by the US Exim Bank) have been taken to finance oil-related matters such as Sonangol's equity participation in production projects, and are repayable over longer terms.

Other oil-backed loans, such as one from **Japan's** Nissho Iwai last year for the purchase of aircraft for the state airline, TAAG, are harder to trace. The figures are murky and complex. Sonangol likes it that way, as part of a network of secret funding which has allowed it to move money around beyond the prying eyes of bodies such as the treasury and International Monetary Fund.

At the last count, roughly three years' worth of future oil production was earmarked for loan repayments. The investment banking arm of UBS, Warburg Dillon Read (WDR), has been trying to put together a new syndicated loan of \$500 mn., partly to salvage Angola's credibility by stretching repayments of earlier credits beyond the three-year horizon. But the UBS/WDR loan is being restructured and repriced. Bankers were keener to lend in 1997, when oil prices were high, huge new discoveries were being made and the 1994 Lusaka peace accords were still taken seriously.

Lenders to the government dislike the recent successes of the *União Nacional para a Independência Total de Angola*. Since December, two offensives by **João de Matos' Forças Armadas Angolanas** (FAA) on **Jonas Savimbi's** headquarters at Andulo and

Bailundo have resulted in bloody defeats; in former strongholds such as Malanje and Cuito the FAA have allowed UNITA to move in and shell the cowering populations.

Angolan budgets are usually read as pure fiction but the provisional 1999 budget, approved by the council of ministers at the beginning of April, frankly admitted difficulties. 'Angola's access to external financing is almost at its limit,' said the preamble. 'Lines of credit from **Portugal** and **Spain** are blocked because there is no oil to service them for now; commercial lines of credit are over-saturated.'

The budget admitted that a deficit of nearly 30 per cent would be financed largely by 191 trillion kwanzas of 'internal financing', equivalent to almost 7 per cent of government receipts. Angola uses no inter-bank instruments such as treasury bills, so 'internal financing' means 'printing money'. In the past week the rate of exchange has slipped from Kwz1.4 mn. per dollar to Kwz1.5 mn.; and the fall continues, further confusing the translation of the budget's figures into real money.

Last year, during the relative peace following Lusaka, the government forced down the annual inflation rate to 135 per cent; it had been in the thousands during the war-stricken years of 1993-1994. An extra consequence of the renewed war is that inflation seems to be blossoming again, despite the clean-up efforts of a new economic team led by Central Bank Governor **Aguinaldo Jaime** and **Joaquim David**, previously head of Sonangol and now in charge of the 'super-ministry' of Finance.

Oil may yet again come to the rescue. The budget was built around what seemed a realistic oil price forecast of \$9 per barrel. If prices had stayed there, Sonangol would have needed to refinance its old loans with new ones, or ruin its reputation by defaulting on some earlier oil-backed loans. Sonangol's reputation is all that enables Angola to borrow sums such as the \$602 mn. of new external financing needed to fund the 1999 budget deficit.

Just in time, the price of oil rebounded, with help from a recent deal by the Organisation of Petroleum Exporting Countries to cut world production. Angolan crude is traded at a small discount on the world benchmark Brent blend, which this week fetched almost \$15 per barrel. If this lasts, and even if the UBS/WDR deal falls through, Sonangol will probably be able to raise less ambitious loans from adventurous bankers in Europe and elsewhere. Bankers have in the past been unwilling to lend money against prospective increases in oil production capacity - so, as Angolan production rises, the receipts from the extra volume are not already committed to the repayment of previous loans. The rate of production rose last year by around 60,000 b/d, with another 100,000 or so due this year and more to come in 2000.

TANZANIA

Island initiative

A new agreement promises to end the political paralysis in Zanzibar

After four years of political stalemate, and three years of hard work by the Commonwealth Secretariat, a new agreement - still not formally signed - lays the groundwork for normalisation in Zanzibar. The disruption began with the 1995 elections, and the declared victory of the *Chama Cha Mapinduzi* under **Salmin Amour**. The

Zanzibari opposition Civic United Front, led by **Seif Shariff Hamad**, refused to accept that result. Ever since, accusations of human rights abuses have rained down on President Amour's government, which has in turn accused the CUF and its supporters of everything including treason.

The new agreement has been drawn up by **Moses Anafu**, a special envoy of Commonwealth Secretary General **Emeka Anyaoku**. It provides that:

- The CCM and CUF will work together to ensure that the will of the electorate is respected at the elections in 2000;
- The Zanzibar Electoral Commission will be reformed, and all parties will have equitable access to the media;
- An independent assessor and a committee of retired civil servants will examine claims for compensation by property owners and civil servants who say they suffered damage or dismissal during the recent controversies;
- CUF members will resume their seats in the Zanzibar House of Representatives, and the President will appoint two extra CUF members, bringing their total up to 26, against the CCM's 47 (which includes 21 presidential nominees);
- An inter-party committee of MPs will help to implement the agreement.

Big obstacles to the agreement's success remain. The 18 CUF leaders, including four MPs, have been in gaol for 14 months on allegations, among other things, that they planned to recruit a 'Blue Guard' revolutionary army of retired soldiers. The full charges were revealed to defence lawyers only in February, after the accused had spent a year in prison, and the legality of the process has been widely criticised at home and abroad. The agreement fails to mention the proposed trial - Anafu, the Commonwealth mediator, said it was a 'completely domestic local issue'. But the agreement does state that the judiciary is to be reformed.

Graver problems may arise from the reaction of President Amour and his unreformed CCM. The agreement was initialled by Anafu for the Commonwealth, by **Abubakar Bakari** for the CUF, and by **Kingunge Ngombali-Mwiru** for the CCM. Bakari is a Zanzibar MP, and his party has welcomed the agreement. Ngombali-Mwiru, though, is not an islander but the Union Minister of Regional Administration. For ten days after its publication, Amour's island branch of the CCM said nothing about the agreement; as recently as March, Amour declared that Zanzibar's problems would be solved within the country, not by outsiders. President **Ben Mkapa**, whose own political position is much strengthened by the agreement, may have to remind his party colleague that, when it comes to economic recovery, outsiders' opinions matter.

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Pointers

ZIMBABWE/CONGO

Big Wheels

The news that creditor banks met to discuss the future of well connected Zimbabwean entrepreneur **Bill Rautenbach**'s Hyundai Motor Distributors in **Botswana** raises questions about his continuing operations in Congo-Kinshasa. Johannesburg financial sources tell us several creditor banks - including First National Bank, ABN Amro, Absa, WestBank, *Banque Belgoise* - met Rautenbach at the Sandton Hilton on 5 May to discuss HMD's indebtedness. **South Africa**'s First National Bank deputy managing director **Alex Park** said 'We have been perfecting undisputed claims to our security.' HMD is part of Rautenbach's 'Wheels of Africa' empire, based in South Africa but ultimately owned by a holding company in the **British Virgin Islands**. We were told that there were serious concerns about the valuation of assets on which Wheels of Africa's credit lines were based. Neither Rautenbach nor his partner **Nissim Franco** were available for comment on Wheels' financial position.

Rautenbach has close personal ties with Zimbabwe's Justice Minister **Emmerson Mnangagwa**, who also manages the business holdings of the ruling Zimbabwe African National Union and has been the main strategist, along with President **Robert Mugabe**, of Harare's intervention to shore up **Laurent Kabila**'s government.

Astutely using his political ties with Harare, Rautenbach started discussions on business projects with Kabila to reinforce the Zimbabwe-Congo axis. And when Kabila was in Harare in November, he appointed Rautenbach chief executive of Congolese state-owned *Gécamines* and sold (for an undisclosed sum) 80 per cent of the company's *Groupe Central*, to Rautenbach's Virgin Islands-registered Ridgpointe.

We hear Rautenbach's other operations in Congo, such as supplies, logistics and transport, alongside companies such as Zvinavashe Transport (owned by the brother of Army Chief of Staff Lieutenant General **Vitalis Zvinavashe**) are faring better than *Gécamines*. One business source suggests that Rautenbach might be able to find help from fellow Zimbabwean entrepreneur **John Arnold Bredenkamp**, who is back in favour with the ZANU government, having been accused of busting United Nations sanctions against **Ian Smith**'s regime and subsequently against the SA apartheid regime. Not only is Bredenkamp active across many sectors, including arms supply to Congo-K, he has very deep pockets. A business associate claims that an entry in the UK *Sunday Times* 'Rich List' which puts Bredenkamp's personal wealth at £350 million (US\$560 mn.) is a 'considerable underestimate'.

SUDAN

Lightning strike

A series of opposition victories against the National Islamic Front government has prompted Khartoum to delay 'negotiations' in Nairobi under the auspices of the Inter-Governmental Authority on Development. In a lightning attack (reportedly seven minutes long) the National Democratic Alliance has recaptured a key base near Kassala. In an operation codenamed 'Lions of the East', Beja Congress, Democratic Unionist Party, Sudan Alliance Forces and Sudan People's Liberation Army took Telkuk on 9 May, six months after it had fallen to the NIF.

The Joint Command's success came a month after NIF forces suffered defeat at the hands of the SPLA's 13th Division in southern Blue Nile. The NIF's surprise dry-season offensive that began in December ended in disaster for a force besieging the strategic SPLA garrison of Ulu. According to SPLA area commander **Malik Agar**, Khartoum threw in 23 battalions (of circa 600 exclusively regular troops each), only to see 11 destroyed, 16 senior officers killed and two working T-55 tanks captured in the final battle outside Ulu.

Though the government offensive began well, capturing some SPLA positions, it met stiff resistance at Ulu. Malik says SPLA forces there held out for over two months by digging themselves in to trenches many metres deep. SPLA reinforcements, with government tanks and guns captured early in the war, then laid siege to the government's own siege forces: approaching not from SPLA territory but circling around and attacking NIF forces from the rear, using the government's own road from Ed Damazin as if they were government forces.

Malik claims he offered the army safe passage if it left without tanks, rifles or ammunition but it was ordered to fight on and, he says, was 'annihilated'. More than 400 men died and afterwards, 'You couldn't even find a spare part. Everything was destroyed. Very few men escaped.' **Ethiopian** forces have intervened to support the Sudanese opposition several times this year but this time were not called on.

In a parallel offensive in the Nuba Mountains (AC Vol 40 No 7), government forces have failed to capture the handful of airstrips that permit the Nuba to resupply their embattled region. SPLA Commander **Youssef Kuwa** told *Africa Confidential* eight attacks on the airstrips have been repulsed. He said government forces appear poised for another push (despite heavy losses) in the month left before the dry season ends.

Commanders believe the NIF offensive in the 'transitional zone' and the east began earlier than usual in the hope of catching the opposition unaware, enabling it to go to the IGAD talks with only southern Sudan on the agenda. The

opposition victories were followed by Khartoum cancelling the last IGAD meeting at the eleventh hour. Its subsequent proposal of talks on 10-16 May, the week of SPLA anniversary celebrations, confirmed the SPLA in its belief that the NIF is reluctant to return to the table while the military status quo remains unchanged. In turn, the SPLA then proposed the last week of June for talks, the anniversary of the NIF coup. Khartoum refused. Talks are not expected to resume before mid-July, at the earliest.

WEST AFRICA

Publishing pearl

Several heavyweight **Nigerian** and **Ghanaian** business consortia are bidding for control of 82 year-old, London-based *West Africa* magazine, which on 24 March went into compulsory liquidation, following the non-arrival of funds from the Abuja government, indirectly the magazine's owner. One bidder, we hear, represents the interests of Major General **Aliyu Mohammed Gusau**, head of military intelligence under Gen. **Ibrahim Babangida** and a kingpin in Gen. **Olusegun Obasanjo**'s election campaign. Despite the efforts of editorial and managerial staff to reestablish some credibility, the appointed liquidator, **Stewart Paired** of Kidsons Impey, has been receiving bids for the title (deadline 15 May).

Liquidation sets *West Africa* free of a crippling debt burden of about £850,000 (US\$1.36 million). This doesn't include a paper debt of over £500,000 (\$0.8 mn.) owed to its parent company, the *Daily Times of Nigeria*. Information Minister **John Nwodo** announced in November that the *Times* (and hence *West Africa*) would be privatised and asked the Head of State, Gen. **Abdulsalami Abubakar**, for £800,000 (\$1.28 mn., of which half urgently, to prepare the West Africa Publishing Company for privatisation.

But Finance Minister **Ismaila Usman** opposed the grant, as he felt too much government money had been put into *West Africa* in the past - notably £1.3 mn. (\$2.08 mn.) in 1992-93, when **Tola Adeniyi** was *Daily Times* Managing Director, and Reverend **Tunde Roberts** was in charge at *West Africa*. This period was investigated by the *Daily Times* in 1994-95 and was part of an inquiry into the *Daily Times*' debts commissioned by the then Information Minister, **Walter Ofanagoro**, in 1996. Neither report was made public. Roberts remains an ordained Church of England minister.

Under Gen. **Sani Abacha**'s rule, the paper was left slowly twisting in the wind. The sporadically and poorly paid journalists staged one-day-a-week strikes, supported by **Britain**'s National Union of Journalists. While the Nigerian government cannot bid for the title, two of President-elect **Olusegun Obasanjo**'s closest aides are former editors, **Ad'Obe Obe** and **Onyema Uguchukwu**.

AFRICA CONFIDENTIAL

ZAMBIA

3

Down, not out

Zambia has little to show to the Paris Club meeting this week. Ironically, the government now finds it easier to talk about human rights than about financial matters. The privatisation of the copper mines has still not happened and a massive fire at the country's oil refinery has affected the world price of copper.

GHANA

4

Reforming the reformers

The ruling NDC is now finding its own dissidents a bigger threat than the official opposition. At the heart of NDC dissent is speculation about Rawlings' future: is he really going to retire in December next year?

TANZANIA

5

Divided republic

As Tanzanians wait with bated breath for the signature of the Zanzibar agreement, President Ben Mkapa tries to reassure donors with his 'clean hands' campaign.

MALAWI

6

Muluzi's democracy test

Malawi's second multi-party elections are set to be a close run race. The late dictator Dr Hastings Banda's old single party has now formed an alliance with a party it had banned when it was in power.

POINTERS

8

Sierra Leone, South Africa/Nigeria and African Development Bank

Recalcitrant foes; smear campaign; and replenishment.

SOUTH AFRICA

Gauteng for Mbeki

The election of a provincial prime minister may give a foretaste of future politics

The smallest and richest of South Africa's nine provinces seems certain to give the ruling African National Congress a solid majority at the national and provincial elections on 2 June. Yet the arm-twisting which the party has used to pick its provincial leadership has put on show some problems that will be faced again and again by **Thabo Mbeki**, President **Nelson Mandela's** chosen heir as leader of the party and the nation.

Gauteng Province covers what used to be known as the 'Pretoria Witwatersrand-Vereeniging Triangle', the country's commercial, industrial, mining and financial hub. PWV's new name means 'place of gold' in the Sesotho language and at the centre of this hub is Johannesburg. Nowadays, Gauteng is home not only to the Basotho but to one fifth of the country's population and it produces two-fifths of its gross domestic product. Suitably enough for such a concentration of industry, the man Mbeki has installed as provincial ANC leader, and thus the next provincial premier, is a trades union leader - **Mbhazima** (formerly **Sam**) **Shilowa**, outgoing General Secretary of the Congress of South African Trade Unions (Cosatu).

To make room for Shilowa, Mbeki's party faction has ditched **Mathole Motshekga**, the current ANC Premier of Gauteng. Motshekga himself succeeded **Tokyo Sexwale**, who left the premiership abruptly in early 1998. Sexwale's mistake was to expose himself as a possible successor to Mandela in preference to Mbeki. Motshekga's error was to stand for the Gauteng premiership - and to win - against Mbeki's choice for the job, Reverend **Frank Chikane**, the former church leader who is now Director General of Mbeki's office.

Action and faction

Motshekga also made some unfortunate allies, the most important of whom was **Dan Mofokeng**, the provincial executive councillor in charge of housing, who has faced several (unproven) allegations of corruption, provoking vast press coverage and an ANC inquiry. Last week the ANC's national leadership struck Mofokeng's name off the party's list of candidates for the Gauteng legislature, at the same time inserting Shilowa's name at the top of the list, above Motshekga's. Allegations of ineptitude and corruption have haunted Gauteng's administration since 1994, contributing to a steady decline in the provincial government's approval rating among voters, from 61 per cent in surveys in late 1995 to 35 per cent now.

It was widely assumed that by intervening openly in provincial affairs, the ANC would put voters off. The reverse seems to have happened. The pollsters suggest that the ANC would now be supported by 48 per cent of the province's adult population, up from 39 per cent in September last year. This surge in ANC support should carry the party's share of the vote in the Province well beyond the required 51 per cent; and Mbeki's decision to replace Motshekga by Shilowa is expected to improve the party's chances.

The original idea was that provincial premiers would be chosen by provincial legislatures. Now the ANC's national leadership has changed the rules and simply tells provincial councillors who to vote for - except where the party lacks an overall majority (as, probably, in Western Cape Province, AC Vol 40 No 9), when the choice is left to the legislature. The ANC's National Executive Committee is determined to block ambitious politicians, who might spread what the leadership calls 'factionalism'. For the elections on 2 June, three provincial premiers have been deposed. The risk is that local branches will resent intervention by headquarters, though in Motshekga's case, his backing seems to be weaker than his supporters claimed.

Shilowa has for some time been part of Mbeki's political inner circle and has sought, not always successfully, to ease relations between Mbeki and the ANC's intimate allies, Cosatu and the South African Communist Party. Last year, as left-wingers moved against Mbeki's faction, Shilowa lost his place on the SACP Politbureau and came under increasing pressure within Cosatu. He may be

replaced as Cosatu's General Secretary by **Zwelinzima Vavi**, an anti-Mbeki member of the SACP Politbureau, although moderates in Cosatu may put forward their own candidate.

Shilowa, who wears a **Lenin**-style cap and projects himself as a man of the people, is a good performer on the hustings. Soon after his appointment as the ANC's candidate for the premiership, it was revealed in the press that he had four debt judgments against him in court, totalling over 440,000 rand (US\$71,000). He is married to one of South Africa's top black businesswomen, **Wendy Luhabe**, and they have a large home in Johannesburg's expensive northern suburbs. However, his luxurious lifestyle, which includes Audi cars and expensive cigars, is not likely to deter many voters.

Motshekga, the man Shilowa replaced, has had his own share of bad publicity, including unproven accusations that he misused donor funds at a law clinic he ran during the apartheid years. At the start of his premiership, critics also remarked upon his long-standing relationships with **Abel Rudman**, an apartheid-era military intelligence agent and businessman, whose operations in **Botswana** included, briefly, running an anti-ANC newspaper; and with Professor **André Thomashausen**, of the University of South Africa in Pretoria, a former adviser to the *Resistência Nacional Moçambicana*, the Mozambican rebel movement which South Africa then backed, during **P.W. Botha's** presidency. An ANC internal inquiry concluded Motshekga's management of donor funds had been abysmal but made no finding on whether he had had a relationship with apartheid-era security services.

It seems, anyway, that the people of Gauteng are not very keen on voting. Polling organisations indicate that the lower the turnout, the higher the ANC's share of the vote will be. Given that one in four adult citizens has failed to register on Gauteng's electoral roll,

and that by no means all those registered will vote, the ANC is expected to garner well over half the votes cast. Of the 23 per cent whom polls have found to be undecided, most of those who do vote will probably vote ANC.

Shilowa will have trouble identifying able and reliable colleagues. One with a reputation for probity and hard work is **Jabu Moleketi**, the executive councillor in charge of finance. His wife is **Geraldine Fraser-Moleketi**, the national Minister of Social Welfare, and he worked in the ANC's security and intelligence department in **Zimbabwe** under the name 'Raphael' during the late 1980s. Both husband and wife are senior members of the SACP (Fraser-Moleketi is its Deputy Chairperson) but their primary loyalty is thought to be to Mbeki. Another pretty able colleague on the ANC's Gauteng list is **Mary Metcalfe**, who has held the provincial education portfolio.

Shilowa's ANC government in Gauteng is likely to be more sharply opposed than its predecessor. The Democratic Party's provincial leader, **Peter Leon** (brother of DP leader **Tony Leon**), can be a ferocious political opponent. At the last elections five years ago, the DP won 5 per cent of the provincial vote; the polls are now giving it 12 per cent. The DP is likely to take over as the official opposition from the New National Party, whose support has slipped from 24 per cent at the last polls to about 6 per cent now.

Support in Gauteng for Chief **Mangosuthu Buthelezi's** Inkatha Freedom Party (AC Vol 40 No 10) seems to have collapsed, from 4 per cent five years ago to an estimated 1 per cent now. The new United Democratic Movement (UDM), led by General **Bantu Holomisa**, formerly boss of the Transkei 'homeland', and ex-National Party minister **Roelf Meyer**, registers less than 3 per cent support. The ANC may have a fairly clear run but winning the provincial election is only the beginning.

Figuring it out

Up to 2 million fewer votes may be cast in the national and provincial elections on 2 June than in the 1994 polls, which ended the apartheid era. Some opposition politicians claim the shortfall could be 5 million, now the excitement of the 'Uhuru elections' has faded into apathy. They note that government has excluded certain categories of voter. Total eligible voters in 1994 were estimated at 22,709,152, of whom 19,533,498 or 86 per cent voted. Blacks Africans, three-quarters of the 41 million population, had not previously been entitled to vote, so were not on the electoral rolls. Anyone who turned up at any polling station in 1994 could cast a vote with rudimentary identity documents.

The system has been tightened up and a national electoral register compiled. The Independent Electoral Commission estimates there are 22.8 mn. electors, though population increase should have brought the total to some 24.8 mn. Yet the IEC excluded 1.358 mn. citizens who don't possess the new bar-coded identity documents, as well as 581,000 permanent residents who have not taken South African citizenship - a total of 1.939 mn. Some sceptics dispute the IEC's claim to have registered 18,172,751 (just over 82 per cent) of the 22.8 mn. eligible voters.

The courts have been busy; the judges cancelled the IEC's proposal to exclude 150,000 prisoners awaiting trial; and after losing their appeals, some opposition spokesmen still insist that excluding voters without bar-coded identity cards - many of whom are white - will benefit the African National Congress. After much debate, it was agreed that the 97,000 South Africans who live permanently abroad can vote if they register at South African missions. The IEC Chairperson, Judge **Johan Kriegler**, resigned after a dispute with the authorities, further adding to potential post-election controversies.

International observers will witness the polls but there'll be far

fewer of them than in 1994. Most results should be out by late afternoon on 4 June, with final results, as the constitution requires, by 9 June. Each voter can cast two ballots: one for the National Assembly, one for candidates for the nine provincial legislatures. A total of 916 seats is at stake: 400 in the National Assembly, 90 in the National Council of Provinces (formerly the Senate), 426 in the provinces. Roughly one provincial seat is allocated for every 100,000 voters. KwaZulu-Natal (KZN) elects 80 members, Gauteng 73, Eastern Cape 63, Northern Province 49, Western Cape 39, North-West 32, and 30 each for Free State, Mpumalanga and Northern Cape.

The ANC is expected to win seven provinces. In KZN, it will probably overtake the Inkatha Freedom Party but still rule the province in coalition with its rival; Inkatha may also be included in a national unity government, with ministries for its leaders. In Western Cape the result is still open (AC Vol 40 No 9). Polls give the ANC at least 60 per cent of the national vote; if there's an ANC-IFP pact, the new government could muster the two-thirds majority needed to amend the constitution. The Democratic Party warns that the ANC might change the constitution to extend the presidential term from 10 to 15 years; to water down the Bill of Rights in order to fight crime; to encroach on property rights to help land reform; and to weaken institutions such as the Reserve Bank, judiciary and Auditor General. Mbeki's team knows though that such moves would dim South Africa's image as a model democracy - and alarm much-needed foreign investors.

Parliament will assemble on 14 June for members to be sworn in and the new President, presumably **Thabo Mbeki**, will be elected. He has the sole prerogative to choose his cabinet, which he could announce on 15 June or after his inauguration - and **Nelson Mandela's** farewell - next day at the Union Buildings in Pretoria.

ZAMBIA

Down, not out

The mines are still not privatised but the opposition is at last taking shape

Zambia had little to show the World Bank's Consultative Group in Paris on 26-28 May. The future of the government may hang on this meeting. International donors - including **Britain, Denmark, the Netherlands and Norway** - will decide whether to release the balance-of-payments support which they suspended in 1996, because of the government's poor record on human rights, governance and above all, economic performance. At the Consultative Group meeting in **France** last May, bilateral donors had insisted that their funds would not be released without improvements in human rights and full privatisation of the copper mines. On Wednesday night, donors seemed pleased with governance progress.

The main sticking point is Zambia's lack of progress with the privatisation of Zambia Consolidated Copper Mines. In January, **South Africa's** (now London-based) Anglo American Corporation, which owns 27 per cent stake of ZCCM, signed a memorandum of understanding to purchase its Nkana and Nchanga divisions. Yet the sale remains dependent on a due diligence study of the Nkana and Nchanga mines, and on finding an investment partner before October. Anglo has begun talks with **Chile's** state-owned Codelco over a joint venture to exploit the mines but hit by the slump in the world price of copper, Codelco lost US\$28 million in the first quarter of 1999 and insists that the talks are only preliminary. Anglo was still optimistic on 26 May. **Chinese and Polish** state companies have bought up other parts of ZCCM - hardly privatisation, some argue.

The World Bank's Country Director for Zambia, **Phyllis Pomerantz**, has tirelessly sought to impress donors with Zambia's recent record, even inviting them to a Bank-funded workshop in February in Lusaka. However, privatisation of the mines has been badly mishandled and the Chairperson of the negotiating team, **Francis Kaunda**, is partly to blame (AC Vol 40 No 6, no relation to Kenneth). Pomerantz prefers talking about economics than about governance and human rights problems, saying human rights are not the Bank's thing. Ironically, the Lusaka government now finds governance and human rights easier to discuss than the economic crisis it has created.

Human rights v. economics

The head of Zambia's delegation to Paris, Finance Minister **Edith Nawakwi**, has been showing donors a 113-page report on 'Governance'. *Africa Confidential* has a copy of this report, which promises reform of the police and the media, as well as the removal of 'certain derogations and restrictions that impede the full enjoyment of human rights and freedoms.' This could perhaps mean removing the citizenship clause which bars ex-President **Kenneth Kaunda**, leader of the opposition United National Independence Party, from standing again as President. It could possibly also mean lifting the ban on a third presidential term for President **Frederick Chiluba**.

The campaign for the presidential election of 2001 is already under way. Chiluba's Movement for Multi-party Democracy is

picking its candidate; the MMD Chairperson for Information and Publicity, **Vernon Mwaanga**, called a press conference in early May while Chiluba was abroad to confirm that the President could not constitutionally stand in 2001. On Chiluba's return the MMD's Lusaka District Chairperson, **Reuben Sunkutu**, said the party might have no choice but to field Chiluba, which would require a constitutional amendment. Chiluba himself has kept mum.

Most of the 37 registered political parties are 'briefcase parties', little more than one-person shows. Only three parties worry the MMD; rights monitoring organisation Human Rights Watch presented a memorandum to the donors in Paris which, along with other abuses, gave details of recent and systematic government harassment of these parties.

● UNIP: Kenneth Kaunda announced after his release from detention in July 1998 that he was retiring from politics. However, by January 1999, he had changed his tune, saying he had to carry on because of what was happening in Zambia. In fact, Kaunda had found himself the only unifying factor in his party, amid chaos caused by infighting between three factions - led by legal adviser Professor **Mavunga**, Party Secretary General **Sebastian Zulu** and by son of Kenneth, Major **Wezi Kaunda**. UNIP's respected Vice-President, Chief **Inyambo Yeta**, has stopped attending Central Committee meetings and has not fully recovered from his long detention in 1996, when he was held on charges (subsequently dropped) of supporting a bombing campaign.

Kaunda's return to the UNIP helm has brought greater internal discipline, plus victory in a fierce parliamentary by-election in Mbala Central in February, which boosted UNIP's morale. The National Salvation Party of **David Kasuba** merged with UNIP in May. At UNIP's National Council meeting in July, Kaunda is expected to win approval to lead the party in 2001. His return to active politics has also revived government harassment. On 31 March, his Zambian nationality (he was born in what is now **Malawi**) was again questioned, in court, under a petition by MMD supporters. Judge **Chalendo Sakala** of Ndola's High Court declared Kaunda to be stateless and ordered the Citizenship Board to quash his nationality. On appeal to the Supreme Court, a stay of execution was granted. That same day, as it entered his property, Kaunda's vehicle was fired on with an assault rifle. Kaunda is also believed to owe \$645,525 to his lawyers for fees to handle cases brought against him since 1996; he has recently made fund-raising visits to Britain and South Africa.

● United Party for National Development (UPND: this was formally launched in December and is led by **Anderson Mazoka**, formerly head of Anglo American's Central Africa Office and an MMD official; lawyer **John Mulwila** is Vice-President. Mazoka has attracted some impressive colleagues. They include **Sakwiba Sikota**, a human rights lawyer; **Standwell Mapara**, former National Party administrative secretary, as national Chairperson; **Emmanuel Kasanga**, economist; **Sipula Kabanje**, former chief of the Law Development Commission; **Love Mutesa**, ex-High Commissioner to London; **Azwell Banda**, ex-Zambia Democratic Congress Secretary General (now in South Africa); **Gerald Mutti**, ex-Zamcom head; **Alina Nyikosa**, former UNIP Central Committee member.

The Zambia Democratic Party recently merged with the UPND but Mazoka has ruled out wider mergers. The UPND attracts educated urban Zambians, and must widen its appeal to the rural areas and the deprived compounds of Lusaka and the Copperbelt. Its potential is shown by the increasing harassment and bureaucratic obstacles hurled at it by government officials. Mazoka has just

toured the **United States** and Britain to raise awareness of his party.

● **Zambia Alliance for Progress (ZAP)** is a merger, announced on 3 May, of six opposition parties and a pressure group: **Akashambatwa Mbikusita Lewanika's** Agenda for Zambia; the Labour Party; self-exiled **Rodger Chongwe's** Liberal Progressive Front; **Guy Scott's** LIMA Party; **Nevers Mumba's** National Citizens' Coalition; **Dean Mung'omba's** Zambia Democratic Congress; **Sylvia Masebo's** National Pressure Group.

None of the six parties has yet dissolved and ZAP is having problems getting formally registered. Agenda for Zambia and the ZDC each have two seats in parliament, which they would forfeit by dissolving themselves. A National Policy Council in June will draw up ZAP's programme of action, then a general conference will elect leaders, including a presidential candidate. The interim chairman, Mung'omba, is debilitated by his 14 months on remand and by the torture which followed a coup attempt (in which he was not involved) in October 1997. Mumba has been found to be in arrears of tax of \$1.5 mn. by the Zambia Revenue Authority. **Sylvia Masebo** of the National Pressure Group, who left the MMD in December, is an impressive campaigner with a following among women and may turn ZAP into a force to be reckoned with. Already her supporters have been harassed by police and her husband's house raided. She expects more such treatment.

The ruling MMD now faces three serious opposition parties, an economy in crisis and confusion over its own leadership. The economic crisis has been made considerably worse by the fire in mid-month at the **Italian-run** Indeni oil refinery at Ndola. Speculation abounds that **Angola** set the fire because it claims Lusaka supplies oil, among other things, to the *União Nacional para a Independência Total de Angola*: Western intelligence had already learned of such a plan and sternly warned Luanda off (AC Vol 40 No 5). Such arson would be counter-productive: the plant also supplies Angolan and **Zimbabwean** troops fighting in **Congo-Kinshasa**. Some oil sources put the fire down to poor maintenance and say Indeni will be out of action for months.

Chiluba had hoped that his shuttle diplomacy on Congo-K would win him friends; the USA is among those to have invested in his mediation efforts but few Zambians are impressed. Indeed, in his second term, Chiluba has won few friends at home or abroad. A run for a third term would be a gift to the opposition.

GHANA

Reforming the reformers

Schisms are growing in the ruling NDC - much to the delight of the opposition

Some 18 months before next year's elections, President **Jerry John Rawlings'** ruling National Democratic Congress is frenetically purging party ranks and has launched a full-frontal assault on a group of dissident NDC politicians known as the Reform Movement. For now, Rawlings-loyalists see NDC dissidents as a much greater threat to their election chances than the rival New Patriotic Party, under the leadership of Kumasi lawyer **John Kuffour**.

As this campaign heats up, there have been plenty of casualties, both political and economic. Reform-supporters have been sacked from civil service jobs and entrepreneurs who back them are being pressured by Rawlings-loyalists. Private employers and even

foreign governments are under pressure to sack or terminate the contracts of Reform-supporters.

At the heart of this row is speculation about Rawlings' future role: is he really going to retire from politics in December 2000, after almost two decades of power, or will he maintain a grip through his control of the NDC? Political sources say the succession issue isn't discussed within Rawlings' earshot and that his inner coterie is determined to ensure he remains the *de facto* ruler. This private debate worries not only Ghanaians but also foreign donors, led by the World Bank and International Monetary Fund, which since 1983 have been promoting radical structural economic reforms.

From being paraded as the donors' star example of reform in the 1980s, Ghana's economic record started slipping badly after a heavy bout of pre-election spending in 1992. This caused many people to question both the substance and style of World Bank and IMF-backed reforms in Africa. Even more serious has been the re-emergence of grand corruption in government and business ranks: it was his 'holy war' against graft that won Rawlings street credibility after he stormed to power on the back of a military coup on 31 December 1981. Despite his still passionate diatribes against corruption, Reform-activists say only low-level offenders are punished while big-time swindlers go free.

Losing touch

The Reform Movement's leaders helped to forge the NDC in the early 1990s out of the old Provisional National Defence Council, which had been the vehicle for Rawlings' idiosyncratic military rule since 1981. Having helped set up the NDC, they generally rejected offers of party or government jobs in favour of running their own private businesses.

Last July, they called publicly for reform of the ruling party (AC Vol 39 No 23), claiming that its leadership had lost touch with ordinary people. They argued that corruption and patronage had caused a crisis of morale in the NDC, some of whose leaders would not tolerate dissent or democratic debate, and were vindictive towards those who challenged them. The government's first response was to offer individual members of the Reform Movement lucrative jobs and positions. There were no takers. The NDC then tried to discredit the Movement's leading supporters.

The key issue on which the Reform-activists drew support was the future of the NDC's leadership and its flagbearer in the 2000 elections. Speculation about the presidential ambitions of Rawlings's wife, **Nana Konadu Agyeman Rawlings**, had reached fever pitch just weeks before the April 1998 visit of **United States** President **Bill Clinton** to Ghana. The President's wife, **Hilary Rodham Clinton**, makes no secret of her own political aims, which start with a senatorship in New York. And her husband, we hear, thinks highly of Jerry Rawlings and his help in West African matters.

Just before the Clinton visit, without consulting either his party or his inner circle, Rawlings had announced that his Vice-President, **John Evans Atta-Mills**, was his chosen successor, and would contest the next election as NDC presidential candidate. This was meant partly to reassure foreign donors, worried about the economic consequences of a third Rawlings term.

NDC activists expected the new party leader to be elected at the NDC's national delegates' congress due in mid-1998 but instead the leadership hijacked this decision. For the Reform Movement, this was the last straw. It published an open letter pointing out that, of the 20,000 NDC branches said to exist, only two were functioning

and that party democracy was dead. The public fuss made no difference. The party constitution in effect gives the executive a built-in majority at national congresses.

Moreover in many constituencies, pre-election meetings went unannounced, so only those with invitations attended. Voting (where it took place) was by acclamation. Where constituency meetings were properly constituted, there were arguments and in some cases violence when pro-Rawlings elements tried to force through the leadership's agenda.

At the December Congress, the NDC leadership amended the party constitution to create the position of life chairman and elevated Rawlings to it. That means that post-Rawlings, 'JJ' will be entitled to attend cabinet meetings and so preserve his influence. Prompted by the NDC executive, the Congress took away the constituencies' right to choose the party leader and handed the job to itself. Nomination of parliamentary candidates was already subject to the national executive's approval.

As the Reform activists challenged these moves, the government's Bureau of National Investigations started harassing the dissidents. In some regions, the BNI detained Reform-supporters and confiscated their literature. The NDC's anger flared publicly after businessman and Reform-spokesman **Augustus Obuadum 'Goosie' Tanoh** condemned the ruling party for corruption, intolerance and vindictiveness.

Cassava chips are down

In response, Rawlings-loyalists have accused Tanoh, who owns a cassava-exporting company called Transport and Commodity General, of commercial mismanagement. His associates say, though, that the real problem in his company is government interference. They say some officials from the office of First Lady Nana Rawlings tried to obtain details of Tanoh's company accounts and outstanding liabilities; officials from the Presidency (the Castle) are also said to be behind the State Insurance Corporation's refusal to back a new financing facility for T&CG.

More spectacular and more mysterious was the demolition by two lorry-loads of soldiers of a US\$5 million brand new hotel near Accra's Kotoka International Airport on 12 April. The Accra Metropolitan Authority, under the leadership of Rawlings-loyalist **Sam Addokwei**, claimed the hotel's owner, **Yusif Ibrahim**, had not obtained the necessary land registry documents before building the hotel. NDC dissidents say that activists in Nana Rawlings' 31 December Women's Movement predominate in the land registry and influence its operations.

Ibrahim isn't regarded as a dissident: he has a wide range of friends and business contacts, many of whom are linked to or serve in the NDC government. He is, however, a close friend of Ashanti Goldfields' Chief Executive **Sam Jonah**, who is also unpopular in the inner sanctum of the NDC.

Political sources say NDC leaders have never forgiven Jonah for turning down an offer to stand as Rawlings' running mate in the 1996 elections. A recent strike at Ashanti's Obuasi mine has also been blamed on NDC activists wanting to embarrass Jonah and damage the company. Further, senior NDC cadres have accused Jonah and Ibrahim of backing the enstooling (enthronement) of the new Asantehene, **Osei Tutu II**, rather than the NDC's preferred candidate as monarch.

Then there has been a series of sackings which some claim are politically motivated: **Peter Kpordugbe**, a popular figure associated with Reform, was dismissed as Director of the National Service Secretariat of the Education Ministry. **Wilfred Osei-Wusu** lost his

job as NDC Propaganda Secretary. He had been seconded to the NDC by Ghacem, a **Norwegian**-Ghanaian cement manufacturer which the government accused of helping to finance the Reform Movement. Shortly after he lost his party job, the government pressured the company and he lost his job there, too.

The *Ghanaian Palaver*, a weekly controlled by the NDC, strongly attacked Goosie Tanoh's brother, **Nathaniel Tanoh**, formerly Ghana director of WorldSpace, the US-based satellite broadcasting company of **Ethiopian-Sudanese** entrepreneur **Noah Samara**. The *Palaver* suggested that Nat Tanoh had used WorldSpace money to finance Reform activities. Daily telephone calls from Ghanaian officials to Samara's office insinuated that the company must sack Tanoh or risk losing its Ghana licence. Nathaniel and yet another brother, **Brazini Tanoh**, no longer work for WorldSpace.

It seems that ahead of its extraordinary congress in 2000 to select its presidential candidate, the NDC will pile the pressure on real or imagined enemies, and is able to enlist the support of some key officials in parastatals and the civil service. Members and supporters of the Reform Movement appear to be a special target, even more than the main opposition party, Kuffour's NPP.

Such efforts to undercut the economic and political standing of Reform-supporters extends even to embassies. In one case, we hear, Accra officials have advised the **British** High Commission that they 'have lost confidence' in the ability of a company owned by Reform-supporters to fulfil a UK aid-financed contract for a local parastatal. Such pressures will further polarise local politics, probably leading to lengthy legal wrangles. The NPP could be the net beneficiary of this internecine war for the soul of the NDC. Yet it will take astute footwork by the NPP's sometimes sluggish leadership and a determination not to underestimate Rawlings, who may yet try to reunite the NDC's factions and persuade them to turn their attention to their traditional foes in the NPP.

TANZANIA

Divided republic

The President is pleasing donors by tackling corruption more resolutely

Once again, the two parts of the not-very-United Republic of Tanzania are heading in different political directions. In Zanzibar, a Commonwealth mediator has forged an agreement (AC Vol 40 No 10) which may yet bring back 'normal' politics. On the mainland, multi-party democracy is at risk because the opposition has fallen apart.

Confident of winning re-election next year, President **Ben Mkapa** is tackling his country's formidable reputation for corruption: Transparency International's corruption index recently rated it on a par with **Nigeria**. He has told ministers (two of whom have been pressed into resignation) and officials to keep it clean and asked the public to report wrongdoings. Some are starting to do so, although the sick have a special problem: hospital patients are understandably shy of reporting demands for illegal payments, for which some 85 doctors and other medical staff are currently under investigation.

Mkapa says he has removed 2,000 'ghost' civil servants from the payroll and retired the chief executives of five parastatal companies, while the Managing Director and four senior officials of Air Tanzania have been suspended. In the grossly corrupt Ministry of Works, 41 employees have been retired. More than 50 magistrates

and court officials have lost their jobs, and so have senior army, police, prison and immigration officials.

Eight hundred revenue collection officers have been dismissed and the much improved revenue service has trapped some of its own officials. Parliament's Public Accounts Committee, chaired by the leader of the small opposition United Democratic Party, **John Cheyo**, has advised Mkapa to dock the salaries of officials with gaps in their accounts. The Prevention of Corruption Bureau is to be strengthened and decentralised, and a special court for corruption cases is planned.

The prospect of greater stability and transparency have encouraged donors and foreign investors. In Paris on 4 May, 28 donors promised US\$1 million for Tanzania, adding that they would resume aid to Zanzibar when and if the new agreement is formally signed. This adds to the intense pressure on Zanzibari President **Salim Amour** to sign. Zanzibaris await the arrival of the Commonwealth Secretary General, Chief **Emeka Anyaoku** of Nigeria, to witness the signature. This in turn has increased pressure to end Zanzibar's long-running treason trial: the Organisation of African Unity Secretary General, **Salim Ahmed Salim** (himself a Zanzibari) is among those who have called for the case to be speeded up.

Yet despite the encouraging signs on transparency and governance, the dead-weight of his own party - ex-President **Julius Nyerere's** old Revolutionary Party, the *Chama Cha Mapinduzi* - still hangs over Mkapa. He says he can do nothing about many corrupt big fish from former administrations, where there is no hard evidence. Anyway, acting against them could wrench the party apart. The CCM won the country's first multi-party elections in 1995. Zanzibar's indecisive result was widely regarded as a fix by the party's old guard. However, the polls on the mainland, which brought Mkapa to power, were fairly well conducted, giving the opposition National Convention for Reconstruction and Reform (NCCR-Mageuzi) 28 per cent of the presidential votes and 19 members of parliament. The NCCR reckoned that it would gain more seats at by-elections, as voters got used to exercising choice.

The NCCR's leader was **Augustine Mrema**, a former Deputy Prime Minister, popular orator and self-proclaimed anti-corruption fighter. His erratic behaviour and imperious manner offended his fellow MPs, while his lack of education upset his academic supporters. The NCCR's founder and Secretary General, **Mabere Marando**, tried but failed to bring him into line with party policies. Divided, the party has won only one of the 15 by-elections since 1995, several of which had seemed sure victories.

Recently, the party split has turned into farce, with each faction clogging the overstressed judicial system with injunctions, petitions, appeals and counter-appeals against the other. In a case in January, a judge found in favour of Marando but awarded costs to neither side, saying that amid the chaos, they would merely represent a burden on innocent party members. Amid deadlock, Marando summoned delegates to a meeting of the National Executive Committee on 18 March, in Dar es Salaam - then, two days before the meeting, with the Zanzibar delegates already in the capital, he switched the venue to Zanzibar. There Mrema, who had not been consulted about the move, accused Marando of planting 'bogus delegates' and walked out. The meeting then suspended Mrema for 'contravening the party's constitution, indiscipline and not cooperating with party officials'.

Mrema, back in Dar es Salaam, convened another lot of delegates to a rival meeting two days later, which promptly suspended

Marando and his supporters. On 4 March, the weary Registrar of Political Parties, **George Liundi**, refused to recognise the resolutions from either meeting, restored both Mrema and Marando to their former posts and instructed them to convene a general conference. On 24 April, Mrema tried to convene yet another meeting of his faction but the attempt collapsed after police arrested 180 of his followers when they gathered at the offices of the United Nations Development Programme to ask for help.

The next day, Mrema surprised everybody (including many of his own members) by announcing that not only had he joined the small Tanzania Labour Party, he was its Chairman, with many of his followers as party officials; by switching parties he gave up both his seat in parliament and the subsidy paid to parties with elected members. On a trip to Mbeya, he claimed 250 recruits for the TLP yet when the TLP's existing leaders complained that the Mrema group had not been properly elected, the Registrar obtained a High Court injunction excluding Mrema and his followers from holding any office in their new party.

Mrema spends a lot of time in court. There is still no end to a long-running case in which he is charged with falsely accusing senior personnel of having accepted 900 mn. Tanzanian shillings in bribes. Parliament's Privileges and Immunities Committee had been trying to censure him for earlier offences but gave up when, rather than apologising, he began lengthy explanations. MPs felt they were wasting their time. Mrema is still popular, though - outside parliament and the courts. Pending by-elections, in his old seat at Temeke and at Ubungu (which includes the university and many students), may show if his support is holding up.

Marando and the remaining NCCR MPs have little hope of re-election next year without Mrema's populist appeal. The failure of coherent political opposition on the mainland deprives Mkapa's government of the stimulus it needs and voters of the choice they are entitled to. Those who long for real political change show signs of despair. Even when Tanzania was a one-party state, the old CCM offered constituencies a choice between candidates and the voters could, and often did, dismiss unsatisfactory politicians. Now even that safety valve is closed.

MALAWI

Muluzi's democracy test

Five years after the end of Banda's dictatorship, politics is at a crossroads

Malawi's second multi-party elections are set to be a close-run thing. President **Bakili Muluzi's** ruling United Democratic Front is neck and neck with the opposition alliance of **Gwanda Chakuamba's** Malawi Congress Party (led for three decades by the late dictator **Kamuzu Hastings Banda**) and **Chakufwa Chihana's** Alliance for Democracy (Aford). Election arrangements have been marred by a combination of political manoeuvring and organisational incompetence. The UDF government had tried to push through voter registration and was reluctant to postpone the vote, originally scheduled for 25 May, believing the longer the election campaign, the stronger its opponents might become. Then in-fighting in the Electoral Commission and lack of preparations made postponement inevitable.

Now the Electoral Commission must hold parliamentary and presidential elections by 15 June; the preferred date is 8 June. This

decision follows an emergency session of parliament on 21 May, which agreed to the new timetable, much to the UDF's frustration.

In 1994, Muluzi won the presidency by getting 47 per cent of the vote. However, 1.1 million of his 1.4 mn. votes came from the southern region; he did abysmally in the north (winning just 5 per cent of presidential votes there) where Aford predominated. These statistics, rather than history and ideology, explain why Chakuamba's MCP and Chihana's Aford have formed an electoral alliance with the two leaders as presidential and vice-presidential candidates respectively - and why Muluzi's UDF has unsuccessfully opposed the alliance as illegal.

Chakuamba calculates that he and Muluzi, who both come from the south where about 50 per cent of Malawians live, should draw about equal support from the south and centre but that Chihana will again sweep the north, giving the MCP-Aford alliance a comfortable victory. Chakuamba is popular and has done much to free the MCP from its baggage as Kamuzu Banda's political vehicle. Many of those politicians who cut their teeth under Banda's dictatorship have carpet-crossed to become leading lights in the UDF government.

Yet Chakuamba has not purged the MCP completely. Banda's right-hand man, **John Tembo**, is still party Vice-President and former Health Minister and ex-party spokesman **Heatherwick Ntaba** still upholds the Banda period as one of comparative economic - if not political - security.

Many Malawians feel poorer since Muluzi took over in 1994. By ending controls on local commodity prices, he has boosted farmers' incomes but pushed up food prices in the towns. Muluzi is popular with smallholder farmers benefiting from higher farmgate prices and even with town-dwellers who have started-up small businesses (which they had been prevented from doing under Banda).

Muluzi's reign has seen no great leap forward. Tobacco prices have stayed down and the government has failed to help to develop new forms of foreign exchange earnings. Despite the beauty of the country, earnings from tourism are still desperately low. Mainly informed by donor pressure, economic policy has been neither imaginative nor particularly effective. After the reshuffling of respected former Finance Minister **Aleke Banda**, economic management deteriorated badly and the government went on a spending spree last year.

The UDF and the MCP-Aford alliance differ over both emphasis and substance; MCP-Aford projects itself as a national coalition bringing all three regions together. The two other presidential candidates - **Kamlepo Kalua** of the Malawi Democratic Party and the former Secretary General of the Common Market for East and Southern Africa, **Bingu wa Mutarika** of the United Party - are making little impact on the campaign. The head of the government's anti-corruption agency, **Gilton Chiwaula**, said in April that he was investigating claims that Wa Mutarika had sought campaign funds from textile companies in return for political favours.

Since Muluzi rubbished independent candidates in January, the small parties and non-party candidates may align with the MCP-Aford. Many independent candidates had been rejected by the UDF's highly centralised nomination procedures, controlled by party supremos such as the Secretary General (and Minister of Information) **Sam Mpasu** and Education Minister **Brown Mpinganjira**. Mpasu and Mpinganjira have also tried to strong-arm the Electoral Commission. In mid-1998, a new Commission was appointed under Justice **William Hanjahanja** after Muluzi had dissolved the relatively efficient Commission headed by Justice **Msosa**. In January, Hanjahanja proposed adding 70 new

constituencies to the existing 177, a move much criticised by the opposition (as most of the new seats were in Muluzi's southern heartland) and by the donors who were paying for the elections.

After a month's delay, a bargain was struck: 16 new seats were created - eleven in the south and five in the centre. A more realistic election date of July was suggested as voter registration had been so long delayed but the Electoral Commission insisted that it would meet the constitutional deadline of late May. An earlier election suited the UDF, because the statutory electoral funding for opposition parties had been blocked by the government because the MCP and Aford had boycotted parliament two years ago.

Voter registration opened late and the election date slipped from 17 to 25 May. Equipment and materials, such as forms and instant cameras to photograph the estimated five mn. voters, were still being brought into the country weeks after registration opened. Many registration centres were closed for lack of supplies. There were also reports of irregularities, of people being ferried into specific areas to register, of a multiplicity of party monitors at registration centres pressurising voters and of party barons giving instructions to register children. On balance, the infringements seemed to favour the UDF. More worrying still is the violence that has broken out at several rallies, particularly in the north.

Electoral abuse and incompetence continued. A month before the scheduled election date, the computers and staff needed to compile the voters' rolls had still not arrived. Ballot papers were eventually printed in early May, but some may be invalid because those candidates were nominated by people who weren't registered voters at the time. Many centres never opened and the Electoral Commission's claim in early May that it had registered 63 per cent of the electorate was widely questioned.

District Commissioners tried to get a few centres in each constituency to open in time for candidate nomination. Some 630 candidates (about 120 of them independents, mostly unhappy casualties of party primaries) are competing for 193 National Assembly seats. Registration was so shoddy that losing parties could challenge the validity of the results and perhaps provoke a constitutional crisis.

Hanjahanja retired as Chairman of the Electoral Commission and was replaced on 13 May by the well regarded Justice **James Kalaile**. Less popular with the opposition was the departure of Chief Elections Officer **Stuart Winga** to London in early May and his replacement by **Roosevelt Gondwe**, who is criticised as too close to the UDF. Opposition parties also want to lift the UDF's iron grip on the state-owned Malawi Broadcasting Corporation.

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Pointers

SIERRA LEONE

Forced to talk

Weaknesses on both sides may just offer a chance of serious negotiations on power-sharing and amnesty (AC Vol 40 No 6) as talks between President **Ahmad Tejan Kabbah** and Corporal **Foday Sankoh's** teams opened in Lomé on 25 May. Yet 24 hours later, no face-to-face meeting had occurred. Kabbah is unpopular in Freetown, unable to control his argumentative cabinet and vacillating wildly between its hawks and doves. Sankoh's Revolutionary United Front is divided over the talks: Commander **Sam 'Moskito' Bockarie** refuses to attend and has sent fighters under his number two, **Dennis 'Superman' Mingo**, into battle against both the West African peacekeepers (Ecomog) and the RUF's former allies led by Major **Johnny Paul Koroma**.

Kabbah offers to cut his term by eight months, allowing early elections in mid-2000: this would give the RUF a year to establish a party. But Sankoh has insisted on a four-year power-sharing deal with Kabbah's Sierra Leone People's Party. From Freetown's 'never surrender' mood in the New Year siege, opinion is swinging back towards a deal with the RUF. Kabbah's hastily assembled 'government army', now some 5,000-strong, couldn't hold back the RUF without Ecomog support.

Money is central to these calculations. The government controls more territory than the RUF but rebels still predominate in the Kono diamond fields and the rich farmland in Kailahun. Not only are coffee and cocoa grown there but, we hear, large areas now host opium poppies and coca plants: the crops go over the border to **Liberia** for processing and export. The RUF controls at least two-thirds of the key Eastern Province, with Ecomog and Sierra Leonean forces making inroads in the other third. Kabbah's government is cash-strapped: deprived of most diamond revenue, it depends on local tax and foreign aid. Near bankruptcy has helped drive Kabbah to the table.

For talks to succeed, the ceasefire between Kabbah and Sankoh brokered by **America's** Reverend **Jesse Jackson** in Lomé on 17 May must hold. But hours after it began, each side accused the other of violations. RUF spokesman **Omrie Golley** accused Ecomog of attacking RUF forces at Magba, some 150 kilometres north-east of Freetown, and further east at the Tongo-Moyamba junction. Ecomog's Lieutenant Colonel **Chris Olukulade** said his men had come under fire at Magburaka on the main Freetown-Kenema road.

Kabbah and Sankoh seem to have been bounced into the ceasefire by Jackson's 'trick or treat' tactic, one observer noted. Sierra Leone has been pushed further to the margin of international concern by Kosovo: we hear

Britain has downgraded its military aid, diverting staff and equipment to the Balkans and trimming reconstruction funds (partly due to lack of counterpart financing from other Western states).

In Freetown alone, over 5,000 houses were destroyed in the RUF's New Year offensive and some 2,700 children are still missing. Field reports from Human Rights Watch show the RUF campaign of murder, torture and abuse of civilians, including the amputation of children's limbs, lips and ears, was continuing in Port Loko and Masiaka just days before the ceasefire signing. On 16 May, RUF forces killed six **Malian** Ecomog soldiers and captured 17 others.

A main RUF demand was for United Nations monitors. On 21 May, two UN observers arrived in Freetown to assess the military and political situation, and report to Secretary General **Kofi Annan**; another 16 UN military observers are due in Freetown by the end of May, says the UN Observer Mission in Sierra Leone. If they are to have a peace to observe, the UN may have to send diplomatic reinforcements for its beleaguered Special Envoy, **Francis Okello**, the butt of a vicious media campaign orchestrated by local politicians.

Meanwhile on 21 May, host **Togo** refused entry to Amnesty International Secretary General **Pierre Sané**, who had been due to meet President **Gnassingbé Eyadéma**. On 5 May, the human rights organisation had published 'Togo: Terror State', detailing massive killings during the 1998 presidential election campaign.

SOUTH AFRICA/NIGERIA

Fernandez letter

Who was behind the crude attempt to smear President **Nelson Mandela** by linking him to an oil deal with Nigerian middle-man Chief **Antonio Deinde Fernandez**? Copies of letters referring to cheques totalling US\$300,000 made out by Fernandez to Mandela personally were sent to the *Daily Express*, *Daily Telegraph* and other **British** newspapers. The smear plot fell flat when Mandela's lawyer, **Ismail Ayob**, showed he had written to Fernandez's London lawyers, Simons Muirhead and Burton, returning the cheques and seeking clarification of the letter. Five years ago, Fernandez had offered to give the profits of a house sale to the Nelson Mandela Children's Fund but the money had never materialised.

The lawyers then issued a cheque for the sum made payable to the Children's Fund. Mandela says he never discussed any oil supply deal with Fernandez or his company, Petro Inett. 'Do you seriously believe a man in his 81st year who has not sold anything in his life would sell oil for the Nigerians?' Ayob asked journalists.

Both Fernandez and his lawyers insist they had nothing to do with the leaking of these letters to the UK press. However Fernandez, who has a long track record of unconventional business deals in Africa, has made powerful enemies who might want to embarrass him. He

has promoted the interests of a **South African** company, Energy Africa, in both **Angola** and **Congo-Brazzaville** - against the interests of **France's** Elf-Aquitaine and its local point-men. For several years, commercial rivals have accused Fernandez, who claims friendship with former **United States** President **George Bush**, of being 'too close' to US intelligence.

Fernandez's high-flying career started in **Mozambique** as an associate of former **Tanzanian** army Chief of Staff **Ali Mahfoud**, who was close to **Samora Machel** and the Frelimo hierarchy. Fernandez was appointed as Mozambique's Deputy Representative to the United Nations in New York, a post he held until last year, when he became the **Central African Republic's** UN representative. A self-confessed multi-millionaire, Fernandez maintains several residences, including a lavish villa in Rye, New York State, and a chateau in Pont Pointe, France.

Fernandez's international reputation grew sharply after Machel introduced him to Angola's President **José Eduardo dos Santos**, who hired him as an economic advisor. Fernandez's critics accuse him of encouraging Dos Santos to undermine the autonomy of the state oil company Sonangol along the lines of Nigeria's National Petroleum Corporation. Mahfoud moved to Angola with Fernandez and helps run a coffee plantation there, in a diamond-producing area. Fernandez remains close to Dos Santos and occasionally sounds out potential bidders for Sonangol acreage or crude oil cargoes. The row over the Mandela smear is unlikely to damage Fernandez's position in Luanda, where relations between the government and Pretoria have cooled rapidly in recent months.

ADB

It's Omar II

With a 35 per cent capital increase for the African Development Bank and a replenishment for its soft-loan fund under his belt, ADB President **Omar Kabbaj** launched his re-election campaign at the 25-27 May annual meeting in Cairo in characteristically understated style. The increase of Bank Units of Account 5.67 billion (US\$7.65bn.) boosts capital to UA21.87 bn.; the \$3 bn. African Development Fund replenishment was accomplished in a record time of under a year.

Kabbaj is unlikely to get an entirely clear run in the election at next year's meeting in Abidjan but he'll be hard to beat. Neither of his mooted rivals, **Nigeria's** **Seyid Abdullahi** (OPEC Fund Executive Director) or **Zimbabwe's** **Callisto Madavo** (World Bank Vice-President, Africa) seem to want to stand. Rumblings however continue about a Nigeria-sponsored candidate (and one from Southern Africa, which is under-represented in terms of ADB loans).

This doesn't worry Kabbaj's team. After Nigerian President-elect **Olusegun Obasanjo's** 3 May visit to the ADB, they expect Nigeria to fall into line, as **Egypt** now seems to be doing.

AFRICA CONFIDENTIAL

NIGERIA II

3

NIGERIA

New team, old players

Like most Nigerian governments, President Obasanjo's new team is an awkward coalition. He has nominated a mixture of technocrats, political jobbers, human rights activists and opposition politicians in a bid to make a national administration.

ZIMBABWE

4

Where's the door?

President Mugabe may not, after all, be heading for a speedy retirement although he was 75 in February and has held power since 1980. The latest signals within the ruling ZANU party show that Mugabe and his generation are in no hurry to leave.

SOUTH AFRICA

5

Mbeki's triumph

The overwhelming majority won by the ANC has left opposition voters surprisingly unflustered, given earlier panics that President-designate Mbeki would use the victory to tamper with the constitution. He publicly denied any such intention and re-endorsed the ANC's conservative economic policies.

EGYPT

6

The Nile flows on

As it struggles to keep its role as Middle East peace-broker, Cairo is also juggling its ambition to become the region's largest and most advanced economy.

POINTERS

8

Zambia, Djibouti, Africa/Netherlands and Somalia

Paris meeting; Francophilie; Dutch warning; and unfunny money.

All hail to the chief

President Olusegun Obasanjo returns to power amid hopes that the country's decline can be reversed after 15 years of military rule

Government business took off at a frenetic pace after the 29 May inauguration of President **Olusegun Obasanjo**. Launching proceedings, Obasanjo made a powerful attack on corrupt contractors, soldiers and politicians to an audience that included international political celebrities (see Box). Within hours of being sworn in as President, Obasanjo had cleared out many of the hold-overs from the outgoing military regime by retiring all the military service chiefs along with the Central Bank Governor and the Police Commissioner. Days later, he had set up two panels of eminent people to probe all contracts awarded this year by the outgoing military regime and human rights abuses during General **Sani Abacha**'s rule, handed over a list of ministerial nominees to the Senate and started going through the country's financial ledger with his economic advisors.

The style of Obasanjo's return to power has impressed all but the most sceptical, whether Nigerians or outsiders. By attacking the corruption of his predecessor governments in front of foreign guests and by promising to introduce comprehensive anti-graft legislation within a fortnight, Obasanjo showed surprising muscle. Yet it remains unclear quite how he will be able to distance himself from some of the corrupt elements in his party machine which helped bring him to power. By appointing highly credible figures such as **Christopher Kolade** as head of the contracts probe committee and Justice **Chukwudifu Oputa** as chairperson of the human rights investigation, Obasanjo has given substance to his promise that 'there will be no sacred cows' in his anti-graft drive.

High hopes, grim realities

Obasanjo's optimists were quickly reminded of the huge obstacles the new order faces with the resurgence of communal fighting in the oil-town of Warri. Within a week of the inauguration, some 200 people were killed in three-cornered battles over local government boundaries and resources between the Ijaw, Itsekiri and Urhobo peoples. Warri is also the centre of the oil industry, the biggest city in the fractious Delta Region and the operational headquarters for most major oil companies. And Warri is just one mark on Nigeria's troubled ethnic map. Further east, the crisis in Ogoniland continues, drawing in many neighbouring groups, all suffering from the effects of environmental despoliation and a ruined local economy. Meanwhile, in the weeks before Obasanjo took over, the northern town of Kafanchan exploded in protest at the installation of Emir **Isa Mohammed**.

Obasanjo's response to the Warri crisis typified his top-down, pro-active governing style. He promised to visit Warri before the end of the week and announced the setting up of a special projects division, drawing on local and foreign experts, to produce a development plan for the Delta. However, that doesn't begin to satisfy the Delta activists who trace the roots of the region's problems back to Nigeria's political structure. They say that concentration of power at the centre, under both civilian and military regimes, has ruined the economy and ecology of the Delta, which produces much of Nigeria's oil wealth but leaves most of its inhabitants as supplicants. Specifically, they want the immediate repeal of the 1978 Land Use Decree introduced during Obasanjo's first tenure as military leader.

The contradictions of 16 years of 'federal military government' have left federalism in poor shape. Today, the demands for genuine devolution of power to states and local governments are far more insistent than when Obasanjo left power as military ruler in 1979. Local control of resources and policy is the mantra across much of the Delta and riverine oil-producing areas, as well as the industrial and financial heartlands of the south-western Yoruba region.

On such demands for restructuring and a new constitution, Obasanjo is keeping his counsel. With the return to civil rule, much of the steam has gone out of the campaign for a sovereign national conference to rewrite the constitution, even if many politicians agree that the devolution issue must be addressed - preferably through the national legislature.

Both houses in the federal legislature in Abuja are jealous of their constitutional powers. Many politicians feel squeezed between a powerful executive presidency and widespread popular cynicism

Exeunt sojas

It was a spectacular coda to 16 years of military rule. On 29 May, more than 30 heads of state, ex-heads of state and international dignitaries - including President **Nelson Mandela**, Britain's Prince **Charles** and Germany's former Chancellor **Helmut Schmidt** - journeyed to Abuja to see military leader General **Abdulsalami Abubakar** hand power to retired General and now civilian President **Olusegun Obasanjo**.

For the hopeful, it was Nigeria's second Independence. The celebrity ceremony was so significant for the country's battered reputation that even the most shameless putschist might think twice before trying to overthrow the new civil order. With a 21-gun salute, and a Nigerian Air Force fly past leaving trails of smoke in the national colours of green and white, the military laid on the symbolism thickly, as if to reassure themselves that this time, they were really going.

Abubakar and his service chiefs beamed through two hours of military marching around the parade ground. The drill was emphatically Western - the **North Korean**-style parades common during Abacha's reign have been junked. Former President **Shehu Shagari** looked at ease ensconced next to the general (**Muhammadu Buhari**) who overthrew him in 1983. Gen. **Ibrahim Babangida**, still reviled for annulling the 1993 elections, looked less comfortable as well-wishers heaped accolades on Gen. Abubakar for keeping to his promise and his handover date.

Crowds headed for the Eagle Square parade ground in Abuja before dawn. Cheers for the arriving dignitaries were a barometer of local star status: Mandela got the most; the heir to the British throne was greeted enthusiastically (by a society with over 500 of its own monarchs); and **Congo-Kinshasa's** President **Laurent-Désiré Kabila** won the most boos and catcalls.

Obasanjo and Abubakar organised a formidable guest list: 23 African heads of state turned up to see the brave new Nigeria and for diplomatic parleying on the margins. The **United States'** Reverend **Jesse Jackson**, whose mediation efforts during Gen. **Sani Abacha's** rule got mixed reviews, has moved his focus to **Sierra Leone** and Central Africa. The 30 foot-high video screen at the other end of the parade ground pictured him smiling broadly, with arms around Presidents **Robert Mugabe** and

Yoweri Museveni.

Others in the US delegation, such as Assistant Secretary of State for Africa **Susan Rice** and Special Assistant to the President for Africa **Gayle Smith** scheduled several meetings on Congo-K as regional moves towards a tentative ceasefire progressed.

Relations between Congo's combatants are still poisonous. Indeed, Nigerian protocol officers had to move fast to defuse a clash between Museveni's and Kabila's security people just minutes before the pre-inauguration banquet on 28 May. After Kabila's minders went into the dining hall to check the safety of their President's chair, Museveni's minders moved in close behind, loudly accusing them of threatening the **Ugandan** leader's safety. This time the crisis was defused and the banqueters continued unmolested.

Much was read into the absence of some of Nigeria's neighbours - Presidents **Charles Taylor** of **Liberia** and **Blaise Compaoré** of **Burkina Faso** (both of whom Nigeria accuses of backing the Revolutionary United Front in **Sierra Leone**), plus President **Paul Biya** from **Cameroon**, whose country continues to pursue claims against Abuja for the Bakassi Peninsula. Compaoré, still under pressure over the murder of journalist **Norbert Zongo**, had sent his apologies in advance. Biya had sent his Prime Minister, although Cameroonian opposition leader **John Fru Ndi** and his Social Democratic Front delegation also proved popular with the local crowd. Taylor was in Abuja a week later to meet Obasanjo who implored him to play a constructive role in the Sierra Leone peace talks.

Away from the ceremonial spotlights, some policemen and soldiers started looting a lorry carrying inauguration paraphernalia, such as umbrellas in the Nigerian colours and souvenir tee-shirts. Fist-fights, then a near riot, broke out around the vehicle after one of the police officers discovered he had lost his gun. Meanwhile back on the dais, Obasanjo was making his hard-hitting inaugural address, bemoaning the moral malaise afflicting Nigeria after 16 years of army rule. Less than 100 yards to his right, the brawling police and troops were making the point even more vividly than the new President's carefully crafted address.

about politicians. The first few days of the Fourth Republic did little to change public opinion. As the four-man race for the Senate presidency heated up, reports of vote-selling started circulating, with a going rate of 2 million naira (US\$20,000) per senator. After former Anambra State Governor **Jim Nwobodo** and an ex-Foreign Minister, Gen. **Ike Nwachukwu**, dropped out, it turned into a straight contest between one-time presidential advisor **Chuba Okadigbo** and former Imo State Governor **Evan Enwerem**.

Several battles were fought in the Senate contest. It seems at first that Obasanjo was neutral, though his Vice-President, **Atiku Abubakar**, favoured Okadigbo. Two factors seemed to swing Obasanjo behind Enwerem: firstly, the opinion of former Vice-President **Alex Ekwueme** (Obasanjo's rival for the PDP presidential ticket) who was suspicious of Okadigbo, and secondly, he was concerned that Okadigbo could cause problems for the executive's policy plans by holding up bills in the Senate.

After some astute lobbying by Ekwueme, Nwobodo and some Obasanjo supporters, Enwerem won the vote in the Senate on 3 June by 64 to 41. To do so, he had to win much of his support from the minority Alliance for Democracy and All People's Party senators. All three parties are in flux. Some PDP politicians resent losing the battle for the Senate presidency, while others favour close cooperation with Obasanjo, at least in the early days. AD politicians are split on whether they should allow their senior members, such as **Bola Ige** and **Dupe Adelaja**, to join the

government. The APP, which from the start has been an odd marriage of democracy activists and erstwhile Abacha-supporters, is also arguing about how much cooperation to give Obasanjo.

In the 36 state assemblies and governorships, the picture is more confusing still. Most states were financially unviable under the military without substantial handouts from the centre. With the added weight of civilian political apparatuses, their financial problems will worsen until the new governments can broaden their tax bases. In Imo and Lagos states, heated battles over the election of the Assembly speakers mirrored that national battle for the Senate presidency. Matters got further out of hand, though, when representatives started throwing chairs at each other.

Some state governors, such as Lagos State's **Bola Tinubu**, Ogun's **Segun Osoba** and Cross River's **David Duke**, have already brought out coherent state development plans. How far they're able to pursue these independently of the centre will be a further test of federalism. Tinubu wants to privatise water and electricity supply in Lagos State immediately. Politicians at the centre want him to wait until they release a national privatisation programme.

Meanwhile, residents of Lagos and many other cities have been without water and electric power for several weeks. The collapse of such infrastructure is just one feature of the badly battered society and economy that Obasanjo's new order has to tackle from a financial base that is a fraction of the one that was available when he was last at the helm of state, two decades ago.

NIGERIA II

New team, old players

President Obasanjo mixes old military friends and human rights activists in his new cabinet

'Is this 1999 or 1979?' asked one senator on seeing President **Olusegun Obasanjo's** list of 42 ministerial nominees. Another opined more diplomatically that the list favoured 'experience over vigour'. Like most Nigerian governments, it's an awkward coalition: Obasanjo (AC Vol 40 Nos 10 & 11) has nominated a mixture of technocrats and political jobbers, bringing in people from outside his own People's Democratic Party - both from the ranks of the opposition Alliance for Democracy (AD) and from the All People's Party (APP), as well as from civil society. At the same time, he's had to keep a national balance: the constitution demands that a national minister be selected from each of the Federation's 36 states.

The key jobs seem earmarked for political veterans: **Adamu Ciroma** (Finance Minister); **Bola Ige** (Attorney General and Justice Minister); **Sule Lamido** (Foreign Minister); Lieutenant General (retired) **Theophilus Danjuma** or Major Gen. **David Jemibewon** (Defence). The Senate will vet the 42 nominees to ensure, in Obasanjo's words, that they are 'men and women of integrity'. That list is to be whittled down to 24 senior ministers and twelve ministers of state. Obasanjo is likely to keep a tight grip on the economic and foreign affairs portfolios.

Human rights advocates

Democracy activists are happy with the inclusion of a brave civil rights activist, **Ayo Obe**, on the ministerial list alongside **Dupe Adeloja**, daughter of **Abraham Adesanya**, a much harassed leader of the anti- **Abacha** campaign. Party chieftains in the AD, though, complain about Ige's nomination because they wanted their party - which holds sway in the south-west - to keep its distance from the Obasanjo government at the centre. Having consulted his peers, Ige says he would be delighted to accept.

The list also includes rising stars such as former Senate President and Education Minister **Iyorchia Ayu**, ex-Information Minister **Jerry Gana**, businessman **Kola Dais** and **Bukola Saraki**, son of controversial Kwara State political kingmaker **Olusola Saraki**. Also significant is Lagos-based **Yomi Edu** who is highly influential in the Obasanjo camp. And from the East, former editor of the *Daily Times*, **Onyema Ugochukwu** is tipped for Minister of Information. Less well received is the inclusion of political fixer **Tony Anenih** and of **Tunde Adeniran** and **Segun Agagu** (these last two were close associates of the late Gen. Sani Abacha). Questions are also being raised about the inclusion of former Oil Minister **Dan Etiebet** and of Kano State Governor **Abubakar Rimi**; both have important political constituencies but neither showed much interest in public accountability in his previous political job.

Tackling the country's financial collapse may be Obasanjo's key priority but his emerging economic policy team is drawn from the 1970s and 1980s rather than from the younger generation of bankers and economists, for example, Lagos Business School Director **Pat Utomi**, Investment Banking and Trust Company Managing Director **Atedo Peterside** or the Managing Director of

the United Bank for Africa, **Hakeem Bello-Osagie**.

Ciroma, Agriculture Minister under President **Shehu Shagari's** civilian government and briefly Trade Minister under Abacha, is an experienced political jobber from the north-east. Yet for the frustrated business class, his nomination doesn't presage the sort of radical economic reform they want. Like Obasanjo, Ciroma's political tutelage was in the 1970s era of the strong state that was able to throw government money at problems. Conditions today are very different, with a near bankrupt state and oil earnings slightly over a quarter of levels of 20 years ago. Meanwhile, the population has grown from 80 million to over 110 mn. people.

If confirmed as Finance Minister, Ciroma will be working closely with another Obasanjo friend from the 1970s, **Joseph Sanusi**, who was appointed Governor of the Central Bank of Nigeria within hours of the presidential inauguration on 29 May. Formerly MD of the biggest clearing bank, First Bank, Sanusi was also Deputy Governor of the CBN until 1988. Like Ciroma, he is a trusted if unimaginative pair of hands, whose early days will be spent clearing up the debris left by outgoing Governor **Paul Ogwuma**.

IMF in the Central Bank

He will also have to respond to **British** Chancellor of the Exchequer **Gordon Brown's** offer of support on debt relief, provided Abuja agrees to International Monetary Fund monitors working in the CBN. Official and business opinion in Nigeria is lukewarm about IMF monitors; one local newspaper pointedly asked Brown to recall the British Labour Party's opposition when the Labour government went to the IMF in the late 1970s. One Abuja source suggests a compromise may be found under which Fund 'monitors' become 'advisors' to a much wider programme to restructure the CBN and ensure its public accountability and 'independence from political manipulation'.

In the oil sector, too, experience is taking precedence over innovation. **Rilwanu Lukman**, a former Oil Minister and currently Secretary General of the Organisation of Petroleum Exporting Countries, was appointed presidential advisor on petroleum and energy. The news pleased both the oil multinationals and Nigeria's fellow OPEC members but went down badly in the troubled Delta region, where Lukman is seen as geographically and politically remote from local concerns.

The oil majors expect him to make good the government's backlog of cash-call payments to them on joint venture productions and they believe he favours limited privatisation of the oil sector. On 7 June, Obasanjo announced that Nigeria would cut production to 1.85 mn. barrels a day, having exceeded its OPEC quota by some 215,000 b/d last month.

Lukman is the oil heavyweight as Obasanjo isn't going to appoint an Oil Minister. **Jackson Gaius-Obaseki**, the newly appointed MD of the Nigerian National Petroleum Corporation, will be more of a technical figure, concentrating on resolving disputes over the reorganisation and commercialisation of the state oil company's operations. Again Obaseki, formerly director of NNPC operations in London and New York, is no radical reformer and new directions in NNPC policy are likely to emerge piecemeal.

On security issues most of all, Obasanjo relies on his fellow officers from the 1970s. Heading for the list for the Defence portfolio are retired Generals Danjuma and Jemibewon. Danjuma is already marked out as a power behind Obasanjo's throne but may prefer to stay as an informal advisor rather than take a ministerial job. Chief of Army Staff in Gen. Obasanjo's 1977-79 military

government, Danjuma retired from the army alongside his Commander in Chief in 1979 and plunged into business. He has been chairman of more than 20 blue-chip companies on the stock exchange, such as West African Milk Company, Guinness (Nigeria), Universal Trust Bank and Union Dicon Salt.

As his businesses flourished while Nigeria's political problems grew, Danjuma became an increasingly acerbic critic of military rule, telling a nervous **Samuel Doe** in Monrovia in 1990 not to overstay his welcome and excoriating President **Ibrahim Babangida** for failing to hand over to the civilians in 1992 as promised. When Babangida annulled **Moshood Abiola's** victory in the 12 June 1993 elections, Danjuma joined the protests.

Under Abacha's rule, Danjuma's profile faded as many of his friends, including Obasanjo and Maj. Gen. **Shehu Musa Yar'Adua**, were rounded up. Along with **Muhammadu Buhari** and **Yakubu Gowon**, Danjuma was one of the few retired generals who kept in touch with Abacha. Indeed, Danjuma was one of the last outsiders to visit Abacha before the late military leader's reported fateful exertions with a group of Nigerian and **Indian** prostitutes in the early hours of 8 June last year. By then, insiders say, it was clear that Abacha was planning the elimination of all possible opponents including his predecessor Babangida and the then gaoled Obasanjo.

Soon after Abacha's death Danjuma, together with Gen. **Aliyu Mohammed Gusau**, starting pushing Obasanjo to stand as a candidate in the scheduled elections; both contributed substantially to the funding and organisation of his campaign. Mohammed Gusau, Obasanjo's National Security Advisor, now has overall responsibility for all arms of security: the State Security Service (domestic), Nigeria Intelligence Agency (overseas) and the Department of Military Intelligence (DMI). Credited with introducing high-technology surveillance methods into Nigeria during the Babangida era, Mohammed is a respected spymaster, critical of the shadow-chasing and persecution of democracy activists under Abacha's rule.

Also important is Obasanjo's new Chief of Staff, Gen. **Abdulah Mohammed**. Another figure from the 1970s, he helped to restructure intelligence operations and establish the National Security Organisation in 1979; he made a comeback during Gen. **Abdulsalami Abubakar's** government last year to rationalise the host of competing security organisations set up by Abacha.

Having appointed Gens. Abdulahi Mohammed and Mohammed Gusau within hours of his inauguration, Obasanjo also named the new military service chiefs to defuse speculation that officers such as Maj. Gen. **Ishaya Bamaïyi** might stay on. The appointment of a new Chief of Army Staff, Maj. Gen. **Victor Malu** (whose main rival for the job had been the Commander of 1st Division in Kaduna, Gen. **Sarki Mukhtar**) was widely applauded. Also named were Rear Admiral **Ibrahim Ogohi** as Chief of Defence Staff (the first time a naval officer has had the job); Rear Admiral **Victor Ombu** as Chief of Naval Staff and as Chief of Air Staff, Air Vice-Marshal **Isaac Alfa**.

After two stints as a Commander in West African peacekeeping operations in Liberia, Malu's main tasks will be restructuring and reducing the army, in coordination with the Defence Minister. He will also rationalise Nigeria's operations in **Sierra Leone**. The first sign of restructuring was the retirement of 11 senior officers on 7 June, including two former commanders of the Ecomog force Gens. **Rufus Kupolati** and **Timothy Shelpidi**. Although the presidency said these retirements were voluntary, there are reports of a much more sweeping purge, including most of those officers who have held political appointments in the past decade.

ZIMBABWE

Where's the door?

Beleaguered President Mugabe is fighting pressure for him to retire

President **Robert Mugabe** may not after all be heading for a speedy retirement, although he was 75 in February and has held power since April 1980. Speculation about his early retirement got going at the time of his birthday, when the independent media said he would stand for the leadership of the Zimbabwe African National Union-Patriotic Front at this year's party congress in December but retire as national President to coincide with the 20th anniversary of Independence next year. The newspapers said he would step down on 18 April, leaving his deputy to run the government, but that he would remain party leader in order to supervise the 2002 presidential election. Two men were even tipped to succeed him: the present Security Minister **Sydney Sekeramayi**, and past Security Minister **Emmerson Mnangagwa**, now Minister of Legal Affairs.

On 12 May, however, Mugabe said he was not about to retire after all: 'I know the door through which I came into politics and I know the door I should use to go out of politics', he declared. The next sign that Mugabe wanted to stay came at the youth congress on 29-30 May, when former airforce commander **Josiah Tungamirai** held on to the job of party Youth Secretary. He had been expected to make room for a younger person, perhaps former broadcaster **Charles Ndlovu**, Editor of the ZANU-PF paper, *The People's Voice*. Delegates from three of the ten provinces - Mashonaland Central, Mashonaland East and Manicaland - walked out, complaining the leadership was imposing its candidates. The ZANU-PF Secretary for Administration, **Didymus Mutasa**, defended Tungamirai, saying the youth wing needed 'more mature and seasoned politicians' and warning bleakly of 'chaos'. Oddly enough, Tungamirai had recently criticised the leadership quite fiercely, telling Mugabe that anyone who did not see that there was a crisis in the party was 'a fool'. Students of politics suppose that Tungamirai was kept on in the youth wing to help justify Mugabe's continuing hold on power.

Mugabe will probably persuade Vice-President **Simon Muzenda** to stay on - indeed, Muzenda announced on 7 June that he was not retiring. The other Vice-President, **Joshua Nkomo**, is seriously ill; whoever replaces him will need a following in Matebeleland, where three local parties are calling for redress for atrocities committed by government troops in the 1980s.

There are three political parties in Matebeleland (which are only in Matebeleland): the Liberal Party, Federal Party and the one that worries the government most, ZAPU 2000. This latter is the group that grabbed a potential vote-winner by borrowing the name of Joshua Nkomo's former Zimbabwe African People's Union (now merged with ZANU). Nkomo's replacement is expected to be **Dumiso Dabengwa**, who has greater political clout than **John Nkomo** (unrelated to Joshua), whom Mugabe had preferred.

The next indicator of Mugabe's intentions is the August election for ZANU-PF's Women's League. If the League's current chairperson, **Thenjiwe Lesabe**, quits, potential successors include **Sithembiso Nyoni**, Joshua Nkomo's special assistant, and **Tsitsi Muzenda**, Simon Muzenda's daughter. But if Lesabe stays, this will be seen as a sign that Mugabe, too, will be staying on.

SOUTH AFRICA

Mbeki's triumph

The ANC just misses its target, the NP collapses, the DP rises, Holomisa returns

The overwhelming majority won by the African National Congress in the 2 June elections was spectacular if predictable. And it left opposition voters surprisingly unflustered, considering some earlier signs of panic that President-designate **Thabo Mbeki** was about to tamper with the constitution. There had been fears (which the opposition amply played up in the campaign) that the ANC would remove property rights, curtail the independence of institutions such as the judiciary and Reserve Bank, and generally transgress other agreed boundaries.

Mbeki's victory speech was meant to reassure and it was not only the fact that the ANC was one seat short of a two-thirds majority that diluted concern about single-party dominance. The constitution was safe, Mbeki said, and the ANC would fulfil its mandate to 'remain firm in the pursuit of our vision of a nonracial society and the important goal of national reconciliation'. Its relatively conservative macro-economic policies would continue. Even *'Die Beeld'*, a paper that once supported apartheid, wrote approvingly, 'The Mbeki era has made a promising start'.

A British-funded poll by the Pretoria-based Human Sciences Research Council reported that the mainly peaceful elections had been judged 'free and fair' by 97 per cent of black people, 95 per cent of Coloureds, 94 per cent of Indians and 93 per cent of whites. In contrast to 1994's widespread intimidation, 99 per cent of those questioned said they had experienced no threats whatsoever. Some **United States** fund managers warned that the ANC's huge poll would make them, to quote one, 'adopt a very conservative and cautious approach to further investment'. However, if South Africans themselves are not unduly alarmed, such knee-jerk reactions may soon be set aside.

No breeches

The second spectacular development was the collapse of the New National Party, which (in its 'old' version) had steered the country through 46 inglorious apartheid years, and its replacement as the official opposition by the Democratic Party. The DP's National Assembly seats shot up from seven to 38. Many of the 3.5 million Afrikaners abandoned the NNP (which was reluctant to launch an assault on the ANC) for the DP and now have no 'traditional home'. The concept of a *Volkstaat* (Afrikaner homeland) looks buried. NNP leader **Marthinus van Schalkwyk**, previously known as *'Kort Broek'* ('short breeches', because of his boyish looks), is now known as *'Geen Broek'* ('no breeches').

The NNP, though, is still the second largest party in Western Cape Province, which it has governed since 1994 thanks to an anti-black Coloured vote. As we went to press, it was negotiating with the DP and African Christian Democratic Party (ACDP, mainly black and religious) to block the ANC from forming its own coalition group to take over the province. Yet some NNP leaders (said to include Van Schalkwyk, a former Afrikaner students' leader and one-time apartheid military intelligence agent) were reportedly pressing for a coalition with the ANC instead. But Van Schalkwyk was having difficulty selling the idea to most of his

senior colleagues.

In contrast, a success story of the election was the performance of the United Democratic Movement, formed just two years ago. The curious amalgam of non-ANC blacks and conservative whites is refracted in its joint leadership: retired General **Bantu Holomisa** and **Roelf Meyer**. The one-time military leader of the apartheid-era Transkei 'Homeland' was expelled from the ANC after alleging that **Stella Sigcau**, a minister in President **Nelson Mandela**'s cabinet, had taken a bribe from fugitive casino boss **Sol Kerzner** (AC Vol 28 No 16). Meyer, meanwhile, once a minister in President **F.W. de Klerk**'s cabinet, had played a large part in negotiating a peaceful transition from apartheid to democracy. With minimal money or other resources, the UDM managed to win 14 parliamentary seats, most of them in Transkei, part of the ANC's Eastern Cape heartland.

This support base, even if largely regional, points to an appreciable non-ANC black constituency, which may be open to a repositioned DP or a future opposition alliance. For now, Holomisa has rejected DP overtures, which call for more unity of the opposition. Yet within the UDM and other opposition parties, attitudes to DP leader **Tony Leon**'s call for a 'Codesa of the opposition' (a reference to the Conference on a Democratic South Africa, where a settlement between warring factions was hammered out in the early 1990s) could soften as memories of election battles fade.

Leon and ex-Gen. **Constand Viljoen**, leader of the Freedom Front, which has sought to found an Afrikaner homeland, tried in secret talks with Chief **Mangosuthu Buthelezi** last year to draw the Inkatha Freedom Party away from its working alliance with the ANC and into a constellation of parties opposed to the governing party. An alliance of Viljoen and Buthelezi is not as unlikely as it might seem. Both men are strong on the need for self-determination for 'their peoples' (Zulus and Afrikaners). Buthelezi apparently heard Viljoen and Leon out at the meeting but gave them no answer - which they took to be a 'No'.

Talk of malpractice and court action rumble on but South Africans seem to accept that fundamentally what has happened in these polls is that the long-term players are being separated from the one-timers. The message is that Mbeki can proceed to election to the presidency on 14 June and implement his promises. Even among his opponents, there's a feeling that while South Africa needs a significant opposition, it also needs a strong government and the ANC is the only candidate. This doesn't mean, though, that Mbeki is any less 'enigmatic' to the average opposition voter than he has been since his return from exile in 1990.

Attention will also focus on how Leon shapes the DP as official opposition. Leon's aggressive 'fight back' campaign, which the ANC portrayed as a 'fight black' campaign, is perceived by some DP followers as reflecting the wrong mindset. Leon and his election brains trust (including the DP's ex-Director of Research, now member of parliament, **James Selfe**, and brilliant young spin doctor **Ryan Coetzee**) ran a rough tough campaign which heaped contempt on the NNP while targeting mainly the ANC. Advocating 'muscular liberalism', Leon threw off the gentility previously associated with South Africa's liberal tradition. Critics observe, though, that without black support, the opposition can go nowhere.

Johannesburg's *'Sunday Independent'* summed up this view. The DP had exploited white fears, it wrote, played on racial divisions and was completely off-key to the vast majority of South Africans. The DP now has more Afrikaner supporters than all traditional Afrikaner parties combined. The NNP faces extinction.

'The task facing Leon's party is the Africanisation of liberalism. Is he the man to do it? If Leon fails, multiparty democracy will pay a heavy price. But if Leon succeeds, he will no longer be the leader of the opposition by the next election because he will have been replaced by a black leader of a black-led opposition'.

Not just intimidation

Another feature of these elections was the widely unexpected resilience of Buthelezi's Inkatha. It gained 8.6 per cent of the national vote and the largest number of seats (34), though not an absolute majority, in KwaZulu-Natal. It has for some time been regarded as certain that the ANC and IFP would form coalition governments both nationally and in KwaZulu-Natal. Further, the IFP's strong showing hardened prospects of Mbeki inviting Buthelezi to be Deputy President when he puts his cabinet together in mid-month.

Inkatha's strong showing can partly be explained by the well established tendency of opinion polls to underestimate its support due to the party's largely rural base. Local analysts suggest another explanation, too: that past claims that popular support has depended on the IFP's ability to intimidate people and parties may be wrong.

The elections were by and large peaceful and very few IFP areas were 'no-go' for the ANC or other parties. The conclusion, barring late reports of fraud, must therefore be that the IFP's support is deeper and more widespread than many have been prepared to credit. Apart from strengthening Buthelezi's claims on the deputy presidency, this has also ensured for the IFP a continuing big role in coalition with the ANC in the KwaZulu-Natal government. Moreover, notwithstanding the IFP's current alliance with the ANC, the firmness of Inkatha's support may suggest openings for the DP and other opposition parties seeking black partners.

The NNP was not the only party to lose Afrikaner support. The FF saw its tiny support base halved. Viljoen, who has played an important role in the 1990s in keeping right-wing Afrikaners within the realm of constitutional politics and out of the hands of those who might lead them into rebellious adventures, has indicated he might leave politics, offering to let his party decide whether he has any further contribution to make to Afrikaner politics. Many of his erstwhile supporters are thought to have found the DP's 'Fight Back' message more alluring.

The other smaller opposition parties fared dismally, particularly those rhetorically to the left of the ANC, such as the Pan Africanist Congress and those representing the rump of the Black Consciousness movement, the Azanian People's Organisation and the Socialist Party of Azania. The PAC has kept three Assembly seats; Azapo, contesting for the first time, won only one. PAC leader **Stanley Mogoba** offered to resign: the party will debate his future. His suggestion of a merger with Azapo was rejected outright by an Azapo spokesperson.

Apart from the South African Communist Party and the Congress of South African Trade Unions, incorporated allies of the ANC when it comes to representation in parliament, there is now no substantial opposition to the liberal economic orthodoxy the ANC is following, with the support of the DP, NNP, IFP and UDM. And the SACP and Cosatu have yet to show they have the courage to mount anything other than verbal guerrilla warfare against government economic policy, which is embodied in the policy of 'Growth, Employment and Redistribution' (GEAR), supported by Mbeki and Finance Minister **Trevor Manuel**.

The elections were judged on balance free and fair; as a further step forward towards a democratic South Africa; as a great advance on the former primitive electoral mechanisms; and generally, as an encouraging event in the life of the 'new South Africa'. While recrimination is running high between parties which recruited each other's defectors, there have been few complaints about the general running of the polls. The rand strengthened on the Johannesburg Stock Exchange and the country is waiting now to see what President Mbeki's new cabinet looks like when he's due to announce it in mid-June. But just as importantly South Africans will be wanting to see results in the fight against crime and poverty.

EGYPT

The Nile flows on

Egypt has more success with trade than with foreign policy

As it struggles to keep its role as Middle East peace broker, Cairo is also juggling its emerging ambition to become the region's largest and most advanced free-market economy. From the Gaza Strip to Mogadishu, it has tried both to play the Arab card and to be seen as honest broker. Yet in both cases and in many in between, it has little to show so far. Both **Israel** and the **United States** regard Egypt as the Arab state with which they can do business about Palestine. That is why Washington gives Egypt US\$2.1 billion a year, \$1.3 bn. of it in military aid.

Yet **Binyamin Netanyahu**'s reign as Premier from 1996-1999 exposed the lack of depth in Egypt's relationship with Israel. This provoked Cairo decision-makers to undertake a lengthy review of foreign policy. The clearest result is an attempt to revitalise (again) ties with Africa. The 'strategic depth' once beloved of Defence Minister **Mohamed Abu Ghazala** is once more in the air. Whether May's election of General (retired) **Ehud Barak** as Israeli Premier, with its fresh hopes of peace, will again draw Egyptian government attention away from its southern neighbours remains to be seen.

Since the days of the late President **Gamal Abdel Nasser** and the foundation of the Organisation of African Unity, Cairo has rarely looked south. Now trade calls: in line with the usual free-market formula, the domestic economic reform programme aims to increase exports by 11 per cent, in order to achieve the 7-8 per cent growth in gross domestic product needed to sustain the growing workforce.

Egypt was the only OAU member not in any African economic bloc until 1998 when it joined the 21-member Common Market of East and Southern Africa (Comesa). This contains 288 million consumers and its \$2.5 bn. of internal trade in 1996 is supposed to grow to \$4 bn. in 2000, with the full removal of tariff barriers. In 1997, only about 4 per cent of Egypt's exports (\$151 mn.) went to sub-Saharan countries; imports from there were worth \$265 mn.

The cabinet has been reading a report identifying African sectors ripe for expansion, notably two Egyptian favourites, pharmaceuticals and construction. At present, 450 Egyptian-manufactured medicines are registered in 12 African countries, selling for as little as 20 per cent of the price of equivalent medicines imported from Europe. Optimists in the Foreign Ministry estimate that Egypt's trade with Comesa states could reach \$750 mn. by 2001.

Egypt has been trying to mediate in sub-Saharan conflicts, although officials from other governments involved often complain

that Egyptian diplomats lack deep knowledge of the issues. In 1997, Cairo tried to mediate between various quarrelling **Somali** factions, thereby temporarily sidelining (and annoying) **Ethiopia**, which had played that role since 1993. In December 1997, Egypt persuaded some Somali faction leaders to sign the Cairo Declaration but this did not bring peace. Largely on Ethiopian urging, the Cairo meeting included over 20 groups, not just the leaders of the main factions but of some small ones, too. They duly signed the Declaration but Egypt did not follow the process through. Plans for a further meeting of reconciliation in the Somali town of Baidoa were soon thwarted by fighting there, which has since changed hands several times, most recently this weekend (see Pointer).

After this failure, Egypt turned to the **Eritrea-Ethiopia** war. Although Cairo says it is neutral, its bias appears to others to be towards Eritrea, which it was said to be arming. Egypt's deputy head of intelligence, **Emad Hamid**, was reported to have visited Asmara in April to meet President **Issayas Afeworki** and other senior officials.

Egypt was expected to use its contacts with the Somali factions, and particularly with **Hussein Mohamed Farah 'Aydeed'**, to try to break the growing linkage between the war in Ethiopia-Eritrea and that in Somalia. Asmara has this year been arming Aydeed (AC Vol 40 No 10); Ethiopia sees this as an attempt to stir up fighting in Somalia, engaging Ethiopia along its south-eastern border and easing pressure on Eritrea along the northern border. Evidence for this came on 18 May, when **Mohamed Said Hirsi 'Morgan'**, leader of the Somali Patriotic Movement (Majerteen/Harti), complained that 1,500 Ethiopian Oromo rebels in Somalia's Lower Shabelle Region were threatening his stronghold of Lower Juba. Morgan accused Egypt and **Libya** of backing Aydeed, saying he expected the Oromo rebels to join up with Aydeed's forces and launch raids into southern Ethiopia.

Last June, Eritrea asked Egypt to help mediate in the conflict with Ethiopia, after the failure of the joint US-**Rwandan** initiative. According to Eritrea's Local Government Minister, **Mahmoud Ahmed Mahmoud**, Cairo's involvement was to have been coordinated with the US-Rwandan effort. Yet Egypt's intervention did no good. President **Hosni Mubarak** didn't manage to shift the position of Ethiopian Prime Minister **Meles Zenawi** when they met on 19 May in the southern Sinai town of Sharm el Sheikh.

Egyptian Foreign Minister **Amr Moussa** emphasised that, 'The differences are profound between Eritrea and Ethiopia,' although both sides had said they accepted an OAU proposal for the deployment of peacekeepers and neutral demarcation of the 1,000-kilometre border. Egypt is still trying to clarify that proposal.

Ethiopia has trouble accepting Egypt as honest broker because it fears it is mainly trying to strengthen its position in the run-up to negotiations on the Nile: in Egypt, Ethiopia is usually described as the source of 85 per cent of Egypt's Nile water (AC Vol 39 No 12). The eventual full negotiations will involve all ten Nile Basin states. Egypt wants, among other things, to increase its contacts with them by joining the Inter-Governmental Authority on Development. Water and irrigation ministers from the riparian states met in Addis Ababa in mid-May and agreed to improve the coordination of water use but made no progress on funding or other practicalities.

IGAD members understand that Egyptian-Ethiopian relations are uneasy and they do not want a new member which might try to dominate their group. So there would be stiff resistance to Egypt's application for membership. The fact that Egypt has been spreading the word that it is already a member hasn't helped its cause. Egypt's keenness to join Comesas, of which the membership was

previously defined by area, has fuelled suspicion of Cairo's intentions throughout the region.

IGAD has since 1991 been trying to work out what to do about the National Islamic Front regime in Khartoum and hosting protracted talks between the NIF and the **Sudan People's Liberation Army**. This process has been dominated by Eritrea, Ethiopia and **Uganda**, all in fact at war with Khartoum. (In Somalia's absence, the only other IGAD members are **Djibouti** and **Kenya**, plus Sudan itself). The Eritrean-Ethiopian war and those governments' attempts to make holding deals with Khartoum have given Egypt a window of opportunity through which to clamber. Since this comes at a time when the NIF is again talking of southern Sudanese 'autonomy', it is hardly surprising that Cairo is busy courting all the players, from the NIF via the Sudanese opposition to IGAD. The Nile runs through every aspect of Egyptian regional policy. To Sudanese rage (and mirth), Cairo has always believed that it can influence any Khartoum government. And it dreads the prospect of negotiating a new water-sharing agreement with two separate Sudans. Amr Moussa recently said once more that Sudan should not be divided.

The indefinite unilateral ceasefire which Cairo's main domestic Islamist group, *El Gama'a el Islamiyya*, proclaimed on 25 March allows Cairo to talk more easily to Khartoum, long seen as backing *El Gama'a*. For eight years, Cairo has confronted the *Gama'a*, refusing any political dialogue, a much criticised strategy which some think may now have paid off. A year of discussions between the group's domestic wing (whose leaders are in gaol) and its exiled members, have been coordinated by *Gama'a*'s lawyer in Cairo, **Muntassir el Zayat**. Both wings said they had concluded the armed campaign had failed and should be abandoned.

Egypt claims its special relationships with the two pariah states, Sudan and Libya, give its policies strategic depth. That claim has been underlined since 5 April, when Tripoli gave up for trial two men accused of masterminding the 1988 Lockerbie airliner bombing. United Nations sanctions against Libya were immediately lifted. On 24 May, President Mubarak paid a sudden four-hour visit to the Libyan leader, Colonel **Moammar el Gadaffi**; publicly, this was said to be to strengthen business ties but the leaders also discussed Gadaffi's supposed mediating role in both the Ethiopia-Eritrea dispute and the war in **Congo-Kinshasa**.

It remains to be seen how far Egypt's new diplomacy impresses its African neighbours, particularly those who don't live next-door. Even the governments in Libya and Sudan need Cairo less than it appears to believe. Nevertheless, Egyptian involvement, at least with its two direct African neighbours, will certainly increase in the short term.

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Pointers

ZAMBIA

Paris to Lusaka

The usual bashing of non-governmental organisations followed the World Bank's Consultative Group on Zambia in Paris on 26-28 May (AC Vol 40 No 11). Zambia's Finance Minister **Edith Nawakwi** arrived home on 6 June and lashed out at the 'plotting' by the eight international and local NGOs (including Lusaka-based Afronet and Human Rights Watch) that had lobbied on human rights issues.

The CG meeting was nevertheless a watershed. Legal Affairs Minister **Vincent Malambo** impressed donors with a spirited presentation on governance; and, although a formal decision is still some months away, **South Africa's** Anglo American and **Chile's** Codelco convinced bilateral donors that they were still interested in a possible coppermine joint venture.

Fourteen donor countries attended and approved US\$240 million in balance of payments support and \$390 mn. in project assistance, some \$30 mn. below Lusaka's target for external financing for 1999. As in 1998, the release of funds is attached to economic and governance conditions. **Denmark** and the **United States** were robust on governance this year. US Ambassador **Arlene Render** was also vocal: she has been tightlipped in the past but soon leaves to become Director of the State Department's Office for Southern African Affairs. On returning from **France**, **British** High Commissioner **Tom Young** announced a timetable for BoP support (which includes performance-related benchmarks).

To help the government keep its promises, there will be quarterly pre-CG meetings in Lusaka, followed by a CG meeting in Zambia in 2000. There is a new trend to hold CG meetings in the country concerned: this is aimed partly at tackling the annual cycle of impressive government promises followed by abuse and inertia. And with the communications revolution, CG meetings held in recipient-states may just generate more media interest (and NGO activity). The French and other Western media show little interest in CG gatherings held in Paris.

DJIBOUTI

Francophilie

French officials were taken aback by the success of the visit to Paris on 24-29 May by Djibouti's new President, **Ismael Omar Guelleh**. They were particularly pleased by his apparent Francophilia. Though in an interview with the daily *'Le Figaro'* he complained about French criticism of his human rights policies, he then

went on to delight both the Paris Chamber of Commerce and the Foreign Ministry by praising Franco-Djiboutian friendship and warmly inviting more French investment. This may not have been entirely unconnected with the end of the 1996 International Monetary Fund agreement. When the IMF board meets in the coming days, French support would be useful in securing a new structural adjustment agreement.

During his visit, the *Centre Français du Commerce Extérieur* organised a seminar at the Senate on economic prospects in the Horn of Africa. Unfortunately for Djibouti, this brought out the growing importance to France of **Ethiopia**: almost every speaker focussed upon the opportunities it offered. Djibouti came second and **Eritrea** was barely mentioned. French exports to Ethiopia grew by no less than 41 per cent between 1997 and 1998, when they were worth 274 million French francs (about US\$45 mn.). This is also around four times more than French exports to **Sudan**, whose Foreign Minister, **Mustafa Osman Ismael**, was being fêted in Paris this week. But French exports to Djibouti were greater than those to Ethiopia, at FF337 mn. And one analyst noted that since the year-long war with Eritrea began, the Ethiopian Central Bank's weekly auction of foreign exchange to the private sector (for imports) has dropped from an average of \$20 mn. to \$6 mn.

AFRICA/NETHERLANDS

Yellow card

The Netherlands has warned four African governments that it will halt aid if they don't improve their governance records, *Africa Confidential* has learned. The Hague is already stopping aid to 60 countries: Development Cooperation Minister **Eveline Herfkens** told African finance ministers at the United Nations Economic Commission for Africa conference in Addis Ababa in May that poverty levels, quality of governance and socioeconomic policy would be used to select the 19 countries that will still receive bilateral aid. 'Focusing the aid relationship on a smaller number of countries and sectors is necessary to assure the effectiveness and quality of the Dutch aid effort,' Herfkens said in clarification.

Ten African countries still qualify for Dutch structural bilateral aid: **Burkina Faso, Eritrea, Ethiopia, Ghana, Mali, Mozambique, Tanzania, Uganda, Zambia, Zimbabwe**. In addition, **Egypt** and **South Africa** get aid on a temporary basis but don't strictly meet the criteria. The Dutch Foreign Affairs Ministry told us that Zambia, Zimbabwe, Eritrea and Ethiopia had been shown 'yellow cards' for failing to meet the governance criteria. They are in effect on probation for 1999: the Dutch parliament will decide whether governance records improve enough to qualify them for continued aid. In Lusaka, President **Frederick Chiluba** hasn't missed the signal. Dutch

Ambassador **Karel de Beer** is the target of a government charm offensive: he now has better access to State House than any other envoy in town.

SOMALIA

Unfunny money

A consignment of notes for **Hussein Mohamed 'Aydeed'** with a face value of 35 billion Somali shillings (Sosh) due at Baidoa airport has been held up by an **Ethiopian** invasion. Last weekend, the **Rahenweyn** Resistance Army and its Ethiopian allies seized the town - and the only airport open to Hussein. (Local merchants have barred Baidogle to him to prevent the notes arriving). This was to be the third such delivery: in March, banknotes also 'worth' Sosh 35 bn. (35 million balweyn) were delivered to Mogadishu. They were printed in early 1996, to the order of the late General **Mohamed Farah 'Aydeed'**, via a Penang holding company, Adorna, represented by **John Fonn**, a **Malaysian**. Aydeed Senior had received a first instalment of Sosh 70 bn. A second delivery did not take place, partly because Aydeed was killed in August 1996, partly because his sons, Hussein and **Hassan**, could not amass enough dollars to pay for them. A group of traders, some even opposed to Aydeed, paid for March's delivery, some from Aydeed's Habr Gidir clan, some from **Ali Mahdi's** Abgal.

Hussein himself got only Sosh 3 mn. The businessmen kept control of the rest, having learned from their mistakes with the first cargo, which had produced massive inflation. Cash can be a weapon in Somalia. In 1991, Ali Mahdi used the then 'new shillings' to support his fight against Aydeed Snr. In Somaliland, **Mohamed Ibrahim Egal** introduced a flood of Somaliland shillings (Slsh) with which he encouraged clan elders and waged war on the Garhajis: the exchange rate crashed in a few weeks in 1995 from US\$1 = Slsh 50 to \$1 = Slsh 400; today \$1 = Slsh 4,000.

Though local business people fear more new notes, Hussein can now pay for them, with funds from **Libya** and **Eritrea**. He needs the notes to buy badly needed support. The dollar has been trading at Sosh 9,000 and is expected to fall below \$1 = Sosh 12,000 if a new delivery arrives. The fear of inflation hasn't stopped Puntland 'President' **Abdullahi Yussuf** from using Ethiopian and commercial help to seek a good printer, reportedly in **Indonesia**. The firm that printed Aydeed's money is B.A. Banknote A. of Ottawa. The notes are copies of those issued before Somalia collapsed into conflict (AC Vol 29 No 25) but with new dates. **Canadian** officials said that since Somalia no longer had a Central Bank, there was nothing illegal about the transactions. Critics note that the inflationary notes are a catastrophe for the poor, the very people targeted by Canada's aid programme.

AFRICA CONFIDENTIAL

SOUTH AFRICA

4

Mbeki the mystery

Now centre-stage as President, Thabo Mbeki keeps South Africans guessing. Apart from the inclusion of 8 women out of 29 ministers, his new cabinet, dominated by outgoing President Mandela's appointees, shows little change in political style. But his restructured president's office is set to run the most centralised government in the country's 90 year history.

MALAWI

6

Close shave

Close-run and bad-tempered, Malawi's 15 June elections have sparked off several street confrontations and plenty of litigation. President Muluzi looks set to ride the storm, helped by a marginally bigger vote in the presidential and parliamentary polls than in 1994. His first major test will be whether he can drop some of the more powerful but incompetent ministers from his cabinet.

MOZAMBIQUE

7

Chissano tastes success

President Joaquim Chissano is determined to go to the polls before the end of the millennium, claiming most of the credit for his country's reputation as Africa's new success story. According to the World Bank, Mozambique has jumped from being one of the world's poorest countries to one of its fastest growing economies.

POINTERS

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Angola, Algeria, and Yugoslavia/ Africa

Gem gumshoes, bienvenue à Alger, refugee rivals.

SUDAN

The NIF goes on a charm offensive

Europe takes Khartoum's promises of dialogue and an 'oil bonanza' seriously - unlike Washington and the Sudanese themselves

Last week in Khartoum, where mixed student outings have been common for decades, 25 students who went on a picnic were publicly flogged for 'immoral' behaviour. The girls were found guilty of wearing trousers. Fines were imposed of up to 50,000 Sudanese pounds (US\$20), a large sum in today's impoverished Sudan. More seriously, government forces continue to drive Southern civilians from their homes. Hundreds were crossing into **Kenya** at Lokichoggio daily in early June, fleeing government bombing around Chukundum. In mid-June, the United Nations reported that some 2,000 Dinka people from northern Bahr el Ghazal had trudged into Khor Omer camp at Ed Daein, Southern Darfur. Government forces continue to torch Nuban villages.

Khartoum's continued abuse of human rights was well documented in the first report by the United Nations Special Rapporteur on Human Rights, **Leonardo Franco (Argentina)**. 'I witnessed so many cases of torture at first-hand', he told *Africa Confidential*. Yet European Union governments, at the meeting at the UN Commission on Human Rights in Geneva on 21 April, pushed through an enthusiastic resolution which included praise for the National Islamic Front government's 'expressed commitment to a process of democratisation with a view to establishing a representative and accountable government'.

The West is split on relations with the NIF. The **United States** usually proposes the annual motion needed to renew the Rapporteur's post. This year, the EU submitted the motion. A US official told us this was because of sensitivities over the *El Shifa* bombing last August, when his government attacked a pharmaceuticals factory suspected of preparing chemical weapons (AC Vol 39 No 17). The NIF has skilfully spread and exploited the notion that Washington hit the wrong target. One European diplomat told us the EU put the motion because the USA wanted to talk secretly to the NIF. Half of the EU countries are doing exactly that (pretty openly) as US officials note, expressing anger at the EU motion. 'They're acting as if everything's now all right', said one. 'What about the bombing of hospitals in the South?'

Paris and Rome lead the charge

France and **Italy** enthusiastically led the UN motion, with **Germany** (EU chair) and **Britain** also keen. The **Netherlands** was the only EU state to object, though not hard. In Khartoum, French Ambassador **Michel Raimbaud** is widely regarded as sympathetic to the NIF. Bonn's Ambassador is regularly seen on government television at NIF meetings with no other foreign diplomat present.

The approaching anniversary of its coup on 30 June 1989 reinforces the NIF in its conviction of its own rightness, tactically and strategically as well as ideologically. Stories are spreading again of splits in the NIF, especially between **Hassan el Turabi** and General **Omer el Beshir**. Rather than splits, there are constant tugs of war for influence between those who share the same world-view: when the crunch comes, the centre will hold. The '*emir*' is fundamental to Islamist politics and El Turabi is indeed in charge. Rumours of Turabi's decline are exaggerated. He and his group hold the purse strings, so Omer's room for manoeuvre is limited as is that of his star generation, 10-20 years younger than himself (**Ali Osman, Ghazi**, etc.) who are said to be fed up since Turabi believes that power is sustained by constantly recruiting a younger team.

Yet the NIF knows how much it is hated nationwide and how intractable is the conflict in the South. Its charm offensive reflects a pragmatic approach to both the weaknesses and the strengths of its situation. The regime aims to:

1. Divide, and where possible co-opt, the opposition.
2. Persuade Western, Arab and other African governments that Sudan is a good place to invest/trade and that its government is a stable and valid interlocutor.
3. Distract Washington from the terrorist trail and win it over.

The charm offensive isn't new. What is, is the momentum which the NIF has created, cultivating an image of real change in the offing and creating a mood of expectation among governments and businesses. Since it began preparing for power in the 1970s, the NIF has become expert at exploiting

foreign businesses. Now Arab and Western governments are jumping onto its accelerating bandwagon - and so are some Sudanese opposition leaders. Some are so keen that they ignore the fact that the NIF is in the driving seat.

The NIF's divide-to-rule successes include 'peace agreements' in 1997 and 1998, when it co-opted dissident Sudan People's Liberation Army dissident leaders **Riek Machar Teny Dhurgon** and **Lam Akol Ajawin**, plus some people dubbed faction leaders

The National Islamic Front on parade

Hassan el Turabi heads a team of sometimes quarrelling but always committed people. The key NIF people in government have been there since the 1989 coup. A number of top people are unknown to the public, particularly in the many senior security posts. 'Gatekeepers' always keep **Omer el Beshir** in and others out and monitor all. Core stalwarts include:

Abdel Rahim Mahmoud Hamdi: veteran NIF from Islamic Charter Front days; heads infant Stock Exchange; ex-Finance Minister; ex-Baraka and Faisal Islamic banks; good at cultivating World Bank and Western business.

Abdel Rahim Mohamed Hussein: Interior Minister; NIF no. 2 in armed forces pre-1985 (SPLA shot down no. 1, Col. **Mukhtar Mohamedein**, 1988); ex-airforce engineer; ex-gatekeeper; one for tough jobs.

Abdel Waheb Osman: Finance Minister; NIF MP 1986.

Ahmed el Dabi: General; officially replaced **Nafi'e Ali** as external security boss after the attack on President **Hosni Mubarak**; then El Dabi officially replaced by **Qutbi el Mahdi** in November 1996; still said to be in security.

Ali el Haj Mohamed: Federal Relations Minister; track record in southern accords, broken and otherwise; medic; in London during coup and admitted coup was NIF at public meetings;

Omer Bedawi Abu el Basher: booked a meeting room for Mohamed (see above) when petroleum engineering PhD student; from Kadugli; still in London in business; key contact on oil contracts.

Ali Osman Mohamed Taha: Vice-President; ex-Social Planning, then Foreign, Minister; led Khartoum University Union in 1970s; worked as lawyer, then judge; Shaigi; son of railway worker; Muslim Brotherhood MP after **Nimeiri**'s 1977-8 'reconciliation'; leader of NIF parliamentary group after 1986 elections.

Ali Mohamed Osman Yassin: Attorney General; ex-Ambassador to UK and to UN.

Amin Hassan Omer: Under-Secretary, Information; ex-gatekeeper.

Awad el Jaz: Energy and Mining Minister; crucial to charm campaign; also important in security activities.

Badr el Din Taha: Khartoum Governor; ex-Director, Agricultural Bank of Sudan.

Bakri Hassan Salih: Presidential Advisor (gatekeeper); ex-Interior Minister, ex-security chief.

Ghazi Salah el Din el Atabani: Culture & Information Minister; medical doctor; **Libyan**-trained tank driver; in 1976 anti-Nimeiri attack by National Front (MB-Umma-DUP alliance), he and **Mahdi Ibrahim** held off army at Communications building; ex-State Foreign Minister under Ali Osman; married to **Mubarek Abdullahi el Fadil**'s sister-in-law;

Hassan Osman Dahawi: Major General; overall security chief.

Hussein Khojali: veteran NIF; editor and founder 'Alwan', Sudan's first tabloid; close to Turabi;

Ibrahim Abu Aouf: influential; formerly in charge of refugee affairs.

Ibrahim Ahmed Omer: Higher Education and Scientific Research Minister; ex-MP for NIF; long fight to set up U of K Islamic Studies Dept. in early 1980s.

Ibrahim el Senoussi: reputed to have built up NIF militias; veteran of 1976 National Front camps in Libya; background worker.

Ibrahim Shams el Din: tough major (tanks); Omer's Defence Advisor; with security buff **Fatih Erwa** (now UN Ambassador) in Juba during 1992 events.

Ibrahim Suleiman: General; Defence Minister.

Isam Siddig: junior Irrigation Minister; chemical engineer; married into **Ba Abboud** family, which built *El Shifa* plant.

Kabshur Kuku: Education Minister; Nuba.

Mahdi Ibrahim: Ambassador, **United States**; veteran NIF; ex-editor NIF paper 'El Rayah'; ex-militia organiser.

Majzoub el Khalifa: in charge of trades unions; ex-State Minister for Khartoum, keeping tabs on the capital.

Mohamed Abdullah Jar el Nabi: entrepreneur; bought Chevron concession; praised this month by Omer for building Abu Jebra refinery and contribution to oil story.

Mohamed el Amin Khalifa: Cabinet Affairs Minister.

Moussa Abdullah Yagoub: veteran NIF with business interests; brother of respected late Vice-Chancellor Juba University, **Sammani**.

Mustafa Osman Ismail: veteran NIF; Foreign Minister, effective diplomat known as 'Mr. Smile'; post-coup, headed parallel foreign policy body Friendship Committees, e.g. Khartoum-based Sudanese-British Friendship Committee.

Nafi'e Ali Nafi'e: veteran NIF; Agriculture and Forests Minister; previous (and believed to be present) security supremo, officially removed in aftermath of 1995 assassination attempt on **Egyptian** President Hosni Mubarak; ex-U of K agriculture lecturer; trained in **Iran** in mid-1980s.

Nasr el Din Idriss: Ambassador, **South Africa**; career diplomat; ex-Ambassador to UN, New York; ex-gatekeeper for El-Beshir, as he was for Premier **El Gizouli Dafa'allah** in 1985.

El Nur Zarroug: business person; retired sea captain; veteran NIF and London resident, where Warm Seas Shipping company deals in strategic commodities for government.

Omer Abdel Marouf: ex-chemical engineering technician; was People's Defence Force supremo and first civilian State (junior) Defence Minister.

Omer Hassan Ahmed el Beshir: Lieutenant (formerly Brigadier) General; President; paratrooper; was NIF's no. 3 in army pre-1989; Baathist 'El Destour' magazine in 1986 identified him as NIFer preparing coup; went to Khartoum el Gadima school as did Ali Osman; several brothers NIF, including one in Birmingham, UK, before coup.

Omer Youssef Bireedo: London Ambassador (withdrawn 1998); effective career diplomat.

Osman Khalid: colourful veteran; NIF ex-MP; businessman moving between UK and Sudan.

Qutbi el Mahdi: External Security chief; ex-Ambassador, Iran; **Canadian** nationality (AC Vol 40 No 1).

Salah el Din Karrar ('Salah Dollar'): Ambassador; ex-Cabinet Affairs Minister; ex-head Revolutionary Command Council Economic Committee; many posts.

Sherif el Din Banaga: Minister Housing and Engineering Affairs, Khartoum State; presided bulldozing of displaced people's settlements; doctorate, civil engineering, Loughborough, UK.

Taj el Sir Mustafa: veteran NIF; MP; key to security organs' funding; ex-Trade Minister; ex-Industry Minister; founded telecommunications organisation Sudatel (now part owned by *El Shifa* investor **Salah Idriss**).

Tayeb Ibrahim Mohamed Kheir ('Tayeb Sikha, 'iron bar'): Social Planning (known for good reason as 'Social Engineering'); ex-Darfur Governor; heads peace committee for west; Cabinet Affairs Minister post-coup; presided over civil service mass dismissals; another one for tough jobs.

for the purpose. **'Shereef' Zein el Abdin el Hindi** has taken over to the NIF the (much depleted) wing of the Democratic Unionist Party which he inherited from his respected brother, **'Shereef' Hussein el Hindi**. This enabled the Foreign Minister, on a visit to Paris this month, to present the 'Democratic Union' as partner in a two-party system. Meanwhile, the State Minister for Peace, **Hamed Abdel Karim**, was recently quoted as saying the government was negotiating with **Yussef Kuwa**, following the surrender of 12,000 SPLA-Nuba fighters. Sources close to the SPLA-Nuba commander angrily deny this improbable scenario.

Most controversially but less surprisingly, in Geneva in early June Umma Party chief **El Sadig el Sadeeg el Mahdi** met the man who in 1989 overthrew him as elected Premier, NIF leader Hassan Abdullah el Turabi; they are not, incidentally, brothers-in-law as frequently claimed. *Africa Confidential* understands that, beforehand, El Sadig did not consult either the Umma's exiled leaders or the party 'inside'. This produced ferment in the party, which has no structures for effectively challenging its leader's decisions. We hear that El Sadig's move was opposed by Party Secretary General **Omer Nur el Deim** and National Democratic Alliance Secretary General **Mubarek Abdullahi el Fadil el Mahdi** (both ministers in the government the NIF overthrew). Yet both fell swiftly into line behind their leader. Many Sudanese wonder whether Mubarek Abdullahi is positioning himself: Umma sources say he pressed his cousin not to return to Khartoum, as planned, for further talks in mid-June.

Sadig meets Turabi

The impact of Sadig's meeting on the Umma could be huge: among a multitude of protests, the leadership of the Al Medina branch, **Saudi Arabia**, sent a searing five-page memorandum to Sadig. 'There is no democracy in our party', they complained, adding that Sadig's behaviour was 'an invitation to surrender... an abandoning of the hopes and aspirations of our people'. Meanwhile, the DUP Secretary General, ex-Interior Minister **Sid Ahmed el Hussein**, again spoke out against dialogue with the NIF from his home in Khartoum. It was 'inconceivable' to talk of reconciliation without 'demanding accountability from the NIF' for the suffering it had caused, he said.

Turabi was equally scathing, albeit for other reasons: on Sudan TV after the meeting, he asked, 'When someone [the NDA] comes to you on their knees, what do you say to them?'

On 7-15 June, notwithstanding Sudan's new pact with **Eritrea**, the NDA held a meeting in Asmara, where Sadig's venture came under heavy fire. (Simultaneously Khartoum's powerful Culture and Information Minister, NIF stalwart **Ghazi Salah el Din el Atabani**, visited Asmara with a 'security delegation', staying in the same hotel, we gather, as Mubarek Abdullahi). Democratic Unionist Party leader **Mohamed Osman el Mirghani** gained much kudos from this. The NDA meeting seemed unaware that, following Mohamed Osman's May trip to **Libya**, the official Jamahiriya Arab News Agency had written on 29 May that, along with Libyan officials, he had met 'a number of Sudanese ministers' at an 'enlarged meeting' in Sirte.

The NDA's unpromising gathering was transformed into a success partly by an unusually firm and cohesive speech from the SPLA boss, Colonel **John Garang de Mabior**. He did not reject a 'peaceful solution' (a current catchphrase, along with 'political negotiation'), such as the NIF is ostensibly offering: anybody who turns that down will be accused of warmongering. But he insisted the NIF could never be reformed and that any chance of keeping

Sudan united depends on a secular constitution: all NDA parties have agreed this but the Umma and DUP constantly waver. Garang ran through the NIF's tactics for holding onto power, stressing 'divide-to-rule' and noting that the 'peace from within' policy had brought no peace and isolated its signatories, Riek Machar and Lam Akol.

The speech was more diplomatic than what Garang had to say to Sadig in a closed meeting in Kampala, **Uganda**, on 22 May. Sadig defended his meeting with Turabi but Garang apparently made it clear that the SPLA's continued membership of the NDA might depend on Northern parties' continued support for the NDA and its opposition to the NIF.

The Asmara final communique was firm and gave the impression of an NDA more united than ever. This is partly true: the NDA had frightened itself with the spectre of its own and the nation's disintegration. Few outside the Umma and DUP think those two parties can be relied on; yet minds seem more focused. Also new was a less than heartfelt welcome for Libyan and **Egyptian** involvement in mediating with the NIF. Nonetheless, the NDA is due to go to Cairo on 5 July and Tripoli three days later: expectations are that NIF people will be in both cities. Egypt's obsession now appears to be to extract the 'Sudan file' from its Africa strategy (the Inter-Governmental Authority on Development; Eritrean, **Ethiopian**, Ugandan support for the NDA) and place it firmly in the Arab camp (**Libya**, **Qatar**, **Saudi**).

Change, though, can come only from the home front, not by foreign intervention. The NDA underlined that a 'political solution' was possible only through adherence to its previous resolutions and the IGAD Declaration of Principles. These demand a secular constitution and a referendum on 'autonomy' in the South, and endorse armed struggle against the government. Military actions continue by NDA forces (especially SPLA, Brigadier Gen. **Abdel Aziz Khalid Osman**'s Sudan Alliance Forces and the Beja Congress) in the South, East, Blue Nile and Nuba Mountains.

The Ethiopian-Eritrean war has held up NDA military progress for over a year. Yet both Eritrea and Ethiopia still support the NDA, despite their agreements with the NIF to improve relations. The Ethiopian and Eritrean governments are said to have told each others' opposition movements 'not to worry too much' about the ostensible rapprochement. Addis Ababa is particularly cautious about NIF blandishments, since Ethiopia's Somali Region is under threat from *Al Itahad al Islami*, backed by both Khartoum and the **Somalian** warlord, **Hussein Mohamed Farah 'Aydeed'**. Eritrean and Ethiopian opposition sources confirm they still get support from Khartoum.

Why Europe wants to talk to the NIF

Differences within the NDA are one reason why several Western governments want to talk to the NIF. Other main factors, ably exploited by the NIF, are incumbency ('after ten years, the NIF looks to be here to stay'); a post-*Shifa* belief (though not among Sudanese) that US concern about Sudan-linked terrorism is exaggerated; and profits from oil exploration. The NIF holds out the carrot of major contracts, mainly in construction. Trade and agriculture, plus some tourism, complete an enticing package.

The Paris Chamber of Commerce and Industry issued a hyperbolic brochure during the visit in June of Foreign Minister **Mustafa Osman Ismail** (AC Vol 40 No 12). In it, Minister **Abdullah Hassan Ahmed** describes Sudan as a 'breadbasket of the world'. Figures from the Sudanese Embassy imply that a vast market awaits the investor. France's credit agencies, DREE and

Coface, tersely note: 'Short term: high risk. Medium term: very high risk'. But the veteran **Michel Habib-Deloncle**, President of the Franco-Arab Chamber of Commerce, hailing plans for steelworks and a whole new industrial town to be built near Khartoum, asks if credit guarantees are really necessary: 'The Italians don't feel the need for such guarantees', he notes, encapsulating both the Sudanese government's public relations campaign and its hope that Europeans will fall over each other to invest.

Some in the French Foreign Ministry object to visits by Sudanese ministers, just as attempts to restore relations between London and Khartoum have their critics in the Foreign and Commonwealth Office, chief among whom is said to be Foreign Secretary **Robin Cook**. But the Under-Secretary of Khartoum's Foreign Ministry, **Hassan Abdin**, was negotiating in London this week. **Norway**, usually seen as a friend of the South, was said to be trying not only to get the IGAD talks going again but even to include the Sudan government in a replication of the **Israel-Palestine** Oslo deal. The Hague was trying something similar. Libya and Qatar (both of which reportedly supply arms to Eritrea) were falling over each other to negotiate between the NDA and NIF (and Egypt was coming up fast). In late June, Khartoum threw another carrot onto the pile by offering to open diplomatic relations with Israel, with which it is officially at war - but only as long as there was real peace in Palestine ('real peace' is not often demanded for Sudan).

Oil is the key; Khartoum gives the impression, at home and abroad, of an imminent bonanza, with attendant money-making opportunities. The International Monetary Fund gave the NIF a boost on 3 June by issuing a cautiously enthusiastic statement on Sudan. The five-page document, packed with fiscal and monetary detail, notes only in passing the 'internal conflict which is diverting budgetary resources away from productive use...', praises the 'liberalisation' process and says that 'difficult' relations with some countries 'have undermined private sector confidence'. Nowhere does the Fund mention that the ruling party has effectively 'liberalised' the private sector into its own hands.

The IMF makes no mention of an oil bonanza, either. On 31 May, Turabi and Lieutenant General Omer Hassan Ahmed el Beshir ceremonially inaugurated the 1,600-kilometre pipeline from Heglig to the coast. The 'Salvation Revolution' has for months been declaring that oil would be exported on the anniversary of the NIF coup on 30 June but has now been forced to admit it won't. (Khartoum is still busily denying Turabi's declaration that the government would buy tanks and missiles with its oil money). Tests are now being done and oil is expected to flow next month, probably emerging in September. Government-owned Sudapet holds 5 per cent but will earn more through taxes and so on; the rest is held by the **Chinese** National Petroleum Corporation (40 per cent), **Malaysia's** state-owned Petronas (30 per cent) and **Canada's** Talisman (25 per cent).

On 20 May, the International Petroleum Corporation, which heads a consortium in an adjoining concession in the Muglad Basin, announced that an exploration well in Block 5A had given 'very significant' results. IPC and any other company with oil to pump are legally obliged to use the Greater Nile Petroleum pipeline. IPC is wholly owned by Lundin Oil, based in Stockholm and controlled by the Canadian-Swedish, Swiss-based family headed by **Adolph Lundin**, which also has mining concessions in **Congo-Kinshasa**. IPC has about 40 per cent of the 5A concession, Petronas 28.5 per cent, OMV (of **Austria**) some 26 per cent. Sudapet has 5 per cent - more oil for the wheels of the bandwagon.

SOUTH AFRICA

Mbeki the mystery

The new cabinet reveals little about the new President's political style

Now centre-stage as President, **Thabo Mbeki** still keeps South Africans guessing. His patchwork cabinet is dominated by ministers who served **Nelson Mandela**, and expanded to 29 from 26 members, despite the Presidential Review Commission's recommendation to reduce it (AC Vol 40 No 12). Some of the old cabinet's brightest stars, including **Mac Maharaj** at Transport, **Pallo Jordan** at Environment and **Derek Hanekom** at Agriculture, either jumped or were pushed.

As he gradually grasped the reins of government during the second half of Mandela's presidency, Mbeki can take credit for many of its achievements: reducing political violence in KwaZulu-Natal; the strongly liberal constitution; expanding water, electricity and health services; formulating and implementing a tough but realistic economic strategy. And Mbeki's first term will be plagued by the same grave threats which the Mandela government faced: soaring AIDS casualties, unemployment and crime.

Mbeki's strong inauguration speech on 17 June, which emphasised improving delivery by key ministries and cracking down on corruption, led people to expect new faces and new policies. Instead, the cabinet tries to balance factions, regions and personalities. The most applauded decision was to leave the respected economic team of **Trevor Manuel** at Finance and **Alec Erwin** at Trade in place; there are few new stars in the line up.

The focus of interest was the proposed deal that would have given the deputy presidency to Inkatha Freedom Party leader **Mangosuthu Buthelezi**, while the African National Congress got the premiership of KwaZulu-Natal Province. There, Inkatha has two more seats than the ANC and the parties had planned a coalition. As usual Buthelezi negotiated hard and the bargaining delayed Mbeki's cabinet announcement by half a day. Finally, Buthelezi decided that Inkatha needed its regional power bases and blocked the ANC's nominee from the provincial premiership.

Having thus ruled himself out of the deputy presidency, Buthelezi stays on as Home Affairs Minister, with two IFP colleagues keeping their previous ministries: Correctional Services (Prisons) and Arts, Culture, Science and Technology. The new Deputy President is another Zulu, **Jacob Zuma** (also Deputy President of the ANC), who spent years in exile with Mbeki after the mid-1970s when, recently released from Robben Island prison, he was smuggling arms and people into South Africa and Mbeki was the ANC representative in **Swaziland**. In the late 1980s as the ANC intelligence chief, Zuma watched Mbeki's back (mainly against rivals in the ANC) while Mbeki led the party's exiled wing into negotiations with the apartheid government. The two men remain close despite some recent tensions.

Widely welcomed was Mbeki's appointment of **Kader Asmal** as Minister of Education. As Minister of Water Affairs, Asmal overhauled the department, mercilessly bullied his civil servants and ensured that water was supplied to millions of the poorest people in outlying areas. In 29 years of exile with the ANC, he won respect as Dean of Arts at Trinity College, Dublin and head of **Ireland's** anti-apartheid movement. Despite the onset of cancer,

Asmal is among the party's brightest and hardest working. The education department was poorly handled by his predecessor, **Sibusiso Bengu**, who said several months ago that he would retire.

The appointment of **Manto Tshabalala-Msimang** at Health is also popular. She has a medical degree and other health qualifications and has chaired parliament's health committee. Married to **Mendi Msimang**, South Africa's former High Commissioner to London and now the ANC Treasurer General, she was Deputy Minister of Justice in 1996-1999.

The popular **Patrick 'Terror' Lekota**, back in favour with Mbeki and now Defence Minister, has the formidable task of cutting the armed forces by a further 20-30,000. Lekota was fired as Premier of the Free State Province in 1996 after running battles with ambitious rivals there and heading a campaign against corruption. He fought back and, in late 1997, took the ANC national chairmanship in a straight battle with Mbeki's preferred candidate, the then Sports Minister, **Steve Tshwete**.

Tshwete and Mbeki have been close since the late 1980s, when Mbeki was pitched against the ANC faction around **Chris Hani**, the *Umkhonto we Sizwe* Chief of Staff later murdered by right-wingers. At Sports, Tshwete was known for bombast and for alienating sports administrators; his ministerial talents aren't widely

admired and many doubt his ability to make a dent in the spiralling crime figures in his new job as Safety and Security Minister.

Mbeki's moving of **Nkosazana Dlamini-Zuma** from Health to Foreign Affairs shows he will continue, indirectly, to run the department. He is confident that Dlamini-Zuma's popularity within the ANC will vindicate what opposition parties have dismissed as an eccentric choice but one which gives women three senior ministries: Zuma, Msimang and the impressive **Geraldine Fraser-Moleketi**, who runs civil service reform at Public Service and Administration. At Health, the blunt-talking Dlamini-Zuma was renowned for her lack of diplomacy and interpersonal skills. By insisting that South Africa continue to import cheap generic versions of drugs developed in the **United States**, she defied American claims to intellectual property rights, so her appointment may dampen jibes that South Africa has become Washington's poodle in Africa. Again, she has been a close ally of Mbeki since the mid-1970s, when, in Swaziland, he recruited her, then a young medical student and Black Consciousness activist, into the ANC.

Penuell Maduna won a poor reputation for judgment when, as Minerals and Energy Minister, he hired **Liberia's** former Finance Minister **Emmanuel Shaw II**. Yet his new Ministry for Justice and Constitutional Development, like the Ministry of Safety and

Powers behind the throne

Much more striking than the cabinet reshuffle are the big structural changes in government under President **Thabo Mbeki**. His office denies that he is creating an 'imperial presidency' but doesn't dispute that this will be the most centralised government in South Africa's 90-year history. If his ministers fail to perform, his strong new office will guide them. Mbeki sent his brother **Moeletsi** to study foreign cabinet systems, in particular the **British** Cabinet Office, which have influenced the restructuring. Mbeki says he is determined to 'deliver': on jobs, houses, education and medicare, and to make a determined onslaught on crime.

Instead of ministers submitting proposals to the cabinet as finished packages, proposals will first be scrutinised by the cabinet secretariat. Its Director General, Reverend **Frank Chikane**, says the secretariat will 'interact with other departments on any issue that is placed before the cabinet. This ensures that ministers know the issues, unlike now where each department drafts its own memorandum, which is shown to other ministers only one week before it is tabled before cabinet'. This mechanism may compensate for shortcomings among new cabinet members. **Essop Pahad**, formerly Deputy Minister in the Deputy President's Office, is now Minister in the President's office.

The key features of the new centralisation are:

- As President, **Nelson Mandela** had a staff of 60. Mbeki, combining the presidency and deputy presidency, had a staff of 316 ready for him the day after his election by parliament on 17 June;
- The new presidency will be administered by Chikane, who retains his title of Director General; of his four deputy directors general, one will be the administrator of the office of the deputy president - intended as the office of Chief **Mangosuthu Buthelezi**, if he had accepted the job; under **Jacob Zuma**, it will be largely ceremonial. The other three deputy directors general are responsible for:
 - the president's private office;
 - the cabinet secretariat;
 - policy coordination and advisory services.

Attached to these will be the Government Communication and Information Services (GCIS), with its own Director General, **Khathutshelo (Joel) Netshitenzhe**, a close associate of Mbeki's and a low-profile heavyweight. Netshitenzhe has been involved in two major controversies: his supposed co-authorship of an ANC discussion

document last year which said 'transformation' of the South African state 'entails, first and foremost, extending the power of the national liberation movement over all the levers of power: the army, the police, the bureaucracy, intelligence structures, the judiciary, parastatals and agencies such as regulatory bodies, the public broadcaster, the central bank and so on'. The GCIS was also responsible for placing a newspaper advertisement which opposition members of parliament called ANC propaganda, not government information.

Cabinet committees will be trimmed and given more focus. Chikane quotes the example of the committee on social affairs which, he says, could mean anything, since everyone, he says, wants more alignment and integrated management of government. A staff skills audit will enable individual employees to indicate their areas of expertise and preference.

The policy coordination and advisory services unit - a stronger version of the coordination and implementation unit which Mbeki created last year - will weigh up ministers' proposals before they reach the cabinet. **Pundy Pillay**, the unit's head (and an economist) says it will 'assess' ministerial proposals before they are put before Mbeki. Or they can be submitted formally to Mbeki first and then referred by him to the unit, which will consider whether they are 'wise or not.'

When a proposal involves more than one department it will be driven by the unit, which will advise rather than direct what needs to be done. Because the unit is 'detached', it should be better able than individual departments to assess what is 'feasible and do-able'. Pillay says: 'We certainly won't be high in the popularity stakes but we will operate in the spirit of cooperative government'.

Centralisation will also affect the seven provinces under ANC control, where the party's Executive Committee will determine who is to be provincial premier. Once elected, premiers must consult the executive on the selection of their cabinets (called 'executive councils'). It was feared that the ANC would use a two-thirds majority in the National Assembly to change the constitution and reduce provincial powers. This missed the point. The ANC can diminish those powers indirectly through its control over its provincial party structures. And as South Africa creates its 'megacities' (Durban is among the ten fastest growing cities in the world), provincial powers will automatically move to the urban centres.

Security, desperately needs major surgery. Senior South African lawyers speak openly of the 'collapse of the criminal justice system'. Maduna and Tshwete will have short honeymoons in their new jobs.

The appointment of **Jeff Radebe** as Public Enterprises Minister is novel, bringing in a leading light of the South African Communist Party to oversee the already sluggish privatisation programme. Few expect Radebe, who did a competent job at Public Works (to which the former Public Enterprises Minister, **Stella Sigcau**, has been reassigned), to push the programme along much faster.

Mbeki's appointment of **Nozizwe Madlala-Routledge** as Deputy Defence Minister is equally original. She is a Quaker, a Christian pacifist, lacking any background in security or defence matters and has the unnerving habit, when teased by her ANC colleagues in parliament, of bursting into tears. Almost as odd was Mbeki's decision to place the gung-ho former Deputy Defence Minister, **Ronnie Kasrils**, in charge of flora and fauna as Minister of Water Affairs and Forestry.

Perhaps the biggest promotion goes to **Essop Pahad**, who becomes Minister in the Office of the President, having been Deputy Minister in Mbeki's office. In the President's Office, as restructured by Mbeki (see Box) Pahad will coordinate over 300 staff, with oversight of other ministries and control of various directorates under the presidency. Pahad studied with Mbeki at Sussex University, **Britain**, and is perhaps his best and oldest friend. ANC insiders say that the new government's real character will become clear among those 300 presidential staffers. Under the new system, power will be centralised and the checks on ministerial authority may even include ministers having to sign performance-related contracts. This will be government by apparatchiks, not by the political frontsmen and women behind the ministerial desks.

MALAWI

Close shave

After narrowly winning a second term, President Muluzi faces tough opponents

Close-run and bad-tempered, Malawi's 15 June elections have sparked off several street confrontations and plenty of litigation. However, President **Bakili Muluzi** looks set to ride the storm, helped by a marginally bigger vote in the presidential and parliamentary polls than in 1994. Muluzi got 51 per cent of the presidential vote compared to runner-up **Gwanda Chakumba's** 43 per cent. And in parliament Muluzi's United Democratic Front has an effective two seat majority over the opposition alliance. Opposition parties and some long-term foreign observers said the elections were a sham but the mainstream international monitors and the Organisation of African Unity declared them 'largely free and fair'.

The opposition is planning to challenge the vote and Muluzi's inauguration in a series of court actions. The vote took place two weeks later than planned, after two extensions of the registration period, the ousting of the Electoral Commission's two most senior officials, an emergency sitting of parliament (to change the election date) and repeated complaints about irregularities by opposition parties and the National Consultative Group (NCG) formed by several non-governmental organisations (AC Vol 40 No 11).

The most serious constitutional point, raised by **Bazuka Mhango** for the opposition Alliance on the day after the count, was that Muluzi did not win the 'majority of the electorate' laid down by the 1995 Constitution, which may be taken to mean more than half of the registered voters. But the Law Commissioner and Parliament had looked at that provision last year and decided not to amend it. In fact Muluzi won 48 per cent of all registered voters and 51 per cent of votes cast. His vice-presidential candidate was **Justin Malewezi** of the ruling United Democratic Front. The main opposition was an electoral alliance between the Malawi Congress Party (MCP) whose Gwanda Chakumba was the presidential nominee, and the Alliance for Democracy (Aford), with **Chakufwa Chihana** standing for Vice-President.

The main complaints came from the remote and sparsely populated north, Aford's stronghold. There, election materials arrived only on the last day of registration, so that many voters failed to get onto the electoral roll. Some oppositionists claim that the UDF government carefully selected a new Electoral Commission last year and schemed with it this year to ensure that northerners could not vote against the UDF.

Muluzi broadcasting corporation

Weightier grievances were felt against the Malawi Broadcasting Corporation, whose television service, started last year, was heavily pro-government; **Joseph Kubwalo**, Defence Minister and the UDF's campaign director, said: 'It was him who started it and he has all the right to make use of the television.' But only a few thousand homes in Blantyre and Lilongwe can receive TV.

Less than a week before the poll, the High Court ruled that the MBC's coverage did not comply with its duty to be impartial. That made little difference; Information Minister **Sam Mpasu** (who is also the UDF Secretary General) insisted that the radio was open to all parties, each of which was assigned its small slice of time. Many had hoped that the Communications Act, passed last year, would separate the public media from government control. The MBC does not yet seem to be free, though.

There was some post-election violence in the north and in the capital, Blantyre. In Mzuzu, the north's largest city, angry mobs ransacked the home and business of the UDF (ex-Aford) candidate, **Chenda Mkandawire**, and some members of Muluzi's southern Yao people were chased from their homes by local Tumbuka and Tonga. Local sources say that several mosques were burned in the north to protest against Muluzi, a Muslim.

In Blantyre, frustrated Alliance supporters rallied at the High Court, where they scuffled with UDF stalwarts and attacked official vehicles. Some demonstrators called on the police and army to mount a coup against Muluzi. Perhaps MCP activists wanted to stir the forces' resentment of the government but diplomats regard the security forces as highly professional and apolitical.

This time, the government is less likely to form a coalition with one of the opposition parties, even though it has just a two seat majority in parliament if it relies on the four 'independent' candidates; in 1994, it brought Aford's Chihana in as Vice-President. Some Malawians are calling for Muluzi to appoint a cabinet of national unity, even if this means dumping some of the UDF's more abrasive (and powerful) leaders, such as Education Minister **Brown Mpinganjira**, Mines Minister **Dumbo Lemani** and Information Minister Mpasu. Whether Muluzi will be prepared to sack such figures - Mpinganjira's southern base of Malange is the most populous district in the country will be an early test of his determination to lower the political temperature.

MOZAMBIQUE

Chissano tastes success

As elections approach, the President is far more popular than his party

President **Joaquim Chissano** is determined to go to the polls before the end of the millennium, claiming most of the credit for Mozambique's reputation as Africa's new success story. According to the World Bank, Mozambique has jumped from being the world's poorest country to one of its fastest growing economies. Sound management has a good deal to do with that success - and so does the developing Pande gas field.

The Pande project seems to be on track again, after some contractual wrangles with **United States'** energy conglomerate Enron. The initial aim was to export gas to **South Africa** and involved the construction of a steel works with an investment by Billiton of some US\$2.5 billion. An agreement in April seems to have secured the Maputo Iron and Steel Project. Now the government wants Enron to explore other potential fields and Enron's man in Maputo, **Agostinho Zacarias**, is negotiating new contracts.

Chissano, whose term ends in December, is set to win the presidency. He remains more popular than his own *Frente de Libertação de Moçambique* (Frelimo), which faces a tough parliamentary contest. On 9 June, the President of the independent National Electoral Commission (CNE), **Jamisse Taimo**, confirmed that the elections would happen this year, in November or December. The weather will not help: November is usually rainy, December always is, turning rural roads into quagmires.

In 1994, *Resistência Nacional Moçambicana* (Renamo) won 112 seats in the 1994 parliamentary elections against Frelimo's 129, and its strength is growing in the centre and in parts of the north as memories fade of its atrocities in the war of the 1980s. It may also benefit because an entirely new electoral roll will result from the registration of some eight million voters between 20 July and 17 September. Moreover, despite Chissano's overwhelming popularity, Mozambicans seem to want some check on Frelimo's untrammelled power.

Frelimo has been getting ready for months. Many government budgets have been frozen, apparently to save money for the party's election campaign. Local opinion polls show that the President, although strong in the south, has an approval rating of just 25 per cent in the northern provinces of Cabo Delgado, Zambézia and Nampula. Densely populated Zambézia and Nampula hold the greatest weight of votes. Since the last voter registration five years ago, many displaced people have returned to Nampula from temporary homes in Zambézia. This could give Nampula four extra seats and the province's ethnic and religious politics will add to Frelimo's headaches. **Mateus Kathupa**, the Minister of Culture, Youth and Sport, could have played an important role in northern Nampula but Chissano has dropped him from Frelimo's Central Committee and he will probably leave the government after the elections. Minister of Health **Aurelio Zilhão** is also unlikely to survive into the next government.

The polls showed growing support for the strong anti-corruption and anti-bureaucracy stance of Cabo Delgado Governor **José Pacheco**. Finance Minister **Tomás Salomão** was well supported,

and Interior Minister **Amerindo Manhenje** won approval for his attempts to curb police excesses. Energy Minister **John Kachamila** has suffered from his failure to establish strong anti-corruption credentials.

One of Mozambique's most powerful men is still **Armando Guebuza**, Frelimo's veteran parliamentary leader, whose independent financial means give him confidence to challenge even Chissano. His effective parliamentary performance makes him a strong contender for the presidency after Chissano's next term. In May, Chissano visited Sofala Province to boost Frelimo. There's a growing gulf between the President and the Provincial Governor, **Felisberto Tomás**, but support from the **Indian** community is fostered by **Zaid Aly**, a Beira-based businessman who sits on Frelimo's Central Committee and is close to Chissano. Religion is gaining importance in local politics. Christians and Muslims are suspicious of Chissano's fascination with transcendental meditation (TM) and raised a minor fuss earlier this year when Chissano sent a minister to a TM shrine in India.

Islam's growing popularity in northern Mozambique and along the coast may translate into votes, which worries some Western diplomats, and church leaders including Beira's Catholic Bishop, **Jaime Gonçalves**. **Iran** has invested in a \$1.2 billion oil refinery project in Beira and in May, the **United Arab Emirates** announced it was opening an embassy in Maputo.

Meanwhile, the US Central Intelligence Agency believes that its arch-enemy, **Afghanistan**-based **Usama bin Laden's** *Al Qaida* organisation, is preparing a strike to follow the embassy bombings in **Kenya** and **Tanzania** last August (AC Vol 39 No 17). On 17 June, the US Embassy in Maputo went on alert after police officers chased off, at high speed, some unidentified men who were videotaping the embassy from a car.

Renamo expects gains in the northern provinces and to hold its support in central Mozambique. Its first peacetime congress, on 26-29 July in Chimoio, will discuss a new programme and party statutes, and consider possible coalitions. This year, Renamo has promoted two parliamentary bills to keep faith with its core supporters: one to hand back nationalised property formerly owned by 'social organisations, associations and religious denominations', another to establish a provident and pension fund for its ex-combatants. Both bills were defeated but the stature of Renamo's parliamentary leader, **Raúl Domingos**, is growing, overshadowing that of party President **Afonso Dhlakama**. Five years after the war, Renamo has mostly demobilised, although it still refuses to transfer 150 armed men in Inhalinga, Sofala Province, to the national police force.

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Pointers

ANGOLA

Gem gumshoes

The United Nations is at last getting serious about the massive diamond-smuggling operations which nourish the rebellion of **Jonas Savimbi's União Nacional para a Independência Total de Angola**. It proposes to cut the trade at source, by placing civilian monitors on the ground at key points, and watching Angola's airspace. After two intense weeks there and in neighbouring states, **Robert Fowler, Canada's** Ambassador to the UN and head of the Angola sanctions committee, won promises of support - and denials of involvement - from politicians and diamond dealers alike.

It is now proposed that all diamonds should carry certificates of origin. Lobbying by Canadian mining companies, several of which work in Angola, played its part. Crucially, Fowler was promised cooperation by De Beers and its Central Selling Organisation cartel, which ultimately fix the world price of the gems by buying up surplus stones; some two-thirds of the world's diamonds pass through De Beers' headquarters in Holborn, London. Much criticised by Angolan government officials and non-governmental organisations for not doing more to curb gem smuggling, De Beers insists that it hasn't bought any UNITA diamonds (even through third parties) since last July, when UN sanctions on the trade belatedly came into effect.

Fowler was also promised cooperation by Angola's diamond parastatal, Endiama. Several of its senior figures have recently been sacked by President **José Eduardo dos Santos**. Endiama's new head, General **Agostinho Dias Gaspar**, trained as a lawyer and previously on the staff of Gen. **João de Matos**, says that Endiama's Certificate of Origin scheme has been run so as to hide illegal sales - even to UNITA surrogates.

Nobody believes the UN investigation can stop the diamond traffic altogether, only that it can be made much more difficult. Two panels of experts will investigate the traffic, hoping to identify private companies that help UNITA, with or without state complicity. One panel will investigate not only diamonds but all UNITA's business activities, including its big foreign bank accounts; the second panel will investigate arms purchases, largely through brokers from Eastern Europe and African states.

Savimbi himself is threatened by these changes in the diamond trade. For years, dealers from **Belgium** or **Israel** have been flying into his territory with millions of dollars and flying out with diamonds. They dealt with Savimbi's own agents, often young men from families that are close to him, who faced death if disobedient. For a long time, a key operator was **Jorge**

Chimbili, a Lisbon-trained pilot based in Kinshasa, where he liaised with **Lebanese** traders and arms dealers. He and his brother **Job**, who works in Savimbi's office, were discovered to be taking unauthorised commissions, deposited in Europe through friends. Savimbi jailed several of the conspirators but freed them after pleas from Ovimbundu elders.

Another route for illicit exports was via **Portuguese** business people, some of whom owned aircraft based in **South Africa**. They ran huge risks to fly arms or fuel into Angola; Savimbi came to trust them and asked them to procure weapons. These trusted traders have made off with millions of UNITA dollars, seeing small prospect of future business since UN sanctions began to bite. The Pretoria government says it won't tolerate sanctions-busting and the **United States** has put pressure on UNITA's friends **Burkina Faso, Morocco, Côte d'Ivoire** and **Togo** to block flights into UNITA territory. Many smugglers now say the risks are so great that they outweigh the huge potential profits - many but not all.

ALGERIA

Bienvenue à Alger

After some tense weeks following the controversial elections, President **Abdelaziz Bouteflika** is promising a peace deal facilitated by an improbable alliance between radical Islamists and senior security officers. He hopes this will outflank his domestic opponents, still angry about the 15 April polls, and improve conditions in Algiers, which hosts the Organisation of African Unity summit on 12-15 July - its biggest international event since the *Front Islamique du Salut* went underground in 1992 and the terror campaign started.

On the agenda is a release of former FIS leaders to coincide with Independence day on 5 July, permission for them to form a new political party and potentially to sit at a future national reconciliation conference. **Benazzouz Zebda**, a former FIS Vice-President, has already applied to form a party. Parliament is expected to sit beyond 2 July to vote a new *rahma* (amnesty) law, formalising the ceasefire called by the FIS military wing, the *Armée Islamique du Salut*.

After secret trysts with government, FIS President **Abbasi Madani**, still under house arrest, has made public overtures to Bouteflika and called on all underground groups to lay down arms. Madani says he wants to leave politics for younger politicians, such as FIS spokesperson-in-exile **Rabah Kebir**.

Madani's deputy, **Ali Belhadj**, remains in gaol but in better conditions than before. A proposed plan to let him out of prison and into house arrest suggests the government may treat with even more radical elements, such as the *Groupe Islamique Armé* and especially, the *Salafiya* groups led by disaffected GIA commanders, including **Hassan Hattab (Abou**

Hamza). Hattab wants peace while his deadliest rival, GIA chief **Antar Zouabri**, fights on.

Meanwhile, the military in alliance with AIS commander **Madani Mezrag** will continue to crack down on the GIA though 'secular' Algerians are uneasy. The Algiers daily *Le Matin* criticised Bouteflika and allies for handing victory on a 'silver plate' to the terrorists.

Such moves show a more confident Bouteflika as he welcomed **French** Interior Minister **Jean-Pierre Chevènement** for a Mediterranean ministers' meeting. Boutef's moves are sidelining establishment opposition leaders such as **Ahmed Taleb Ibrahimi** and **Mouloud Hamrouche**, who took the moral high ground at the polls. But Bouteflika could not be confident without military backing and may try to play off rival factions jostling for senior posts in the security establishment. He may appoint a defence minister and a chief of staff will be needed when Lieutenant Gen. **Mohamed Lamari** soon retires. Military types are watching closely the fast rising number two in the security establishment, Gen. **Smaïn Lamari**, also involved in talks with the FIS and AIS.

AFRICA/YUGOSLAVIA

Rival refugees

Those in Africa who'd hoped the North Atlantic Treaty Organisation's bombing of former **Yugoslavia** presaged a tougher line on rogue states and human rights abusers are disappointed. The most obvious effect so far appears to be to divert resources from Africa's desperate crisis states, such as **Angola, Sierra Leone, Guinea Bissau, Congo-Brazzaville** and **Congo-Kinshasa**. There are more than 7 million refugees in Africa and organisations such as the United Nations Children's Fund and the office of the UN High Commissioner for Refugees worry that emergency funds earmarked for Africa are being diverted to Kosovo. UNHCR figures say 15 times more money (US\$1.60) is spent daily on each Kosovo refugee than on African refugees, who get just 11 cents a day. Although about half of the UNHCR budget goes to Africa.

The UN High Commissioner for Refugees, **Sadako Ogata**, started a ten-country tour of war-torn states in central Africa on 21 June, the day after Africa Refugee Day.

Ogata, who had been planning to stay on as Commissioner till December 2000 after her mandate was extended last year, is again the subject of a whispering campaign within the organisation, accusing her of failing to rectify the financial mismanagement much criticised in the **British** press last year. Tipped as a replacement is her former deputy **Sergio Vieira de Mello**. De Mello is now Under-Secretary General for Humanitarian Affairs at the UN in New York. However, he would be well equipped to answer questions about the diversion of resources to the Balkans: he is currently Secretary General **Kofi Annan's** special envoy to Kosovo.

AFRICA CONFIDENTIAL

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CONGO-KINSHASA

Kabila's last throw

A looming battle for the diamond capital of Mbuji-Mayi makes a ceasefire agreement more attractive to the Kinshasa regime

Congo-Kinshasa's combatants are fighting on two fronts. One is the looming battle for Mbuji-Mayi, the diamond capital in Kasai Occidental, and the other is getting the best terms from the tortuous peace talks in Lusaka. The two are inextricably linked. **Zimbabwean** officials say that they have sent a further 3,000 troops to reinforce the Kinshasa government's defences and to stop the advance by **Rwandan** soldiers and the rebel *Rassemblement Congolais pour la Démocratie* (RCD) on the city. Everyone in Lusaka knows that the fall of Mbuji-Mayi would decisively change the balance of power and could scupper further peace talks for months.

Yet the fighting has intensified as the peace talks made progress. In the south-east, the RCD and Rwandan forces were battling with Zimbabwean and Congolese forces for control of Kabinda at the beginning of July. By 5 July, the RCD and the Rwandans had reached Dimbengele, north-west of Mbuji-Mayi. They plan, it seems, to encircle the town (cutting off supplies from Kinshasa) leaving the defending troops an exit route to Lubumbashi in the far south-east.

In the north-west, **Jean-Pierre Bemba's** *Mouvement de Libération du Congo* (MLC) claimed on 5 July to have captured Gbadolité, the former headquarters of the late President **Mobutu Sese Seko**. The loss of Gbadolité would deprive President **Laurent-Désiré Kabila's** government of the biggest runway in the country: at 2,300 metres it's long enough to land a Concorde on, which is what it was designed for.

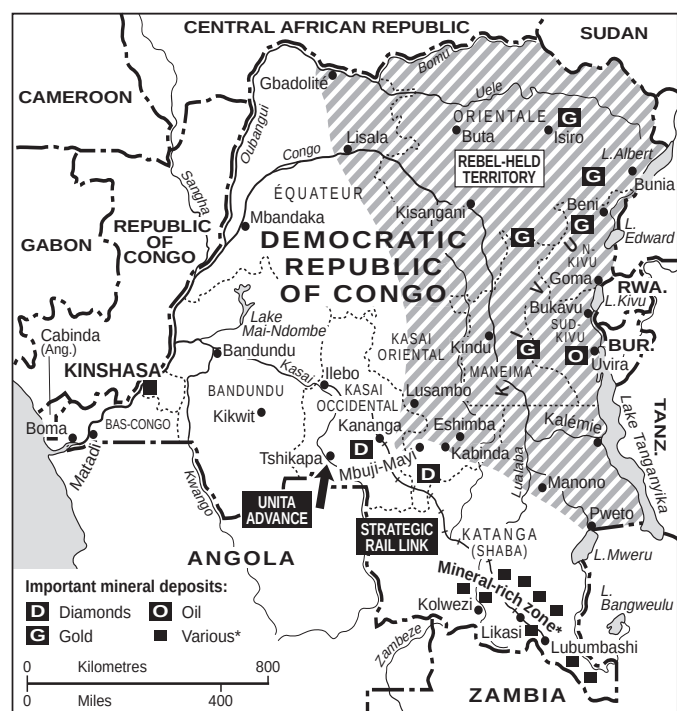
Against this unpromising backdrop for Kabila, his negotiators along with their Zimbabwean, **Angolan** and **Namibian** allies have been trying to hold the line in Lusaka. He originally refused to talk to, let alone meet, the rebel factions but now says he is prepared to 'bring them back into the Congo fold'. The three main rebel organisations, with their **Ugandan** and Rwandan sponsors also insist they are serious about peace in Lusaka. His aides have been trying to play up differences among rebels; they now say any ceasefire document must be signed by **Ernest Wamba dia Wamba** who was ousted from the RCD leadership in mid-March (AC Vol 40 No 8). RCD diplomatic spokesperson **Bizima Karaha** says any document signed by Wamba would be worthless.

Enter the OAU

The most hopeful timetable now is for foreign and defence ministers from the combatant countries to sign the draft ceasefire document before 10 July, giving their respective heads of state a couple of days to ratify the deal before the Organisation of African Unity summit opens in **Algeria** on 12 July. The OAU role is critical as the peacekeeping troops will be deployed under its auspices. If the foreign ministers can't reach agreement, many of the heads of state will stay away from Algiers.

The Lusaka deal, broadly accepted by the Congolese antagonists, aimed at merging the rival armies; the rebels would hold onto the territory they control until a national army has been formed and a 'national dialogue' would begin as soon as the shooting stopped. At first, the dialogue would involve the Kinshasa government, the three main armed rebel movements and the unarmed opposition. In due course, other social groups would be brought in and the business would be completed in three months. The positive achievement is the agreement to talk, rather than fight, between Kabila's government and its opponents, from the MLC to the most radical wing of the RCD, which is led by **Emila Ilunga** and backed by Rwanda.

European diplomats are convinced that Zimbabwe and Angola are pushing Kabila into the talks because of his worsening military position, and their own concerns about getting further bogged down in the war. Although they were advancing, the rebels made reciprocal concessions, because the **United States** persuaded Rwanda to do so. European military experts believe that Washington has promised Rwanda high-tech equipment for border control, helping to improve the country's security. The USA also favoured Rwanda by helping the Sant'Egidio Community, a Roman Catholic group based in Rome, to obtain the release by Kabila on 27 June of 190 Tutsi prisoners, with 210 more supposed to follow. The Kigali government believes that 800 Tutsi have been arrested in



Kinshasa since August 1998 and that 300 of them are dead or have disappeared.

It is still not clear when and in what order foreign forces would leave. Kinshasa wants what it calls the 'uninvited' troops to leave first but the **Zambian** draft agreement (drawn up with **South African** help and circulated in Pretoria) agreed with United Nations Resolution 1234 in proposing the withdrawal of all foreign forces. The Zambian draft envisaged a withdrawal within three months of a ceasefire, by which time a peace-keeping force would be in place.

Who, though, would the peace-keepers be? Pretoria proposes the warring armies should transform themselves into peacekeeping forces, with support from other African armies (diplomats mention **Nigeria**, South Africa, **Egypt**, **Libya** and **Eritrea**). As for their mandate, it's not clear whether they would be empowered to use force to disarm units of the former Rwanda army, of **Burundi's Forces pour la Défense de la Démocratie** and of Uganda's Allied Democratic Front, as well as the Congolese MaiMai militias.

The Hutu extremist fighters from Rwanda (*Interahamwe* and ex-*Forces Armées Rwandaises*) and Burundi (*Forces pour la Défense de la Démocratie*) are Kabila's allies and he would not want to see them demobilised. On the other hand, some MaiMai groups, such as the *Forces d'Autodéfense Populaire* and the *Conseil de Résistance Nationale* (both based in South Kivu), have no links to either the rebels or Kabila and have not been invited to join the 'national dialogue'. On top of these uncertainties, it is not agreed who should pay the peacekeepers' costs nor where they should be deployed. Kabila's government wants them on the eastern borders with Uganda, Rwanda and Burundi; the rebels want them on the ceasefire line.

Disarming the *Interahamwe* and other extremist forces is central to peace talks. Zimbabwean diplomats have spent much time in bilateral talks with Rwanda on finding agreement on this; the latest proposals involve a multinational African commission to supervise the disarmament of the *Interahamwe* and ex-FAR forces, many of whom have been trained and integrated into Kabila's army. Rwanda is sceptical about any arrangement that fails to bring in the United Nations or international monitors; one diplomat suggested this

would be a good opportunity for the UN to redeem its poor reputation in Rwanda.

Kabila's government is on especially bad terms with Rwanda. On 23 June, it launched a suit at the International Court of Justice in the Hague against Rwanda, Uganda and Burundi, calling for the unconditional withdrawal of the 'aggressors' and demanding damages. Kinshasa's case is put by **Belgian** lawyer **Michel Lion** (among whose recent clients was the Mobutu family); he claims that Rwanda and Burundi have violated two international conventions: on air safety, because of the shooting down of a Congo Airlines aircraft in October 1998; and on torture, because of alleged massacres.

At the Lusaka meeting, constructive ideas were put forward on behalf of the RCD-Ilunga by its head of security, Bizima Karaha (a Congolese Tutsi). But on 1 July, Commandant **Jean-Pierre Ondekane**, RCD military chief, spoke in different tones, warning that if Wamba dia Wamba attended the Lusaka talks, the RCD-Ilunga would pull out and start fighting again. The rebels remain divided, although Uganda, Rwanda and **Tanzania** organised talks in early June in Kabale, Uganda, aimed at forming a united front of the three main rebel groups. The RCD-Ilunga, backed by Rwanda, and the MLC, backed by Uganda, both have military wings. Ilunga wants nothing short of Kabila's surrender, Bemba's MLC wants to fight on. Wamba, who has no fighting men, is ready to negotiate without conditions.

The Rwandan Vice-President, General **Paul Kagame**, distrusts Kabila, who on 11 June called for 'total war' against the Kigali regime. On 28 May, after Rwanda had declared a unilateral ceasefire, Kabila promptly ordered bombing raids on rebel-held Bukavu and Uvira, near the Rwandan border and attacked Rwandan troops at Manono, North Katanga, and at Eshimba in Eastern Kasai.

Dealing with diamonds

Rwanda (with RCD troops) used the raids to justify a fresh offensive, and took Manono and Lusambo in mid-June. But military sources indicate that it took ten days to move up supplies for the Rwandan offensive, which must have been planned well in advance; both sides regard Mbuji-Mayi and its diamonds as the key. Kabila is well aware that, although Uganda and Rwanda have their differences, neither wants a solution which would keep him in power. His abuse of Tutsi and his pogroms against them make him the arch-enemy.

Zimbabwe, too, is determined to fight, and President **Robert Mugabe** is Kabila's mainstay. On 6 June, in Pretoria for the inauguration of President **Thabo Mbeki**, Mugabe predicted that the war would be over by the end of the year - adding that Uganda wanted peace but not Rwanda. Yet the Lusaka meeting underlined the war-weariness of all sides. Uganda feels the budgetary strain; Zimbabwe feels it more; Namibia has lost 19 soldiers and two helicopters, and its defence budget is up by 26 per cent, from 446 to 559 million Rand (US\$74-93 mn.) since 1998.

Senior people in the RCD-Ilunga have told *Africa Confidential* of secret negotiations with Kabila's allies; they believe Zimbabwe, Uganda, Angola and Rwanda are tentatively interested in a formula which would safeguard their interests and get rid of Kabila. Rwandan and Ugandan officials say: 'Give us the name of a successor.' 'Give us yours!', reply the Zimbabweans and Angolans, who would prefer a younger, calmer man, more flexible and less unpredictable. As long ago as April 1998, before the start of the 'Second August liberation struggle', security chiefs from all over

the region were already contemplating a replacement for Kabila, seen everywhere as the main obstacle.

The preparatory work for the Lusaka agreement of 3 July forced Kabila to start talking to rebels and unarmed opposition on all sorts of topics; this sorely damages his dream of creating in Congo a republic focussed on himself. (He admires the late Chairman **Mao Tsedong**; his chief ideologue **Raphael Ghenda** studies the works of **North Korea's** late dictator **Kim Il Sung**.) Kabila is nostalgic for 1967, when as a guerrilla fighter in Hewa Bora ('Free Air', his guerrilla headquarters in 1967-86) he had no advisers and was accountable to nobody for the running of COMIEX, the company set up by his *Parti de la Révolution Populaire* to organise the region's exports of gold, game and other commodities.

Kabila sometimes seems to lose touch with reality, as when he risked annoying Mugabe by keeping him waiting in vain at Harare airport on 7 June. He has never visited the fighting front and defeats for the armies of his government and his allies only intensify the Kabila personality cult. A year ago, **Sakombi Inongo**, formerly high priest of the Mobutist cult, described him as the 'instrument of God'. Now he is called 'the creator, the thinker, the initiator, the master craftsman and the chief architect' of the *Comités de Pouvoir Populaires* (CPP) which, in city districts, communes and villages, are supposed to include all adult Congolese and to express the power of the state.

Kabila gave himself two years to complete the transition to democracy. But democrats had little to celebrate when his second anniversary fell on 29 May. In January, he laid down a legal framework for political parties which no party can comply with. Now he wants to create a single party more powerful than the state.

An extra danger, unforeseen by the negotiators at Lusaka, is ethnic tension within Congo, and not only among the MaiMai in the east. In Katanga, Kabila's people have armed the militias called '*Défenses civiles populaires*', whose leader is **Gabriel Kyungu wa Kumwanza**, a former Governor of Katanga known, in 1992-94, for organising pogroms against Kasaians. **Etienne Tshisekedi wa Malumba**, who speaks for the Kasaians as leader of the *Union pour la Démocratie et le Progrès Social*, accuses the militias of looting and stealing.

If the Congolese factions fight it out without foreign allies, it will matter that Kabila's troops are less experienced than the RCD's, many of whom served in Mobutu's *Division Spéciale Présidentielle*. Kabila will be hard-pressed to hold on to Kinshasa. And even if the ceasefire is signed, the withdrawal of foreign troops from Congo would reduce the scale of the fighting but not necessarily the motive.

CONGO-BRAZZAVILLE

Fighting talk

Under fire, strongman Sassou is sending secret messages to his enemies

President **Denis Sassou Nguesso**, who is too broke to pay his own army, has been secretly trying to make a deal with his main rivals. These are the elected President he overthrew in October 1997, **Pascal Lissouba**, and former Premier **Bernard Kolélas**. Former Finance Minister, **Norbert Moundounga Nkombo Nguila**, who runs a democracy lobby in Paris, has also been talking about a deal with Lissouba, we hear. Sassou's secret emissaries have included

his Interior, Security and Territorial Administration Minister, General **Pierre Oba**, and **Patrick Olivier**, a **French** former mercenary in **Rhodesia**.

Lissouba says he hasn't spoken to Oba and Olivier directly but links Sassou's latest moves with his own attempts to start negotiations through contacts with figures such as **Algeria's Ahmed Ben Bella**, **South Africa's Nelson Mandela** and **Tanzania's Julius Nyerere**. Also significant are former **Nigerian** Foreign Minister **Joe Garba's** attempts to get talks going. Lissouba met President **Olusegun Obasanjo** in London last year and believes Abuja's new stand against military governments might help him. He's determined to get the Congo-Brazzaville crisis on the agenda of the 12-14 July Organisation of African Unity summit in Algiers.

These various contacts haven't stopped attacks and ambushes by the participants' militias, albeit on a far lesser scale than at the end of last year, when tens of thousands of civilians died. Kolélas is said to have been offered the premiership in a transitional power-sharing government. But he's demanding reparations for destroyed property belonging to his Bateke people and that elections are held. Some of Sassou's followers, including the '*Faucons*' from his own M'Bochi people, could cause trouble if the Kolélas deal goes ahead.

In late June, neighbouring President **Ange-Félix Patassé**, who has good relations with Lissouba and Moundounga Nkombo Nguila, offered to mediate. Patassé said Sassou Nguesso had asked him to intervene, which Sassou immediately denied. He knows that in Paris recently Patassé received Moundounga Nguila and **Jean-Luc Mandaba**, a former Prime Minister of the **Central African Republic**, at the Hôtel Bristol.

Problematic with Patassé

Sassou's relations with Patassé are problematic but he has good relations with **Burundi's** Major **Pierre Buyoya**, **Cameroon's Paul Biya**, **Chad's** Gen. **Idriss Déby**, **Equatorial Guinea's Teodoro Obiang Nguema Mbasogo** and, especially, **Angola's José Eduardo dos Santos**. He's cautious about his son-in-law, **Gabon's Omar Bongo** and like most regional leaders has a low opinion of **Congo-Kinshasa's Laurent-Désiré Kabila**.

Lissouba and Kolélas would like an African mediator. In April they were invited to Ouagadougou to discuss a mediation plan with President **Blaise Compaoré**, outgoing Chairman of the OAU. But Sassou doesn't trust Compaoré and fears upsetting Angola which objects to Compaoré's support for **Jonas Savimbi** of the *União Nacional para a Independência Total de Angola*.

Sassou would prefer support from abroad: one reason at least that he's not keen to share power is that he's afraid his own followers might oust him. Lissouba and Moundounga are demanding a return to constitutionalism, which means formal recognition of Lissouba's status as elected president until his ousting. But at 67, Lissouba seems to lack the stomach for another term in office and may be willing to stand aside for a power-sharing government prior to fresh elections. Kolélas will probably play a key role in a transitional government.

Sassou is busy making allies. Next month, his second daughter, **Ninèle Sassou Nguesso**, is to marry **Hugues Mongo Ngoulondélé** whose father, Gen. **Emmanuel Mongo Ngoulondélé**, was chief of the political police, the *Direction Générale de la Sécurité d'Etat*, during Sassou's first period in office; he is now head of Congo's small Bateke-dominated party, the *Rassemblement Démocratique Congolais*. The ceremony is to take place in Franceville, capital for Gabon's Bateke people; through Bongo,

Bateke hold the reins of power in Gabon. The wedding was originally scheduled for Sassou's home village of Oyo, in M'Bochi country 50 kilometres from Brazzaville; the plan was changed for fear that the party might be interrupted by rival militias. Then **Edith-Lucie Bongo**, Sassou's eldest daughter, asked her President husband to organise the event in Franceville, offering the Congolese Bateke in the rebellion a chance to negotiate for peace with Bongo's father-in-law.

Lissouba is also Bateke, from the Nzebi group and the village of Tinguidji. Kolélas, too, is Bateke, from Pool Region, near the capital (the Bateke are the largest ethnic group, with 15 per cent of the population, but are very scattered; the Mbembe are 12 per cent). The 'Ninja' rebels who follow Kolélas' *Mouvement Congolais pour la Démocratie et le Développement Intégral* (MCDDI), are led from Congo-K by his half-brother, Gen. **Philippe Binkikita**, who was Lissouba's Interior Minister. The Ninjas, who cause problems for Sassou around his base at M'Pila, are recruited in Pool among Laris, Bateke and other Bakongo, and are supported by Bakongo along the border. Several senior ministers in Laurent Kabila's government are also Kongo, among them **Abdoulaye Ndoumbassi Yerodia**, **Thomas Kanza**, **Pierre-Victor Mpooyo** and **Mawampanga Mwana Nanga**.

Lissouba rents a flat in London's Knightsbridge but owns an opulent property on Paris' Rue de Prony. His Guadeloupean wife **Jocelyne** stays in Paris but Lissouba refuses to move there because he resents the French government's refusal to recognise his constitutional status as (ousted) Congo President. Lissouba is said to have about US\$5 million but is regularly tapped for funds by his supporters, such as his nephew, Colonel **Marcel-Yves Ibala**, a former Security Minister who is key organiser of Lissouba loyalists in the 'Zoulou' militia. Ibala frequently travels between **Niger**, **Sierra Leone** and Congo-Kinshasa.

The Cabinda card

One faction of Lissouba's 'Mamba' militia is commanded by Gen. **Jean da Costa**, who lives in Gabon but hails from Cabinda. This faction maintains links with Cabindan separatist groups, including **António Bento Bembe's** *Frente de Libertação do Enclave de Cabinda-Renovada* (FLEC-R) and **Henrique N'Zita Tiago's** FLEC-FAC (*Forças Armadas Cabindesas*) and the Mambas in the Niari forest (AC Vol 38 No 8). The 'Kokoye' militia, led by Col. **Jean 'Mouleri'** ('Sparrowhawk' in Bateke) and backed by MounOUNga, recruits around Bouenza among the Mbembe who, like the M'Bochi, are a Bakongo sub-group. Lissouba's former *Chef de Cabinet* **Claudine Munari** helps her fellow Mbembe in the power equation. Lissouba's supporters in Congo-B also get weapons from officers in Gabon, some of them from the presidential entourage.

Under pressure at home President Dos Santos' government has been trying to pull back its troops from southern Congo; UNITA has fighting units on the border and trains anti-Sassou rebels inside Congo-Kinshasa. UNITA's head of military intelligence, Gen. **Altino Sapalalo Bango 'Bock'**, has held several meetings (in March and May, in Bailundu, Kampala, Ouagadougou, Lomé and Accra) with Binkikita, Ibala and a northern Lissouba-ally, Col. **Pierre Mandouta**.

The campaign to destabilise Cabinda from Congo-B worries France and Western oil companies. So Paris has sent officers to Brazzaville, to help Sassou fight rebels in his country's richest and most densely populated area, the south. French officials believe Bongo is secretly helping Lissouba, and are urging him instead to

try to mediate between the combatants. Paris still supports Sassou with armoured cars and aid money and tries to strike a balance between its historic friends in UNITA and its oil interests with the Luanda government.

Rebels have kept Congo-B's vital railway closed for two years, shut its main power station at Moukouloukoulou, and prevented foreign airlines from using Brazzaville. Sassou is having some military success against the Ninjas in Pool and Brazza, and the Kokoyes, Zoulous and Mambas in Niari, Bouenza and Lekoumou ('Nibolek'); but that success has involved the killing of at least 10,000 southerners and the displacement of an estimated 300,000 people from all groups. Sassou's army probably cannot save him; he will need other help from abroad if Angola pulls out. With a rising toll of casualties from malnutrition and disease - another 1500 refugees crossed into Gabon in early July - Sassou may yet have to talk to his enemies directly.

KENYA

Ethnic straitjackets

Wrangles over the vice-presidency embitter the race to succeed Moi

Vice-President **George Saitoti** survived a no-confidence vote in Parliament on 30 June, which is good news for his political godfather, **Nicholas Biwott**, now Minister of East African Cooperation (AC Vol 40 No 5). Within minutes of Saitoti's triumph, the two were photographed jubiling in Nairobi's Parliament Road. Biwott calculates that, in the battle to succeed President **Daniel arap Moi**, the vote will strengthen his KANU-B faction of the ruling Kenya African National Union. Saitoti may have plenty of enemies across the political spectrum but Moi's crony Biwott helps him to out-manoeuvre them.

Biwott's and Saitoti's opponents in the rival KANU-A, led by ex-Finance Minister **Simeon Nyachae**, are in disarray and out of favour with Moi, who prefers KANU-B. That could change. Moi enjoys keeping politicians guessing and has reservations about Saitoti. KANU loyalists and opposition members alike were surprised when Moi reappointed Saitoti Vice-President in March. Many suspect that Saitoti, who claims both Maasai and Kikuyu ancestry, is repositioning himself as a Kikuyu.

The confidence vote was tabled by **Otieno Kajwang**, National Development Party member of parliament for Mbita. Most Kikuyu MPs (all in opposition) voted in support of Saitoti, although the opposition's parliamentary leader, the Democratic Party's **Mwai Kibaki**, now threatens another confidence vote against the entire Moi government. Kajwang wanted to censure Saitoti for his unexplained role as Finance Minister during the Goldenberg scandal, which lost the State over 500 million Kenya shillings (US\$6.9 mn., AC Vol 39 No 25).

Some parliamentarians say Kajwang's confidence motion was instigated by Nyachae, KANU-A's leader - who didn't bother to attend the debate. Moi often summons opposition politicians to help in the ethnic chess game and has a line to Nyachae, who resigned in a huff when he was demoted from the Finance Ministry in February. Equally, Kajwang's motion may have been a last-ditch effort by his party leader, **Raila Odinga**, to derail Saitoti's succession. Yet Odinga, like Nyachae, didn't attend the debate.

Having pledged his party's support for the motion, he then changed his mind.

Saitoti and Biwott have outplayed Odinga and Nyachae, who both wanted the vice-presidency after the December 1997 elections. Moi was slow to fill the post; the leading candidates, whom he kept in suspense and who all believe they are still in the running, were: Education Minister **Kalonzo Musyoka** (Kamba, 11 per cent of the population); NDP leader Raila Odinga (Luo, 14 per cent); Saitoti (Kikuyu, 23 per cent, and Maasai, 4 per cent); ex-Finance Minister **Wycliffe Musalia Mudavadi** (Luhya, 15 per cent); Nyachae (Kisii, 9 per cent); Lands Minister **Katana Ngala** (Coast, 11 per cent).

If the president retires or is incapacitated, the vice-president automatically succeeds him for 90 days. When **Jomo Kenyatta** died in 1978, Vice-President Moi used his three months to forge an ethnic coalition and fight off rival claims from a close-knit group of Kikuyu plotters. With Moi scheduled to leave in 2001, the plotters are busy again; few regard Saitoti's appointment as Moi's last word. Moi's Kalenjin people are especially worried, fearing that Saitoti might use his godfather Biwott to win the presidency and join his fellow Kikuyu in stripping the Kalenjin of the commercial and political privileges built up during Moi's two decades.

KANU and its schisms

The serious candidates for the presidential succession are all backed by parties or party factions which include:

- KANU-B, the front-runner. Its main strategists are Saitoti, Biwott and Minister of State **Julius Sinkuli** (Maasai), plus Trade Minister **John Joseph Kamotho**, a Kikuyu KANU loyalist with no local support. They are backed by a Kikuyu business group, the Central Province Development Support Group, which hopes to win KANU support among the Kikuyu by telling them they can rely on Saitoti's Kikuyu roots and loyalties. In 1997 that did not win them much Kikuyu support. This time, KANU-B has gone to elected Kikuyu leaders including **James Njenga Karume** (MP for Kiambaa), a respected trustee of the DP who is very close to its leader, Kibaki.

In mid-June, Moi joined Karume for a fund-raising drive for schools in Kiambu district (of which Kiambaa is part). Moi gave a huge personal donation; Karume made disparaging remarks about Nyachae's KANU-A. Most Kikuyu seem unconvinced. They remember the Kikuyu leadership's part in the Rift Valley massacres from 1992 onwards and they see the social consequences of the government's grand corruption. Encouraged by Kikuyu parliamentary support, Saitoti thinks the Kikuyu will consider him the lesser of three evils in a contest with Nyachae and Odinga.

- KANU-A was badly hit by Nyachae's demotion from the Finance Ministry this year, since when his main allies, Communications Minister **William Ole Ntimama** (Maasai), and Public Works minister **Kipkalya Kones** (Kipsigis) have kept a low profile. Kones joined Moi at the Kiambaa fund-raiser. Since resigning, Nyachae has become Moi's most vocal opponent within KANU, criticising corruption, incompetent appointees, tribalism and economic mismanagement. Yet he has a severe credibility problem, since as Finance Minister he defended KANU, especially during the 1998 teachers' and bankers' strikes. His anti-Kikuyu statements in government haunt him.

KANU-A has sought support from Luhya, Kalenjin, Luo and Coastal groups, without success. To make amends, Nyachae recently met with Kibaki's main rival for Kikuyu loyalty, **Kenneth Matiba** (who is ill), along with **Ngengi Muigai** (Jomo Kenyatta's

nephew), who are both popular in their respective bailiwicks.

- KANU-C includes younger KANU MPs, who want a post-Moi inter-ethnic alliance that would bypass the largely ethnic KANU-A and B. KANU-C will work with like-minded opposition MPs and its most active members include **Kipruto Kirwa** (Kalenjin) and **Cyrus Jirongo** (Luhya), once a Moi loyalist. Ministers and MPs who want to break out of Moi's ethnic straitjacket include the new KANU leader of the Coast Parliamentary Group, **Jembe Mwakele**, Musalia Mudavadi and Minister of State **Marsden Madoka**.

The rivalry among KANU factions has locked the opposition out of a leading role in the succession struggle. Moi's blockage of constitutional reform (for example, allowing coalitions) has sidelined the opposition parties, although they won a majority in the 1997 parliamentary elections until their votes were destroyed by local police. Moi insists that only parliament, dominated by KANU, has the right to amend the constitution. This has sparked demonstrations for a constitutional review commission; on 10 June, Budget Day, police and the party thugs known as *Jeshi la Mzee* severely beat up Reverend **Timothy Njoya** and his followers outside Parliament.

With Odinga's NDP and **Michael Kijana Wamalwa's** Forum for the Restoration of Democracy-Kenya now in alliance with Moi, the most credible anti-government grouping is Kibaki's DP. Since April, he has been rejuvenated and travels more outside his Kikuyu home base. In late May, he attacked KANU for stealing development funds in Taita-Taveta (Coast Province), giving extensive details, to loud cheers. He speaks against corruption, neglect of infrastructure and rising crime and in favour of help for the beleaguered farmers.

Yet ethnic considerations outweigh Kibaki's arguments in parliament and Odinga and Wamalwa still back Moi. On 3-4 July, Luo MPs accused Kikuyu MPs of ethnic politics when they voted against Kajwang's censure motion. But last November, the NDP saved the KANU government from certain defeat, for fear that it would be followed by a Kikuyu-led DP government.

Crime is bad in Kenya and police often connive at it. Nevertheless, nobody expected thieves to break into President Moi's bedroom at his favourite State House at Nakuru in mid-June and steal a 20-gramme solid golden cockerel (the KANU party symbol). So far, nobody has been arrested. We hear that Moi admits he cannot even trust his closest aides with his own property, let alone public property.

ANGOLA

Savimbi's splitters

Divisions among supporters and tougher sanctions cause problems for UNITA's leader

Government forces have launched a new offensive on the rebel bases at Andulo and Bailundo. They may be pushing at an open door. We hear that **Jonas Savimbi** of the *União Nacional para a Independência Total de Angola* is resigned to losing these towns in the Planalto (central highlands) and has withdrawn most key staff and equipment. The capture of Andulo and Bailundo would be a huge symbolic victory for the ruling *Movimento Popular de Libertação de Angola* but hardly a death blow for UNITA. Savimbi's problems are political and financial rather than military.

The MPLA and its *Forças Armadas Angolanas* under the Chief

of Staff, General **João de Matos**, desperately need military successes, since their Planalto offensive failed disastrously last December (AC Vol 40 No 8). The FAA are trained for set-piece battles, Savimbi's forces for hit-and-run guerrilla operations. Savimbi is likely to pull his crack troops out of the FAA firing line in the Planalto and send them north-westwards to join other UNITA battalions besieging government-held towns. Given UNITA's supply problems, Savimbi's tactics are effective. By relentlessly shelling places such as Malange and Cuito and by chasing farmers from their land, UNITA forces more and more people into horrendously overcrowded towns. UNITA militants call it 'victory by social explosion' and believe it will force the MPLA to restart negotiations with Savimbi, whom they have labelled a 'war criminal'.

Deaths and disappearances

UNITA's army in the hinterland remains unswervingly loyal to Savimbi and dismissive of UNITA politicians in the capital. There, the government, mixing blandishments and patronage, has divided UNITA into rival factions, while Savimbi is using the crisis to purge potential opponents from the party. The best financed faction, thanks to government money, is UNITA-*Renovada* ('Renewed'), led by **Eugenio Manuvakola** and **Jorge Valentim**. Their payola politics has attracted an assortment of UNITA-nominated ministers in Luanda's Government of National Unity, UNITA members of parliament and those with grievances against Savimbi. Other MPs have stayed with **Abel Chivukuvuku**'s UNITA faction in the Luanda parliament. Many key people in UNITA-*Renovada* are relatives of party militants who died after Savimbi detained them. For example, **Jorge Ornelas Sangumba** was one of UNITA's most effective foreign representatives in the 1960-70s and was close to **John Marques Kakumba**, an Ovimbundu businessman who had married into the family of the late Ivorian President, **Félix Houphouët-Boigny**.

Sangumba linked Savimbi to foreign business people, such as Britain's late **Roland 'Tiny' Rowland** (who used to lend a private jet to Savimbi) and to African presidents such as **Léopold Senghor** and Houphouët-Boigny. By 1979, Sangumba had become a serious rival to Savimbi. He was summoned to Angola for an urgent meeting with Savimbi and died soon afterwards. Another mysterious death was that of **Waldemar Chindondo**, former UNITA Chief of Staff, whose widow, **Aninhas Sachiambo**, has since married Savimbi. Relatives of these men back UNITA-*Renovada* and want Savimbi to explain the 'disappearances'.

Chivukuvuku's faction, helped by his charisma and wide political contacts, is more credible but too small to break away from Savimbi's armed UNITA. Chivukuvuku and his wife, **Victoria**, are popular in Luanda, even with the MPLA-supporting elite. Many foreigners see Chivukuvuku as an alternative to President **José Eduardo dos Santos** and Savimbi, and his followers made a hero of him after he was wounded and survived during post-election shoot-outs in Luanda in October 1992. Chivukuvuku was a brilliant parliamentary leader, becoming a celebrity when debates were broadcast on state television. Yet he failed to win the necessary backing of old UNITA supporters, such as **Jaka Jamba**, **Geronimo Wanga** and **Fatima Roque**, to break with Savimbi and start a new party.

When Savimbi heard that Roque - whom he had expelled from UNITA for talking to the MPLA - had not sided with Chivukuvuku, he rang her in Lisbon and invited her back into the fold. Savimbi

takes the Chivukuvuku threat seriously. Last December, Chivukuvuku left Luanda for his house in Cape Town. UNITA's Secretary General, **Paulo Lukamba 'Gato'**, who dominates the inner circle around Savimbi, called Chivukuvuku to tell him that UNITA would pay for him to settle in **South Africa** and stay away from Luanda. Chivukuvuku refused and went home to head the main UNITA caucus in parliament. His businesses are prospering, helped by a large loan from a local bank.

Savimbi's resettlement offer to Chivukuvuku may not have amounted to much. Most of UNITA's representatives abroad are almost destitute and increasingly at odds with Savimbi's military commanders. Last year, Savimbi cut their allowances because he feared they might defect to UNITA-*Renovada* and he keeps even those who declare loyalty on a short financial leash. The former representative in London, **Anibal Kandeya**, has asked for political asylum and is deep in debt. In Washington DC, veteran spokesperson **Jardo Muekalia** has also asked for asylum and survives with help from his wife, **Bela Chipeyo**, who works for United Airlines and has a residence permit. In Italy, **Adalberto Junior**, who effectively pressed UNITA's case with **Portuguese** journalists after the 1992 elections, is heavily indebted and supported by his wife, a Portuguese business person. UNITA students in Portugal once had solid monthly allowances; now they have stopped studying and gone to work on building sites. UNITA's representative in Lisbon, **Isaac Wambembe**, has returned to work as a hospital doctor.

Meanwhile, Savimbi's children are thriving in Côte d'Ivoire, **France** and **Togo**, at top French *lycées* and universities. UNITA's representative in France, **Jorge Saguende**, plans to marry Savimbi's daughter and is well looked after. Also in Paris, Brigadier **Issaías Samakuva**, an impressive diplomat, is trying to get political asylum, while the French government wants to please Luanda by expelling him. French officials are torn between kicking Samakuva out to please the MPLA and cultivating him because he may become important in the future. He is taking an extra degree, in international relations.

Young diamond geysers

Savimbi prefers young recruits, who are generally more enthusiastic and less likely to challenge him. Some young aides have been handling tens of millions of diamond dollars. For several months, **Jorge Chimbili**, a young Lisbon-trained pilot, was at the centre of UNITA's diamond trading operation. From his base in Kinshasa he liaised with **Lebanese** traders and foreign arms dealers, all trying to sell goods for gems. Last year, Jorge Chimbili and his brother **Job**, who works in Savimbi's office, were accused of taking commissions from foreign diamond traders. UNITA cadres in the diamond trade were found to have deposited tens of thousands of dollars in European banks, were imprisoned by Savimbi and eventually freed after pleas from Ovimbundu elders. Savimbi has also lost several million dollars to some South African-based Portuguese, who took cash to buy arms but failed to return. Savimbi must now rely on a diminishing circle of trusted aides and contacts to run UNITA operations overseas. They include: **José Pedro Katchiungo**, brother of Gen. **Kalias**, a member of Savimbi's inner circle; John Marques Kakumba, who has helped transport arms from Eastern Europe to Angola; **Karisa Dachala** (brother of UNITA's Information Secretary, **Marcial**) ran many Kinshasa-Antwerp diamond deals; **Matoso Sapalalo** (brother of UNITA CoS **Altino Sapalalo 'Bock'**) has been working in Togo with **Araujo Pena** (Savimbi's nephew) arranging flights to Bailundo and building

contacts in West Africa. Savimbi is feeling the heat, politically and financially. A credible, alternative, UNITA is not likely to grow while the movement is winning military victories and keeping the government on the defensive. If it starts losing on the battlefield, Savimbi's political and financial problems will loom much larger and dissidents may start to tear the rebel movement apart.

ZIMBABWE

A hard act to follow

The post-Nkomo era promises a major shake-up in Matabeleland and beyond

For a few days, the death of **Joshua Mqabuko Nyongolo Nkomo** united Zimbabweans. He was 82, a towering figure since the 1950s, when he returned from college in **South Africa** and began to fight for his people's freedom. He might have become the country's first president, when the long struggle against white minority rule ended in 1980 but he was outmanoeuvred by the younger and smarter **Robert Gabriel Mugabe**.

Nkomo was Ndebele and proud of it. He praised national unity but could not embody it. His party, the Zimbabwe African People's Union, had its vote-bank in Matabeleland and, in its post-Independence rivalry with Mugabe's Zimbabwe African National Union, that province suffered sorely. To end the strife, Nkomo accepted the vice-presidency, signing up to an accord in 1988 by which ZAPU was in effect swallowed by ZANU, which again added to its name the old unity title of Patriotic Front. Some younger Ndebele insist that Nkomo's signature was personal and did not bind their regional party.

Mugabe acknowledged Ndebele concerns when, at Nkomo's funeral, he expressed regret for his troops' conduct in the early 1980s. However, it was not the hoped-for apology: 'We regret that. These conflicts always do that', said the President. Now he must replace his old critic and partner: he needs to promote another Ndebele. ZANU-PF is supposed to shun tribalism and regionalism but is in fact a delicately balanced ethnic coalition (AC Vol 40 No 12). Mugabe, picked as leader because his ethnic links were weak, now stands up for the Zezuru; **Simon Muzenda**, for the Karanga; **Didymus Mutasa**, for the Manyika. Factions exist - a Karanga one led by **Eddison Zvobgo**, a Manyika one led by **Kumbirai Kangai** - but there is no life yet outside ZANU-PF. Somebody new will have to be found to look after Ndebele interests.

Nkomo's logical successor would be **Joseph Wilfred Msika**, Nkomo's number two in the old ZAPU and ranked third in ZANU-PF, after Mugabe and Vice-President Muzenda. He may have Mugabe's blessing but the people of Matabeleland do not all accept that he is their true representative. He represents Pelandaba, Nkomo's home suburb of Bulawayo, and prospered by Nkomo's grace; a Shona, who says he is neither Shona nor Ndebele. He is 76 and could usefully fill a temporary gap.

The toughest candidate is **Dumiso Dabengwa**, formerly intelligence chief of ZAPU's armed wing, the Zimbabwe People's Revolutionary Army (Zipra), and now the representative of Bulawayo's biggest suburb. He has established the Matabeleland Zambezi Water Project, aimed at turning the arid region into a green belt, has the support of war veterans and is regarded as a victim of the civil strife of the 1980s. At 60, he is the right age - but he may be too formidable for Mugabe.

John Nkomo, 65 (and no relation to Joshua) was once thought of as Mugabe's favourite, which did him no good with his own people. Joshua Nkomo's favourite seems to have been **Simon Khaya Moyo** (54), his former personal assistant whom he helped into politics and into the cabinet. Journalists like him and he is no heavyweight, which could recommend him to Mugabe.

The Ndebele think they have been sidelined and demand a lot. Pressure groups are sprouting and a new political party, ZAPU 2000, uses both the name and the symbol, a charging bull, of Joshua Nkomo's old ZAPU. It is led by a former schoolteacher, **Joshua Muhambi**, who is 35 and seems to be eyeing the country's youth. Next year, the 'born-frees' (those born after 1980) will vote for the first time. Zimbabwe is led by elderly people. Mugabe is 75, Muzenda 77, Msika 76. The average age of the cabinet is 61, with only two ministers under 50. The President prefers it that way and Nkomo's death will hardly change him.

SIERRA LEONE

A deal in Lomé

The RUF negotiates its way into government after eight years of brutal warfare

Sierra Leoneans reacted with a mix of relief and scepticism following the signing of the Lomé peace deal on 7 July which brings Corporal **Foday Sankoh's** Revolutionary United Front into a power-sharing arrangement with President **Tejan Kabbah's** government. The deal gives the RUF four ministries, three deputy ministries and several parastatal directorships.

Sankoh and his military chief **Sam Bockarie**, who stayed out of the talks, were demanding eight ministries, the vice-presidency of the country and a four-year transition period. Instead Sankoh himself will be appointed Vice-President of the National Minerals Commission through which most of Sierra Leone's estimated US\$250 million a year diamond exports are meant to pass.

The biggest sceptics will be among Bockarie's troops, few of whom will qualify for jobs in the new national army, and also among Deputy Defence Minister **Hinga Norman's** Kamajor militia based in the south-east. Under the deal, the Kamajors and RUF have to disarm but we hear that both sides have been hiding weapons. And a new militia in the south, the **Avundohs**, is vowing to overthrow Kabbah for bringing the RUF into government.

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Pointers

CÔTE D'IVOIRE

EU exports

When the International Monetary Fund accuses Côte d'Ivoire of opaque accounting (repeatedly), President **Henri Konan Bédié** blames his rival **Alassane Dramane Ouattara** (also repeatedly, AC Vol 40 No 8). But he can hardly do the same for the European Commission, which suspended budget aid in June and, unusually, publicised its auditors' findings. Even more curiously, the audit was backdated to 1992.

The EC described 'serious irregularities': overbilling, suspect accounting practices such as the use of photocopied receipts and elaborate measures to avoid competitive tendering affecting 18 billion CFA francs (US\$28 million). Bédié blamed differences in accounting techniques, before admitting two weeks later on 1 July in **Japan** the existence of malpractice: those responsible would be punished, he said. This won \$16 mn. aid from his hosts.

His opponents, though, cite the case of ex-Technical Education Minister **Roland Zakpa Komenan**, who said last year that he was prepared to go to gaol for corruption - but not alone. This headed off any investigation. The Abidjan daily *'Le Jour'* added that CFA 23 bn. were missing, of which 1 mn., it said, had gone straight into the 1995 election campaign.

A domestic bond issue that raised FF CFA 30 bn. enables Côte d'Ivoire to keep up debt payments, essential if it is to qualify for debt relief under the Highly Indebted Poor Countries initiative from March 2001. Yet social unrest is bubbling in the run-up to elections next year and the government won't have cash for everyone.

Ex-Premier Ouattara retires as an IMF deputy managing director this month to return home and contest the polls. Another prominent banker heads the other way: the African Development Bank's elegant **Senegalese** Secretary General, **Cheik Fall**, has been named Vice-President in charge of the World Bank Secretariat in Washington (the same job held by 1995's defeated ADB presidential candidate, **Tim Thahane**). He'll be much missed at the ADB, not least by President **Omar Kabbaj**, whom Fall has furnished with some invaluable political intelligence.

EQUATORIAL GUINEA

Border blues

Equatorial Guinea and **Cameroon** are falling out again over their boundaries in the Gulf of Guinea's oil-rich waters (AC Vol 40 No 9). President **Paul Biya** failed to dampen down the row at a *Communauté Economique et Monétaire*

de l'Afrique Centrale summit in late June in Malabo.

On 30 June, Malabo's lawyers, led by **David Polson** of **United States**-based LeBoeuf, Lamb, Greene & MacRae, complained to the International Court of Justice that a memorial Cameroon had lodged with the Court in 1995 in its border dispute with **Nigeria** 'ignore[s] the legal rights of Equatorial Guinea in the most flagrant way.'

Yaounde has argued at the ICJ that its border with Nigeria should extend beyond the disputed Bakassi Peninsula and, ignoring Bioko Island, into territory Malabo traditionally claims, including Zafiro Oilfield, from which Mobil (USA) produces some 100,000 barrels a day. Malabo says that in bilateral negotiations, Yaounde 'has never once hinted' at such a claim.

Till now, Gen. **Teodoro Obiang Nguema Mbasogo**'s government was more concerned about Abuja's claims: Nigeria has demanded concessions from Malabo in return for recognition of its rights in Zafiro. Discussions have dragged on for nearly three years. Indeed, we understand it was Nigerian negotiators who alerted Malabo's legal team to the threat from Cameroon after more inconclusive talks in Europe in May.

The ICJ has given Cameroon and Nigeria until 16 August to raise objections to Malabo's application. The drawback for Malabo is that opening a new boundary dispute at this stage may deter potential investors in its oil exploration licensing round due to end in August: this has already been extended because of lack of interest.

Yaounde may also resent the delays a successful application would bring to its dispute with Nigeria. The Court, though, looks likely to grant Malabo's application. This would also be a victory for Nigeria's negotiators, led by former Foreign and Interior minister, **Babagana Kingibe**, who would have succeeded in diverting some heat from its dispute with Cameroon over Bakassi.

Perhaps encouraged by the regional proliferation of boundary disputes, US-based MPRI is keenly pursuing business in West Africa. It's advertising for consultants for a feasibility report on restructuring Nigeria's army. MPRI's Vice-President for International Operations, Lieutenant General **Ed Soyster**, told us 'preliminary' discussions were being held with Abuja but that MPRI would expect the US government 'to assist in every way'. MPRI has also been negotiating with Malabo to provide consultancy on security needs (especially a coastguard service). 'Equatorial Guinea requested it and we have an agreement with them,' said Soyster, 'the disagreement is with the US government'. Washington has blocked the project on human rights grounds. Soyster said that President Obiang Nguema had 'asked us to help him change' the country's 'bad human rights record' and that MPRI would now 'try to change' the State Department's position.

GHANA

Privatising politics

Britain's Department of International Development is at the centre of a political row after cancelling a contract with consultants linked to the opposition Reform Movement. The consultants, United News Service, say that DFID cancelled the contract on orders from the ruling National Democratic Congress, which is taking an increasingly tough line against companies linked to opposition parties in the run-up to next year's elections.

UNS has served an arbitration notice to the British High Commission in Accra and is threatening further legal action unless it gets compensation for the broken contract and a public apology from DFID for what it regards as 'political discrimination'. UNS Managing Director **Mije Barnor** is also a spokesman for the Reform Movement. Last October, DFID contracted UNS and a **United States**-affiliated company, Colan, to run a public information campaign about restructuring plans for Ghana's state-owned water company.

Under the plans, which are partly-financed by DFID and the World Bank, the company's pipes and reservoirs would be leased to private companies but the restructuring would fall short of complete privatisation. One UK and three **French** companies are in the running for the leasing contract.

In February, the NDC newspaper, *Ghana Palaver*, accused Barnor of hypocrisy. It argued that he shouldn't be a consultant for the water company's restructuring as the Reform Movement opposed the government privatisation policy. Following the article, some senior Ghana government officials discussed Barnor's work with **Graham McKenzie**, a DFID official at the Accra High Commission.

At Barnor's next meeting with McKenzie in March, he was told the UNS-Colan contract would be cancelled. He was also told, claims UNS, that he would be barred from future UK-funded contracts because of his political views. Barnor insisted the *Palaver* report was inaccurate: neither he nor the Reform Movement opposed private business or privatisation.

According to Barnor, the NDC's **Albin Bagbin**, who chairs the government committee on water privatisation, pushed DFID to cancel the contract. Bagbin had already been publicly dismissive of Barnor's suitability for the job. The head of DFID in Ghana, **Ian Stuart**, who was abroad when McKenzie cancelled Barnor's contract, strenuously denies any political or commercial pressure behind the DFID decision. Stuart had referred the matter back to London because it was seen as politically sensitive, which delayed a final decision on the UNS contract for two months. He insisted DFID had cancelled the contract for purely professional reasons but conceded there was a 'perception problem'.

AFRICA CONFIDENTIAL

ALGERIA

3

Alger l'Africaine

President Bouteflika reestablished Algeria's anti-colonial credentials when he hosted the OAU summit and marketed his country as a dynamic economy at the junction of Africa, Europe and the Middle East. He wanted to show visitors that national reconciliation was working and convinced many.

FRANCE/OIL

4

Totally elfin

For decades the oil company Elf Aquitaine has played a key role for French policy in Africa. After its profitability dropped sharply this year, the French government encouraged an unsolicited takeover bid by France's TotalFina to stop Elf falling prey to British or American predators.

MALI

5

Power cuts

President Konaré wants to go down in history and Premier Keita wants to succeed him as president. Both may be disappointed. Konaré's reputation is fading fast and the favoured contender for the presidency is former military ruler Toumani Touré.

CAPE VERDE

6

Micro-state struggles

The contest to succeed the ailing Prime Minister Veiga is heating up ahead of his planned retirement next February. The technocratic candidate Vice-Premier Do Rosário faces a populist challenge from Mayor of Praia, Jaquinto Santos.

POINTERS

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Gold, Libya and Sudan

Robbing Peter; Tripoli calling; and arranged marriages.

ORGANISATION OF AFRICAN UNITY

Tougher talk

Africa's big three - Algeria, Nigeria and South Africa - focused the summit on peace talks and ending military rule

For once, the Organisation of African Unity caught the mood of the continent, balanced uneasily between hope and despair. Hope that, after shaky ceasefire agreements in **Congo-Kinshasa** and **Sierra Leone**, the Algiers OAU summit (12-16 July) might progress towards resolving the conflicts ripping through over one-fifth of Africa's 53 states. Despair that good intentions are far from realisation, as economic weakness persists and old conflicts linger on in **Angola** and **Sudan**. Yet by the standards of summits in general and OAU summits in particular, it was constructive.

Zambia's President **Frederick Chiluba** flew off to Congo-K to persuade the quarrelling rebel factions to sign the 10 July Lusaka peace accord; **Nigeria's** President **Olusegun Obasanjo** flew to meet embattled President **José Eduardo dos Santos** in Luanda; United Nations Secretary General **Kofi Annan** flew back to New York (via **Slovakia**) with proposals for UN help in peacemaking in Congo, Sierra Leone and **Eritrea-Ethiopia**.

A 'big three' alliance of elected Presidents - **Algeria's Abdelaziz Bouteflika**, **Nigeria's Obasanjo** and **South Africa's Thabo Mbeki** - set out to rebuild respect for the OAU. The three have international credibility, powerful contacts and the resolve to try to end Africa's cycle of wars and impoverishment. Helped by **Egypt's** President **Hosni Mubarak** and **Uganda's** President **Yoweri Museveni**, the trio set the style for the summit: more energetic peacemaking in the Horn, a tougher line against putschists and a stronger African voice in the UN and the World Trade Organisation.

A red card for putschists

Obasanjo in particular pushed the anti-coup line. Chiluba, who narrowly missed being overthrown in October 1997 (AC Vol 38 No 22) backed the proposal. The anti-coup proponents had wanted unlimited retrospective action against any putschist government but the rule was watered down to apply to governments coming to power through force since the Harare summit of 1997. OAU Spokesperson **Ibrahim Daggash** explained that the OAU, as Africa's political referee, had shown a 'yellow card' to military regimes; if they don't return to constitutional rule before next year's OAU summit, they will be shown the red card and suspended from membership. The targets are the latest crop of successful coup-makers in **Niger**, **Guinea-Bissau** and **Comoros**. Longer standing coup-makers such as **Togo's Gnassingbé Eyadéma** and **Gambia's Yahya Jammeh**, whose elections and attempts to legitimise their rule haven't won international acceptance, are off the hook.

The ruling affects **Congo-Brazzaville's** President **Denis Sassou-Nguesso**, who overthrew **Pascal Lissouba's** elected government in October 1997 after a five month battle. Obasanjo's old friend, former **United States' President Jimmy Carter**, has offered to mediate and has already met Lissouba in Atlanta. Sassou wouldn't usually jump at such an offer but Carter's mediation may save him an OAU suspension. Murkier still, President **Laurent-Désiré Kabila** in Congo-K seized power by force in May 1997 but is now recognised as legitimate by the Southern African Development Community. For now, he is too important in the peace negotiations to be suspended from any regional body.

The new rule may push military leaders into negotiations to shore up their legitimacy. However, the summit agreed no mechanism to assess which regimes were breaking the rule or what they must do to restore constitutional legitimacy. That judgment is left to Secretary General **Salim Ahmed Salim**, whose ten years in the post have been marked by an unwillingness to offend military leaders - not even Jammeh or Nigeria's late General **Sani Abacha**. OAU insiders say the Secretariat will have to follow the Commonwealth lead and set up a ministerial action group to adjudicate on the military regimes. Since the demise of the Commonwealth's last military regime - Nigeria's - its officials are considering a new democracy-policing role for their ministerial action group, including tougher human rights codes and rights for opposition political groupings - ideas unacceptable to the old-style OAU. Other suggested sanctions include a general withdrawal of diplomatic recognition.

Loans to military regimes from the OAU-associated African Development Bank might be suspended but that might not be supported by the ADB's technocratic managers in Abidjan.

Prompted by its host, Bouteflika, the summit passed a resolution outlawing direct and indirect support for terrorism. Among the targets are the Islamist militias which trouble the Algerian and Egyptian governments, with backing from Sudan's National Islamic Front. Undaunted, Sudan's Foreign Minister **Mustafa Osman Ismail** claimed recent improvements in relations with Cairo and Algiers. He said that Sudan's President **Omer Hassan Ahmed el Beshir** had agreed with Bouteflika about restoring full diplomatic relations and had 'made progress' at a meeting with Egypt's President Mubarak (although Cairo still blames the NIF regime for the assassination attempt on Mubarak in Addis Ababa in July 1995, AC Vol 36 No 14). Along with the usual denials, Minister Mustafa (known to Sudanese as 'Mr. Smile') issued a grandiose statement pleading for the peaceful resolution of Africa's wars. It curiously omitted to mention one of the oldest and most deadly, Sudan's own.

More concretely, the summit moved negotiations between Eritrea and Ethiopia over the disputed Badme border territory a few metres forward after several false starts. Colonel **Moammar el Gadaffi**, attending his first OAU summit since 1977, had failed to help when Eritrea's President **Issayas Afeworki** failed to arrive in Tripoli for pre-OAU talks with Ethiopian Prime Minister **Meles Zenawi**. But in Algiers, OAU officials insist they made progress by persuading both sides to accept the OAU negotiating framework at the summit. It provides for both to return to the territory they held prior to the official start of the war on 6 May 1998. Acceptance of the framework now means mediation will be led by a smaller group headed by Bouteflika (more flexible than the grandiose heads of state committee led last year by **Burkina Faso's Blaise Compaoré**). Much will depend on how much time the diplomatically talented former Foreign Minister can put into these sensitive negotiations.

The framework agreement should make it harder for either side to return to battle. But that depends on each agreeing on what the deal means. So far, Issayas has accused Meles, who didn't attend the final OAU session which announced the agreement, of obstruction. Equally, Ethiopia argues that Eritrea's insistence that the withdrawal should be backdated to territories seized since July 1997 and demands for compensation for those 60,000 Eritrean citizens summarily expelled from Ethiopia effectively means it doesn't accept the OAU's negotiating framework.

Pushing for peace in Ethiopia and Eritrea

African and Western diplomats insist it is progress of a sort and speak of bringing in the 'big (diplomatic) guns' to push peace talks forward and Annan says the UN Security Council will be treating the conflict as a priority this year. Aside from the tens of thousands of Ethiopians and Eritreans killed so far and the more than 600,000 civilians displaced, the conflict has started to spill into neighbouring countries, sparking new fires in **Kenya** and **Somalia**.

A record 44 heads of state and/or government turned up in Algiers. Only **Somalia**, **Liberia**, and **São Tomé e Príncipe** didn't attend: the latter two are under sanctions for heavy arrears to the OAU, the first has no government. The UN system turned out at the highest level: alongside Annan (who flew in with Obasanjo), were UN High Commissioner for Refugees **Sadako Ogata**, High Commissioner for Human Rights **Mary Robinson**, Development Programme Administrator **Mark Malloch-Brown**, Economic Commission for Africa Executive Secretary **Kingsley Amoako**, International Labour Organisation Executive Director **Mary**

Chinery-Hesse and Food and Agriculture Organisation DG **Jacques Diouf**. Other high-level guests included Palestine's President **Yasser Arafat**, US Assistant Secretary of State for African Affairs **Susan Rice** (trying for peace in the Horn, Congo and Sierra Leone) and Commonwealth Secretary General **Emeka Anyaoku**, watching the OAU follow his own organisation's line on military regimes.

Plain talk . . . up to a point

Non-African foreign ministers included **Iraq's Mohamed Said al Sahaf**, seeking African support to end sanctions; **Ireland's David Andrews**, accompanying former President Robinson; and **Ukraine's Borys Tarassuk**, hoping to 'correct perceptions spread by commercial rivals' that his country sells guns and mercenaries to rebels. 'None of these allegations made by the Western press has been proved yet', Tarassuk told *Africa Confidential* triumphantly. Besieged **Iranian** President **Mohammed Khatami** sent his Director General for Africa, **Hamid Moayyer**, to 'promote dialogue' between the OAU and the Organisation of Islamic Conference (of which over 60 per cent of African states are members).

It was an OAU of more plain speaking. 'Africa is sick!' declared new OAU Chairperson Bouteflika. President Mbeki urged that 'we do not avoid the truth because we want to be polite to one another'. Obasanjo was blunter still: 'We must not have any excuses, diplomatic or expedient, for sitting down with those whose actions have clearly shown that they do not deserve respectability.' Even arch-diplomat Kofi Annan called on African governments to cut 'weapons and ammunition purchases to 1.5 per cent of gross national product and... impose zero growth on their defence budgets for the next ten years.'

The big chill came from ECA chief Amoako, a **Ghanaian**. He said there was economic growth in only two of Africa's five sub-regions last year and that the economies contracted in the three sub-regions where about 75 per cent of Africans lived. War and political instability were key reasons for this economic decline, he said, adding that unless the OAU's member governments moved to end the political chaos, Africa would keep going backwards.

Yet the plain speaking ran out when it came to choosing future summit venues and chairpersons. Next year, when the OAU summit is to find ways to enforce standards of democracy and human rights, the host is to be Togo's Eyadéma, who led post-colonial Africa's first coup d'état against the elected government of President **Sylvanus Olympio** in 1963. Eyadéma seized power in his own right in 1967 but has subsequently tried to legitimise his rule through elections and regional diplomacy. Many OAU delegates were appalled at Eyadéma's bringing Revolutionary United Front leader Corporal **Foday Sankoh** to Algiers with the Togolese delegation. The European Union suspended aid to Togo after its monitors criticised 'vote rigging and incomplete counts' in the June 1998 presidential poll. Eyadéma is suing **Senegalese** Director General of Amnesty International **Pierre Sané** over its latest report on Togo which says hundreds of civilians were extrajudicially executed during last year's elections. The independent *Ligue pour la Défense des Droits de l'Homme au Bénin* stands by its report that Beninois villagers pulled over a 100 bodies (many with their hands tied) from the sea in during Togo's elections in mid-1998. For 2006, the OAU has accepted Lt. Gen. Omer's invitation to come to Khartoum. The ostensible reason for celebration is to be 50 years of Independence from **Britain** and **Egypt**. For now Sudan's NIF regime ranks below even Togo's as an abuser of human rights and it remains under UN sanctions for its sponsorship of terrorism.

ALGERIA

Alger l'Africaine

President Bouteflika's hosting of the OAU summit revived his diplomatic networks

It was a spectacular relaunch for Algeria's foreign policy. Over 2,000 African diplomats and 44 heads of state and government arrived in a freshly painted Algiers for the Organisation of Africa Unity summit on 12-14 July. Hundreds of African musicians played at a carnival named after an old name for the city, 'Alger l'Africaine', in the Place des Martyrs. President **Abdelaziz Bouteflika** re-established Algeria's anti-colonial credentials and marketed the country as a dynamic economy at the junction between Africa, Europe and the Middle East. The grand diplomatic conference and cultural festival was designed to show that his step-by-step national reconciliation strategy was working.

It was convincing. Locals said that bad driving, not Islamist militias, was the biggest danger. The Islamist terror campaign that started in 1992 targeted musicians and journalists, and Algeria's 'Rai' music stars stayed away. Now they are back and have staged several concerts. Bouteflika's political exchange - an opening to the Islamists in return for a ceasefire - isn't without risks or opponents, especially in Algeria's sprawling security establishment. The President relies on his considerable charm and well placed allies to win the political arguments.

On 9 July, the *Assemblée Populaire Nationale* adopted the *concorde civile*, which formalised the amnesty for some of the 20,000 terrorist and other political prisoners. Some 2,500 people have been released so far, including supporters of the *Front Islamique du Salut*, but not those convicted of rape, murder or bombing. The announcement of a permanent truce by the FIS armed wing, the *Armée Islamique du Salut*, at the beginning of June was Bouteflika's first political coup after his victory in the disputed 15 April elections (AC Vol 40 No 13). The amnesty doesn't affect the more radical *Groupe Islamique Armé*, which still massacres people outside the capital. The authorities hope that the GIA will be further damaged by schisms between supporters of **Hassan Hattab** and **Antar Zouabri**. Some argue that the improvement in security owes more to military attrition than to Bouteflika's political skills. Relatives of massacre victims have paraded through Algiers, protesting against the amnesty. Local journalists prominently reported this opposition and are divided over rapprochement with the FIS.

Both Paris and Washington are cautious about 'l'effet Bouteflika'. At first they doubted whether he would be sufficiently independent from the military to strike out politically or willing to make radical economic reforms. With the limited amnesty and an offer to allow FIS supporters to form another Islamist party, Bouteflika has moved faster and further than expected. The truce may be consolidated by a mooted political alliance between the rump of the FIS, Islamists from *En Nahda* and the *Mouvement de la Société pour la Paix* (*Harakat Moushtama Issilm*, ex-Hamas), and Bouteflika's core supporters in the *Front de Libération Nationale* and the *Rassemblement National Démocratique*.

The President insists he isn't planning a presidential party based on that alliance, though local sources suggest that his close associates General **Mohamed Attaila** and **Abdelmajid Boukafa** think

otherwise. Bouteflika has dismissed opposition demands for a national reconciliation conference as 'irrelevant'. The non-Islamist opposition is crippled by eight years of civil war. Bouteflika's longer-term strategy will be clearer after he announces his government, probably next week. Former Minister of Energy and Mines **Youcef Yousfi** is favourite to replace **Smaïl Hamdanai** as Premier. **Noureddine Zerhouni** is likely to replace **Ahmed Attaf** as Foreign Affairs Minister. Both men were closely involved in planning the OAU summit.

To muster 44 African leaders in Algiers, Bouteflika deployed six heavyweight politicians, three of them former premiers. Hardline anti-Islamist **Redha Malek** was dispatched to **Senegal**, **Côte d'Ivoire** and **Burkina Faso**, all on **Morocco's** side in the Western Sahara dispute with the Algerian-backed Polisario Front. **Boualem Bessaïeh** had to convince pro-Moroccan **Gabon** and **Equatorial Guinea** to come to Algiers. Despite their efforts, Ivorian President **Henri Konan Bédié** and Malabo's President **Teodoro Obiang Nguema Mbasogo** stayed away. The other four had easier missions: **Belaïd Abdesselam** to **Ghana**; **Bachir Moumaaza** to **Ethiopia**, **Uganda**, **Mozambique** and **Madagascar**; **Abdelkader Bensallah** to North Africa and the Horn; **Ahmed Ouyahia** to East and Southern Africa.

Tiers-mondisme encore

Many Western officials distrust Bouteflika's 'Third Worldism' and state socialism almost as much as they dislike militant Islamism. But Algeria's in-your-face nationalism goes down well in an Africa which is increasingly ignored in international diplomacy. Economics interest Bouteflika less, despite a bravura performance at **Switzerland's** Crans Montana economic summit last month. He doesn't accept the rapid 'liberalisation' and privatisation programmes urged by the International Monetary Fund. With its crude oil up to US\$18-19 a barrel, IMF and World Bank credits are less urgent. Social discontents - unemployment near 30 per cent and a worsening housing crisis - remain the political priorities.

Bouteflika has promised to move Algeria out of its 'bazaar economy'. Officials say that means attracting at least \$1.5 billion in fresh capital, outside the oil and gas industry. Some capital may come from Bouteflika's business contacts in the Gulf and a 'financial amnesty' might attract home some of the stolen funds smuggled abroad by Algeria's *nomenklatura*. Much will have to come from Western companies. Both the **United States'** Export-Import Bank and **France's** Coface are talking about resuming cover, though so far only on oil and gas projects.

President **Bill Clinton** didn't congratulate Bouteflika on his April election victory but sent him a goodwill message for the OAU summit; the two may meet in September at the United Nations General Assembly. Bouteflika's long meeting with French Interior Minister (and Arabist) **Jean-Pierre Chevènement** has helped restore Algiers-Paris relations. Bouteflika has publicly invited President **Jacques Chirac** to Algiers. Off-guard, the Elysée made accommodating noises about a meeting after Algeria's 'peace referendum', due in September. French Foreign Minister **Hubert Védrine**, less enthusiastic than Chevènement, is due in Algiers 'in the autumn'.

In North Africa, Bouteflika is getting faster results. He met **Egypt's** President **Hosni Mubarak** in May and persuaded him to attend the summit. Mubarak hadn't turned up at the OAU since 1995, when Islamist gunmen backed by the **Sudanese** government tried to kill him in Addis Ababa. The two leaders, both faced with

Islamist opponents, need each other's diplomatic support - Bouteflika as OAU Chairperson and Mubarak as organiser and host of the Europe-Africa summit in Cairo in April 2000.

Along with his chairing of the OAU, Bouteflika is also chairing the *Union du Maghreb Arabe* this year, which is due to meet in Algiers in November. And Bouteflika persuaded **Tunisia's** President **Zein el Abidine Ben Ali** and **Libya's** Colonel **Moammar el Gaddafi** to attend the OAU. However, Ben Ali was still bristling after the warm press reception accorded to Tunisian Islamist **Rachid Ghannouchi**, who had applauded Bouteflika's *ouverture* to the FIS. Far more problematic are Bouteflika's relations with Morocco's King **Hassan II**. Divided by Algeria's continued support for the Polisario, the pair may meet early next month to reopen their joint border, which Algeria closed in 1994. Bouteflika was one of Polisario's earliest Algerian sponsors but also sees some benefit in an economic rapprochement with Rabat. Reopening the border would enable western Algerians to buy direct from Morocco without the heavy smugglers' premium - and might persuade Morocco to buy some Algerian oil and gas.

Bouteflika was in his element glad-handing African rulers at the OAU. His stint as Foreign Minister from 1965 to 1978 left him useful contacts in **Nigeria** and in **South Africa's** African National Congress. Mozambique's President **Joaquim Chissano** and **Tanzania's** President **Benjamin Mkapa**, both former foreign ministers too, worked with Bouteflika in the 1970s. He won huge African support as head of the UN Security Council by orchestrating Pretoria's expulsion from the UN General Assembly in 1978.

In the summit village at the Club des Pins, where the Algerian government holed up in the early 1990s at the height of the war with the Islamists, there was a mix of nostalgia and new millennium-speak. Algeria's and Tanzania's first presidents, **Ahmed Ben Bella** and **Mwalimu Julius Nyerere**, made cameo appearances; sharp-suited Maghreb businessmen talked animatedly into cell-phones about Algeria's 'commercial renaissance'.

Photographs in the conference centre showed some liberation stars who passed through Algiers in the 1960s and 1970s for military training: **Nelson Mandela** (pictured with Lieutenant, now General, **Mohamed Lamari**), **Amilcar Cabral**, **Agostinho Neto**, **Sam Nujoma**, **Robert Mugabe**. When Algiers last hosted the OAU in 1968, it was an essential stop on the anti-colonial axis and Bouteflika was Foreign Minister under President **Houari Boumedienne**. Last week, the common hope was that the next 30 years would be better than the last 30.

FRANCE/OIL

Totally elfin

The company which dominated many African economies may soon be transformed

For many years, the oil company Elf Aquitaine provided the motive, and the excuse, for French policies in Africa. It was founded by President **Charles de Gaulle** during decolonisation in the early 1960s as a political instrument. It dealt with African governments and then France had to keep them in power. Presidential visits were organised around its deals, scores of less august fixers were hired to make the deals work. Nevertheless, international capitalism and the drive to 'globalisation' has caught up even with Elf. When it was transformed into a private company,

its time was up - or almost, for the French government still holds a 'golden share' (right of veto). In the competitive race, its profits failed to match those of its competitors.

After a warning in July that the profits of France's largest industrial company were expected to slide by 15 per cent, the world's second largest oil major, Royal **Dutch-Shell**, prepared to pounce with an offer to buy control of Elf. **American** competitors Chevron and Conoco were already known to be interested in doing likewise. Alarmed at the idea of its 'national champion' passing into foreign hands, the government encouraged an unsolicited counter-bid by the rival but still French TotalFina (usually referred to as 'Total' despite its purchase of **Belgium's** Petrofina).

An intricate battle of bid and counter-bid was continuing as *Africa Confidential* went to press. Elf put in a counter-bid on 18 July but analysts still saw Total as the likely winner, not just because of French government backing for its bid, but because it is seen as more efficient. The protestations of Elf chief executive **Philippe Jaffré** sound ever more unconvincing. In a scathing 1998 report*, Paris satirical weekly *'Le Canard Enchaîné'* described the man hired in 1984 to clean up Elf as 'almost as warm as the printed circuit in his computer (his favourite toy)'. European Union anti-monopoly regulators will look closely at the takeover but may find it hard to stop: the French government interest would be taken into account and this is the era of the merger, with Exxon and Mobil forming the biggest 'supermajor' and **British** Petroleum and Amoco forming the third.

Gallic giant

A combined Elf and Total would be the world's fourth largest oil giant, with a big presence and potential for growth in Africa and the Middle East, where both have exploration and development prospects. Total is strong in the Middle East, Elf's prize assets are in West Africa (AC Vol 38 No 7). The African operations would surely be slimmed down. Very few Elf senior managers would keep their jobs if the deal went through and many consultants and fixers would be thrown out.

French diplomats privately say that Elf's African baggage is no longer an asset. A takeover would junk Elf's neo-colonial past, get the company off the hook in several awkward disputes with African heads of state and free those diplomats from some disreputable connections. Yet quite what would happen to Elf's state security and intelligence function remains unclear (The *Canard* booklet joyfully heads one chapter *La Station Services de Renseignement: Intelligence Service Station*).

Jaffré has failed to transform Elf, as he had hoped, from a lazy state-run dinosaur into a competitive animal in the style of the US oil majors, whose rates of return and shareholder values count more than political influence. The old-fashioned company has focussed more on control of resources and scale of operations than, in the modern 'Anglo-Saxon' style, on costs and margins.

Growth is confined to **Angola** and **Nigeria**. Inside France's old *chasse gardée*, past entanglements have trapped Elf in embarrassing disputes with governments. In **Congo-Brazzaville**, Elf is accused of cheating the government on oil operations and of buying up politicians; President **Denis Sassou-Nguesso** has demanded an audit of Elf's operations there. In **Gabon**, overdue efforts to tidy up the company's operations have ended in acrimony. President **Omar Bongo** is furious, claiming that Jaffré instigated a special investigation by French magistrate **Eva Joly** into payments made through Elf Gabon under former Elf Chairman **Loïk le Floch-Prigent** (AC Vol 39 No 4). Things were made even sourer by the

driving out of Elf's former old guard, notably its African supremo **André Tarallo**. His henchmen, such as Corsican **Charles Feluciaggi** in Angola, are accused of working against the new management.

To punish Elf, Bongo has sold his government's share in new exploration blocks - including some already assigned to Elf - to a new joint venture company with Energy Africa, the upstream arm of **South Africa's** Engen which is owned by **Malaysia's** state-owned Petronas. He then awarded Gabon's two most promising deepwater blocks, where Elf geologists had a close interest, to a US oil-man called **Gene van Dyke**, who has brought in Total as operator, with US firms Kerr-Macgee and Unocal. The two offshore Congo blocks could prove as rewarding as the ones that yielded Elf huge discoveries nearby in Angolan deep water.

The old Elf would have sorted out the dispute with Bongo in the old way. Instead, Bongo has demanded that President **Jacques Chirac** wind up the Joly inquiry, which French law would not permit even if he were so inclined. In Nigeria, a former senior Elf man, **Jacques Halfon**, claimed to have settled a dispute with General **Sani Abacha** by paying him US\$50 million.

Whatever Jaffré may have intended, the clean-out of Elf's old guard did not change the way it did business in Africa, through facilitators and fixers who open doors. Three of the most important are **Bernard Itaoua**, **Jean-Yves Olivier** and **Jacques Rigaud**. Rigaud has been particularly important in Elf's Angolan expansion; formally he is a travel agent, while serving as the company's eyes and ears in Luanda, gathering information and fixing problems.

Stock analysts overlook misdemeanours if they are not accompanied by commercial mismanagement; failures in project design and implementation in Congo and Angola have made Elf look incompetent. There have been huge cost overruns in the development of the giant Girassol oil field; a floating storage and offloading vessel seemed likely to exceed its budget by 20 per cent or more, meaning another \$200 mn., and Elf had to reassign part of the contract. On the N'Kossa field in Congo, previously hailed by Elf as its biggest offshore project yet, output slumped in the last year from a peak of 100,000 barrels per day to less than 60,000 b/d and costs were so high that in the recent oil price slump, the field was probably losing money.

Totalling it up

Though Total is the world's sixth biggest oil company and Elf its eighth, Elf is far more powerful in Africa and has greater equity production (the company's share of total output). Elf owns: **Angola**, 95,000 barrels a day; **Cameroon**, 20,000 b/d; **Congo-Brazzaville**, 107,000 b/d; **Gabon**, 174,000 b/d; **Nigeria**, 129,000 b/d. TotalFina has: **Algeria**, 40,000 b/d; **Angola**, 25,000 b/d; **Libya**, 15,000 b/d. Elf has no refineries, Total has two, giving it 40,000 b/d in Angola and 30,000 b/d in **South Africa**.

Nearly all discoveries and major prospects are offshore. Elf can claim most: in Angola, Block 17 (with discoveries at Girassol, Dalia, Rosa, Lirio and Tulipa) and Block 32; in Congo-B, Moho discovery in the Haute Mer Block; in Nigeria, Prospecting Licences 100 and 222; in **Equatorial Guinea**, in Block H. Total has prospects: in Angola, in Block 14 (Kuito) and Block 17; in Gabon, in Astrid Marine and Anton Marine; in Nigeria, OPL 246. Total also still holds, with Marathon, one dormant concession in **Sudan**. As to gas, Elf has 15 per cent of the Nigerian Liquefied Natural Gas Company, due to start production in September. Shell-led, it will be the biggest LNG operation in the Atlantic, with output of 795 million cubic feet a day.

In France, Elf is an obvious target for France's growing environmental and human rights movements. At the instigation of the Green Party, the National Assembly is investigating oil companies and Jaffré has appeared before its committee. Elf and Total have strikingly different corporate cultures - Total's relative agility and strategic sense was shown last year, when it snapped up Petrofina. But if it gained control of a combined company, Total might have trouble shedding Elf's reputation. In any case, though, the global village is taking over from the African village: over 60 per cent of shares in both Elf and Total are estimated to be held by US and UK investment funds.

* Elf: Fric, politique, barbouzes et pétroleuses... L'Empire d'Essence. Enquête sur un super scandale d'Etat. (Les dossiers du Canard Enchaîné, March 1998, ISSN 0292-5354 PARIS).

MALI

Power cuts

Ambitious rivals cut the President down to size while Toumani Touré waits in the wings

President **Alpha Oumar Konaré** wants to go down in history. Prime Minister **Ibrahim Boubacar Keïta** wants to succeed him as President. Both are in danger of being disappointed. Recent months have been grim for Konaré and his increasingly creaky government. Even political friends claim that he risks being overwhelmed by corruption and backstabbing in his ruling *Alliance pour la Démocratie au Mali* (Adema) - and by incompetence at the national power utility, *Energie du Mali*, which is inflicting unprecedented power cuts at the height of the hot season.

Konaré, who celebrated seven years at the Koulouba Palace on 8 June, is still admired by Western policy-makers as a visionary democrat who has saved his country from chaos and regional rebellion after the disastrous post-Independence dictatorship of General **Moussa Traoré**, 1968-91. Even a withering **French** critic of African power politics, **Jean-François Bayart**, calls him 'a statesman'. An archaeologist and historian, 'AOK' is now being tipped to replace the head of the United Nations Educational, Scientific and Cultural Organisation, **Federico Mayor**.

His prestige was boosted in 1995 when he refused to accept the travel plans of French President **Jacques Chirac**, objecting to flying to meet him in Dakar on the grounds of 'neo-colonialism'. Liked in the **United States**, he has maintained close contacts with both US President **Bill Clinton** and **Libya's** Colonel **Moammar el Gadaffi**.

However, Konaré has never been as popular at home as abroad. In Bamako, people complain of a lack of visible leadership. His critics say he's devious and indecisive and blame him for tolerating renewed corruption in government and deepening poverty for the mass of people. There is a social crisis in the towns, fanned by graft, inflation and lightning strikes, as well as the energy shortage. Rural elections for decentralised communes - a Konaré 'big idea' from the start - passed unnoticed in Bamako in May and June as urban tempers frayed.

Yet Konaré's woes are minor compared to those of his Prime Minister, Ibrahim Boubacar Keïta ('IBK'), a technocrat promoted to the premiership in 1994 with no popular base. Until recently assumed to be Konaré's natural successor, he is now suffering a crippling combination of backstabbing, longevity in office and bad

luck. *Energie du Mali* is so incompetent and corrupt that Mines and Energy Minister **Yoro Diakité** has thrown up his hands and appears to have lost control of his own ministry. Diakité, one of two ministers from the *Parti pour la Renaissance Nationale* (Parena, theoretically part of the opposition) admitted under questioning at the *Assemblée Nationale* on 17 June that little could be done to end the power cuts until August at the earliest.

IBK is the scapegoat. He also has to watch his back inside his own hopelessly factionalised Adema. Secretary General **Aly Nouhoum Diallo**, who is also *Assemblée* President, regularly claims that Adema President Keïta has neglected the grassroots (though Diallo and his faction are widely regarded as unreconstructed top-down 'Stalinists'). A party congress is years overdue and the youth wing is mutinous.

In Bamako, Adema has two anti-Keïta factions. Mayor **Iba Ndiaye**, the youngest of the front-row Adema 'barons', blames IBK for wavering before backing him as front-runner for the town hall over Commune Five boss **Boubacar 'Bill' Bâh** (AC Vol 40 No 2). Bâh thinks he was 'betrayed', is furious and is thought to know much that IBK would prefer he didn't.

King Cotton

Finance Minister **Soumaïla Cissé** has been at the heart of government since 1994, alongside Keïta, Konaré and the Territorial Administration Minister, Col. **Sada Samaké**. Cissé dislikes IBK's style and has great influence at the heart of the national economy, in the *Compagnie Malienne pour le Développement des Textiles*, which he used to run. The CMDT is now headed by **Drissa Keïta**, a brilliant and ruthless technocrat, who may have political preferences of his own but is keeping quiet for now. No presidential candidate would wish to run without his blessing. Various low-profile but influential Adema bigwigs, known as the 'CMDT clan' (some of them on IBK's side) resent the political clout that Drissa Keïta derives from his job and are trying to get rid of him. On 18 June, the CMDT boss unexpectedly suspended much of the company's top brass, including its well connected Secretary General, **Kassim Dembelé**, and its supplies chief, **Mady Sidibé**, amid mounting furore over false billing and irregular contracts. Drissa Keïta downplayed it but CMDT insiders saw it as a preemptive strike against IBK's faction.

Corruption has drifted up again towards the levels seen in Traoré's last years. Western diplomats say that cabinet members and big business players are equally to blame. International Monetary Fund officials say central budget allocations are relatively clean under Cissé but are alarmed by fraud in state companies. There was an embarrassing row in April over a World Bank list of 21 personalities, most of them in the administration, who had inexplicably become CFA franc billionaires since 1992. We hear that World Bank representative **Grace Yabrudy** was threatened with being *persona non grata* but the Bank avoided it by denying the list existed.

Although the heads of two state companies are currently in gaol on corruption charges, local observers accuse Konaré of empty rhetoric and no real action on corruption. **Choguel Maïga** leads the *Mouvement Patriotique pour le Renouveau*, the strongest of the opposition parties which have boycotted the electoral process since the fiasco of the April 1997 legislative polls (AC Vol 39 No 1). He claims Konaré cannot conceivably launch a war on corruption: 'If he did, his own government would last only three or four days'. Maïga, who is openly aligned with the imprisoned Moussa Traoré and his pre-1991 single party, the *Union*

Démocratique du Peuple Malien, scores points with detailed and credible accusations on the electricity mess.

The rest of the opposition alliance, the *Collectif des Partis Politiques de l'Opposition*, remains rudderless under its veteran figurehead, **Almamy Sylla**. Maïga's friends say he senses victory, though, and thinks it more productive to make the Premier's position impossible than to keep on trying to erode the President. His attacks are part of the MPR's broad strategy of 'national reconciliation'. Presidential loyalists claim the aim is to rebuild an anti-Konaré coalition, while minimising the UPDM's past faults. A government reshuffle is expected soon but Konaré would be reluctant to drop IBK, his lightning conductor for five years - though nothing is impossible: AOK has an impulsive streak.

IBK's worst nightmare is the enigmatic relationship between Konaré and the transitional head of state of 1991-92, Gen. **Amadou Toumani Touré** ('ATT'). The two have maintained regular contact since the early 1980s. ATT's delphic pronouncements on his own possible presidential ambitions - most recently in Paris-based magazine *'Jeune Afrique'* - include careful hints that he admires both Konaré and Traoré, whom he arrested at the height of the 1991 bloodbath that led to the democratic transition. There is now talk of a cross-party ATT run for the presidency, with Konaré's blessing, after the necessary bridges have been built between Maïga's people and the more far-sighted younger Adema dignitaries.

Personalities from the Traoré era who are still in public life are reassured by ATT's desire to boost the 'reconciliation' line, including a possible pardon for Traoré. An ATT campaign would flatten any competition: he is in a similar position (via a different route) to the recently elected **Nigerian** head of state, **Olusegun Obasanjo**, whom he knows well (along with US ex-President **Jimmy Carter**). At home, **Souméylou Boubèye Maïga**, brother of journalist **Tiégonm** and ATT's special advisor in 1991-92, now heads the security services.

Yet ATT - still theoretically a serving officer, despite his international and philanthropic activities - may be wary of his fellow officers' reactions to his involvement in civilian politics. He despises almost all current politicians apart from Konaré himself. Finance Minister Cissé is an independently rich businessman, barely 40 and respected by the international financial institutions. Like ATT (51), he has strong roots in the north-central Mopti-Niafunké region, the country's political heartland. Settling political scores and heading for the world of the international financial institutions is a logical next step. As for Drissa Keïta, some think he would make an impressive 'apolitical' Premier. The widespread perception is that this is a two-person race for the presidency and that IBK is not one of the two. ATT needs a vehicle and if he decides to run, people from both Adema and the MPR will join him. This might finish off Adema but not the MPR. And it could leave ATT heading for the finishing post with no competition.

CAPE VERDE

Micro-state struggles

As the succession heats up, another head of state seeks to amend the constitution

The contest to succeed Prime Minister **Carlos Veiga** is heating up. The ailing Veiga (he is said to have diabetes and regularly visits his doctors in **Portugal**) announced in April that he would retire as

leader of the *Movimento Para a Democracia* (and therefore as Premier) at the party congress in February 2000. The favourite to succeed Veiga is **António Gualberto do Rosário**, who was appointed Vice-Prime Minister in the April-May 1998 reshuffle. Until then, he had been Minister of Economic Coordination, where he was well liked by foreign donors.

Two months ago, Gualberto do Rosário formally declared himself a candidate for the premiership but now he faces a populist challenge from **Jacinto Santos**, the MPD Mayor of Praia. Santos was passed over for the deputy premiership last year, as was the former Assistant Minister to the Premier, **José António dos Reis**. Cape Verde was the first of Africa's single-party states to hold multi-party elections, in 1991, in the post-cold war wave of political liberalisation. Since then, it has been quietly ruled by the centre-right MPD. Santos' challenge is one of the most serious challenges to the MPD establishment since the 1991 polls and party barons are keen to avoid a confrontation.

Santos is popular among his constituents in the capital. In many ways, the power struggle reflects a familiar conflict between Western-style technocrats and more populist leaders. There is the added twist, though, that Santos leads the southern 'Baduista' (the name for the people of Praia) faction, the MPD's main support base, while Gualberto do Rosário represents the northern 'Sampadjudo' faction. At February's party congress, a Baduista majority might bring in Santos as the new party leader, which would make him Premier. Gualberto do Rosário, known in the past for his anti-clericalism, needs to win over the Roman Catholic Church and its only bishop, **Paulino Evora**. In the 1970s and 1980s the Church, battling against the then ruling *Partido Africano para a Independência do Cabo Verde* (PAICV), backed the anti-Marxist MPD.

The lines of conflict are already blurred. The MPD grouping in Praia has declared its support for Gualberto do Rosário and Veiga - who has led the party since 1991 and dominates it - has asked Gualberto do Rosário and Santos to suspend their battle for his succession. A compromise may yet be found.

Veiga has offered the opposition parties some electoral ammunition by proposing revisions to the constitution which his own party introduced in 1992. He has often said he would prefer a political system that gives more power to the president but many were surprised by the scale of his proposed amendments to the present fully parliamentary constitution. Some changes, such as the establishment of a constitutional court, a *Tribunal da Constituição*, and a new public body to protect human rights, seem to reflect a genuine desire for improvement.

Others seem designed to fit Veiga's own political ambitions. The President (the office is at present honorific, not functional) would be entitled to dissolve parliament, the *Assembleia Nacional*. This would sustain Veiga's influence on politics since, if his health holds up, he is expected to run for the presidency in February 2001, when the current MPD President, **António Mascarenhas Monteiro**, finishes his term.

The opposition has denounced the centralisation of power in Veiga's hands and the government has delayed the parliamentary debate and started a 'national discussion'. The combined battles over the leadership and the constitution could weaken the MPD's prospects in the local council elections which are scheduled for January, ahead of the legislative elections, due in December 2000.

Santos has announced that he won't stand again in Praia, in order to focus on his campaign for the MPD leadership. This may bring some extra votes to the probable candidate of the opposition

Partido da Convergência Democrática, **Eurico Monteiro**, who led a split from the MPD in 1994 and remains popular in the capital; his PCD has one parliamentary seat, the MPD has 50 and the PAICV has 21, of a total 72.

The PAICV is split between reformers and the left-wing old-guard, which succeeded in electing a former Premier, **Pedro Pires**, as party Secretary General in September 1997. The PAICV's modest ambition is to win just two or three more local councils, in addition to the one it already controls on the southern island of Brava. In some cases, it won't put up its own candidates but support independents, such as the popular **Jorge Santos**, Mayor of Ribeira Grande on the northern island of Santo Antão.

The MPD is determined to win the country's second largest council, on the northern island of São Vicente. In November its mayor, **Onésimo Silveira** (who is serving his third mayoral term) formed a new party, the *Partido de Trabalho e da Solidariedade* (Labour and Solidarity Party, PTS). Silveira, a leading figure in the Cape Verdean independence movement and a former United Nations official, has regularly accused Veiga of financially strangling the local council. São Vicente, site of the former economic capital, Mindelo, has long complained of central government neglect and it is true that in recent years, most visible economic growth has centred around the capital, home to some 60,000 of the archipelago's population of about 400,000 people. It remains to be seen whether the PTS platform of constitutional reform and regionalisation can make an impact at a national level. If Silveira wins again, the PTS could emerge as a new challenger to the MPD in next year's parliamentary elections.

International donors, particularly the International Monetary Fund and World Bank, regard Cape Verde as a model pupil. The reforming zeal of the islands' rulers - they even set up a stock market in April 1999, when there were no companies to sell shares on it - has occasionally prompted the Bank to recommend a slower pace. Recent IMF figures show that the economy has grown at an average of 5.5 per cent since 1992 - one of Africa's highest rates - and that the Gross Domestic Product, at US\$1,200 per head, is higher than that of all other former Portuguese African colonies combined. The promotion of Economic Coordination Minister Gualberto do Rosário to deputy Premier gave economic reform a fresh push. The government hopes that an ambitious privatisation programme will attract foreign investors, encouraged by the pegging of the Cape Verdean escudo to the Portuguese escudo (and therefore to the Euro) in July 1998. Many islanders depend on remittances from the 1.5 million or so Cape Verdeans abroad, more than a third of them in New England, **United States**.

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Pointers

GOLD

Robbing Peter . . .

Britain's Labour government has been roundly abused by some African governments for announcing the sale of 250 tons of unwanted gold. Other governments, especially **Russia's**, have been quietly selling gold for years, driving its world price down from over US\$385 per troy ounce in 1994 to \$255 after the UK announcement (and today down at \$252.90), made just in time to forestall far larger sales and a sharper price fall. **Switzerland** proposes selling half its 2,600 tn. The International Monetary Fund's sale of ten per cent of its total 3,200 tn. was announced at June's Cologne G7 summit but must be approved by the IMF Board in September. The Fund would use the money raised to improve its stingy Highly Indebted Poor Countries initiative.

South African and **Ghanaian** mining interests are lobbying against the sales. Rand Proprietary Mines is already firing 2,000 workers, as is Ashanti Goldfields Corporation. **Mali** is furious; it had hoped new gold mines would relieve its desperate poverty but four big new projects would be viable only if gold's selling price were higher.

Tanzania's newly privatised companies claim lower prices will push mining back to environmentally destructive smallscale operations. Yet **Canada's** Barrick, which owns Tanzania's big Bulyanhulu open-cast pit, had already claimed operating costs so low that the mine would be profitable at almost any imaginable world gold price. African opponents of gold sales have unlikely allies in the **United States**, where some Congresspeople representing rural mining districts also disapprove of both the IMF and, especially, debt relief.

The IMF plan would cut the export revenue of many officially 'poor' countries, while producing funds to relieve their debts. It would also impoverish several countries not poor enough to qualify for debt relief, especially South Africa. Gold produces one-third of SA's export revenue, directly employing 250,000 workers. Many are migrants, whose remittances sustain neighbouring **Lesotho** and **Swaziland**. Still more are in the National Union of Mineworkers, a pillar of the union movement and of the ruling ANC. Even at the present gold price, the ANC's free-market economic programme, GEAR, looks risky. A further price cut could produce social and political unrest. The rich countries selling off their stocks, at huge profits, would help their case by offering compensation to the sufferers. Alternatively, they could dream up a way of making gold useful.

LIBYA

Tripoli calling

Brother Leader Colonel **Moammar el Gadaffi's** return to the African diplomatic circuit was a high point of the July Organisation of African Unity summit in Algiers. His entourage of 200, including the legendary female bodyguards, and his insistence on working in a tent pitched in the conference centre grounds provided welcome relief from the more mundane door-stepping interviews for the 500 journalists there.

Absent from OAU summits since 1977, Gadaffi made much of his return: he took the podium for over an hour in the first closed three-hour session and cordially invited his fellow leaders to Tripoli for another summit on 6-9 September, coinciding with the 30th anniversary of his coup against King **Idris**.

The ostensible reason for the Tripoli summit is to discuss revisions to the OAU Charter, including giving the Secretariat more authority. Few leaders seem to think this necessary but **Algerian** President **Abdelaziz Bouteflika** said Tripoli would be a 'show of solidarity' with Libya. He also wants Gadaffi on board his pan-African and pan-Maghrebian alliance against Islamist terrorism - which Libyan seurocrats know is the biggest danger to Gadaffi's regime. Like **Syria's** President **Hafiz el Assad**, Gadaffi still backs Middle East 'rejectionist' groups such as Hamas.

Gadaffi also suggested setting up an OAU conflict resolution centre in Tripoli, another offer the OAU can't easily refuse. It's desperately short of both money and conflict resolution. Having publicly swapped his Arabism for Africanism (AC Vol 39 No 21) Gadaffi is determined to win some spurs as a mediator. He brought **Congo-K's** **Laurent Kabila** and **Uganda's** **Yoweri Museveni** together (having financed both their military campaigns) in December and May, after which both announced they'd agreed a ceasefire in the Congo war. His other mediation efforts were less successful in **Eritrea** and **Ethiopia**, and treated with great caution by **Sudan's** opposition.

Western diplomats remain terribly sceptical about Gadaffi the peacemaker, particularly in African states with big mineral assets. Yet Libya's commercial and diplomatic warming with the West continues. The **British-Libyan** Business Group, led by Lord **Ahmed** of Rotherham, visited Sirte and Tripoli on 6-13 July. They spoke bullishly about Britain playing a leading commercial role in Libya.

Full diplomatic ties between Tripoli and London were restored on 6 July. A frontrunning candidate to be Libya's new Ambassador is **Khalifa Azzabi**, cultural attaché in the Libyan People's Bureau in London until its closure after the shooting of PC **Yvonne Fletcher** in 1984. Once a medical student at Edinburgh University, he is well known and liked among

some British Arabists. It will not be, we hear, **Khalifa Bezelia**, who was expelled from Britain five years ago when heading the Libyan Interests Section in **Saudi Arabia's** Embassy.

SUDAN

Arranged marriages

A growing flirtation with the Umma Party is one sign of the National Islamic Front's continuing charm offensive. At our press-time, NIF leader **Hassan el Turabi** and Umma chief **El Sadig el Mahdi** were about to hold their second meeting. **France** was the latest candidate as facilitator though with El Sadig enthusiastically promoting the 'reconciliation process', none was needed.

As the NIF was putting obstacles in the way of **British** officials keen to 'resume' relations, Paris won a round in the Euro-scamble for Khartoum: Sadig met Cooperation Minister **Charles Josselin** on 20 July. Paris had always refused to meet individual party leaders, oppositionists noted, claiming it dealt only with the National Democratic Alliance. Sadig holds no NDA position but now speaks as if he did.

His cousin does: NDA and Umma Secretary General **Mubarek Abdullahi** at first seemed to oppose Sadig's rapprochement with Turabi, as many in the Umma still do. But on 19 July, he appeared on **Qatar's** 'Jazeera' television beside NIF stalwart **Abdel Rahim Hamdi** and **Abdullah Mohamed Ahmed** (ex-Education Minister, then Ambassador to **Italy**, for the NIF government; as Umma Culture Minister under Sadig, he'd demanded the removal of Sudanese pharaonic statues from the National Museum because some were naked and of English-teaching from schools; he then asked for political asylum in Britain). On TV, Hamdi and Mubarek fell over each other to agree; Abdullah presented himself as independent.

Sadig says talks on the south under the Inter-Governmental Authority on Development (**Eritrea**, **Ethiopia**, **Kenya**, **Uganda**) 'cannot lead to a settlement'. The NDA position is that the NIF must be removed; Sadig says IGAD must expand to include 'all our neighbours'. This means **Egypt**, now trying to commandeer IGAD, and **Libya**. **Central African Republic**, **Chad** and **Congo-K** all have pacts with the NIF. Eritrea and Ethiopia are angry at these moves to usurp them and are at least talking to each other about their hostility to Khartoum.

● In AC Vol 40 No 13, we unintentionally separated Sadig and Turabi. They became friends when Sadig spent a session at Khartoum University in the mid-1950s and, of course, have been brothers-in-law since, after coming to prominence in 1964's October Revolution, Turabi married Sadig's sister **Wisal**. Turabi's website, www.turabi.com, explains: 'The marriage was considered by political observers to cement the undeclared alliance between the [Muslim] Brothers' group and El Sadig el Mahdi's faction of the *Ansar*'.

AFRICA CONFIDENTIAL

SIERRA LEONE

3

Problematic peace

The ceasefire is just about holding a month after the 7 July peace deal. The next stage - the demobilisation and disarming of the rebel RUF - looks much shakier. And it's being made worse by the lack of foreign funds for rehabilitation.

KENYA

4

Leakey's big game

Once more President Moi has confounded his critics. After meeting World Bank President Wolfensohn in London, Moi has appointed ex-oppositionist Richard Leakey as head of the civil service. Leakey has just three months to push through a reform and budget-cutting programme before Nairobi takes its case to the IMF and the Bank again.

ZIMBABWE

5

U-turns, screw turns

The latest international plan for turning the economy around looks sound, in narrow economic terms. In narrow political terms it ignores reality, including next year's elections and the unpopularity of President Mugabe's government.

C.A.R.

6

Too close to call

Whoever wins the presidential poll starting on 29 August faces a huge task in keeping order: the UN peacekeeping force is due to leave soon afterwards. Incumbent President Patassé is favourite to win, but not in the first round.

POINTERS

8

Senegal, Liberia, Britain/Africa & France/Africa

Presidential field; Gerald's jeep; out of Africa; Jacques' jaunt

MOROCCO

Our friend, the new king

Young King Mohammed VI faces a tide of economic and social problems bequeathed by his father Hassan II

The mass outpouring of grief after the death of King **Hassan II**, one of Africa's most ruthless and canniest rulers, is fast being overtaken by worries about the future, particularly the shaky economy. A week after his father's sudden death from a heart attack on 23 July, King **Mohammed VI** went to Fez to lead Friday prayers. This was a critical signal of political and religious continuity. Surrounded by the *Makhzen* (the Palace-run political establishment) Mohammed VI took over as *Al Amir al Mouminin* (Commander of the Faithful), Morocco's spiritual head. Mohammed had accepted the *Ba'ya* (oath of allegiance) from his subjects immediately after Hassan II's death.

King Mohammed's assumption of the spiritual leadership told Moroccans that it would be business as usual for the *Chérifien* monarchy (which, as the title indicates, claims descent from the Prophet, as well as legitimacy through the role in the Independence movement played by the late King Hassan's father, King **Mohammed V**). It was also a message to Islamists, whose best known leader, **Abdessalam Yassine**, remains under house arrest in Sale, that the regime does not envisage a shift in the ruling, anti-radical ideology.

Moroccans expect and want change. The diverse political class agrees that the new monarch should quietly drop Hassan's absolutist tendencies, already diminished in the 1990s. They also want to slacken the royal grip on business; any inquiry into the monarch's finances is prohibited by law. The late monarch built up a personal fortune of more than US\$30 billion, consisting of about a fifth of the country's arable land, total control of phosphate mining (Morocco is the world's biggest exporter), the expropriated holdings of **French** settlers and a discreetly managed investment portfolio in the **United States** and Europe.

Diplomatic polygamy

Even while mourning Hassan, the feisty Moroccan press stepped up its attacks on the gross inequalities that his reign had perpetuated. The Casablanca daily *Le Journal* excoriated the Kingdom's 'semi-feudal' ruling class and called for a war on poverty and corruption and for radical reform of the justice system and social sector. Close up, Hassan's legacy is very mixed: his regime was one of the worst abusers of human rights until the tentative political *ouverture* started a decade ago; some 12 million of the country's 28 mn. people live below the poverty line; officially, about 55 per cent of Moroccans are illiterate although non-governmental organisations say the figure is over 70 per cent; projected economic growth of 0.2 per cent this year will do little to cut unemployment running at around 20 per cent; and Moroccans are saddled with a \$20 bn. debt on top of a corrupt and inefficient bureaucracy. More than ever, there are two economies: the dynamic liberalising one of the Casablanca *Bourse* and the desperate poverty of the countryside.

What made Hassan different from Africa's other absolutists (such as his pupils and friends, former **Zaire's Mobutu Sese Seko** and **Togo's Gnassingbé Eyadéma**) was his enduring ability to manage change and make himself useful to countries more powerful than his own. He was dismissed by diplomats when on assuming power in 1961, he said he wanted good relations with both the West and the **Soviet Union** because 'in a Muslim country, bigamy is permitted'. In diplomacy, though, Hassan was more of a polygamist, deftly running a Middle East policy that allowed him to have the highest level contacts, from Hamas, through the Palestine Liberation Organisation and **Israel** to Washington. His handling of the Africa dossier (he was one of **Angola's Jonas Savimbi's** strongest supporters and the backbone of the continent's Francophone *réseau*) remained obscure to even the keenest Palace-watchers.

For the West, Hassan's great contribution was keeping the lid on Morocco and message-passing between Israel and the Arab world. That alone explains the appearance of US President **Bill Clinton**, French President **Jacques Chirac**, **Spain's King Juan Carlos**, Israeli Premier **Ehud Barak**, **Britain's Prince Charles** at Hassan's funeral in Rabat on 25 July. At the obsequies, much of the talk was of Moroccan and Western fears for the future.

Desert kingdom or desert republic?

Whether Rabat cooperates with the United Nations' planned referendum on Western Sahara next July will be a key test of King **Mohammed VI's** political muscle. His father, King **Hassan II**, marched troops into the territory shortly after **Spain** pulled out in 1976, a move condemned by both the UN and the Organisation of African Unity. Hassan made the occupation of the Sahara a national cause and persuaded Westerners that if his troops were pushed out, the kingdom would collapse.

That secured plenty of Western help for him in his war against the Polisario Front. Based in camps near Tindouf, southern **Algeria**, the Polisario badly damaged Morocco at first. Rabat now spends some US\$3 million a day on its occupation force, for comparatively little economic return. Never good, relations with Algiers crashed in the late 1970s and fears persist that it might go to war over the Sahara. Both Rabat and Polisario have tried to obstruct UN attempts to hold a referendum on the territory which they thought they would lose.

Now preparations to vote, begun in 1988, are nearing an end. Last month, the UN gave lists of identified and eligible voters to both sides. The lists have 84,251 names, of which 40 per cent were registered in Polisario camps, 55 per cent in Morocco and the area of Western Sahara its troops currently occupy, and 5 per cent in **Mauritania**.

Both sides have welcomed this, Polisario because it and many

independent observers believe it would win a referendum and Rabat, because of the high number of voters registered in territory it controls. The next stage, assessing a further 65,000 names (from the 'contested tribes') which Rabat wants on the list, is due to end in November.

Mohammed's accession probably boosts the chances of a free referendum. He may be less wedded to the idea of a Moroccan Western Sahara than his father and the ubiquitous Interior Minister, **Driss Basri**. Mohammed might be more responsive if there were serious Western and UN pressure to stop Morocco's obstruction of referendum preparations.

Mohammed doesn't like Basri much and is improving relations with Algeria's diplomatically savvy President, **Abdelaziz Bouteflika**. After a warm exchange at Hassan's funeral, the two are to meet this month to reopen their common border. Born in Morocco, Bouteflika strongly backed Polisario when Foreign Minister in the 1970s: he told the 1999 OAU summit he hoped the UN would expedite the referendum. In his first speech as King, Mohammed said: 'We shall renew our commitment to perfect our territorial integrity, of which the issue of our Saharan provinces constitutes a central concern.' Mohammed is no keener than his father to countenance losing Western Sahara. But he may be more flexible if it comes to a negotiated settlement

Mohammed, 36, comes to a taxing job underprepared. The diffident new ruler says he wants to emulate his close friend, Mediterranean neighbour and very constitutional monarch, Juan Carlos. Press profiles all dip into his *curriculum vitae* to note that Crown Prince Sidi Mohammed is a four-star general and 'coordinator' of the 200,000-strong *Force Armée Royale* (FAR), and that he spent a period in Brussels working in the office of the then European Commission President, **Jacques Delors**. Hassan was reluctant to groom his son to replace him until Mohammed was in his 30s, as was reflected in persistent but ill informed rumours that his younger son, **Moulay Rachid**, or even the ambitious US-based **Moulay Hicham**, son of Hassan's late elder brother **Moulay Abdallah**, might eventually succeed.

Windsors and the World Cup

In recent years, Mohammed was finally given more grooming, ranging from bonding with another long-standing heir apparent, Britain's Charles Windsor, to representing his father at formal occasions. Most encouraging, a group of advisors gathered around him: the 'G-14' comprises some of the best respected administrators, including **Mourad Cherif**, the new head of the ONA Group, the country's largest private company and formerly the near exclusive domain of the Palace, and his brother-in-law **Driss Benhima**, state electricity company chief and spearhead of Morocco's campaign to win the bid for the 2006 soccer World Cup.

Whether Mohammed has the will to push for change and can avoid being manipulated by more conservative elements remains to be seen. Hassan was isolated in his last years as **Ahmed Redha Guedira** and other key aides died of old age and others, such as **Moulay Ahmed Alaoui**, grew infirm. Mohammed must promote new faces within the Palace power structure and outside it.

His relationship with the powerful Minister of State for the Interior, **Driss Basri**, will be critical. Basri had positioned himself as *de facto* regent for the next decade (AC Vol 39 Nos 9 & 23). Hassan kept the FAR isolated from domestic politics while burdening state coffers by rewarding officers and men for their

long years serving in the disputed Sahara. Some believe Mohammed will cultivate the army as a counter-balance to the *Gendarmerie Nationale* and civilian gubernatorial administration, which remain tightly controlled by Basri. In the immediate wake of Hassan's death, the line of army officers who professed their allegiance to Mohammed by kissing the royal hand or royal shoulder ranged from senior generals to more lowly captains. The range of officers, much broader than usual in expressions of loyalty at the annual 'Throne Day' celebration, seemed to show the new monarch's determination to build a power base in the military.

Rumours of a rift between Mohammed and Basri were rife as foreign dignitaries arrived for the funeral. Yet Basri was prominent as one of the three key officials to greet foreign heads of state and government as they arrived at Rabat airport, standing alongside the new crown prince, Moulay Rachid, and **André Azoulay**, the most robust remaining senior royal counsellor, to greet Clinton.

To date, Mohammed has shown little taste for day-to-day politics. But until Mohammed V's death in 1961, the far more politicised Crown Prince Hassan was best known abroad as a free-spending playboy whose exploits peopled the pages of *Paris Match*. A measure of how opaque Palace politics remain was a report carried by news agencies on the day after Hassan's death that the unmarried Mohammed, in line with 'Moroccan tradition', had been married to an unnamed bride. This report, quoting Palace offices, was subsequently denied and the seraglio returned behind closed doors.

Barring a radical initiative from the Palace (such as retiring the Interior Minister), politics will be dominated by the contest between the opposition-led government of **Abderrahmane Youssoufi** and Basri, trying to consolidate his waning power. After the military, the political parties lined up to offer condolences; they still see their political role as dependent upon royal whim. The main parties in the government coalition - Youssoufi's *Union Socialiste des Forces Populaires* and *Istiqlal* - are internally divided over ideology and officials admit they lack young talent. Hence the lacklustre ministerial performances since the *gouvernement*

d'alternance was appointed in March 1998.

Yousoufi has been widely praised but a 'minor brain haemorrhage' in June underlined his vulnerability. He was taken ill during an angry meeting of USFP cadres and was raced to hospital by senior party officials, including leftist icon **Noubir Amaoui**. Yousoufi lived; the meeting apparently carried on. His doctors have told him he will live for several more years, provided he rests. This is problematic for a former exile with a hands-on style of government and it puts more pressure on General Affairs Minister **Ahmed Lahlimi**, who effectively runs a government strapped for new ideas and cash. Its budget balances have been bailed out only by a group led by Spain's *Telefónica* bidding \$1 billion for the kingdom's second global system for mobiles (GSM) telephone licence.

Government and Palace face a daunting task which may force them to make common cause - if Mohammed and Yousoufi are sufficiently strong to unite feuding factions. Can Hassan's lifestyle, rooted in luxurious palaces and golf courses dotted around the kingdom, be maintained by a young king with a professed and occasionally practised wish to alleviate poverty?

Waiting in the wings are Islamist opponents but probably the greater risk comes from civil strife triggered by economic hardship - which Islamists could exploit. Scenes of mass public mourning for Hassan surprised many Moroccans who respected their king - especially in his later years, as arbiter of political disputes at home and abroad - but did not love him as they did his father. Mohammed can utilise this to build his own, new-style, power base and win time for the economy to strengthen. However, radical measures are needed, led by land reform and other agricultural reforms (including taxing farmers), which Hassan refused to countenance.

SIERRA LEONE

Problematic peace

Charles Taylor's support is critical to end the war - the other problem is lack of finance

As battle-hardened rebels saunter into Freetown, guns slung over their shoulders, Sierra Leoneans are arguing about the price of their hoped for peace. A month after the 7 July peace agreement in Lome, the ceasefire is more or less holding. Many are sceptical, though, about the next stage. This is when the Revolutionary United Front leader, Corporal **Foday Sankoh**, and his allies are to arrive in Freetown to take up government jobs alongside President **Ahmad Tejan Kabbah** and the RUF soldiers have to hand over their guns to the international peacekeepers. Without a properly financed rehabilitation programme for the ex-fighters or a reconstruction fund for the beleaguered civilians, the chances of the peace holding in the longer term look slim. So far, international support is only trickling through.

Sankoh and his men are refusing to come to Freetown until they are given 'decent accommodation'; the RUF set ablaze some 10,000 houses and many of their occupants during their January invasion of the capital. RUF supporters are fuming over Kabbah's appointment of an executive director to the National Resources Commission, which Sankoh is supposed to chair: the peace deal says this appointment gives Sankoh the status of Vice-President and that he shall be answerable only to President Kabbah. They are also accusing Kabbah of arrogance in demanding the RUF submit

the names of 20 ministerial nominees for his consideration.

More critical are the arguments in United Nations Headquarters about the size, composition and funding of the peacekeeping force. The UN will need at least 15,000 peacekeepers, with good logistics and communications. They must be convincingly international, too; the RUF insists it won't hand its guns in to a solely **Nigerian** force.

The UN Secretary General's Special Representative, **Francis G. Okelo**, called for a major funding boost after the Sierra Leone Contact Group, chaired by **Britain's** outgoing Africa Minister **Tony Lloyd**, met in London on 28 July. Britain offered about US\$17 million for military restructuring and demobilisation but other donors were conspicuously quiet about money. On the previous day, a donors' meeting in Brussels had raised \$2.1 billion for regional reconstruction after the latest round of the Balkan war.

Diamond-driven

The agreement calculates that RUF leaders such as Sankoh and **Sam Bockarie** and their sponsors - **Liberia's** President **Charles Taylor** and **Burkina Faso's** President **Blaise Compaoré** - have more to gain by cooperating with regional power Nigeria and the UN than by continuing their war against the Kabbah government and Sierra Leone's civilians. Given that the RUF controls most of the diamond fields in the eastern centres of Kono and Koidu, and has forces operating across about two-thirds of the country, that is a questionable assumption.

Taylor's role is central. Kabbah's ministers, UN officials and Western diplomats all agree that without Taylor's support the peace deal won't hold. We hear that diamond income going to Taylor's and Compaoré's offices from RUF-held areas has been largely dissipated in keeping the fractious rebel movement together, paying for its **South African** trainers (AC Vol 40 No 2) and funding arms and ammunition supplies. While Compaoré was protected from censure by **France**, Taylor was getting the full brunt of foreign opprobrium, with an almost total donor boycott of Liberia. Since **United States'** officials (together with their Nigerian and **Ghanaian** counterparts) accused Taylor of arming and training the RUF in January, pressure on him has been mounting.

Two years after coming to power in disputed elections, Taylor presides over a shambolic state and a collapsed economy. He is increasingly unpopular at home as living standards fall. Incomes are much lower than they were under the detested but Washington-supported regime of **Samuel Doe** in the 1980s and only a handful of the war-damaged schools, clinics and roads have been rebuilt. So Western and Nigerian officials offered Taylor a trade-off: stop backing the RUF, bring it to the conference table and Monrovia will be back on the foreign aid circuit.

Taylor signed up and has delivered (so far) with some panache. He turned up at the Lome signing with friends Compaoré and **Togo's** President **Gnassingbé Eyadéma** and was praised as a force for regional stability by his new UN and Western friends. Then on Liberia's National Day, 26 July, Taylor organised a grand burning of all weapons captured by peacekeepers from the Economic Community of West African States Monitoring Group (Ecomog) during the 1990-97 civil war. Guests included Kabbah and his Finance Minister, **James Jonah**; Nigeria's new President, **Olusegun Obasanjo**, and the Director of Washington's West Africa department, Ambassador **Howard Jater**. Stretching the symbolism even further, Taylor then pinned medals on two Nigerian former Ecomog commanders, Major Generals **Joshua Dogonyaro** and **Tunji Olurin** - who were Taylor's most formidable military

opponents when he was a rebel commander in the Liberian war.

However, Kabbah's position was much weaker than Taylor's. Though UK Prime Minister **Tony Blair** presented him as a beacon of democracy only two years ago, Kabbah's credibility has long since ebbed away. He is under fire from his own cabinet for spinelessness and deviousness, and from non-politicians for his failure to rein in corruption. Many in Freetown believe that he will follow the fate of the former **Guinea Bissau** President, Commander **João Bernardo Vieira**, who fled into exile weeks after signing a peace deal with Gen. **Ansumane Mane**'s rebels. Sensing Kabbah's weakness perhaps, the RUF's Sankoh now refers to him affectionately as 'my President.'

The Nigerians go home

There was no sign that the Kabbah government, Ecomog or successive groups of mercenaries had the will or the ability to convincingly defeat the RUF and its allies. New Nigerian President Obasanjo made clear he had no interest in fighting a guerrilla war against the RUF and would be prepared to keep Nigerian troops in Sierra Leone as peacekeepers only for a limited time.

So the Lomé agreement was more surrender than peace treaty. Kabbah's government has struck a relatively good deal for itself, given its political and military weakness. Kabbah persuaded parliament to pass the peace deal into law within a week of signing. His team fended off RUF demands for eight ministries, a four-year transitional power-sharing arrangement and a postponement of elections now scheduled for 2001 (the RUF had wanted a longer run-up to the next elections to build a stronger support base). Instead, Finance Minister Jonah insists there is no power-sharing - just a government of 'inclusion' in which Kabbah has agreed to consider RUF nominees for four ministerial and three deputy-ministerial posts.

The deal is not so good for the majority of Sierra Leoneans caught between power politicians in Freetown and Sankoh's fighters in the hinterland. Most seem relieved that this appalling conflict might at last be ending and outraged that the hackers of limbs, rapists and child murderers have been given a blanket amnesty under the deal. Their anger over the atrocities is directed as much at the government for its security failures as at the RUF for its brutality.

Of the few who might actively oppose the Lomé deal's provisions on amnesties and ministerial jobs for the RUF, the most important are the Civil Society Movement (includes trades unionists, professional associations and women's groups) and the Avundohs, a breakaway faction of Deputy Defence Minister **Sam Hinga Norman**'s *Kamajor* militia. Internationally, the amnesty deal has been much criticised by New York-based Human Rights Watch and by the UN High Commissioner for Human Rights and former President of **Ireland**, **Mary Robinson**, who said the Sierra Leone atrocities were worse than those in Kosovo.

Robinson is also to advise the Freetown government on setting up a 'quasi-judicial' human rights commission and a truth and reconciliation commission. UN Secretary General **Kofi Annan** said the amnesty provisions were 'difficult to reconcile with the goal of ending the culture of impunity'. Civil society activists in Freetown hope much can be done with what they call the 'creative ambiguities' in the Lomé deal. They hope the truth and reconciliation commission could be used like the **South African** model to nail offenders on both sides (local human rights monitors say that about 80 per cent of the atrocities were committed by the RUF and the

remaining 20 per cent by the *Kamajors* and Ecomog).

The RUF's legal advisor, **Omrie Golley**, says his organisation will 'bring to book' any soldiers committing atrocities and Sankoh has admitted to the *New York Times* that the RUF committed atrocities while he was gaoled in Nigeria. Investigators have already gathered detailed accounts of the RUF's mass arm-cutting campaign, which has left some 10,000 amputees, many of them children, according to UN figures - an appalling legacy of one of Africa's worst wars in one of the world's poorest countries.

KENYA

Leakey's big game

Unexpectedly, President Moi has appointed an old adversary to run the civil service

Once more, President **Daniel arap Moi** has confounded his critics and surprised everyone else. On 23 July, he appointed his political adversary, palaeontologist and wildlife enthusiast **Richard Leakey**, to head the Civil Service. Leakey's appointment follows, we hear, direct discussions between Moi and World Bank President **James Wolfensohn**. Moi was told that the only way to end the stand-off with donors and the country's economic free-fall was to appoint a credible economic and civil service reform team.

From 11 to 14 May, Moi visited London privately, met Wolfensohn and other senior Bank officials and convinced them (not for the first time) that he was serious about fighting corruption (AC Vol 40 No 5). He was prepared to overhaul the top ranks of the civil service and kick out the political jobbers, he said. The World Bank said it was prepared to second some of its Kenyan staff to Kenya, provided there was a new, uncorrupt and professional head of the civil service, plus new leadership at the key ministries of Finance, Agriculture, Health, Transport and Communications, and Energy.

Moi's response was to appoint the brave but abrasive Leakey, who until last year was Secretary General and member of parliament for the opposition Safina party. Leakey (a third-generation white Kenyan) and Moi are old sparring partners: Leakey was head of the government's Kenya Wildlife Service until he had a colourful row with Moi in 1994 over the Service's jurisdiction. Leakey doesn't suffer from low self-esteem. He gave Moi an ultimatum, according to presidential biographer **Andrew Morton**: he demanded to be made head of the civil service or else he would join opposition politics. Once in the opposition, he was accused of racism by the Maasai hard-man and minister, **William ole Ntimama**.

Leakey's subsequent and brief excursion into opposition politics was just as lively. He and **Paul Muite** formed the Safina coalition, which looked able to loosen the ruling Kenya African National Union's grip on power. So the government refused to register Safina - until the last minute before the December 1997 elections, causing maximum chaos in opposition ranks. In 1995 Leakey, who had lost both legs in a plane crash, was bull-whipped at an opposition rally in Nakuru. None of the police at the rally tried to stop the attack; the man then in charge of police in Rift Valley Province, **Francis Sang**, is now National Director of the Criminal Investigation Department. It wasn't until last month that a KANU Youth Winger, **John Kuria arap Kosgei**, was found guilty of the assault on Leakey and gaoled for three years.

There's little affection between Leakey and Moi but there

might just be some mutual respect - that of one bruiser for another. Now they are good friends again, at least for public consumption. When Moi announced the appointment on state radio, he said Leakey was recognised both 'at home and internationally as a man of determination and integrity'. The strategy is to get Leakey to work with respected technocrats to free more than US\$300 million in credits from the International Monetary Fund, World Bank and European Union. As Secretary to the Cabinet (Moi chairs all cabinet meetings) Leakey will be privy to all formal government decisions. How far he's allowed into Moi's kitchen cabinet is another matter.

All are on secondment so that they can return to their previous jobs at the end of their government contracts. This is meant to insulate them from political pressure if they upset vested interests. These were the terms on which Central Bank of Kenya Governor **Micah Cheserem** was employed although some now claim he, too, has succumbed to local pressures. Some ten days before the appointments, **Jose Fajgenbaum** had led a sceptical IMF team back to Washington after Finance Minister **Francis Masakhalia**'s optimistic budgetary arithmetic failed to convince them. Fajgenbaum gave the government three months to take some 'prior actions' before its reform programme would be presented to the Fund's Executive Board.

Crunch, crunch

At the end of June, Kenya had defaulted on \$62 mn. owed to bilateral creditors. This is part of a much bigger payments crunch which forced Moi's hand over the Leakey appointment. Kenya's foreign obligations this year are over \$450 mn., compared to \$318 mn. in 1998, but the economy has continued to shrink. Growth in gross domestic product fell to 1.6 per cent in 1998, compared to 4.6 per cent in 1996. Nothing was coming in to make up the gap and another default looked likely. The government's stand-off with the IMF choked off the bulk of donor funding. In 1998, Masakhalia had projected that donors would disburse \$302 mn. but the final figure was only \$164 mn. Most of the burden has fallen on social spending and the country's fast declining roads, ports and communications.

The Leakey team's reform plan is set to include major public spending cuts, targeting the public sector payroll specifically. A 1997 report by Kenya's Directorate of Personnel Management suggested some 126,000 public sector jobs, almost a third of the civil service, could be cut by a mixture of voluntary retirements and redundancies. **Britain**, which helped to finance the report, has offered further help on civil service reform and Leakey is due in London soon. Such a mass redundancy plan would cost at least \$180 mn. in severance payments alone.

Kenya still sees itself (and wants others to see it) as an oasis of stability in a region of warring states; the World Bank wants to avoid collapse, even at the risk of looking over-credulous. If the Leakey and technocrat appointments do some good, it will be a major boost for the Bank's Resident Representative, **Harold Wackman**, who has been torn between President Wolfensohn's anti-corruption line and traditional bank diplomacy. Technical aid may be unblocked quickly to help the new officials to launch their three-month 'action programme'. Some IMF officials had wanted to resume the stalled enhanced structural adjustment facility (ESAF) as early as mid-March when Moi made his face-saving appointments to the Anti-Corruption Authority but senior Washington officials remained sceptical. They also doubted they could persuade the Board to unblock credits for Kenya.

Moi also faces growing political pressure: the aftermath of the Goldenberg scandal (often estimated to have cost the public \$300 mn., not \$6.9 mn., AC Vol 40 No 14) continues to sully some of KANU's top names, while the battle for Moi's succession is heating up. Just days before Leakey was appointed, Dubai-based businessman **Nasir Ibrahim Ali** published documents purporting to link Moi and his son **Gideon** to the Goldenberg affair. The documents were released during Ali's business wrangle with **Kamlesh Pattni**, a key player in Goldenberg. Ali misjudged Moi.

He was almost immediately deported, in late July, to Dubai, **United Arab Emirates**, where he is wanted on criminal charges. Prior to this, Interpol had made six extradition applications for Ali but the former Director of the Kenya CID, **Noah arap Too**, had turned them all down. Ali had some powerful local friends in his battle to wrest the lucrative ownership of Nairobi Airport's duty free shops from Pattni, who was dumped by senior KANU officials after Goldenberg became a major embarrassment. After Ali's deportation, Moi huffed that Kenya had become a 'dumping ground' for international criminals.

Leakey and his team will probably win a resumption of aid but they will have to work near-miracles if they're going to push back corruption. The civil service is highly demoralised. Corruption and years of Kalenjin favouritism in appointments has taken their toll. Salaries are so low that bribes are now routinely requested, even for minor services. Graft has grown this year as Moi's retirement looms in 2002. Trying to stop that will pit Leakey and his team against KANU's crony network. Leakey's reformers will not survive long without Moi's backing. And they won't have to wait long to find out how serious Moi is about his new team.

ZIMBABWE

U-turns, screw turns

The ruling party dreams the IMF could help it win the next election

The latest international plan for turning Zimbabwe's economy around looks sound, in narrow economic terms. In narrow political terms, though, it ignores reality, including next year's parliamentary elections and the rock-bottom unpopularity of President **Robert Mugabe**'s government (AC Vol 40 No 14). To make the recovery plan work, Mugabe must junk his most sacred economic and political precepts or else resign. Neither is likely.

The International Monetary Fund offers to rescue the country with a standby credit of US\$200 million, to be drawn down over twelve months. To qualify, the government must impose tight monetary and fiscal policies which, the IMF hopes, will persuade the World Bank, African Development Bank and some rich governments to lend some \$250 mn. a year over three years. The IMF and Bank insist that these credits, plus sensible budgeting, will quickly persuade new private investors, foreign and domestic, to put more cash into Zimbabwe.

No one in the Bank or Fund has explained how the government is to impose tough monetary and fiscal restraint, when the economy is already in recession and is paying to keep 10,000 soldiers in **Congo-Kinshasa**. The targets will probably be missed and the loan programmes eventually lapse. Before that happens, Mugabe's government might just garner enough donor funds to pump up the

economy sufficiently to win the parliamentary elections. If the much vilified IMF and World Bank can be persuaded to help fund another election victory by the ruling Zimbabwe African National Union-Patriotic Front, there will be merriment in the party's senior ranks.

The plan pays scant attention to the wider region. The region's investment rules have been transformed by a new free-trade pact between **South Africa** and the European Union, and the proposed Southern African Development Community (SADC) free-trade protocol, starting in January.

Increasingly, Zimbabwe's attraction to investors is confined to agriculture - horticulture, coffee, tea, cotton, sugar and livestock - and some minerals. Interest in tobacco is waning, as the multinationals look at smallholder production in **Tanzania** and Mozambique. Manufacturing has been sidelined; its share of gross domestic product was down to 14 per cent last year from over 25 per cent in the early 1990s. Industrial investors in the area are targeting South Africa, **Botswana** and **Namibia**, which may all benefit from the EU trade deal.

For once, ZANU-PF could face serious electoral pressure, if a new labour party is launched into the parliamentary race by **Morgan Tsvangirai**, President of the Zimbabwe Congress of Trade Unions. ZANU might well lose a free vote in urban areas and even in some of its rural heartland, bringing at least a substantial opposition presence (even opposition control) in parliament, while Mugabe sits out the last two years of his presidential mandate.

Few new investors will go in till the politics look a bit clearer, perhaps after the 2002 presidential election. The nation cannot afford to wait that long for recovery. The economic collapse is breaking up the health and education services, while rising unemployment sharpens political tensions. With or without the IMF, the economy will get worse before it gets better. Inflation, currently at 55 per cent, will reach 65 or even 70 per cent in September-October. That will force bank lending rates above the current 45 per cent, reached after last month's belated tightening of monetary policy and despite warnings to the banks from Reserve (central) Bank Governor **Leonard Tsumba** against raising rates.

There will be little if any GDP growth in 1999; it was 2 per cent last year. Output is falling in both mining and manufacturing; cotton and tobacco volumes are sharply lower. Tobacco prices have fallen by 5 per cent this year and earnings will be down by 20 per cent at US\$300 mn. Though imports have crashed (because of last year's slump in the Zimbabwe dollar and the economic slowdown) the balance-of-payments deficit is still around Z\$400 mn. a year - twice the support offered by the IMF.

Exports, forecast at US\$1.75 billion for 1999, are down by 28 per cent from their 1996 peak. Foreign investors are net sellers on the Zimbabwe Stock Exchange. The IMF's high interest rates, cuts in public spending - except education and health - and faster privatisation will deepen the recession, while reducing inflation to 35 per cent next year and 20 per cent by 2001. Bankers say the Zimbabwe dollar, pegged on instructions from the Reserve Bank, is overvalued at Z\$38 to the US dollar; it is expected to be about Z\$45 by year-end and Z\$75 over the next two years.

The budget deficit is now probably over 12 per cent of GDP. The plan would cut it to 4 per cent by 2001, partly by privatising state companies to raise some Z\$5 bn. (US\$130 mn.) over three years. In the last year, the government's short-term borrowing, to cover its growing deficit, has almost doubled the issue of Treasury Bills to Z\$42 bn., on which interest is payable at almost 50 per cent. This costs Z\$20 bn. a year in charges; the budget included only

Z\$10 bn. to cover all debt-servicing.

Government debt of over Z\$200 bn. now exceeds GDP. Domestic debt totals Z\$60 bn., which bankers do not regard as a major problem. The World Bank's planned structural adjustment credit would allow Zimbabwe to retire half of the government's short-term domestic borrowings. Rocketing inflation is cutting the cost of the rest but threatening pension funds, which carry massive paper losses.

Business people, especially the National Economic Consultative Forum, believe that backing from the IMF and other donors marks a turning point. The deal, says one enthusiast, will unlock 'billions'. Yet these optimists, like the Bank and Fund, underestimate the depth of political and social discontent. Trades unions are pushing not just to set up a political party but to recoup earlier declines in real wages, which will be some 15 per cent below their 1990 levels, even after this year's estimated 45 per cent wage award. Employers forecast pay increases averaging 40 per cent a year over the next two years, undermining Finance Minister **Herbert Murerwa**'s hopes of reining in the public sector deficit.

Battles continue over land. Corralled onto overcrowded communal lands, smallholders have been waiting for some productive farmland since Independence in 1980. The donors refused to support the large-scale take-over which Mugabe demanded in 1997-98 and resettlement goes on far too slowly for the small farmers, who are again threatening to move onto white-owned land. Ministers say they will use the army to evict squatters, thus deepening the government's unpopularity in the countryside.

Zimbabwe's hopes in the 1980s as the lead player in Southern Africa have been overtaken by a freed South Africa, by post-war recovery in Mozambique and by steady growth in Botswana, whose wealth has almost caught up with its neighbour's. Hopes by the IMF and local business for a rapid donor-funded turnaround look unrealistic. There is little they can do about the wider issues of policy and governance that block real economic change. Mugabe and the old guard who lead ZANU-PF are set to hold on at least until 2002. A quick fix is not on the cards.

CENTRAL AFRICAN REPUBLIC

Too close to call

Incumbent President Patassé is favourite to win the elections as the UN prepares to leave

Whoever wins the presidential election starting on 29 August faces a huge task in keeping order. Incumbent President **Ange-Félix Patassé** is the favourite, though probably not in the first round. The winner will be helped for a time by the *Mission des Nations Unies en République Centrafricaine* (Minurca) which is to supervise the poll and is already overseeing the restructuring of the army. So far, election preparations - ten candidates have registered - are going better than the military reforms. Minurca cannot afford to fail on either count. It is one of the United Nations' first attempts at 'preventive peace-keeping'; it has also been run by Europe (particularly **France**), without **United States**' cash or logistics. It will face its toughest test this month: the danger is that political rivals will resort to violence again if they don't like the election result, especially if they smell fraud.

Control of the army remains a key political issue and it seems that the military reforms won't be completed before Minurca's

mandate ends on 15 November. The government is dragging its feet. Though the National Assembly has adopted four bills on the restructuring, they have yet to become law. There are also difficulties with the Presidential Guard, we hear, which continues to intervene in tasks, such as riot control, beyond its official duties. All this, plus a huge influx of refugees this last week from the fighting in **Congo-Kinshasa**, raises doubts about Minurca's future. Having invested so much in trying to stabilise CAR, the UN isn't likely to withdraw completely in November. More probable is a scaled down presence - a Minurca II - to help keep the post-election peace.

Voters are faced with a familiar array of front-runners: incumbent President Patassé, his predecessor, General **André Kolingba**, and **David Dacko**, who served twice as head of state. The mood is for reconciliation and re-establishing confidence in CAR. Whether these veterans can convince electors to vote for them is another matter. Many worry about a repeat of the widespread fraud seen in the last elections despite the UN's efforts.

Patassé's best but probably forlorn hope is to win over half the votes in the first round, avoiding a run-off. Some claim that voting cards have been selectively distributed by the *Commission Electorale Mixte Indépendante* (CEMI). Its director is **Michel Adama Tamboux**, under the supervision of the President's men, **Martin Dogo Nendjé Bhé** and **Marcel Loudégué**. Prime Minister **Anicet Dologuélé** (from Ouham Pendé, like Patassé) is trying to cheer up the civil service by paying out two months' worth of salaries (reportedly with money from the International Monetary Fund) which are now 13 months in arrears. Some officials in Paris consider Ambassador **Jean-Marc Simon** as too keen on Patassé but he is off to a new post in **Libya** straight after the poll.

The heavyweights

David Dacko is 70 and has been ill for some time. Support among the Gbaka people of Bangui and the south won him 20 per cent of the vote in 1993, when he came third, despite the support of the Elysée Palace's late power-broker **Jacques Foccart** and part of the French right-wing. Dacko's *Mouvement pour le Développement et la Démocratie* also came third in last December's legislative elections (AC Vol 40 No 2). The MDD belongs to the opposition alliance in the Assembly, the *Union des Forces Acquisées à la Paix et au Changement*, but the other opposition parties note that Dacko's son-in-law, **Armand Sama**, is Minister of Town Planning in Patassé's government; they suspect that, in the event of a second-round run-off vote, Dacko might recommend his supporters to back whichever candidate looks to be the most favourable to his interests.

His old rival **Abel Goumba**, who came second in 1993, this time declared himself a candidate without consulting senior party colleagues in the *Front Patriotique pour le Progrès*. He then took some French officials by surprise by going off to Paris to try to exploit his old contacts with Prime Minister **Lionel Jospin**, a fellow Socialist. Meanwhile on the right, President **Jacques Chirac**'s advisors **Fernand Wibaux** and **Michel Dupuch** apparently reckoned he'd be better occupied at home running a non-governmental organisation campaigning against AIDS.

Goumba's supporters maintain that he really won the 1993 poll but that French officials (especially the security officials so powerful in CAR's affairs) regarding him as 'an anti-French Communist doctor', decided to put Patassé in instead. Some observers believe that, badly advised and badly informed, Goumba today would be lucky to get 8-10 per cent of the first-round vote.

After four months in France, Kolingba returns home in the hope of winning back power, like his old friend **Denis Sassou-Nguesso** in **Congo-Brazzaville** in 1997. Kolingba leads the southern '*Riverains*' (riverside peoples) as opposed to the northern '*Savaniers*' (people of the plains) who now rule the country, and his own Yakoma people regard him as their saviour. He is thought to have 20-25 per cent of the national vote, which would place him second in the first round; in 1993 he won only 15 per cent and came fourth. Today, he's seen as the second force in the country. Since 1993, his once monolithic *Rassemblement Démocratique Centrafricain* has been second to the governing *Mouvement pour la Libération du Peuple Centrafricain*. If Patassé fails to win outright on the first round, Kolingba is likely to pick up substantial opposition votes in the second. He is also backed by thousands of Ngbandi '*électeurs ambulants*' (travelling electors) from Congo-K arriving to counter Patassé's own *électeurs ambulants* from **Chad**.

The also-rans

New faces are enlivening the proceedings but none of the other candidates is seen as seriously in the race. However, they could affect the final result, both by taking first-round votes away from Patassé and forcing a run-off, and by advising their supporters to unite behind another candidate in an eventual second round.

Henri Pouzère, a leading lawyer, has no political record as he has spent three decades abroad. From the majority Banda ethnic group, Pouzère hopes to build an electoral base from what remains of the ageing Professor Goumba's following in the centre-east. Goumba's preferred heir is probably **Barthélemy Yangongo Boganda**, a nephew of **Barthélemy Boganda**, who is often known as the 'Father of Independence'. Another candidate is **Joseph Aboussolo**, a businessman and 'baron' of Kolingba's dictatorship.

Also standing is **Jean-Paul Ngoupandé**, now a philosophy lecturer in Paris. As Patassé's former Prime Minister, he was considered a good manager. His contacts in Paris include Dupuch, who was French Ambassador to **Côte d'Ivoire** when Ngoupandé represented the CAR there in 1990-92.

Once one of Patassé's closest confidants and his Mines Minister in 1993-96, **Charles Massi** is also a candidate. The candidate of the *Parti pour la Social-Démocratie* is **Enoch Derant Lakoué**, Kolingba's last Premier in 1993. Perhaps the most colourful but least likely candidate is an independent karate teacher, **Fidèle Ngouandika**. He's popular among young people in Bangui's Boy-Rabe district, usually one of Patassé's strongholds.

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Pointers

SENEGAL

Presidential field

The arrival of a contingent of Legionnaires in the latest **French** troop rotation raised eyebrows in Dakar. A presidential election is due next February and the country has a history of election violence. The campaign will be hard fought and among those preparing to challenge President **Abdou Diouf** are the old bruiser **Abdoulaye Wade** (freshened up after a long break in Versailles with his French wife **Viviane**) who is Secretary General of the *Parti Démocratique Sénégalais*, and two rebels from the ruling *Parti Socialiste*: **Djibo Kâ** of the *Union pour le Renouveau Démocratique* and former Foreign Minister **Moustapha Niasse** of the *Alliance des Forces du Progrès*, one of Senegal's more charismatic politicians. Kâ is popular with the radicals but has said he will stand down for Niasse if the elections go to a second round.

Now UN Special Representative for the Great Lakes, Niasse was expelled from the PS in June after criticising Diouf and saying the presidency should be limited to two five-year terms. He has already attracted several PS notables to his and the AFP's cause; the URD won eleven of parliament's 140 seats in the May 1998 elections, just weeks after its formation. Another candidate is populist union leader **Mademba Sock**, who was jailed for sabotage in the run-up to the privatisation of electricity utility Sénélec and is making more enemies with claims of corruption and personal attacks on Diouf.

LIBERIA

Gerald's jeep

Britain's 23 July expulsion of senior Liberian diplomat **Gerald Cooper** is an early blow to President **Charles Taylor**'s efforts to improve relations with the West (see Sierra Leone Feature). Cooper told *Africa Confidential* that UK Customs had asked him to cooperate with an investigation into arms shipments to Liberia but that his lawyer had advised him to claim diplomatic immunity.

Three months after that, Whitehall declared Cooper, Liberia's representative at the International Maritime Organisation, *persona non grata*. Cooper had lived in Britain for over 30 years and was regarded as one of Taylor's more credible representatives.

Any military shipments to Liberia break the UN arms embargo, imposed at the start of the civil war in 1991. Cooper said the problems were over a four-wheel-drive vehicle he was shipping from the **United States** to Taylor. A

US source said this was an armoured off-road vehicle with gun-mounts, contravening UN sanctions. Cooper said the arms embargo wasn't being enforced. 'We are a sovereign state... when the embargo was imposed we were in the middle of a war. Now we have an elected president and government; we've got peace so the embargo shouldn't apply,' he said.

BRITAIN/AFRICA

Out of Africa

Peter Hain's appointment as Britain's Minister of State for Africa is likely to push African concerns a few notches higher up the Whitehall totem pole. Prime Minister **Tony Blair**, Foreign Secretary **Robin Cook** and Queen **Elizabeth II** are all due in **South Africa** for the Commonwealth Heads of Government Meeting in November and are planning stopover visits en route. Hain is energetic and radical, and plays the media far better than his predecessor, **Tony Lloyd**.

To the left of Blair, Hain's street credibility dates from his organisation of protest campaigns against visiting South African sports teams during the apartheid era. He so irritated **P.W. Botha**'s government that it sent agents (one of them a Hain look-alike) to rob a London bank to discredit him. Hain's first official meeting as Minister was with SA High Commissioner **Cheryl Carolus** on 3 August.

Kenyan-born, Hain has also been a human rights campaigner and sharply critical of President **Daniel arap Moi**'s record. A worried Nairobi government quickly scheduled a meeting, described as 'useful' by both sides, with Hain for Vice-President **George Saitoti**, who was in London this week. Hain's appointment may also boost the morale of the Foreign and Commonwealth's under-staffed 'Africa Command', though he will be one of the busier ministers: in a revamp, his job description includes Africa (now joined to North Africa), the Middle East, South Asia, the Commonwealth, plus environmental, non-proliferation and human rights issues.

FRANCE/AFRICA

Jacques' jaunt

President **Jacques Chirac**'s four-country hurtle round West Africa (21-24 July) was a damp squib. He lacks the verve of his more cerebral predecessor **François Mitterrand** who had set much store by his own pro-democracy pronouncements at the La Baule Francophone summit in 1991. Chirac's view of democracy in Africa is even more pragmatic than Mitterrand's. 'France didn't become a democracy overnight... There is an African rhythm; it must be respected', he told a group of African journalists before going to meet **Togo**'s President **Gnassingbé**

Eyadéma, whose regime has one of the worst human rights records in Africa.

Chirac asserted France's diplomatic and commercial roles in Africa, particularly in competition with 'Anglo-Saxon' interests. France has always done much better commercially in Anglophone Africa than the 'Anglo-Saxons' have done in Francophone states. In **Nigeria**, a key country for **Britain** and the **United States** (source of 6 per cent of America's oil), he upset some of his own officials by saying Abuja should have a permanent seat on the Security Council. After its role in Ecomog in **Liberia**, some in Paris envisage Nigeria as the 'gendarme of the Gulf of Guinea'. Defence Minister **Alain Richard** will visit Abuja next month with a team of officials and arms dealers.

Some Paris officials and many French journalists worried that the trip to Cameroon, **Guinea** and especially **Togo** signalled that France cared little about human rights, governance and democracy. Presidents **Paul Biya**, **Lansana Conté** and **Gnassingbé Eyadéma** all enjoyed dubious presidential victories (1997, 1998, 1998). Eyadéma's win was so unconvincing that the European Union even suspended Lome from the Lome Convention.

In May, Amnesty International accused the Togolese government of having killed hundreds of people washed up on the shores of neighbouring **Benin**. Eyadéma is suing AI's **Senegalese** head, **Pierre Sané**, a move Chirac publicly supported in Togo. Lome's chief lawyer on the case is France's **Jacques Vergès**, whose past clients include **Klaus Barbie** (the Nazi 'Butcher of Lyon') and **Illich Ramírez Sánchez** ('Carlos the Jackal'); he offended many by describing Togo as 'the victim' in the affair.

The Benin Human Rights Defence League backed Amnesty's accusations (made in its report 'Togo: State of Terror', AC Vol 40 No 11), as did some media. Sané formally requested Chirac to ask Eyadéma to allow a UN investigation - but Chirac publicly described AI's report as 'an attempt at manipulation', which raised suspicions about his own agenda.

In **Guinea**, also active in Ecomog and the world's second bauxite producer, Chirac failed to get General Conté to free oppositionist **Alpha Condé**, head of the *Rassemblement du Peuple Guinéen*, who has been in Kaloum gaol since he lost another controversial presidential election in December. He's accused of trying to cross a closed border, with **Côte d'Ivoire**, and of wanting to recruit mercenaries, and is due for trial in September.

One of Chirac's circle told *Africa Confidential* that France must consolidate her position with her African friends 'to come first in business matters'. The socialist government with which Chirac uncomfortably cohabits sees things through the same prism: 'The Americans and the English don't make any effort to help Africa develop', Cooperation Minister **Charles Josselin** told us, 'but they deploy in strength in useful countries'. Britain and the USA, he complained, get the lion's share of **South Africa**'s arms purchases.

AFRICA CONFIDENTIAL

SOUTH AFRICA

3

Not for turning

Unlike most of their Western counterparts, South African trades unions are rising to the challenge of 'liberalisation'. But in the face of demonstrations by close to 600,000 people and waves of public service strikes, Thabo Mbeki has made it clear the Tripartite Alliance is not his first priority. Instead, the former leftist and new President is responding with an iron will that must be the envy of Thatcherites everywhere.

CONGO-BRAZZA

5

Manège à trois

President Denis Sassou-Nguesso hasn't managed to stamp his authority on the Republic of Congo as he did during his first spell in power (1979-92). Nor has he convinced outsiders that he's in charge and his regime remains largely unrecognised abroad. The consequent power-struggles are getting more and more desperate. Now, a mysterious package of documents is circulating in Paris. It claims to look at ways in which Sassou might resign the presidency. But who is the author?

NAMIBIA

6

A hammer to a nut

Since Independence, ethnic strife has been almost unknown. Yet Caprivi rebels have resorted to an unexpected degree of violence in their quest for secession. And President Sam Nujoma's government has responded by cracking down on rights and freedoms throughout the country.

POINTERS

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Sudan, Côte d'Ivoire and Burundi

Chemical weapons claims; much ado about ADO; and no joggers, please.

NIGERIA

Obasanjo's one hundred days

President Obasanjo moves with surprising speed against patronage but the inevitable clouds loom

For now, it is no longer business as usual in Nigeria. In just three months, President **Olusegun Obasanjo's** whisk broom of reform has swept away the notoriously parasitic middlemen from crude oil sales, last-minute oil prospecting licences farmed out to cronies of General **Abdulsalami Abubakar's** government and a billion dollars' worth of miscellaneous contracts awarded in the last five months of military rule (AC Vol 40 No 12).

Even Abubakar - who won worldwide applause for bringing his transition programme to a successful conclusion - may face public scrutiny. The Senate is seeking an explanation for US\$2.5 bn. of spending under his authority for which there are few records at the Central Bank of Nigeria. The government has also sent an anti-corruption bill to the National Assembly, set up committees to probe political and economic misdeeds during military rule and allowed World Bank auditors into the Nigerian National Petroleum Corporation.

The National Security Advisor, Gen. **Aliyu Mohammed Gusau**, leads an investigation to recover stolen billions, with the main focus so far on the debt buy-back scam under the late dictator, Gen. **Sani Abacha**. The government is seeking the equivalent of over 1.25 bn. Deutsche Mark from offshore accounts, adding its claim to that of **Swiss**-based businessman **Nessim Gaon**, who has brought a court case in London to recover his money.

The armed forces have witnessed the most dramatic regional power shift since the Biafran war thirty years ago. Out go 93 top, mainly northern, officers - including the 'Milads' or military state administrators - who held political appointments under past military regimes and were seen as a potential threat to civilian rule. In come nearly 200 new senior officers with strong representation from the centre and south, although northerners still dominate the rank and file.

The climate of change has claimed its first victim in the new political elite. **Ibrahim Salisu Buhari**, the 29-year-old Speaker of the House of Representatives, had to resign after the *Abuja Mirror* and *The News* wrote that he had lied about his age and academic records. 'Toronto', the **Canadian** university from which he had falsely claimed to have graduated, has already entered popular parlance to mean 'fraud'.

North hurting

However popular the anti-corruption drive is among the general populace, it is not enough on its own to convince private sector economists that Obasanjo is steering Nigeria on a course of recovery (see Box). There is also grumbling in the northern elite, which can only lose as the NNPC, under new Managing Director **Jackson Gaius Obaseki**, opens up contract allocations in both upstream and downstream sectors to more transparent bidding (AC Vol 40 No 11). Obaseki has awarded 16 new crude lifting licences, more than halving the number of trading firms involved and eliminating Nigerian front companies. Under past patronage arrangements, these took as much as 17 US cents a barrel off NNPC revenues before established international commodity dealers, such as **British**-based Arcadia and Swiss Glencore took over sales.

Northerners, down to the *Yan Daba* street thugs, are feeling the old money circuits dry up. Kano's equivalent to Lagos 'area boys', the *Yan Daba*, once the last link in a black market fuel racket, are suffering now that Kano has regular petrol at the pumps for the first time in years.

These changes are all the more delicate coming on top of a regional shift in power, from the President down. Few Hausa-Fulani figured among new top army appointees because, government insiders say, most senior Hausa officers were rooted out for their perceived political ambitions. The second layer of officers and those directly benefiting from the current promotions are largely from the centre and south and were not favoured by either Abacha or Abubakar.

This explanation has failed to convince an aggrieved section of the north, who believe that Obasanjo is proving more of a Trojan horse for a perceived Yoruba agenda than the detribalised Nigerian he was thought to be. There are reports of northern opposition crystallising around a former

Clearly confusing

Three months on, the economic policy of General **Olusegun Obasanjo's** government remains opaque. While the price of oil, which at US\$20 a barrel is nearly twice that of the beginning of the year, should be a tonic, there are fears it might undermine the impetus for economic reform. This is especially true among Obasanjo's old-style cabinet members, who spent their formative years in an era of African nationalism and state ownership.

Both Obasanjo and Finance Minister **Adamu Ciroma**, a tested northern politician and former Central Bank of Nigeria (CBN) Governor, blow hot and cold on reform. A potential champion of reform is **Philip Asiodu**, ex-Petroleum Minister and now Economic Advisor at the presidency, who occupies the offices of the vacant Planning Ministry. The Minister for Economic Matters at the presidency, **Vincent Ogbulafor**, hasn't yet got an office.

A lack of delineation of these key economic positions is fostering confusion over policy and will further delay any deal with external lending institutions. An International Monetary Fund delegation left the country in July offering hope of a standby arrangement that would lead to a one-year \$1 billion loan and talks on restructuring some of the \$30 bn. external debt. While impressed with Obasanjo's commitment to fighting corruption, the IMF team was unsure who, if anyone, was driving economic policy.

Nigerian officials say there are no benchmarks for an IMF deal and serious differences remain over fuel and fertiliser subsidies, the slow pace of privatisation and the CBN's handling of monetary policy under new Governor **Joseph Sanusi**. Although an experienced banker and once CBN Deputy Governor, Sanusi is seen by many in the Lagos banking community as out of touch with today's financial realities.

The current liquidity crisis is a direct result of the collapse of

foreign reserves in the dying days of military rule. Policy since may have curbed forex demand but at a huge price. Determination to use foreign exchange controls to maintain the naira's value led to soaring interest rates, dampened a democracy dividend at the stock exchange and further damaged an already crippled manufacturing sector.

Advocates of quick privatisation are likely to be disappointed. The government appears ready to prolong rather than curtail public ownership of the spectacularly mismanaged utilities, such as power and communications. We gather proposals currently at the presidency argue against fully deregulating telecommunications and in favour of limiting GSM (global system for mobiles) licences and targeting state-sponsored development to bump up a low telephone density of around 0.4 per cent of the population.

Reform advocates are also worried about the Power and Steel Minister, Yoruba chieftain **Bola Ige**, who was coopted from the opposition Alliance for Democracy. He has talked of reviving the Ajaokuta Steel Mill, a notorious white elephant that has already soaked up over \$5 bn. without producing a single roll of steel. Continued funding of Ajaokuta is unlikely to please creditors.

A revolution in efficiency at state-run companies requires new management rather than privatisation, the thinking seems to go. Besides, Ige and other Yoruba insiders say they fear that prominent northerners will miraculously repatriate stolen billions from offshore accounts to buy up control of key utilities, the traditional reserve of northern patronage.

While oil prices remain at around \$20 a barrel, the government has the luxury of some choice. But Nigeria's terminal problem has been its reliance on oil, source of over 90 per cent of foreign exchange earnings, and unless the government attracts investment in other sectors, a stable recovery will remain a chimera.

head of state, Gen. **Ibrahim Babangida**, who was a major backer of Obasanjo's election campaign but who has since been given cause to fear the ongoing probes. He is unlikely to be cheered by the maverick lawyer **Gani Fawehinmi's** submission to the Human Rights Violations Investigation Panel on the 1986 assassination by parcel bomb of *Newswatch* journalist **Dele Giwa**. Fawehinmi maintains that Giwa was murdered because he was investigating alleged links between top people and **Gloria Okon**, an accused drug dealer who died in police custody.

Babangida-associates deny reports that he is aiming to win the chair of the majority People's Democratic Party at a forthcoming party congress but admit he could deploy his considerable financial muscle within the National Assembly.

Most Nigerians are confident that the threats of chaos and civil war will stave off any attempt to end Obasanjo's term early. The weak link in pushing through his agenda could prove to be relations with the National Assembly, which is already holding up the revised budget and a crucial bill on the development of the embittered oil producing communities of the Niger Delta.

Obasanjo alienated much of the Senate by backing the former Abacha-supporter **Evan Enwerem**, the Igbo president of the Senate, during a tough election battle. Enwerem is proving weak and unpopular and, like his counterpart in the lower house, has been dogged by press allegations. His position has also singularly failed to appease the Igbo in the east who complain they have once again been left out of key positions in the government and army.

In the meantime, the President's position can only strengthen if the National Assembly continues to appear moribund, comic and obsessed with its own privileges, such as the recent palaver over the allocation of furniture allowances to each member of up to Naira 3.5 million (\$35,500).

Ethnic manipulation

In the real world, meanwhile, Obasanjo accused shadowy and evil forces of orchestrating the upsurge in ethnic fighting that has claimed 1,000 lives since May in different regions, ranging from the oil-producing Delta through the Middle Belt to the far-north. Crime, too, has been on the rise, particularly in Lagos, where a rash of armed robberies and assassinations forced police chief **Musiliu Smith** to relocate from Abuja to Lagos.

The surge in crime and violence in the Delta, where kidnapping of oil workers is now so commonplace as to be barely newsworthy, is causing increasing alarm within the industry. Yet the 24 August announcement of an agreement by Ijaw interests to reopen seven Royal **Dutch** Shell flow-stations raised hopes of an end to the conflict that saw dozens killed in Warri in May.

The fighting in July between the two largest ethnic groups, the Yoruba and Hausa, was even more worrying, a chilling reminder of the pogroms that sparked off the Igbo secession bid and the 1967-70 Biafra war. Around 70 people died when Yorubas accused Hausa residents of flouting Yoruba customs at the traditional Oro festival in Sagamu, outside Lagos. When fleeing victims arrived

back in Kano with tales of murder, *Yan Daba* thugs attacked Yorubas, killing over 100 and sending thousands back down to southern Nigeria. It was touch and go whether the police could get the lid back on. In the end, the violence fizzled out but the incidents dealt a blow to trust and raised questions about the police's ability to cope. Understandably, state governors are reluctant to call out an army that has just returned to barracks.

Trimming the troops

To bring the armed forces safely under civilian authority and to cut costs, the Defence Minister, Gen. **Theophilus Danjuma**, has suggested slashing troop strength by 30,000 soldiers, with the goal of a leaner and better equipped and trained force. That would bring the total to 50,000 and would potentially threaten Nigeria's contribution to regional peacekeeping operations. Questions loom, though, over Danjuma's ability to carry out such a delicate task since last week, he checked into a private London clinic only hours after he had announced the troop reduction. Associates say that he is exhausted and depressed after overstretching himself both before and after Obasanjo's inauguration. While the presidency has sought to play down rumours of his desire to resign, Major Gen. **David Jemibewon**, current Police Affairs Minister, and **Salihu Ibrahim**, Abacha's former army Chief of Staff, are tipped as possible successors.

A key architect of the 27 February election victory, Danjuma is one of four retired generals who form the pillars of the new civilian order. The others are Obasanjo, Aliyu Mohammed Gusau and **Abdullahi Mohammed**, the presidential Chief of Staff. In addition to doubts over Danjuma's health, there are niggling hints of a power struggle within the presidency between Gusau (Babangida's former spy-master) and Abdullahi, the founder and first Director of the National Security Organisation, now the State Security Service (SSS).

SOUTH AFRICA

Not for turning

Trades unionists and Communists try to roll back the free market bandwagon

South Africa's trades unions chose to confront the country's new President, **Thabo Mbeki**, just after his inauguration and before he'd had time to find his feet (AC Vol 40 Nos 12 & 13). This may have been a bad idea. He is most unlikely to be thrown off balance, even by massive strikes in the million-member civil service. The unions may now learn the hard way about Mbeki's capacity to anticipate attacks and prepare counter-strategies. In every internal struggle for power since the African National Congress returned from exile in 1990, he has emerged as the eventual victor. So far, in what some are already calling his 'Mbekiavellian' way, the new President hasn't fought a pitched battle with the ANC's tripartite alliance partners, the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP). He may never have to do so. 'Alliance' has become little more than a convenient fiction behind which the partners have been fighting for their different agendas.

Also, though close on 600,000 public servants took to the streets this week in all main cities and many towns, the Cosatu-led demonstrations may have peaked. Cosatu may soon have to adjust

to performing its function as trades union federation rather than government partner. The fact that the wages dispute was over a meagre 1 per cent (the gap between the public service unions' demand for a 7.3 per cent increase and the government's final offer of 6.3 per cent) is proof, as far as the ANC leadership is concerned, that Cosatu's real agenda is ideological, based on outright rejection of the ANC's conservative, market-oriented economic policies. ANC leaders believe Cosatu and the SACP are fighting a losing battle on this terrain, since world trends are against them.

Mbeki had been expected to make a speech at Cosatu's special three-day congress last week but preferred to visit neighbouring **Mozambique**. Instead, **Patrick 'Terror' Lekota**, ANC National Chairman (and by no means an Mbeki placeman), flayed 'highly placed comrades' in the 1.8 million-member union federation for lacking revolutionary discipline and agitating against government policies from within and without government structures. Indiscipline, he said (using the language of the ANC's leftist critics), was 'confusing the masses' and allowing provocateurs to advance 'counter-revolutionary agendas'.

'Outrageous demands'

In parliament meanwhile, Public Service and Administration Minister **Geraldine Fraser-Moleketi** described some union demands as 'outrageous'. She had already rejected wage demands from the civil-service unions and unilaterally imposed the government's final offer. Now she gave warning that the government would not tolerate illegal strikes by unions pursuing narrow self-interest to the detriment of society, further infuriating Cosatu by reiterating that illegal strikers would not be paid for days not worked: 'The right of unions to withdraw their labour is matched by an equal right of the employer to withdraw wages'.

At the congress, Cosatu's outgoing President, **Peter Malepe**, accused the government of using the union-bashing methods of the apartheid regime, acting like a 'bully' and in 'bad faith' by unilaterally fixing public service wage rates, and setting a precedent for 'bloodthirsty' employers to follow.

Since it took office in 1994, the ANC has steadily veered away from socialism towards the market-oriented policies enshrined in the 1996 policy document GEAR (Growth, Employment and Redistribution). In speeches, discussion documents and convoluted articles in official journals, left-wingers in the tripartite alliance have demonised GEAR in the name of socialism. At the Cosatu and SACP congresses in mid-1998, ex-President **Nelson Mandela** and Mbeki told their partners to play it their way or go it alone. Yet the opposition gathered momentum. A discussion document circulated at Cosatu's congress in the third week of August called on the federation to 'reposition the organisation and the entire movement to meet the challenges of the new millennium'. Cosatu should 'engage in relentless criticism of capitalism... roll back the domination of the market... introduce socialist forms of work organisation and management... Increase in depth our relationship with the SACP as a political party with a socialist vision... establish SACP units in workplaces and strengthen SACP branches where they are weak'.

The document noted that Cosatu's 1993 congress had deployed many of its leaders, and others, in the National Assembly, the nine provincial legislatures, the public service and local government, where all were bound by ANC discipline, leaving Cosatu with no power to direct their votes or censure them if they voted against its policies. More and more, said the document, parliament was being seen as a rubber stamp for the executive. Another aggressive move last week was the presentation of a memorandum to Mbeki by the

twelve public sector unions, complaining about the government's way of negotiating.

After the Mandela-Mbeki tongue-lashing last year, Cosatu and the SACP decided to give the ANC full support in the elections of 2 June this year, hoping thus to place Mbeki under an obligation to return the favour later. Mbeki, though, rebuffed them by postponing indefinitely an alliance summit set down for this month. The mass demonstrations by public servants and warnings of yet more demonstrations ahead laid the gauntlet at his feet. Cosatu left him no choice but to pick it up.

Cosatu's smartest move was to pick a fight over jobs and wages, not ideology. Mbeki's counter-move was simple: wages were a matter for employers (the government) and employees (the unionists). He would not intervene. Instead, he lined up his ministers to take on the unions.

- Finance Minister **Trevor Manuel** displayed his empty pockets before a demonstrating crowd in Pretoria to show symbolically that the Treasury's cupboard was bare.

- Fraser-Moleketi announced a small upward shift in the government's wage offer, saying so far and no further.

- The Deputy President, **Jacob Zuma**, told workers that job losses were inevitable under GEAR. Some ANC members say that he should not have spoken out so loudly and publicly. However, one member of the National Executive Committee admitted privately, 'He said what many of us have been thinking, but were too scared to say'.

- Trade and Industry Minister **Alec Erwin** implicitly acknowledged that he, too, belonged to the presidency view: 'short-term pain now, long-term gain later'.

- Finally, Fraser-Moleketi announced that the government would unilaterally implement its pay offer to civil servants.

As *Africa Confidential* went to press, Cosatu was considering whether to proceed with its grand offensive. It had served notice on Nedlac (the National Economic, Development and Labour Council, where it negotiates with government and business) that it intends to include 'socio-economic' targets in its demonstrations. Mbeki is said to want the pro-labour laws introduced by the ANC after 1994 made more 'flexible'; Cosatu wants them tightened, for example, it wants the Labour Relations Act amended to outlaw replacement labour and establish the right to strike over dismissals.

Thin line

The dividing line between wage demands and longer-term 'socio-economic' objectives is being blurred, as Cosatu transforms itself from a liberation movement into a conventional union federation. Mbeki understands that if he buckles, the unions will have him on the run on wage demands and the SACP on ideology. Whether Cosatu can climb out of the hole it has dug for itself depends partly on the length of the rope Mbeki throws it and partly on calls for caution from some less militant union voices.

The wisdom of confrontation is vigorously debated in Cosatu and the SACP. The confrontationists argue that the sooner it takes place, the better. Mbeki is entrenching his presidency by the day; the civil service is ideal for a showdown, because it includes both militant black unions and conservative white unions; the two partners supported the ANC unstintingly in June's elections and are entitled to be treated as equals now; and abandoning the challenge to Mbeki means sacrificing the left's remaining ideological integrity.

The case against confrontation is: the more destructive the strikes become, the more moderate unionists will doubt their wisdom; there is a difference of only 1 per cent between the unions'

Old unions, new ANC

The public servants' challenge to President **Thabo Mbeki's** government involves over twelve unions with 800,000 members from all races and all shades of political opinion. Three constituent unions from the Congress of SA Trade Unions (Cosatu) lead the push for militant action in support of civil service wage demands. They are Nehawu (National Education, Health and Allied Workers' Union), Popcru (Police and Prisons Civil Rights Union) and Sadtu (SA Democratic Teachers' Union).

Paradoxically, the struggle brings in public service unions from the conservative Federation of Unions of South Africa (Fedusa) which a few years ago, wouldn't even have considered joint action with Cosatu. Even leaders of the *Suid-Afrikaanse Onderwysersunie* (SAOU, SA Teachers' Union), a conservative Afrikaner body, said many of its 27,000 members were willing to strike. 'The last straw for many of my members was the President's decision not to talk to the public service unions about our salary demands', said an SAOU leader. 'I could not have foreseen this attitude among my members'.

Teachers and health workers count as civil servants, with salaries budgeted for at central government level, even though the nine provincial governments administer most aspects of state education and health services. The government wants to 'restructure' the civil service, by which it means cutting numbers to reduce the salaries bill, which currently accounts for 52 per cent of the national budget (after interest payments) and eats up funds needed for investment in schools, hospitals and other services. Since 1994, civil service numbers have been cut by voluntary severance but officials estimate that 30,000-100,000 civil servants are grossly under-employed or draw a salary for doing no real job.

The government has not yet drawn up a legal mechanism for 'employer initiated retrenchment' in the civil service. Public Service and Administration Minister **Geraldine Fraser-Moleketi** declared that the mechanism would be in place by December, at the same time announcing that the government would unilaterally implement its latest pay offer. Ministers protest that the African National Congress is not anti-union but they are impatient with what they see as the determination of some left-wing union leaders to protect their members regardless of the effect on the country as a whole and its millions of unemployed.

The sequence of decisions made things worse. By the time government managers sat down with the unions to negotiate, Finance Minister **Trevor Manuel**, the cabinet's leading fiscal and monetary conservative, had set the limit for a pay increase in his annual budget, and parliament had approved it. The unions charged the government with bad faith, saying it had 'pre-empted' bargaining.

In the mid-year union 'conference season', ambitious union activists often strike radical postures. The presidents of the two biggest and most militant unions in the public service dispute, Sadtu's **Willie Madisha** and **Vusi Nhlapo** of Nehawu, were rivals for Cosatu's presidency, vacated by **John Gomomo**, now serving as an ANC MP. The clear winner was Madisha, a member of the SACP Central Committee. **Zwelinzima Vavi**, a militant who has been Cosatu's Acting General Secretary since **Mbhazima Shilowa** left for full-time ANC work and the premiership of Gauteng Province, was unopposed as Shilowa's formal successor. **Joseph Nkosi** is the new Deputy President, **Tony Ehrlureich** Deputy General Secretary and **Alinah Rantsolane** Treasurer.

demands and the government's offer; the strikers will receive scant support from Cosatu or SACP parliamentary members, who are all under the ANC whip. Some members of the SACP's Central Committee and Politbureau are either Mbeki fans or ANC hostages. Fraser-Moleketi herself is the SACP's Deputy Chairperson.

If there are strikes in the public sector, there will be strikes elsewhere. Forcing Mbeki to back down both on wages and on ideology would amount to taking over the government. Cosatu may have overplayed its hand, against a president who does not play long games with serious rivals but eliminates them with deadly rapidity. The unions have not, ironically, appreciated that economics, not political or trades union manoeuvring, will determine the political future, and that the government is preoccupied not by old loyalties but by the effort to create jobs, build houses, provide education and medicare. The hostilities within the alliance may simmer down but the ANC, Cosatu and SACP are still heading towards the end of a beautiful friendship.

CONGO-BRAZZAVILLE

Manège à trois

Mysterious documents are doing the rounds in Paris claiming that Sassou wants to retire

To judge by the increasing desperation of the contestants, the power struggle in Brazzaville is entering a new phase. President **Denis Sassou-Nguesso**, who overthrew the elected President, **Pascal Lissouba**, in November 1997, presides over an unpopular, shaky and brutal military regime. Although he has long had a strong base in the army, Sassou-Nguesso hasn't been able to stamp his authority on the country as he did during his first spell in power, from 1979 to 1992. Nor has he convinced outsiders that he's in charge: Sassou's regime is largely unrecognised. Only **France**, whose President **Jacques Chirac** remains convivial towards him, is prepared to give the Brazzaville strongman a regular audience. In mid-August, Sassou's ambassadors made their strongest overtures yet to all exiled oppositionists to return to the country for national dialogue; but he failed to give the guarantees of safety which they considered necessary.

However, Sassou's opponents haven't been much more successful. The efforts of deposed President Lissouba and the former Mayor of Brazzaville, **Bernard Kolélas**, backed by their Zoulou and Ninja militias, have failed to oust Sassou in almost 20 months of fierce fighting. Recent developments show Sassou still has the military edge: in July, his government forces and Cobra militias, backed by **Angolan** soldiers, retook several areas in the south of the capital and the main military bases used by Kolélas' Ninjas in Pool Region, south of the city.

Sassou got another modest boost with the mid-August announcement that Paris was giving 700 million CFA francs (US\$1.14 mn.) to the Congolese *Gendarmerie* to buy communications equipment. This follows the despatch last year of 20 French trainers for the *Gendarmerie*. Direct French assistance for Sassou's army is far more discreet, though; and despite his closeness to Chirac, support for Sassou appears to be waning among Africanists in France's business and political class.

This makes a package of documents circulating in Paris all the more intriguing. The first page is a letter dated 17 July in which

Sassou sets up a 'special commission' to look at ways he might resign the presidency. The documents, printed on the presidential letterhead, are accompanied by a note from the Presidency's strategy and analysis office, the *Cellule Etudes et Stratégies*, allegedly written by Brigadier General **Norbert Dabira**, suggesting that **Augustin Poignet** (President of the Senate Sassou dissolved on retaking power) take over and Sassou go into exile in **Morocco**.

Few Brazza-watchers give the documents much credibility - mainly because they don't believe Sassou would ever contemplate resigning. Yet much of the information points to genuine problems and schisms in the regime. It points to continuing diplomatic isolation, even by Sassou's son-in-law: 'Even President **Bongo** has started to keep his distance from us.' It then tries to undermine confidence in Sassou by 'reporting' that Elf-Aquitaine has advised Angola to withdraw its troops from Congo. Sassou, although helped to military victory two years ago by Elf, has growing money problems with the French oil company. Elf's doubts about his political durability have made it more cautious about funding his government and its war. He has retaliated by threatening an independent audit of Elf's Congo operations and has taken soundings about offering some offshore oil blocks (already awarded to Elf) to **American** and **British** companies. The document reports Sassou's hope that the proposed takeover of Elf by TotalFina (AC Vol 40 No 15) would improve his government's financial position.

It also alleges continuing problems with Sassou's most energetic foreign backer, Angolan President **José Eduardo dos Santos**, and proposes to destabilise his regime. It suggests Sassou's colleague, Brig. Gen. **Jacques Morlende**, who has contacts with the *União Nacional para a Independência Total de Angola* in Paris, should hatch such a plot. Also under suspicion, according to the document, are **Guinean** President **Lansana Conté** and **Cameroonian** President **Paul Biya** for their ambivalence towards Sassou.

If, as is likely, the document is an elaborate forgery, who would take the trouble to produce it and circulate it among influential French Africa-watchers? The most obvious culprits might be allies of Kolélas and ex-Finance Minister **Nguila MOUNGOUNGA KOMBO** (depicted as the 'chouchou' of the West). The document claims Kolélas enjoys the 'moral support' of 80 per cent of Congolese and contrasts this with the 'arrogant' Lissouba. And Kolélas met leading French freemason **Philippe Gugliemi**, in the USA in June; Nguila MOUNGOUNGA is also a freemason. All this made some people suspect a masonic plot against Sassou: 'masonic plots' are a favourite theme in some Francophone countries where freemasonry is widespread. The document might, though, have come from malcontents in Sassou's own ranks. It points to growing divisions among the clans of Sassou's small Mbochi ethnic group: the first family's circle, led by Colonel **Jean-Dominique Okemba**; the Mbochi of Oyo, led by former Brazzaville Mayor **Aimé-Emmanuel Yoka**; the Mbochi of Olembo, led by Interior Minister **Pierre Oba** (whom the document refers to as Vice-President of the commission on Sassou's retirement); the Mbochi of Boundji, allied with Defence Minister **Iti Ossetomba Lekoundzou**.

Congo's oppositionists face their own problems. Lissouba has complained about the attention of someone calling himself 'Doctor **Vladimir de Rothschild**' who is demanding payment of US\$6.5 mn. for services rendered. Lissouba denies owing him anything but 'De Rothschild' is threatening to publish information that will 'destroy' the ex-President. In March, London's *Daily Mirror* reported Lissouba was buying military equipment for a coup (AC Vol 40 No 6). A repeat story would embarrass him - and his British hosts.

NAMIBIA

A hammer to a nut

Caprivian rebels and the government both wield weapons to disturb the peace

The Namibian government reacted with a heavy hand in early August when Caprivian secessionists mounted an armed raid on the region's capital, Katima Mulilo. The Caprivi Strip has always been poor, neglected and ethnically complex (AC Vol 40 No 1). **Britain** allowed **Germany** to add it to its territory of South West Africa in 1890 (in a swap for Heligoland and Zanzibar) because the Berlin government believed, absurdly, that it could start a trans-African steamship service on the Upper Zambezi. This was a response to London's dream of a railway from Cairo to the Cape (a dream **Sudan** interrupted, both then and now). The result was to divide between German and British rule the domains of the old Lozi kingdom; some people in the Strip named after Chancellor **Otto von Bismarck**'s successor and a few **Zambians** still dream of reuniting the Barotse peoples.

Most people believe there is little risk of major ethnic conflict but the behaviour of President **Sam Nujoma**'s South West Africa People's Organisation government in the face of a separatist threat is worrying. The severity of the crack-down confirms the anxieties of those who do not want to see Nujoma win a third, constitution-bending, five-year term at the impending elections. The violence may boost support for the new Congress of Democrats (CD) party and it casts a shadow over relations with Zambia, from where the secessionists launched their attack, with **Botswana**, which still hosts some 1,500 Caprivians who fled at the end of 1998, and with **Denmark**, which this year granted political asylum to Caprivian secessionist leader **Mishake Muyongo**.

The Caprivi incident could be useful to **Jonas Savimbi**'s *União Nacional para a Independência Total de Angola* in **Angola** (see Box). SWAPO and its **Zimbabwean** allies are trying to shore up President **Laurent-Désiré Kabila**'s government in **Congo-Kinshasa** and are highly sensitive to the conflicts among their neighbours. UNITA has predictably denied helping the Caprivian secessionists, although four of those whom government forces captured at Katima Mulilo were said to be UNITA members.

The situation in Caprivi, one of Namibia's most densely populated regions with some 90,000 inhabitants, had seemed to be returning to normal after more than 2,000 Caprivians fled to Botswana at the end of last year. They had been driven from their villages by security sweeps, after the Windhoek government announced it had uncovered a training camp for armed secessionists in October. Muyongo and a small group of armed supporters crossed into Botswana, where they were arrested, then granted asylum along with the rest of the Caprivian escapees. The resulting tension between Windhoek and Gaborone was defused after Botswana agreed to the voluntary repatriation of the Caprivians. Several hundred had gone home from Dukwe refugee camp by mid-year and in May, Muyongo and Mafwe Chief **Boniface Mamili** left for Denmark, under an arrangement made by the office of the United Nations High Commissioner for Refugees.

From Copenhagen, Muyongo claimed responsibility for the attack and warned that others would follow. He had evidently

continued to cooperate with supporters inside Caprivi and in western Zambia, where many Lozi have their own reasons for discontent with their government. Muyongo's active support is small and concentrated mainly in his Linyanti home district but the Caprivi's isolation - stretching through thick forest and marsh some 400 kilometres to the Zambezi river - favours hit-and-run attacks by small groups.

The raid on Katima on 2 August involved some 50-100 members of the shadowy Caprivi Liberation Front (CLF), dressed as civilians and armed mainly with easily obtainable Kalashnikov assault rifles. The rebels' only success was to occupy, briefly, the Namibia Broadcasting Corporation building; they tried and failed to capture Mpacha airport, 20 km. away. Although unprepared, the Namibia Defence Force repelled attacks on its barracks and the police station, and the rebels retreated to Zambia via the Wanela border post, leaving about 20 of their number captive. The dead were eight soldiers, police and private security guards, five rebels and one civilian. It came as a shock to Namibians, who have known virtually no ethnic violence since Independence in 1990.

Nujoma's immediate declaration of an indefinite state of emergency and closing of Caprivi's borders were supported by most Namibian parties, including the main opposition group, the DTA (formerly Democratic Turnhalle Alliance), of which Muyongo was President until last August. The attack was condemned by the Mafwe, who along with the pro-SWAPO Masubia are one of the region's two main ethnic communities; Muyongo is a junior member of their royal house. The new Mafwe Chief, **George Simasiku Mamili**, denies government claims that his people actively support Caprivian secession.

Brutal clean-up

National solidarity has been damaged by the fact that in 'clean-up' operations, the security forces (particularly the NDF and Special Field Force, recruited mainly from SWAPO's former guerrilla army) committed widespread brutality against villagers and ill-treated those detained. Women and children are said to have been indiscriminately beaten up by troops and police, most of them Kwanyama or other northern Namibians who do not speak any of the Caprivi's Lozi dialects. Some 300 alleged rebel sympathisers have been detained in the past month; under the state of emergency, which suspends constitutional rights and freedoms, they do not need to be produced in court within any specified time.

A former DTA member of parliament, **Geoffrey Mwilima**, was arrested on 4 August. During the following two days, his jaw was broken and most of his teeth were knocked out. After his transfer from Katima hospital to Suiderhof military base near Windhoek in late August, he was allowed to meet a lawyer, and the independent daily *The Namibian* published graphic photographs of him. The NDF Chief of Staff, Major General **Martin Shalli**, had previously claimed that Mwilima was in good health and that the security forces had not abused anyone's human rights. The Council of Churches in Namibia called for an urgent review of the emergency powers, with clear guidelines for the security forces.

The CCN, as well as most opposition parties, fear that the state of emergency may be extended during the presidential and National Assembly elections, whose date Nujoma is due to announce next month. They are expected in December and SWAPO may use the Caprivi issue to garner support in its northern heartland. Nujoma is seeking a third five-year term of office, since SWAPO used its two-thirds majority in parliament to modify the proscription on

On the fringe of a war

Mishake Muyongo leapt out of the obscurity of his **Danish** exile on 2 August when Caprivian separatists attacked Katima Mulilo. He says the raid on Caprivi's capital opens a struggle which could end if the Namibian government begins talks on Caprivian independence and he believes he can organise a wider campaign, especially in **Germany**, which ruled Namibia until 1918. When Muyongo led the main opposition party, the then Democratic Turnhalle Alliance, after Independence, he wore sharp business suits. Now he has taken to the safari suits favoured by exiled guerrilla commanders.

In 1964, Muyongo inherited the leadership of the Caprivi African National Union from **Brendan Simbaye**, who 'disappeared' while under **South African** arrest. CANU then merged with **Sam Nujoma's** South West Africa People's Organisation and Muyongo became its Vice-President. (Another CANU leader, **Greenwell Matongo**, became SWAPO's Political Commissar and was later killed, allegedly in a party feud.)

Muyongo now says Nujoma has reneged on the 1964 deal: he claims this was made only to fight against Pretoria's rule of Namibia and the Caprivi Strip; Muyongo broke with SWAPO in 1980 after refusing an order to relocate from Lusaka to Luanda. Once Independence was achieved in 1990, he became DTA leader but now says his role as opposition leader was a sham as Namibia became subject to Nujoma's autocratic whims.

Muyongo sees the government as an instrument for Ovambo domination, arguing that Caprivi has been neglected and that the government has appointed chiefs without consulting the paramount chief. He is vague about his supporters in the region but hopes to rally Lozi-speakers in **Zambia** and elsewhere, claiming 'spiritual support' from the Barotse Patriotic Front in Zambia, whose leaders have spoken in sympathy with his cause. He denies getting tangible help from **Jonas Savimbi's** *União Nacional para a Independência Total de Angola* but is curiously familiar with details of the journey between Katima Mulilo and Jamba, Savimbi's former headquarters in south-eastern Angola.

UNITA has strongly denied involvement in the Katima raid, despite accusations by the Angolan government, which would like to involve Namibia in its war against UNITA (AC Vol 40 No 14). Since the latest upsurge of fighting, there has been constant speculation that Windhoek might allow Luanda's forces to attack UNITA-controlled territory from the south. It's understood a 'gentleman's agreement' exists whereby Nujoma confines himself to verbal attacks on UNITA, while UNITA refrains from supporting the increasingly active Caprivi secessionists.

UNITA and the separatists were in contact in the 1980s, when Pretoria still ruled and Katima Mulilo was HQ for the South West Africa Territorial Force. Muyongo says Pretoria trained many of the men in the Caprivi Liberation Army, his party's armed wing. UNITA has long controlled much of south-east Angola and Caprivi secessionists have probably worked with local UNITA commanders, who have had considerable autonomy since Savimbi stopped visiting Jamba in 1992.

People in Jamba do much of their trade in Namibia, so the secessionists could have got weapons and even training from UNITA. Savimbi would not want an all-out war with Namibia. Windhoek houses thousands of Ovimbundu refugees, many of them loyal to UNITA; if war came, Namibia would probably expel them. Even so, a threat to Nujoma's government from Caprivian separatists serves UNITA's purposes, as it keeps Namibia on the sidelines of Angola's war.

more than two successive presidential terms. Nujoma is almost certain to win, with SWAPO retaining its majority in parliament.

The recently launched CD, led by the former High Commissioner in London, **Ben Ulenga**, is picking up support from disillusioned, mainly young, SWAPO members (AC Vol 40 No 7). About 400 delegates attended its founding congress in July, when Ulenga was elected party President and the CD has established offices in most principal regions. Human rights violations in Caprivi will bolster the central plank of the CD's election campaign, expected to focus on SWAPO's economic shortcomings, on corruption and on the danger of centralising power in the presidency.

Denmark is maintaining Muyongo's refugee status while its police determine whether he could be charged for claiming responsibility for the Katima attack. Danish officials say he could be handed over for trial only for a crime committed in the country concerned: he was in Denmark during the attack. Copenhagen is one of Windhoek's five main aid donors; some Danish embassy staff and aid workers have now received death threats. However, Denmark has agreed with the UNHCR to give Muyongo political asylum and will probably stick by that.

Only further atrocities by the security forces could win most Caprivians to the secessionist cause though events will fuel existing discontent since people will lose some of the little revenue they have because tourism, which has been growing, will be affected by insecurity.

Muyongo has undoubtedly secured some backing from discontented Barotse in Zambia's Western province, where the 1.5 million Lozi-speakers are the largest group. The small Barotse Patriotic Front (BPF) has come out openly in support of the Caprivian secessionists and its leader, **Imasiku Mutangelwa**, has warned Zambian President **Frederick Chiluba** 'to take a leaf' from events in Caprivi. Chiluba's immediate response to the spectre of a secessionist movement in Zambia was to have Mutangelwa arrested on charges of belonging to an unlawful organisation and contravening the *Zambian Societies Act*; he remains in police custody pending a court hearing.

The Barotse Treaty, signed just after Zambian Independence in 1964, was supposed to provide the Barotse people with autonomy and control over certain local affairs, including water, fishing rights, hunting and timber. Mutangelwa claims the BPF has no intention of promoting secession but will lobby within the UN and Organisation of African Unity for the Treaty, which upheld the principle of a Zambian unitary state, to be implemented. Chiluba shows no more willingness than his predecessor, **Kenneth Kaunda**, to concede Barotse autonomy.

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Pointers

SUDAN

Gas mask

Ten years after the National Islamic Front government agreed that the United Nations could carry relief to all 'war-affected populations', the UN's Operation Lifeline Sudan has taken its first steps in opposition-controlled areas of the Nuba Mountains. A five-person assessment team under **Ross Mountain** of the Office for the Coordination of Humanitarian Affairs arrived on 21 June. This was two days after President **Omer el Beshir** had told the South Kordofan Advisory Council he would never allow relief to reach the Nuba - and, though a four-day ceasefire had been called for the visit, the UN team was greeted by government artillery fire. It moved on safely after contacting Khartoum.

The UN team had been negotiating the visit with the NIF for over a year. It didn't mention the shelling in its report, which also didn't mention human rights abuses in the Mountains. It said it could not confirm reports of abductions by government forces but did acknowledge that the area was 'clearly under the control of the Sudan People's Liberation Army'. The report identified 'substantive needs in all areas', especially in water, health and primary education, and said 'the risks of famine and starvation are greater than ever'. Food aid should not be excluded, it said, while noting the traditional Nuba preference for longer-term assistance in increasing productivity of farms and livestock. ('Food aid is the poison of the community' is a dictum of local SPLA Commander **Yousif Kuwa**). Nonetheless, UN mechanisms appear to dictate that food aid is a more likely option than development assistance for rebel-held areas: the next stage is therefore another assessment mission, this time by the World Food Programme.

Elsewhere, the WFP found itself embroiled in a controversy over chemical weapons (CW). After repeated government air raids in the Lainya and Kaya areas of Equatoria in late July, there was a rush of media reports that Khartoum might have used CW after aid workers visited the areas. Staff from the WFP and **Norwegian People's Aid (NPA)** reported suffering unusual symptoms after visiting the areas and also quoted local people as reporting symptoms including miscarriages, vomiting blood and disorientation; large numbers of animals and birds reportedly dropped dead.

The UN and NPA sent teams to investigate. Then silence fell. As usual, Khartoum accused the NPA of siding with the SPLA, which had previously reported the apparent use of CW in the south, Nuba and east, where it captured government gas-masks. Details had always been sketchy and this seemed an opportunity for serious investigation. Yet a month after the bombing, the relevant international body, the

Netherlands-based Organisation for the Prohibition of Chemical Weapons, had not been approached. One OPCW official told us it could react 'immediately' to a request from any of the 126 member states of the Chemical Weapons Convention, to which Sudan acceded in May. But we hear that Norway, **Sweden** and the **United States** have discreetly sent teams to take soil samples. All have kept quiet. Norway is keen to mediate between the NIF and the opposition; the USA is now the NIF's only vocal non-Sudanese critic, apart from **Uganda**. As the NIF adds a peace offensive (headed by hardliner **Ghazi Salah el Din el Atabani**) to its charm offensive (AC Vol 40 No 13), European governments don't want to rock the boat.

A WFP spokesperson said investigators had 'not been able to confirm' the reported sickness among local people, saying it had found only 'eye infections, vomiting, diarrhoea, runny nose, coughs and colds', and suggested tear gas had been used. Asked if investigators had taken soil samples, he said it was 'not a military operation; our aim is humanitarian'. Other UN sources say the word is that 'chemical weapons' are not to be mentioned.

CÔTE D'IVOIRE

ADO ado

The normally placid holiday season is the scene of frantic government activity. The reasons are ADO and IMF. The scandal over the embezzlement of over 18 billion CFA francs of European Union aid money (AC Vol 40 No 14) has helped reduce the government's cash to fight off **Alassane Dramane Ouattara's** presidential challenge.

The response of President **Henri Konan Bédié's** government is to sack three ministers in charge of visibly failed policies where the World Bank and International Monetary Fund insist on reform. **Maurice Guikahue** was sacked because most of the EU aid swindle was in his Health Ministry. Opposition pundits say he was always at Madame **Bédié's** side when she appeared for her personal 'non-governmental organisation', *Servir*, to open clinics and other goodies in poor rural areas. Guikahue was the ruling *Parti Démocratique de la Côte d'Ivoire-Rassemblement Démocratique Africain's* main vote-winner in the opposition *Front Populaire Ivoirien* heartland in the Bete-speaking west.

Education's **Pierre Kipre** had presided over sliding school standards (70 per cent failed this year's *baccalauréat*) and rampant examination fraud. Employment's **Atsin Achi** had to deal with a civil service strike over unpaid arrears and a pay-freeze. Interior's **Emile-Constant Bombet**, a north-westerner, kept his job, although his Ministry was also involved in the aid scam. He'd masterminded the 1995 elections, taking control of the security forces when violence seemed to be getting out of hand, and is seen as indispensable to Bédié.

A greater surprise was the closure of the Cocoa Stabilisation Board from which the PCDI-RDA has for decades derived its main funds. 'Liberalisation' hadn't been expected to start until 1 October but the surplus in Caistab's account was falling steadily as it paid out subsidies - FF CFA33 bn. this season - to exporters, theoretically to maintain the farm-gate price. The move caught exporters on the hop and upset trade in **Ghana**, too.

The IMF's \$384 million, 3-year standby credit has been suspended all year, jeopardising other aid. The World Bank will continue with most current projects, worth some \$800 mn., but hold back a promised \$350 mn. structural adjustment grant unless the IMF gives its seal of approval. The Fund demands an external audit, which could expose high-level collusion in recent cocoa and coffee export scams.

All this cheers ADO, formerly IMF joint deputy Managing Director and now Bédié's main opponent. The government still claims the constitution forbids Alassane Ouattara to stand for the presidency or lead a political party but his campaign has started well; and bereft of income from traditional sources, the PCDI may have more problems swinging the vote.

BURUNDI

No jogging

Even Bujumbura's early-morning groups of joggers are being stopped and searched by *gendarmes* posted around the city by order of Burundi's ruler, Major **Pierre Buyoya** (AC Vol 40 No 24). He has banned 'collective sport' in order to prevent gatherings by a Tutsi private militia, *Puissance d'Autodéfense-Amasekyana*. The President of PA-Amasekyana ('Power'), **Diomède Rutamucero**, was arrested and gaoled on 26 July. Rutamucero had written to the authorities claiming that the civilian population needed to defend itself, because security was deteriorating.

On 12 August, Iteka, a human rights organisation, complained of 'increasingly incisive' attacks by Hutu rebels, noting that raids and killings had spread into previously peaceful provinces such as Rutana and Ruyigi. On 5 August, the Minister of Defence, Colonel **Alfred Nkurunziza**, acknowledged there had been a revival of violence. He said the trouble had been started in preparation for the next peace negotiations, due in Arusha in September.

The Minister in charge of the Peace Process, **Ambroise Niyonsaba**, said no progress was made at the last round of talks, in Arusha on 6-18 July. That round began badly, when the Arusha commission on genocide suspended its work after massacres in Bugarama. Tutsi parties blamed Hutu rebels; **Joseph Karumba**, leader of the *Front de Libération Nationale* (Frolina), one of the three main Hutu guerrilla groups, blamed the army. In this climate, with Rutamucero a new hero for some Tutsi, not much is expected from the next round in Arusha.

AFRICA CONFIDENTIAL

UGANDA/RWANDA 3

Friends fall out

Rwanda and Uganda's alliance is foundering over their political and commercial rivalries in Congo-Kinshasa. After 20 years of effective cooperation, Rwandan and Ugandan forces are at odds over the leadership and tactics of the main rebel group challenging the Kabila government.

BURUNDI 4

Nervous tension

A new round of fighting in Bujumbura, partly prompted by the Congo war, is undermining progress at the Arusha peace talks. Growing security worries and the economic downturn are threatening President Buyoya's position as ministers openly disagree about strategy.

ZIMBABWE 5

Chinja maitiro!

Trade unionists are launching their new party on 11 September to contest next year's parliamentary elections. As the economic crisis worsens, unionists are making their toughest challenge to President Mugabe's ZANU-PF government since Independence.

TOGO 6

Choppy waters

Veteran General Eyadéma's peace deal with his opponents is holding for now and is strongly backed by his friend, French President Jacques Chirac. The deal commits Eyadéma to holding fresh parliamentary elections next year and then to stepping down in 2003.

POINTERS 8

Kenya, Mozambique and Morocco

Moi's no-shuffle; muddy voters; and self-determination.

CONGO-KINSHASA

Complex war, ambitious peace

The Lusaka accord is the best chance yet to tackle the roots of Central Africa's interlocking wars if it wins Western backing

In Lusaka, African diplomats and army commanders have produced a fair and far-reaching plan to end the war in the Democratic Republic of Congo (AC Vol 40 No 14). It may have no better than a 50 per cent chance of success, probably less if Europe and the **United States** fail to give it serious financial and diplomatic support. Yet it is the most credible attempt so far to break the cycle of violence that erupted in Congo's eastern Kivu province, following the genocide in **Rwanda** in 1994. Whatever its fate on the ground, the Lusaka accord is likely to survive as a template for peacemaking in Africa's most complex war.

After three months of factional wrangling among the combatants, the peacemakers, led by **South Africa** and **Zambia**, have persuaded all the recognised rebel and government groupings to sign the accord. The 47 founding members of the main rebel organisation, the *Rassemblement Congolais pour la Démocratie* (RCD, in disarray after growing divisions between their Rwandan and **Ugandan** sponsors) finally signed the Lusaka accord on 31 August. Most other groupings had signed on 10 July, just before the Organisation of African Unity summit in **Algeria**.

The Lusaka plan is ambitious but also astute. It's based on the idea that the conflict was nearing stalemate and that most of the foreign sponsors - **Angola**, **Namibia** and **Zimbabwe** backing President **Laurent-Désiré Kabila**, and Rwanda and Uganda backing the RCD factions and the *Mouvement pour la Libération du Congo* - would prefer to concentrate on their growing domestic political and security problems. Lusaka tries to appeal to as wide a range of national and ethnic self-interest as possible without obviously taking sides, apart from its insistence that all suspected *génocidaires* should be rounded up and handed over to the war crimes tribunal in Arusha, **Tanzania**.

Face-saving exits

This latest deal is different from the previous 23 attempts to broker a peace in the Congo-Kinshasa war since August 1998 because it tries to address Congo's internal political crisis as well as the regional security demands of Uganda, Rwanda and Angola. It included enough incentives to persuade almost all combatants to sign it, eventually. Since the first round of signatures on 10 July, fighting has slowed across large swathes of territory, with two important and worrying exceptions: the Uganda-Rwanda confrontation in Kisangani (see Feature) and the advances of **Jean-Pierre Bemba's** MLC, with Ugandan support, in its home-base of Equateur Province, north-west of Kinshasa. Elsewhere, no new fronts have opened up and the Rwandan-backed RCD's push to capture the diamond capital of Mbuji-Mayi stopped after several diplomatic warnings to Kigali.

This might be a temporary lull, with combatants seizing the opportunity to regroup and rearm for the next round. However, for the war-weary, the peace plan offers a face-saving exit. Weariest of all are Congo's 45 million people, who have faced a more or less continuous conflict since the Banyamulenge rebellion against the late President **Mobutu Sese Seko** started in Kivu-Sud Province in October 1996. Not surprisingly, having had their domestic concerns sidelined for decades, the Congolese are the most sceptical about the plan's chances of success.

Even Congolese opponents of Kabila's share his resentment that this is a peace accord primarily drawn up by non-Congolese to solve a war primarily started by non-Congolese. There is also local concern that the agreement seems to discriminate between 'official' rebels (deemed worthy of a place at Lusaka's negotiating table) and 'unofficial' rebels (excluded from all serious political consideration). While most agree that the ex-*Interahamwé* and *génocidaires* fall into that category, many argue that ethnic militias such as Mai-Mai and the **Burundian** opposition militias should be given formal places in the negotiations.

Just as importantly, many Congolese distrust Kabila's willingness to pursue a national dialogue and share power in a transitional government. Since taking power in May 1997, he has replicated most of Mobutu Sese Seko's dictatorial and manipulative political techniques, and detained the country's most popular political leaders. Kabila insists that the way forward is to hold elections while he is still in the presidential seat. The complex issue the Lusaka accord fails to address is the

carpet-bagging by both sides in Congo. Trying to establish the rule of law and rationalising the piles of mining concessions handed out over the past three years will be essential to stabilising the country's economy. Some cynical observers in Congo detect that a Zimbabwean-Ugandan carve-up has kept the carpet-bagging issue off the agenda. Relations between Harare (which hopes to maintain security and influence in most of south-east Congo) and Kampala (which wants to do the same in north-east Congo) have become noticeably warmer since the Lusaka accord was signed on 10 July.

How the peace should work

There are four main elements to the Lusaka plan:

- The Joint Military Commission is to run the plan. It has to investigate ways to disarm the *Interahamwé* and other militias. Two representatives from each party to the accord sit on the JMC, chaired by Algeria's General **Rachid Lallali**. The JMC is designed to play a similar role to the commission established by the North Atlantic Treaty Organisation to oversee the Dayton Peace Accords in **Bosnia-Herzegovina**. NATO, though, deployed tens of thousands of observers, combat troops, engineers and logistics experts. There is no sign of that happening in Congo, where just 17 United Nations observers have been deployed out of a 90-strong UN observer team approved by the UN Security Council on 6 August.

If the JMC is to be credible and effective, it will need heavyweight support from the UN and the West: transport and communications; the creation of an intelligence and information service to help to police the accord; establishment of camps for surrendering and captured militia members. It will also need the necessary enforcement authority from the Security Council to deal effectively with the wide range of government armies and private militias fighting in Congo.

- A peacekeeping force to implement the accord on the ground: here, the accord ventures into speculation if not outright fantasy. Its peacekeeping provisions are premised on a UN report estimating that some 100,000 peacekeepers would be needed in Congo-K, which is over twice the size of **France** and **Germany** combined. The initial request from Lusaka was for a 'Chapter VII mandate' (peace-enforcement) from the Security Council. Some see this as a negotiating ploy from Lusaka: a blanket refusal by the Security Council would be contrasted with the UN's strong record of cooperation with European regional and NATO forces in the Balkans. So although the Council will turn down the Chapter VII request, it may just be shamed into doing more than it had originally intended.

The Congolese have a powerful moral case to bargain for Western support. They can point to the legacy of Western backing for Mobutu's kleptocracy and Rwanda's genocidal regime, the Security Council-ordered withdrawal of UN peacekeepers during Rwanda's genocide and the failure to disarm the *génocidaires* in UN-run refugee camps in Congo (1994-96). So the Council might endorse a Chapter VI mandate (peacekeeping and monitoring) with the vast majority of troops drawn from Africa's regional forces but with outside logistical and communications help. The most likely 'peacekeepers' will be the combatants themselves, working as monitors alongside non-combatant military specialists as initially envisaged by South African President **Thabo Mbeki**. Making that work requires a leap of faith: South Africa, although the driving force behind the agreement, has yet to commit its own troops as peacekeepers.

- The disarmament of all militias and the handing over of suspected *génocidaires* to the Arusha tribunal: tracking down and disarming the *Interahamwé* murderers is central to the peace plan and to persuading Rwanda to withdraw its troops. Similarly, Uganda wants its rebel opponents - the Lord's Resistance Army, West Nile Bank Front, Uganda National Rescue Front (UNRF II) and Allied Forces for Democracy - to be disarmed, at least those operating in Congo. Moreover, Angola wants the interdiction of all *União Nacional para a Independência Total de Angola* units operating in Congo. Those accused of genocide are to be detained under JMC supervision before being sent to Arusha for trial: all other militia groups are to be disarmed and encamped, though the accord proposes a mechanism for granting amnesty and political asylum to persuade combatants to give up their weapons.

In reality, if the disarmament process is to stand a chance of working, it will need an effective intelligence service to gather information on the organisation, equipment and location of the militias. According to the Lusaka plan, this intelligence service should be de-politicised and confidential, and operated by military officers on the JMC, with politicians kept at arm's length. On the present showing, this looks almost impossible: each combatant is either a militia or sponsors one and would not trust its opponents with sensitive military intelligence. Such information might be used to warn militias of an impending swoop by peacekeeping forces. Already there are signs that some militias are going underground while others may try to join the national armies of neighbouring countries, such as **Congo-Brazzaville**, **Central African Republic** and **Sudan**.

Most Congo-K and Zimbabwean military officers deny Rwandan claims that they are training *Interahamwé* forces and integrating them into Kinshasa's *Forces Armées Congolaises*. However, some Zimbabwean officers concede that unless the genocide suspects are handed over to the JMC and then to Arusha, Rwanda will not withdraw its troops. Little progress will be made without a national campaign to root out those who have committed genocide. This would require full backing from Kabila, whose military is still heavily dependent on *Interahamwé* and ex-*Forces Armées Rwandaises*, official denials from Kinshasa notwithstanding.

- Congo's national dialogue and reconciliation, in which all unarmed political groupings in Congo, together with the RCD and MLC, are to start negotiations with Kabila about a new political order: like the former Zaïre's National Conference, all parties to this national debate are to have equal status under a neutral facilitator. Top of the agenda are preparations for elections, formation of a national army and the re-establishment of state authority across the country. It was a major advance for negotiators to get Kabila to agree to such a conference but the facilitator will have to work hard to ensure it isn't derailed by the Kinshasa regime (just as Mobutu derailed national conferences in the early 1990s). The 90-day time-limit for the conference looks too short and its agenda will not make much progress unless the JMC moves ahead quickly on the disarmament of militias and withdrawal of foreign troops.

Perhaps most tentative of all is the Lusaka timetable: the national dialogue is to begin by 30 November, a UN peacekeeping force is to be deployed by mid-December and all foreign troops are to withdraw by the end of February 2000. Already, because of the splits in the RCD over the accord, there have been delays. More are expected. Yet that hasn't stopped the accord from gradually gaining some international credibility. UN Secretary General **Kofi Annan** has strongly endorsed it and is calling for maximum Security Council support, as are the USA and several European governments. US President **Bill Clinton** has personally backed a major UN deployment in Congo and is acutely aware of accusations of Western double standards after the huge NATO and UN deployments in the Balkans.

Practical support from the West will depend on how credible the ceasefire looks and on the effectiveness of Africa's own lobbying efforts. Already two Western think-tanks - the influential, Washington-based US Institute for Peace and the Brussels-based International Crisis Group¹ - have produced detailed reports arguing for strong Western backing for the peace plan. USIP calls for a coordinated effort by the USA, European Union, World Bank and UN to provide a peace dividend in the form of fast disbursing development resources to the region as an incentive for compliance with the accord. Outsiders could set up a 'Friends of Peace in the Congo', USIP suggests, which could coordinate development aid and also help formulate specific and graduated sanctions against parties that violate the Lusaka accord. Without that kind of outside support, the chance for peace offered by the Lusaka accord is likely to be short-lived.

¹ United States Institute for Peace: *Reconstructing Peace in the Congo*, by David Smock and John Prendergast; Website: www.usip.org; International Crisis Group - Agreement on a cease-fire in the Democratic Republic of Congo.

RWANDA/UGANDA

Friends fall out

The 20-year alliance between Museveni and Kagame is in trouble over Congo strategy

The military and political alliance between Rwandan and Ugandan forces, now under General **Paul Kagame** and President **Yoweri Museveni** respectively, is almost 20 years old and has been extraordinarily successful. Yet today it is foundering over political and commercial rivalries in the war over **Congo-Kinshasa**. Kampala and Kigali differ both over how the war against President **Laurent-Désiré Kabila** should be conducted and now, over how the Lusaka peace accord should work. The quarrel is good news for Kabila. It will also encourage their real enemies: for Rwanda, the *génocidaires* and their political allies, and for Uganda, the National Islamic Front regime in **Sudan**.

In the late 1970s, the old *Front Patriotique Rwandais* (then exiled in Uganda and **Tanzania**) had joined forces with Museveni's National Resistance Movement to help oust two Ugandan Presidents, first **Idi Amin Dada** and then **Milton Obote**. In return, Museveni allowed the FPR to use Uganda as a launching pad to oust the **French-backed** regime of President **Juvénal Habyarimana** in Rwanda. With Habyarimana's death in April 1994 and the subsequent genocide against Rwandan Tutsi and moderate Hutu, Museveni backed the FPR again to chase out *génocidaires* from Kigali and install an FPR government, with Gen. Kagame as Vice-President.

Two years later, the Kigali-Kampala alliance went to war again, firstly to clear those guilty of genocide and their associates from the United Nations-run refugee camps in eastern-Zaire and then to oust, in alliance with **Angola**, President **Mobutu Sese Seko's** tottering regime. Yet six months after helping to install Mobutu's successor in May 1997, both Kigali and Kampala concluded that Kabila couldn't deliver on two vital issues: working to secure Congo's eastern borders against rebel groups trying to launch attacks into Rwanda and Uganda; and trying to open up Congo's potentially huge national and regional economy. Barely six months later, Kampala and Kigali went to war again, offering ill-disguised support to a new Congolese rebel faction, the *Rassemblement Congolais pour la Démocratie* (RCD) in August 1998.

Then the fault-line started to appear. This time, the Congo war was much slower going and the RCD failed to get much further west than Kisangani, the third biggest city. Kisangani was the site of the recent clashes between Ugandan and Rwandan forces, ostensibly over the issue of who leads the RCD. Kampala supports the gentle, ageing historian, **Ernest Wamba dia Wamba**, who has been replaced as RCD leader by Kigali's man, the more dynamic **Emile Ilunga**. Kampala further annoys Kigali by supporting **Jean-Pierre Bemba's** rebels in Congo's north-western Equateur Province.

The rift is widening, as Museveni keeps his lines open to **Zimbabwe's** President **Robert Mugabe**, who is detested by Rwanda, which accuses his army of helping to train ex-*Interahamwé* fighters and other *génocidaires* for service in the Congolese army. Museveni, though, agreed with Mugabe in wanting the Lusaka accord. Both presidents need to get their troops out of Congo without seeming to have been beaten; neither can afford a foreign

war.

Tension between Kampala and Kigali has flared this year over the RCD. Uganda's man, Wamba dia Wamba, was forced out of RCD headquarters in Goma (almost on the Rwanda-Congo border and controlled by Rwandan forces) to Kisangani (controlled by Ugandan, Rwandan and Congolese forces). Wamba's troops and political allies began deserting him for Ilunga's faction. Then, rivalry intensified between Uganda's commander in Congo, Brigadier **James Kazini**, and Rwanda's Commander Lieutenant Colonel **Patrick Nyanvumba**. Kazini describes his job as peacekeeping; Museveni's government, to keep the aid donors friendly, claims that it really wants an international force to secure Congo's borders. Nyanvumba, like his boss Kagame, believes Rwanda's security depends on hunting down the *génocidaires*.

Kazini is a pro-consul, passing down edicts to the Congolese, decreeing the creation of new provinces and promising funds for investment projects. Nyanvumba, more intense, focusses on the hated *génocidaires*, who in 1994 slaughtered the parents of thousands of the young soldiers in *Armée Patriotique Rwandaise*. Ugandan People's Defence Force troops have no such personal motives for fighting in Congo and would rather be at home.

The Rwandan and Ugandan commanders differed over how best to fight Kabila. In Kisangani, the troops enforced different curfew hours and Ugandan troops were told to disarm before entering Rwandan-controlled districts. In mid-August, this developed into three days of real fighting. A ceasefire was patched up on 18 August, when Museveni and Kagame met at Mweya Safari Lodge, eastern Uganda. They sent a joint investigation team, headed by Ugandan and Rwandan chiefs of staff **Jeje Odongo** and **Kayumba Nyamwasa**. Museveni and Kagame also announced a formula to ensure that all the Congolese rebel groups they supported would sign the Lusaka accord.

Which way Wamba?

After the signing, the rebels say they will concentrate on a political campaign to remove Kabila. That may not get far unless the RCD resolves its internal differences. Ilunga, who took over the RCD leadership in May, insists his Goma-based wing of the rebel movement is the only one that counts. Wamba, the ousted RCD president, was allowed to sign at Lusaka but is seen as irrelevant by his former colleagues, not least because his Ugandan allies lost the stand-off in Kisangani with Ilunga's Rwandan backers. Wamba still insists he is the RCD's authentic leader. His deputy, **Jacques Depelchin**, accuses Rwanda of setting up the confrontation in Kisangani, as a pretext to eliminate Wamba.

Neither faction seems ready to patch up the quarrel. Wamba's faction claims one of the two seats on the Joint Military Commission established by Lusaka; Ilunga and his supporters want both. Wamba's departure was meant to give the rebels new drive and direction. Yet they do not seem to have much support in the half of Congo they control, although Ilunga has promised hard-hitting mobilisation campaigns, the restoration of public services in rebel-held areas and so on; he has travelled in Katanga, Kasai and North and South Kivu, riding along with a UN-supervised vaccination campaign to make himself look good.

The RCD coalition looks fragile and incoherent, too deeply rooted in Kivu, despite the prominence given to westerners, such as military commander **Jean-Pierre Ondekane**. Ilunga seems to have no links with the anti-Kabila opposition in Kinshasa; he carries some clout in Katanga but not in Kasai, the territory of veteran opposition leader **Etienne Tshisekedi wa Malumba**. The

old dictator Mobutu ran the nation as a collection of separate fiefdoms, and so it remains.

Ilunga must also deal with Bemba, whose *Mouvement de Libération Congolais* (MLC) is entrenched in northern strongholds such as Gbadolité. His military successes were achieved by Ugandan troops and his commitment to a ceasefire will be determined by Uganda. But he has established a real following in Equateur and will probably resist being coopted into the RCD. He signed Lusaka weeks before the RCD, then backtracked after claiming that Kabila's people had bombed his positions in the far north.

A ban on verbal warfare has not stopped the circulation of highly coloured and partisan accounts of what happened in Kisangani. Some Ugandans say Rwanda planned the fighting, with a reinforced Rwandan garrison hitting Uganda's with heavy artillery. Museveni has cheered up his own soldiers by warning Rwanda (through his own members of parliament) that further provocation would be met with 'double-barrelled lightning' from the Ugandan army. Since then, instead of blaming the row on Ugandan commanders, such as Kazini and defence supremo (and businessman, and Museveni's half-brother) **Salim Saleh**, Rwandan ministers now accuse Museveni himself of sabotaging the war effort. Uganda's sponsorship of Bemba frustrated Rwandan defence planners. Its support for Wamba is a worse offence.

BURUNDI

Nervous tension

Rising violence forces Buyoya to rethink tactics at the Arusha peace talks

Much manoeuvring behind the scenes is afoot in the run-up to the next round of peace negotiations, due to start in Arusha on 13 September but already under a heavy cloud. The chief mediator between Burundi's warring factions, **Tanzanian** ex-President **Julius Nyerere**, is in London for what a Tanzanian official described, amid intense speculation in East Africa, as a 'only a medical check-up'. One main faction, the Hutu hardline *Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie* (usually known as the FDD), would in any case be excluded from the Arusha meetings. **South African** diplomatic sources estimate FDD fighters at around 10,000 in Burundi, **Congo-Kinshasa** and Tanzania and say many have received training from the **Zimbabwean** army in Congo-K.

There has also been bitter fighting in Bujumbura itself, where about 60 people died on 28 August including, according to the army, 20 of the Hutu rebels who started it. Even the official account of the fighting is blurred but there are good reasons for believing that the raiders were from the FDD, which is led by 'Colonel' **Jean-Bosco Ndayikengurukiye**. The FDD spokesperson in Brussels, **Jérôme Ndiho**, gave an account which differed from those of eyewitnesses and of the government but did claim that his people were involved. Survivors of the attack on the capital's southern Musaga district say the attackers focussed on Tutsi civilians, burning about ten houses with their occupants inside, dancing as they sang: 'Oh, Jesus, help us to kill the Tutsi! Alleluia!'

Ndiho's version was that the 'mono-ethnic Tutsi army, in rebellion against democracy' had attacked civilians in north and

south Bujumbura, and that the FDD had merely counter-attacked to protect the victims. Burundian army sources say the attackers included former soldiers of the *Forces Armées Rwandaises*, and apparently also some followers of **Léonard Nyangoma**, a former Interior Minister and President of the FDD's political wing, the *Conseil National pour la Défense de la Démocratie* (CNDD), which split in 1997 from Ndayikengurukiye's military wing. Some eyewitnesses also claim to have heard the attackers shouting: 'Buyoya has taken the plane, you're left with us, the only ones who'll be freed are those who believe in Nyangoma!'

Since the FDD launched an armed attack on Col. Pierre Buyoya's presidential palace in July, Hutu rebels in general have displayed greater confidence. Ndiho claims they possess light artillery and night-vision equipment, and government sources say they have uniforms. Since the August attack, the authorities have brought the start of the curfew back from midnight to ten o'clock.

The FDD's Canada platform

At last week's Francophone summit in Moncton, **Canada**, Burundi's First Vice-President, **Frédéric Bamvunginyumvira**, tried to reassure his colleagues by explaining that the FDD activity was in preparation for September's round of peace talks. He said the FDD needed to prove its military strength, since Nyerere had refused to admit it as a party to the talks, on the grounds that it was the result of an internal coup d'état against the man widely seen as his protégé, Nyangoma. The President of the pro-Buyoya wing of the *Union du Progrès National* (Uprona), **Luc Rukingama**, declared in July, 'the mediation is the problem'. Circular arguments abound. Bamvunginyumvira replies that if Burundians would agree among themselves - and especially if the FDD and Nyangoma would agree - they would simplify Nyerere's task.

Other sources explain the attacks by pointing out that, to guard against the eventual disarmament of the Hutu militias in Congo-K, FDD guerrillas there have started to cross over *en masse* into Tanzania, to attack Burundi from there. In late July, it was reported in the Burundian media that, in the Mutabira refugee camp, Tanzania, Hutu rebels were moving around undisturbed, with their weapons.

The August raid was by no means the only incident; on 3 September, six soldiers and seven civil servants were killed in an ambush 18 kilometres south of Bujumbura. Tutsi living in Musaga and North Mutanga are angry that the army took four hours to respond to the attack, although their barracks are only one kilometre away. Government attitudes have hardened as a result of the attacks, with a trend towards the positions of the Tutsi extremists.

In Bujumbura, rumours of a coup have been going around, with the Tutsi hardliners of the *Rassemblement pour la Démocratie et le Développement Economique et Social* (Raddes) arguing that Buyoya and his government cannot cope with the current happenings or protect the population from the 'genocidal terrorists'. Fearing the loss of its Tutsi base, the government has done a U-turn: on 26 July, it arrested **Diomède Rutamucero**, who leads the '*Puissance d'Autodéfense Amasekanya*' militia and wanted to arm the civilian population (AC Vol 40 No 17). On 24 August, it ordered his release and at the beginning of September, the Defence Minister, Col. **Alfred Nkurunziza**, announced that he intended to hand out weapons to self-defence groups.

Nervousness and even panic are spreading in the capital. On 6 September, Buyoya cancelled at the last minute ('for unknown reasons', said his protocol office) his departure for the Organisation of African Unity gathering in **Libya** (AC Vol 40 No 15). The ministers who had gone to see him off were asked to go home by

presidential guards. City Connection Airlines, owned by the Antwerp gold-trader **Antoine Goetz**, took advantage of the scare by offering reservations to expatriates, ahead of an emergency evacuation of the city.

The tension went up a notch when a fresh attack took place on the night of 5-6 September against the Gihosha district of the capital, where one of its main water-towers stands. Neighbours heard automatic weapons firing all night and the military authorities claimed three '*terroristes-génocidaires*' had been killed.

None of this augurs well for the Arusha negotiations. Even if Nyerere is fit in time, the government's position is ambiguous. Privately, officials criticise Nyerere for not admitting the FDD to the talks; on the other hand, if they talk to the FDD, there could be a bitter reaction from Tutsi extremists or survivors of the 1993 massacres. So the government has not reacted to a proposal for direct negotiation, which Ndayikengurukiye made in July.

Buyoya's only initiative came in Pretoria on 28 August, when he asked South African President **Thabo Mbeki** to act as an intermediary and facilitator in Burundi's conflict. This does, though, reflect both Bujumbura's growing disillusionment with Mwalimu Nyerere's role and South Africa's interest in central Africa: after Buyoya's visit, SA reappointed its Special Envoy to Burundi, **Welile Nhlapo**. The FDD dislikes the idea of Mbeki's involvement, recalling that in the past (until at least 1996), South African pilots helped the Burundian army both with reconnaissance flights and by flying in weapons via neighbouring Rwanda.

There are open disagreements within the government, whose base is a partnership formed by Buyoya in June 1998 between one wing of the *Front pour la Démocratie au Burundi* (Frodebu, Hutuled and winner of the 1993 elections) and Uprona (Tutsi-dominated but with a Hutu Chairperson). First Vice-President Bamvunginyumvira, a member of Frodebu, now supports its President, **Jean Minani**, who argues that the transition to peace requires Frodebu leadership. Buyoya's own plan, put forward in July, was for a ten-year transition, with himself holding power for the first five years, then making room for a Hutu president.

ZIMBABWE

Chinja maitiro!

Trades unions are mounting their toughest challenge to ZANU-PF since Independence

With the slogan '*Chinja maitiro!*', meaning 'Change the way you are doing things', the Zimbabwe Congress of Trade Unions (ZCTU) is launching its new party on 11 September to contest next year's parliamentary elections. It's targeting the veteran leadership of the ruling Zimbabwe African National Union-Patriotic Front, which is embroiled in its own struggle to organise a successor to President **Robert Mugabe** by 2002. Although ZANU-PF is hugely unpopular in the towns, it still has a formidable grip on the countryside, where its security apparatus ensures that opposition party organisers are kept away from the people.

Zimbabwe's trades unionists cannot expect the landslide that their colleagues in **Zambia's** Movement for Multi-Party Democracy scored against President **Kenneth Kaunda** in 1991. Although bad, conditions in Zimbabwe haven't yet reached Zambian proportions and the ruling party is far more resourceful and coherent than Kaunda's United National Independence Party. ZANU-PF is

promising constitutional reform and - thanks to the International Monetary Fund and a new US\$200 million loan - has more money to fund some pre-election promises next year (AC Vol 40 No 16).

That could save ZANU-PF's majority in parliament but it won't convince frustrated trades unionists and business people, now openly making common cause against the Mugabe government. ZCTU President **Gibson Sibanda** says eight out of ten Zimbabweans now live in poverty. 'There is a deep sense of betrayal among the people,' he told a special union conference on 7 August which mandated the union federation to form its party. Workers and peasants, he said, had spearheaded the struggle for the dignity and sovereignty of the people, starting with the first *Chimurenga* war of the 1890s and the second which brought Independence in 1980.

To applause from nearly 200 delegates, he said that a ruling nationalist elite had 'exploited this long history towards its own ends, betraying the people's struggle... Throughout our history, from deep within our culture, there comes a time when the people take back the power they have entrusted to the leaders. That time is now and the hour has come'.

Morgan and Gibson in front

In February, the ZCTU leaders had announced plans to form a broad-based political movement after a 'national working people's convention' attended by about 400 delegates. Since then, the union leaders have been under pressure to get into the open and form their party. Even ZANU officials and the state-controlled media have called on Sibanda and ZCTU Secretary General **Morgan Tsvangirai** to leave the labour movement if they want to go into party politics. The union leaders have mobilised their 30-plus affiliated organisations but it seems that, for now, Sibanda and Tsvangirai will stay in the labour movement. Much then will depend on who leads the new party; the names of Tsvangirai and Sibanda are the only ones to be floated so far.

Some delegates wanted the special congress to launch the party, hoping some ZCTU leaders would move over to the new organisation, opening elections for the vacant posts. ZANU wanted this too, as it would have allowed it to push more of its own people into the union leadership. It already has some, although they have recently distanced themselves from the ruling party. For over six years, it's been rumoured that one top leader is linked to the Central Intelligence Organisation. Groomed by ZANU, union leaders know very well how the party works.

Both the February and special meetings called for a political movement, which for now is called 'Movement for Democratic Change'. It isn't clear who, apart from the ZCTU, will back it. Some think the new party will need to ally with the Zimbabwe Union of Democrats (led by **Margaret Dongo**) attracting the women's vote and the Zimbabwe African People's Union-2000 (**Joshua Mhambi**) for the Matebeleland vote. Tsvangirai has no problems with ZAPU 2000 but thinks ZUD lacks support. He has few other potential allies. Those who drove the union movement into active politics want young blood, with all pre-Independence 'political tycoons' retiring by 2000. This rules out **Abel Muzorewa** and the United Party, **Ndabaningi Sithole** and ZANU-Ndonga, **Edgar Tekere** and the Zimbabwe Unity Movement, **Kenneth Mano** and the Zimbabwe Congress Party. All of them are supposedly in an opposition coalition, the National Coordinating Committee.

ZUD is significant, largely because of Dongo's campaigning since she broke away from ZANU: she kept her seat in parliament as an independent by beating a ZANU candidate. As well as its leader, the party includes prominent women's rights activists such

as **Priscilla Misihairambwi-Mushonga**. Yet one key leader, law lecturer **Kempton Makamure**, recently quit the party to form his own oddly named ZUD Transparency Fund. Makamure alleges that Dongo and the ZUD are funded by foreign interests to the tune of Z\$20 million; ZUD leaders deny this, inviting anyone interested to come and inspect their books. Others dismiss ideological reasons for the split. The problems started after Makamure became romantically involved (as he has acknowledged) with a member of the party's Youth League, because he needed what he termed a 'political companion'.

Based in Matebeleland and led by people under 35, ZAPU 2000 is gaining support among disillusioned former members of ZAPU, the party once led by the late **Joshua Nkomo** (AC Vol 40 No 14). Matebeleland people aren't satisfied by Mugabe's promised compensation for army atrocities during the battles of the early 1980s. Tension has grown after would-be ZANU-PF candidates for the parliamentary elections were disqualified in the primaries in favour of sitting MPs. ZAPU 2000 offers them a platform.

ZAPU 2000 flirts with regional autonomy and calls for a federal system under which the people of Matebeleland will rule themselves and local resources will be ploughed back there. Unemployment in Matebeleland is running at over 50 per cent and economic conditions are worsening. There are few economic prospects apart from tourism at Victoria Falls, cattle farming, some small gold mines, a nickel mine and a diamond mine which is closed. ZAPU 2000 also calls for equitable distribution of the country's wealth.

Matebeleland mathematics

Regional autonomy wins votes, as well as sympathy from some ZANU leaders, such as Matebeleland North Governor **Welshman Mabheba**; local people have for years complained that Shona-speakers take too many jobs and college places. However, the ZCTU resolution specifically rejects 'the persistence of regionalism, racism, and other divisions undermining national integration'. Tsvangirai and Sibanda see themselves as national rather than regional or tribal leaders. Some argue, though, that if ZAPU 2000 goes it alone, it will at least secure a viable opposition. Matebeleland North and South have seven seats each and Bulawayo has nine, so the regional party has a chance in 23 seats; it now has only two, in a parliament of 150. Yet ZAPU 2000 has a long way to go: it lost all 17 council seats it contested in Bulawayo on 30-31 August. Party Secretary **Cont Mhlanga** says they were 'testing the waters' and now 'know how deep the waters are'.

On its present wave of popularity, the ZCTU may think it doesn't need an alliance. Its national job stay-aways have drawn an 80 per cent response and the backing of 80 per cent of workers would give it all 20 seats in Harare and nine in Bulawayo plus eight more in the smaller urban centres of Mutare, Gweru, Masvingo, Kwekwe, Kadoma, Chegutu and Chinhoyi. In coalition with ZAPU 2000, it might just get enough to deny ZANU the two-thirds majority required for crucial decisions.

Tsvangirai wants to win outright, saying his new group has mobilised people in all provinces. He is encouraged by **Masipula Sithole** (a professor of political science at the University of Zimbabwe and brother of Ndabaningi) who argues that ZANU's rural support is a myth based on fear of the rulers. Tsvangirai believes unions have removed that fear.

He is worried, though, because ZANU has infiltrated almost every new political party that has been formed, at the highest level. The infiltrators usually defect at the critical moment, normally election time. Helping the new party is the current squabble

between ZANU and the war veterans, who are now demanding Z\$500,000 per fighter - up from the Z\$50,000 they were awarded in 1997 and their additional Z\$2,000 monthly allowances. Veterans have been ZANU's key workers in rural areas, where people are more afraid of them than of the party itself.

TOGO

Choppy waters

General Eyadéma makes plans to go - after another four years

The veteran General **Gnassingbé Eyadéma**'s peace deal with his political opponents, formally sealed on 29 July after a lightning visit by **French** President **Jacques Chirac**, is holding for now and has ensured continuing French support. Opposition parties have all signed it, even **Gilchrist Olympio**'s *Union des Forces pour le Changement*, generally seen as both the toughest and most credible opposition party.

The pact commits Eyadéma to holding fresh parliamentary elections next year and then stepping down in 2003 (which he was scheduled to do anyway). Opposition parties have agreed to take part in elections: they boycotted this year's. The key idea is the acceptance of '*alternance*' as the principle of future politics, which broadly means allotting the (often symbolic) premiership to someone not from the ruling party. Yet it also implies the possibility of alternating power - in this case, Eyadéma's.

Reactions culled from oppositionists range from the furious to the deeply sceptical. Eyadéma has gone a long way to regaining his grip on the tiller and giving portfolios to loyalists, regardless of his new and independent head of government, **Eugène Koffi Adoboli**. Eyadéma has lost an ally in **Morocco**'s King **Hassan II**. Hassan's heir, **Mohammed VI**, is not expected to become as close to Eyadéma (or fellow strongman **Jonas Savimbi** of **Angola**) as his father was.

A key role in the negotiations behind the negotiations was played by **Djovi Galli**, a pro-Eyadéma lawyer and past Human Rights Minister with excellent French connections. His performance was marked in July by the award of France's *Légion d'Honneur*, at a ceremony attended by French Cooperation Minister **Charles Josselin**. The award, approved by Chirac and his Africa advisor, **Michel Dupuch**, preceded the French President's bizarre late July *escale* in Lomé. Galli is close to **Bernard Stasi**, France's official mediator in the mediation quartet which also comprises **Germany** and, for *la Francophonie*, **Senegal**. Galli is also on good terms with Dakar's well connected troubleshooter, **Moustapha Niasse** (himself a declared presidential candidate). Eyadéma has made a visible fuss of both Stasi and Niasse.

Togo's General is brushing up his public relations. He fired his Parisian lobbyists, *Image et Stratégie* under **Thierry Saussez**, deemed to have failed to make adequate excuses for the rigging of the 1998 presidential poll. We hear that his new **United States**' public relations consultants, Judith Vincent & Associates, have advised him to appear conciliatory in the talks with the opposition. A recent 36-page polished glossy brochure '*Togo: Sortie de Crise*' noted that Eyadéma's Protestant education composed of 'moral rigour' and 'dedication to the task in hand' made him 'appreciate the same qualities in others', noting that his new Premier, Koffi Adoboli, was also Protestant.

When Chirac landed in Lomé on 25 July, he was greeted by a 21-gun salute, which *Radio France Internationale* called 'an exceptional gesture for a simple working visit... even more spectacular when one considers that the EU had suspended all relations for six years due to lack of adequate progress on democracy'. Apart from Chirac and his cronies, several French luminaries have made a pitch for Eyadéma in recent months. The most surprising was former socialist Premier **Michel Rocard**, who preemptively savaged Amnesty International's report, 'Togo: Rule of Terror', a couple of days before it was released on 5 May. (Chirac called the report a 'manipulation', AC Vol 40 No 11). The AI report described how hundreds of bodies, many of them handcuffed, had been found on the beaches of Togo and neighbouring **Benin** around the time of Eyadéma's election fiasco in 1998.

Rocard's intervention illustrates the General's range of contacts across the French political spectrum. His personal surgeon is still **Bernard Debré**, who was Cooperation Minister under the late President **François Mitterrand** and whose father, **Michel Debré**, held senior posts in the 1960s. Having held power since 1967, Eyadéma knows enough about the financial underside of French politics to embarrass Chirac, several ex-prime ministers and many Gaullist deputies. One would-be unofficial emissary, the Togolese expatriate figurehead (and French member of parliament) **Koffi Yamgnane**, got nowhere with Eyadéma late last year and is thought to have lost his influence in official Lomé.

Bodies on the beach

Donors are now being charmed hard, with the new government appointed in June specifically to placate the International Monetary Fund, World Bank and bilateral donors. Some officials at the *Agence Française de Développement* are privately glum about the prospect of rapid recovery from economic and fiscal stalemate. Togo desperately needs a new enhanced structural adjustment facility with the Fund: growth was below 1 per cent last year and the government's domestic debt threatens to drown the ever vulnerable banking sector. Adoboli, a veteran United Nations' technocrat, says he has clean hands and no links to the ruling *Rassemblement du Peuple Togolais*. **Abdoul-Hamid Segoun Tidjani Douroudjaye**, at Finance, has replaced **Barry Moussa Barqué**, an Eyadéma intimate who scared off the donors by increasing defence spending in this year's incoherent budget.

Old-stagers who remain prominent are **Koffi Panou** (Communication and Civic Training), **Tchamdja Andjo** (close to Eyadéma and in charge of the Posts and Telecommunications Ministry and its efficient telephones) and the fearsome veteran, Gen. **Seyi Mémene** (Justice). Exiled Lomé-watchers claim that Adoboli is as much a cipher as was his predecessor, **Kwassi Klutsé**, while Mémene runs Eyadéma's shadowy and powerful kitchen cabinet.

The Elysée Palace, which many in France consider decisive in policy on Togo, seems delighted with Eyadéma's current presidency of the Economic Community of West African States and his high-profile mediation in the **Sierra Leonean** war; in flagrant contravention of the European Union's aid embargo (AC Vol 40 No 7), Paris gave Lomé emergency aid of US\$5 million in June. Yet in 2003, if he retires as promised, he will be haunted by the precedent set by **Chile's** ex-dictator, Gen. **Augusto Pinochet**, arrested in **Britain** on human rights charges. He might well be safe at home and any future Paris government is likely to protect him on a visit to France but elsewhere, he will be a pariah and in many

countries, at serious risk.

Exile representatives are already queuing up to file lawsuits abroad for crimes against humanity. Some of their options are limited: neighbouring states don't give them a warm welcome and European governments generally reject applications from Togolese asylum-seekers. However, clandestine networks in Europe still circulate information and fugitives. One exile told us clandestine watchers from his group keep an eye on secret detention centres, recording arrests and the ill-treatment of detainees. Exiled representatives are delighted with Amnesty's report, which details widespread killings and other atrocities in the period of the 1998 presidential poll.

Questions remain unanswered, though, as to why reports emerged only a year later of hundreds of bodies around the Bight of Benin. **Harry Olympio**, Eyadéma's Human Rights Minister and a relative of Gilchrist's, has ridiculed the AI report as naive. Lomé is now suing Amnesty chief **Pierre Sané**, with a team headed by maverick French barrister **Jacques Vergès**. Yet local journalists, speaking privately to *Africa Confidential*, expressed no surprise that some events went unreported at the time: they say even radical publications such as *Le Kpakpa Désenchanté* and *Le Combat du Peuple* have increased their self-censorship in the past year. The formidable Mémene is in charge of the government's legal case against Amnesty. In the meantime, abuses by the *Forces Armées Togolaises* and RPT militias continue.

Opposition and expatriate sources agree that the electorate, especially in the opposition-oriented south, is disillusioned with the whole political process. During the 1998 election campaign, the domestic opposition proved impotent in the face of fraud and flagrant state brutality. Many former activists have been beaten down by the risk of torture and murder, and weakened by worsening economic conditions in Lomé and other towns. Leaders such as **Yawovi Agboyibo** of the *Comité d'Action pour le Renouveau* (CAR) and former Premier **Edem Kodjo** have lost credibility. The *Convergence Patriotique Panafricaine*, in which four parties merged in mid-August under Kodjo, is aimed at next year's promised legislative re-runs but few take it seriously. One-time presidential hopeful **Léopold Messan Gnininvi's** *Convention Démocratique des Peuples Africains* remains notionally aligned with the CAR but Gnininvi is said to be deepening links with the UFC. Some of Gilchrist Olympio's supporters suspect that by encouraging political mediation, he is slowly selling out to Eyadéma. He remains the most electable alternative though still viewed with suspicion by even the reformists among French policy-makers.

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Pointers

KENYA

Moi's no-shuffle

Only the desks were shuffled in President **Daniel arap Moi's** 6 September cabinet changes, billed as a move to cut costs and boost efficiency. The World Bank and International Monetary Fund had wanted the 27-strong cabinet reduced to a crack team of 15 efficient ministers to work with Civil Service head **Richard Leakey's** 'recovery team' (AC Vol 40 No 16). Moi has instead cut the ministries to 15 but kept all 27 ministers and their 45 deputy ministers on the payroll. This is despite the previously high hopes of the Bank, whose Resident Representative, **Howard Wackman**, had been in Washington last week discussing progress on Moi's reforms and the 'new cabinet'.

But Moi's new cabinet won't persuade donors that reforms are afoot. To reopen negotiations for IMF balance of payments support, Finance Minister **Chrysanthus Okemu** was to have presented a leaner and fitter cabinet, along with a tough, independent, anti-corruption authority to the IMF-World Bank annual meeting in Washington this month. Okemu is yet to stamp his authority on the post after taking over from **Francis Masakhalia**, who was reshuffled after making controversial payments to local contractors without consulting his Permanent and Financial secretaries.

Some ministries have as many as four ministers of equal rank. Sworn political enemies are expected to work together in the same ministries with no clear guide as to division of labour. Ministers from the ruling Kenya African National Union's 'A' and 'B' factions are pitted against each other, as are technocrats against reformers. The reshuffle favours KANU-B, captained by Moi's confidant **Nicholas Kipyator Biwott** and Vice-President **George Saitoti**, two names frequently mentioned in the IMF's anti-corruption reports.

Just seven of the 27 ministers will not have to share portfolios. They are the KANU-B leaders Biwott (Tourism, Trade and Industry) and **John Joseph Kamotho** (Local Government). Three others are close allies of Biwott: **Andrew Kiptoon** (Roads and Public Works) who has publicly proposed extending Moi's tenure beyond the statutory 2002 and is, like Moi, a Tugen; **Bonaya Adhi Godana** (Foreign Affairs); and **Joseph Nyaga** (Lands and Settlement). There are two Luhyas in the select group of seven not associated with KANU-A: Attorney General **Amos Wako** and **Wycliffe Musalia Mudavadi**.

If anything, the new cabinet strengthens the anti-reformers who are back in key ministries. Some seem placed simply to counterbalance political rivals; for example, **Chris Obure** is the key minister in Agriculture and a keen supporter of Kanu-B, as well as a bitter rival to

Simeon Nyachae (Kanu-A) in Kisii. Reformer **Musalia Mudavadi** has been demoted from Agriculture to Information, Transport and Communications. Moi's ultra-loyalist and Coastal heavyweight **Shariff Nassir** moves to a minister's post in Moi's expanded personal office alongside Maasai strongman **William ole Ntimama**.

Saving jobs at the top will make it even harder for Leakey to sell his public sector retrenchment programme, which could cut over 100,000 state jobs. For now, the 47 permanent secretaries will follow the ministers in the 15 ministries, further confusing the chain of command and financial accountability. Some of them, worried about their positions, are lobbying Moi directly and bypassing Leakey.

The economy remains precarious and the reshuffle will make no impression on the fiscal deficit. Ministries are meant to cut their budgets by 20-30 per cent. There are other worrying indicators: in response to this uncertainty, the Kenya shilling has lost 25 per cent of its value against the US dollar in the last five months and the portfolio of the Kenya Commercial Bank (in which the government holds 35 per cent) looks increasingly shaky, burdened by non-performing political loans. Insiders are asking why Finance Minister Okemu has been so slow to tackle KCB's growing travails.

MOZAMBIQUE

Muddy votes

Politicians are scurrying to prepare for the country's second multi-party general elections: President **Joaquim Chissano** confirmed on 31 August that polling would take place on 3-4 December (probably in the rain, making quagmires of rural roads, AC Vol 40 No 13). Registration of electors has been going on since July and ends on 17 September. Nearly half an estimated 8.3 million eligible electors signed up during the first month. Premier **Pascoal Mocumbi** complains this is far less than expected.

Chissano's *Frente de Libertação de Moçambique* will be helped by the fast growing economy although the southern towns are benefiting the most. Chissano faces little challenge for the presidency from **Afonso Dhlakama**, whose *Resistência Nacional Moçambicana* may well do better this time in the northern provinces and should hold its support in central Mozambique. The other opposition parliamentary group, the *União Democrática* (UD), could lose all its 12 seats; it won most of them in 1994 through voter confusion and will suffer from the split-off last month of its largest member-party, the *Partido Democrático e Liberal de Moçambique* (Palmo).

Renamo has been busy making alliances. On 2 August, it agreed with ten unrepresented parties to form a single opposition list. Dhlakama will stand for the national presidency as candidate of the *União Eleitoral*, with

Renamo's insignia on the ballot papers. Three other coalitions will run but none of them is likely to make much impact on its own:

● **UD: Partido Nacional Democrático** (Panade), *Partido Nacional de Moçambique* (Panamo). Palmo, with five parliamentary seats, announced in August that it's quitting the UD to run alone in the legislative elections, while supporting the *União Eleitoral's* presidential candidate, Dhlakama.

● **União de Oposição Moçambicana** (UMO), formed in February: *Partido Democrático Moçambicana* (Pademo), *Partido Social-Liberal e Democrático* (Sol), *União Nacional Moçambicana* (Unamo) and *Partido de Reconciliação Democrático de Moçambique* (PRDM).

● **Aliança Democrática** (AD): *Partido Independente de Moçambique*, *Partido de Renovação Democrático* (PRD) and *Movimento Nacionalista Moçambicano* (Monamo).

MOROCCO

Self-determination

King **Mohammed VI's** government was 'astonished' by **Algerian President Abdelaziz Bouteflika's** claim that Rabat was training Islamists who on 15 August massacred 29 people in Algeria's border area of Beni Ounif, Bechar. This quarrel also threatens July's United Nations-organised referendum on Western Sahara, which Rabat's political advisors won't even contemplate losing.

Ahead of the UN General Assembly opening on 20 September, parallels are being drawn between the referendum crisis in East Timor and the Western Sahara vote. East Timor was occupied by an irredentist **Indonesia** as **Portugal** withdrew, almost at the same time as Morocco (and **Mauritania**) moved into the then **Spanish Sahara**.

In East Timor, a UN referendum went against the military occupier, giving independence to a movement some of whose foreign supporters have strongly backed Polisario. This threatens to submerge **B.J. Habibie's** government in Jakarta. Morocco is more stable than Indonesia but its social compact was forged only after the late King **Hassan II** had staked his throne on securing sovereignty over the Sahara in the 1970s.

Rabat may not draw parallels but Western Security Council and European Union members have been reminded that a badly run plebiscite in Western Sahara could pit Moroccan troops (tens of thousands in the 'southern provinces') against the tiny UN force (now 234) on Europe's southern flank. Recently, Saharan Arab Democratic Republic Foreign Minister **Mohamed Salem Ould Salek** said Spain, a close Moroccan ally, must get more involved in resolving the conflict. Its support for national self-determination in the Sahara is unlikely to be as strong as Portugal's is in Timor.

AFRICA CONFIDENTIAL

ANGOLA

2

Military-minded

The government is deliberately downplaying its latest military moves after its disastrous offensive last December. UNITA wants to lure government forces into unsustainable attacks and then trap them. This time it seems the FAA forces under General De Matos are better prepared.

KENYA

3

Phone sects

A major row is brewing over the independence of the regulators overseeing the privatisation of Kenya's beleaguered telecoms sector. Companies bidding for the country's second cellular licence are convinced that the regulators bowed to pressure from senior politicians to disqualify several bids.

SUDAN/AFRICA

4

Blow up

The opposition fighters who blew a hole in the government's pipeline on 19 September also blew apart its campaign to convince the world that it has security under control and that serious talks about ending Sudan's war are now possible.

SOMALIA

6

Building blocks

Countless peace conferences have failed to pacify Somalia. Yet lately it seems that some warlords are losing power and that new local administrations can offer internal peace, some economic success and incentives for others to follow.

POINTERS

8

Africa/Europe, Zimbabwe, France/ Africa

Busting the busters; unmoved movers; and another Euroland.

ANGOLA

The UN tries again

After its spectacular failure, the UN is back - helped by smarter sanctions but facing the same political problems

United Nations' attempts to keep a presence in Angola are being frustrated by the **United States** Congress. **Jonas Savimbi's** *União Nacional para a Independência Total de Angola* has for decades enjoyed special access to some senators and congressmen, notably the veteran isolationist, Senator **Jesse Helms** (Democrat, South Carolina). Now **Michael Westfal**, one of Helms's aides, leads a group of four congressional staff members who have blocked progress on a draft UN resolution, drawn up by diplomats of the Angola 'troika' (USA, **Portugal** and **Russia**) at the UN and circulated on 26 August. Westfal says that the proposed 30-strong UNOA (UN Office in Angola) is not a peacekeeping operation and should not get US funding.

Another UNITA sympathiser, **Malik Chaka**, was for years information officer in UNITA's Washington office; when UN sanctions forced the closure of the office, he was appointed to the staff of the House of Representatives Africa Sub-Committee. Congressional staffers are also holding up funding for the UN's sanctions committee, to the embarrassment of the State Department's main Angola policy-maker, Deputy Assistant Secretary of State **Witney Schneidman**.

UNOA was dreamed up after UN Secretary General **Kofi Annan** had wooed the Luanda government for months. He ditched the previous, much larger, UN mission, MONUA, in February. There followed a series of political manoeuvrings between senior UN officials and Security Council members. Angola's Foreign Minister, **João Bernardo de Miranda**, had initially opposed a continued UN operation but in July, he met Annan in **Algeria** and agreement was reached to start a new mission. It's intended as a holding operation, to keep Angola on the Security Council's agenda pending a more favourable climate.

UNITA's Washington lobbyists

Subsequent delays have been caused by internal UN wrangling over which department should lead, and therefore fund, the new operation. Eleven members of the team are human rights specialists. A few people from the peacekeeping office were added. There are special budgetary arrangements for peacekeeping and the pro-UNITA lobby in Washington has seized upon that to delay the whole thing.

The plan is that UNOA's human rights specialists, led by an **Australian**, **Nicholas Howen**, would investigate and report to the Security Council, with **Issa Diallo**, the UN Special Envoy to Angola, remaining in Geneva for service 'as required'. Disillusioned with the failed Lusaka 'peace process', Annan had hoped to replace the Angolan troika with a UN 'committee of friends', comprising **China**, **Côte d'Ivoire**, **France**, **Gabon**, **Russia**, **Morocco**, **Namibia**, **Nigeria**, **United Kingdom**, **USA** and **Zimbabwe**. The committee is chaired by Gabon's ambassador, who has done little; there are suspicions that Luanda has leant on him. Lisbon and Moscow see the committee as an erosion of their special relationship with Angola.

Since **Canada's** Ambassador, **Robert Fowler**, took over the Angola Sanctions Committee in January, Annan thinks the UN has regained some credibility in Angola. The Security Council wants Angolan sanctions to be effective, if it is to enforce sanctions elsewhere. Fowler commended a four-year study of the subject by Human Rights Watch when it was launched in New York last week ⁽¹⁾. The record is feeble. The UN Sanctions Committee (under **Kenya's** **Njungana Mahugu**) failed to deal with UNITA's sanctions-busting during the Lusaka peace process and turned a blind eye to violations of a 1993 UN oil and weapons embargo. In October 1997, the UN imposed extra restrictions on UNITA, blocking foreign travel by its officials and closing its offices abroad, and in June 1998 it targeted the export of diamonds from UNITA's areas and froze its bank accounts (AC Vol 40 No 13).

Diamonds paid for rebuilding UNITA's army; most were smuggled to Europe via the Congos or through Namibia, **South Africa**, **Rwanda** and **Zambia**. Officials in **Togo**, **Burkina Faso** and **Central African Republic** are paid to turn a blind eye to staging flights. Human Rights Watch thinks diamond exports during the Lusaka process netted the rebels some US\$1.72 billion. By 1998,

Military-minded

Worried about a re-run of its disastrous December offensive, the *Movimento Popular de Libertação de Angola* government is deliberately downplaying its latest military moves. Meanwhile, hoping to ridicule the government, officials of the *União Nacional para a Independência Total de Angola* are playing them up, claiming that Luanda forces are advancing on four fronts against **Jonas Savimbi's** headquarters in the central highlands.

This is only partly true. We hear that some battalions of the *Forças Armadas Angolanas* are about 15 kilometres from UNITA's headquarters at Bailundo, south of its main airstrip in the central highlands at Andulo. The FAA's strategy, it seems, is to hammer UNITA's bases before the rains set in and weaken Savimbi's position before any negotiations start. The government still insists it will never negotiate with Savimbi, so it wants to put enough military pressure on UNITA to provoke a serious split. That still looks a long shot.

There has also been some fighting recently, especially in the north, but UNITA's claims are exaggerated. The government is concentrating on bombing UNITA positions to soften up its opponents, rather than moving armoured and infantry brigades towards their strongholds immediately. FAA Chief of Staff General **João de Matos** is determined to avoid more routs by UNITA's defensive forces.

In August the FAA pushed towards the northern towns of Damba and Maquela do Zombo, important points in UNITA's supply lines. The FAA were not immediately successful and the fighting continues. UNITA attacks near Uige have displaced thousands more people recently, though the army has managed to reinforce its defences around shattered towns such as Huambo, Kuito and Malanje.

The UN and other aid agencies are struggling to find the money for food and high cost transport. Most food must be delivered by air and the charter companies incorporate high surcharges: Angola is near the top of the world league. In July, a UN World Food Programme plane was fired on (but not hit) by

a surface-to-air missile near the west-central town of Ganda.

Savimbi works hard on the psychological war-front, at which he excels. He emerged from a long period of isolation in August to give some well publicised interviews and call for new negotiations. Above all, he wants to freeze the military position; this, he believes, would put UNITA on a stronger negotiating foot than at the 1994 Lusaka talks. Things are going against UNITA financially but the government has had a windfall: rising oil prices, huge oil signature bonus payments this year and a large new loan organised by *Union des Banques Suisse* enable the FAA to build up their armoury.

Savimbi hopes that if he calls loudly for talks while the MPLA continues its military campaign, he can win back some international sympathy and maybe help put pressure on government for a ceasefire. Most importantly, he hopes this might goad the Luanda politicians into telling the FAA to launch an offensive before the generals are ready. The FAA would then risk repeating the mistakes of the first two failed offensives. De Matos, we hear, is insisting on military control of the war strategy.

Savimbi's other tactic is try to split the MPLA by pressuring the towns. UNITA has been pushing people out of the countryside, aiming to cause a social explosion. The biggest towns on the coastal belt surrounded by shanty cities and are at breaking point. By offering to ease pressure on them now, Savimbi hopes to split the MPLA. President **José Eduardo dos Santos** has 'ceased to embody national unity', he said, in an open letter to the MPLA at the end of August. But there are unlikely to be many takers.

Angola's long suffering *povo* and some MPLA members are disgruntled with the social and economic breakdown and the corruption of Luanda's *nomenklatura*. Prior to last December's return to war, dissidents in both parties were gaining ground. But Savimbi's hopes of a party split or revolt against Dos Santos are self-delusion. In a choice between the two, most Angolans regard Dos Santos as by far a lesser evil than Savimbi.

sanctions-busting flights to UNITA had grown fewer, partly because of tighter controls in the region but mainly because UNITA's cash flow became tighter.

Many flights into UNITA areas are made by Russians, **Ukrainians** and South Africans. Fowler was told in Kiev in July that the Ukrainian government had lucrative arms contracts with the Luanda government and that reports of sanctions-busting came from jealous competitors trying to undermine its good name. A month later, a sanctions-busting flight operated by Ukrainians was impounded in Zambia. The Ukrainians now face trial in Lusaka.

Fowler toured Southern Africa in May and Europe in July, making 19 preliminary recommendations. At the end of July, two ten-person expert panels were convened, chaired by **Anders Mollander**, Sweden's former envoy to Angola; **Botswana's** Colonel **Otisitswe Broza Tiroyamodimo** is the Vice-Chairperson. The panels have an initial mandate for six months; so far, they have not started fact-finding but are sorting out logistics and trying to open a small office in Zimbabwe.

Regulation of the diamond trade has been heavily discussed, notably between the UK and USA. The UN intends to focus on sanctions-breaking flights to places such as Andulo and UNITA's new airstrip in Malanje Province. The Angolan government has just bought a Russian mobile radar system. Fowler is unlikely to get an early-warning aircraft from the USA, though several European diplomats would like to see such equipment, plus a few interceptor aeroplanes. The USA has shared detailed intelligence reports, including one from the Central Intelligence Agency on diamonds and conflict in Africa.

The UN and the Luanda government hope that intercepting, forcing down or even shooting down sanctions-busting aircraft will frighten away other fliers and raise the price of future flights. This would deny UNITA essential supplies, especially fuel, and tie down its army. Yet if UNITA is squeezed, the diamond smugglers could probably bring out their gems through government-controlled areas, which are even harder to police.

Senior Angolan officials have helped UNITA with the diamonds-

for-fuel business. Truck drivers reported to Human Rights Watch that in 1998, Malanje Province Governor **Flavio Fernandes** ordered lorries from state oil company Sonangol to drive through Malanje, where their contents were siphoned off by UNITA. This continued even after diplomats in Luanda made official complaints. Fuel has been bought from Sonangol's facilities in Lobito port and transported to rebel areas through intermediaries.

UNITA also acquired large amounts of fuel and weapons after the government's two disastrous offensives last March, when it captured new Russian and Ukrainian equipment, including some heavy weapons that the government says UNITA had obtained by sanctions-busting. *Africa Confidential* has seen UNITA documents purporting to show weapons being gleaned from the battlefield. Angolan officers agree that they reluctantly 'shared' a lot of equipment with the enemy in March. UNITA's worst shortage is of fuel, though. It failed to pursue government troops back to Kuito in January because its vehicles ran out of fuel.

UNITA's army isn't as strong as it was in 1993 and the government's isn't as weak. UNITA is overstretched and with a serious recruitment problem and divisions in the leadership over Savimbi's strategy. Any setback for him will produce more splits (AC Vol 40 No 14). At the very least, this might open up opportunities for ONUA, the Catholic Church and others who want to break the cycle of violence and bring the parties back to the negotiating table. (1) Angola Unravels: The Rise and Fall of the Lusaka Peace Process (New York: Human Rights Watch, 1999) 205pp.

KENYA

Phone sects

Powerful politicians are making sure the wrong people don't pick up the phones

A major row is brewing over the political independence of the Communications Commission of Kenya, the regulatory body meant to oversee the privatisation of Kenya's beleaguered telecommunications sector. Companies bidding for the country's second cellular telephone operating licence, a business worth over US\$50 million a year, are convinced that the Commission bowed to pressure from senior politicians by approving the disqualification of four serious contenders on spurious grounds. We hear that a former **British** cabinet minister has telephoned President **Daniel arap Moi** to complain about abuses of procedure in the tender qualification process.

The affair also embarrasses the World Bank, which is lending the Moi government \$23 mn. under a Parastatal Reform programme, part of which goes to pay a Bank-approved consultant who is meant to monitor the privatisation process. Trade Minister **Nicholas Biwott**, whose activities as Energy Minister were sharply criticised in official World Bank reports about the ill-fated Turkwel Gorge project, is taking a keen interest in the award of the lucrative second cellular licence. Biwott's daughter Mrs. **Esther Koimett** is deputy coordinator at the Executive Secretariat of the Parastatal Reform Committee, which also draws funds from the World Bank. The government's handling of the telecommunications privatisation and the bidding round for the second cellular licence will be on the agenda when Finance Minister **Chris Okemo** meets with bilateral and multilateral donors in Washington next week. Some industry insiders believe the Bank will push the Kenyan government to back

down, arguing that improprieties over the cellular licence will be another obstacle to unblocking a \$175 mn. structural adjustment credit from the International Monetary Fund.

Yet the Bank, whose President **Jim Wolfensohn** helped to persuade Moi to appoint reformer **Richard Leakey** as head of the Civil Service (AC Vol 40 No 16), has much at stake. Leakey has a narrow political base now and the hard-line 'B' faction of the ruling Kenya African National Union is trying to undermine his reform efforts (AC Vol 40 No 14). A senior businessman in Nairobi said the cellular licence issue was important but should not obscure the 'bigger game' of backing Leakey and his technocrats in the civil service.

Bidding for the second cellular phone licence attracted major international companies because it was seen as a big contract free from political favouritism. Bidders said they believed the government saw it as a test case for its commercial neutrality. So they were surprised when the KANU hierarchy homed in on the contract: 'I didn't see the Field Marshal (the local name for Trade Minister Biwott) coming,' one executive told *Africa Confidential*.

Kenya is the biggest market for mobile phones in the region and an efficient new operator would have been helped both by the poor quality of regular service and by the uncompetitiveness of the first cellular phone company, Safaricom, whose charges were the highest in the region. Apart from ordinary telephone calls, the cellular licence would also cover the highly profitable data transmission over digital cellular equipment made by companies such as Barclays Bank and Coca-Cola. As the row over the second licence rages, Safaricom (in which presidential son **Gideon** has a 30 per cent stake) has cut its charges to carve out a bigger part of the business.

The longer the dispute over the licence goes on, the better for Safaricom. The second cellular licence was meant to have been awarded by March 2000 but this latest twist may delay things further. The row, which is likely to bring out all the political infighting skills of Biwott and his allies, has plenty of life in it yet. Six consortia were prequalified to bid, of which two - GTE Orascom and Millicom International Cellular - are strongly backed by KANU apparatchiks. Four consortia (Telecel Kenya Limited, Mobilcom Africa Ltd., Airtel Ltd. and Kenya Cellular Network) were disqualified by the CCK regulators and appealed. Initially, the CCK board found that at least two of the appeals, by Telecel and Mobilcom, had merit.

Then other forces got to work. The *East African Standard*, whose chairman is presidential confidant **Mark arap Too**, published a front-page lead alleging malpractice by the four disqualified companies. It suggested that the four had used improper means to get the CCK to hear their appeals. It said CCK procedures didn't allow for appeals, so the hearing was illegal. The *Standard* should be taken seriously. After Lonrho sold it in 1995, a company called Aifco bought it: Moi, son Gideon and personal assistant to the President, **Joshua Kulei**, each own a 20 per cent stake in Aifco, though now we hear the title is being moved under the umbrella of another company with a similar ownership structure.

The *Standard* followed up with fresh (but unproven) allegations about corporation and value-added tax irregularities committed by some of the disgruntled bidders. At about the same time, one of the companies in a disqualified consortium was visited by a band of armed robbers, which bore the hallmarks of a covert operation by the notorious 'Recce Company', a unit attached to the Presidential Guard at State House. Sugar was poured into the petrol tanks of another bidding company's vehicles.

All this warned the disqualified companies not to push their luck

on the cellular licence. Said to be fuming in private about the disqualification of *Deutsche Telekom*'s partner company, outgoing **German** Ambassador **Michael Gerdts** assumed a more philosophical stance. In his next posting to the United Nations, Gerdts will be a regular visitor to Nairobi.

Meanwhile, the CCK board started to wobble. It sent its recommendations to its legal consultants, Booze Allen and to the CCK technical committee that had evaluated the bids. Within days, the CCK changed its stance, not by majority vote, insiders say, and confirmed the disqualification of Telecel, Mobilcom, Airtel and Kenya Cellular.

The Director General of CCK, **Samuel Chepkong'a**, insisted there was 'no wrongdoing' in the commission, a view enthusiastically echoed by former Communications Minister and now Minister in the President's Office **William ole Ntimama**. Chepkong'a said that the evaluation process had been conducted with the 'close participation' of the government-appointed consultants. However, after some high-powered and irate overseas calls to the offices of CCK and the President, another change of direction was announced.

Hard lines for bidders

In late August, the Permanent Secretary in the Ministry of Transport and Communications, **Titus T. Naikuni**, said his Minister (former Finance Minister **Wycliffe Musalia Mudavadi**) would be appointing a three-member tribunal to consider appeals on CCK decisions. Few of the disqualified bidders have much faith in the tribunal: they consider that the licence award has become a matter for 'high politics' and they have got the message.

If the politicians prevail on CCK over the cellular licence, more questions will be raised about the sell-off of the state's land-based telephone network, Telkom Kenya. Continuing delays in its sale due to political interference have lost the government over \$300 mn. in revenues, according to industry sources. Kenya's telecommunications sector was valued at some \$1.2 billion in 1997 by Rothschilds, the government's then financial advisors on the privatisation, but would be unlikely to fetch much more than \$800 mn. at current market values because of the Asian slump and mergers in European telecommunications, the Nairobi weekly *EastAfrican* reported.

The parastatal Kenya Post & Telecommunications Corporation, like all the other state-owned enterprises, had long been the preserve of the ruling KANU which closely controlled its management and policy. Political favourites such as **Kipng'eno arap Ng'eny**, now Water Resources Minister, were appointed as managing director. During Arap Ng'eny's tenure, KP & TC built up corporation tax debts of more than \$60 mn. although its telephone tariffs are among the highest in the world.

KANU's state security apparatchiks have ready access to KP & TC facilities and have been known to intercept telephones, faxes and even electronic mail through Telkom Kenya's monopoly internet service provider, Jambonet. State security surveillance teams often use KP & TC vehicles, ostensibly engaged in engineering works, to monitor opposition politicians and their allies. Because of its political ties and its role in KANU's patronage machine, KP & TC is one of Africa's most inefficient telecommunications companies. Currently more than 120,000 people are waiting for a phone line. There will be no problem with irate foreign bidders for Telkom Kenya, according to a popular joke in Nairobi bars: They simply won't be able to get a line to complain.

SUDAN/AFRICA

Blow up

As the opposition attacks Khartoum's new pipeline, Colonel Gadaffi tries to mediate

The opposition fighters who blew a hole in the government's new oil pipeline on 19 September also blew apart its campaign to convince the world that it has security under control and that serious talks about ending Sudan's war are now possible. That seems to be wrong on both counts. The National Islamic Front regime's elaborate charm campaign, which has spawned a flurry of peace and business initiatives by outsiders, will be harder to fix than the pipeline.

For the government, the pipeline symbolises its purported openness and seriousness about democratic reform. That message is for Western and Arab business and diplomatic consumption; for most Sudanese, the NIF continues to preside over a regime of war, politically created famine, religious persecution and torture. For the opposition, the pipeline from the South is a weapon of war. In its apparently unsuccessful efforts to secure the pipeline from attack, the NIF has rounded up, expelled or massacred civilians living around the southern oil fields. Few doubt that the NIF will use most of its hoped-for oil revenues to finance the war against its opponents (see Box).

This puts the latest diplomatic initiatives into sharp relief. Regional developments were going the NIF's way: **Eritrea** and **Ethiopia** were concentrating their fire on each other. **Egypt** and **Libya** are trying to grab a mediating role in Sudan, which is welcomed by the NIF as yet another diversion from substantive negotiations. The Tripoli-Cairo efforts are seen as suspect by the NIF's opponents in Addis Ababa, Asmara, Kampala and especially Washington - and the Sudanese opposition itself.

There are fears the 'Libyan-Egyptian Initiative' will damage relations between North and East Africa and consolidate the NIF while failing to tackle the critical issues in Sudan: the relationship between North and South and between state and people. Southerners and Northern secularists do not want the Sudan question removed from its 'African' dimension (the Inter-Governmental Authority on Development, IGAD) and placed in an 'Arab/Middle Eastern' dimension (Libya and Egypt, AC Vol 40 No 13). Sudan's northern neighbours (as well as Sudan's traditional parties) appear to want just that.

Over the past few months, the opposition umbrella, the National Democratic Alliance, together with African and Western governments (in IGAD and the IGAD Partners' Forum, IPF) have been discussing expanding the IGAD process to include the NDA. The component groups of the NDA include the Sudan People's Liberation Army under Colonel **John Garang de Mabior**, Sudan Alliance Forces under Brigadier General **Abdel Aziz Khalid Osman**, Beja Congress, Sudan Federal Party, Communist Party and the two big Northern parties, the Democratic Unionist Party and Umma Party. The NDA's great significance is that, divisions notwithstanding, it is a credible alliance of Northern and Southern oppositionists against the NIF government.

Since 1994, peace talks between SPLA and NIF have been sponsored by a committee of IGAD members: Ethiopia, Eritrea, **Kenya** and **Uganda**. Talks began long before that, after the NDA was formed in October 1989 as, then, an exclusively Northern

alliance. The talks have sporadically continued, enabling both NIF and SPLA to claim they're serious about peace. They've helped the NIF to recruit defectors from the SPLA: **Riek Machar Teny Dhurgon**, **Lam Akol Ajawin** and, sometimes, the late **William Nyuon Bany**. (Major **Kerubino Kwanyin Bol**, who was killed on 10 September, took a different road to the NIF.)

Members of the IGAD committee (except Kenya) were indirectly at war with Khartoum from 1995-96 and the talks were on the back-burner pending the NIF's expected overthrow. Yet the talks did produce a Declaration of Principles which agreed that Sudan should be a secular state and should hold a referendum in the South on 'self-determination'. The NIF still regrets that precedent, which is one reason why it wants to include in its 'dialogue process' the Umma and DUP. Both are ambivalent about the NDA's policy stand. About 70 per cent of Sudanese are Muslim though only a tiny fraction support the NIF's hardline Islamist policies. The Umma and DUP are traditional, religious-based parties; they call for multi-party democracy but support an Islamic constitution and oppose Southern self-determination.

Secularism and self-determination

Yet both parties agreed to the principle of a secular constitution and a referendum on self-determination for the South in the NDA's Asmara Declaration of June 1995. That declaration also called for armed struggle, and the big two parties wish they had not agreed to that either. They did so when the armed overthrow of the NIF looked easier than now, before Eritrea and Ethiopia went to war.

That war has enabled those in Umma and DUP ranks who oppose IGAD's secular emphasis to parry with the Libyan-Egyptian Initiative. The Umma held a Workshop in Cairo on 16-19 September to discuss the 'comprehensive political settlement' (a catch-all term now used equally by the NIF and the **United States**). Its final report made no mention of secularism. It did, though, call for IGAD (a pre-existing East African development body) to be expanded - to include **Nigeria**, **South Africa** and **Zimbabwe**, plus

Kuwait, **Saudi Arabia** and the **United Arab Emirates**. Meanwhile, Egypt claims it's already a member, which it isn't.

IGAD's Western partners can't tell Egypt or Libya to keep their noses out, especially since some are investing heavily in the oil fields of Colonel **Moammar el Gadaffi**'s newly respectable Great Jamahiriya. Cairo and Tripoli play to the Arab audience by implying that IGAD favours Southern secession; Kenya and **Norway** incline that way, as do Southerners. The USA, **Britain** and **Canada** would prefer Sudan to stay united; their policy, though, is also to tackle national issues (meaning the NIF) before the North-South issues. Washington is openly hostile to the NIF: it argues that if everyone reinforces IGAD's role, the NIF government will be forced to comply or reveal its true intentions.

For months, Libya has been receiving Sudanese opposition politicians party-by-party. NDA leaders can't afford to upset the wealthy Brother Leader and, having mixed results as a peacemaker in **Congo-Kinshasa** and Ethiopia-Eritrea, Gadaffi works hard on Sudan. In the past, he signed at least two Libya-Sudan unity agreements and in the early 1970s, he backed the NIF, Umma and DUP in a joint bid to overthrow President **Jaafar Mohamed Nimeiri**, which gives many folk useful connections. But he still complains that 20 years later the NIF tried to assassinate him.

Gadaffi's peacemaking enthusiasms are valuable diplomatically: they help rebuild his country's power and influence after sanctions. He also worries about water: the Great Man-Made River Project is said to have only twelve more years to flow, which means that if Libya is, one day, to buy Nile water from Egypt, it doesn't want an independent Southern Sudan astride the White Nile. Yet Gadaffi also has old ties to the SPLA, which got its first gift of weapons in 1983, when he told delegates to help themselves to Kalashnikovs and they filled three plane loads. We hear Gadaffi has now offered the SPLA money to get the Jonglei Canal project going again.

By April, people began to talk about a 'Libyan Initiative' on Sudan. The Egyptian press then started mentioning an 'Egyptian Initiative', which nobody had heard of. When challenged, Egyptian

Pipe bombs

The 19 September attack on the brand new, 1,600-kilometre export pipeline proves two points: firstly, the falsehood of the claim by the National Islamic Front government that the armed opposition operates only in a limited area; and secondly, the idea that the National Democratic Alliance is too weak, divided and compliant to attack the oil project. It also embarrasses Talisman (formerly **Canada**'s branch of **British** Petroleum) whose assets are heavily dependent on the Sudan project and has been telling investors Sudan is safe. Talisman, which has grown largely through acquisition, has just used its shares to buy Rigel, once Total Canada. Meanwhile, Britain's Department of Trade and Industry has only just withdrawn a report which vaunted the business opportunities the oil provided. The pipeline provided Weir Pumps of Glasgow with its biggest ever contract and Weir has since trained Sudanese electricity and water board officials.

The attack occurred some 30 km. north-east of Atbara, a name that resonates as the historic railway capital and home of Sudanese trades unionism. It's far from opposition-held areas, as is most of the pipeline route, which was shifted far to the west of that originally planned by General **Jaafar Nimeiri**'s government and Chevron in the early 1980s.

The attack, described by an opposition military source as 'not hi-tech, just tech,' (i.e. easy to replicate) was mounted by the NDA Joint

Forces and consisted, we understand, of a few engineers protected by commandos, in two four-by-four vehicles. Official reports of the damage and time needed to remedy it were contradictory but it's clear such attacks may continue, as NDA leaders have repeatedly warned.

'The oil belongs to the Sudanese people and I advise the oil companies to come to negotiate with the NDA; we're ready to negotiate', Brigadier Gen. **Abdel Aziz Khalid Osman**, head of the Sudan Alliance Forces told *Africa Confidential*.

The NIF has touted the oil as harbinger of economic growth and Talisman says it will help develop the South. Earlier this year, though, **Hassan el Turabi** said that oil revenues would be used 'to buy tanks'. Ministers quickly denied this but then in August, it emerged that 20 **Polish**-built T-55s had arrived from Gdynia via **Yemen**. Warsaw sources say Yemen was listed as end-user and further shipments of the tanks ('at least 30 years old') were apparently scuppered by discreet Western intervention.

A few months back, a Sudanese delegation went military shopping in **China**, we hear: China holds 30 per cent of shares in Sudan's oil and Chinese labour largely built the pipeline. The China National Oil Corporation is now being floated on the New York Stock Exchange, provoking human rights protests in the **United States** over CNOC's role in Sudan.

officials began talking of a 'Libyan-Egyptian Initiative'. We gather that Cairo is happy to let Tripoli run with the ball for now, waiting to jump in at the crucial moment. Egypt, as the possible source of Libya's future water supply, believes this policy safe. It also believes Libya will try to keep Sudan in the Arab/Muslim/Middle Eastern dossier. One banner at Gadaffi's Organisation of African Unity jamboree in Sirte this month must have encouraged supporters of this view of Africa: 'We challenge all foreign troops with our great dark Sahara and our dark extensive jungles'.

In addition to water, Egypt's interests are to cut Ethiopia down to size and to 'regain' its (mythical) control of Sudanese politics. It assumes an NIF watered-down by the addition of some of the opposition will be both more pliable and less able to indulge in international terrorism. Neither Egypt nor the DUP or Umma want to see the NIF overthrown by a secularist, Southern-led opposition. Yet the Libyan-Egyptian Initiative offers nothing to counter IGAD's Declaration of Principles. NDA sources say that until the 'Tripoli Declaration' of 1 July, there was nothing on paper. There still isn't much. Yet it aims to 'coordinate with IGAD'. Some supporters even argue that IGAD should coordinate with it.

The Declaration emerged from a four-day meeting of the NDA and Libyan government, where the 'New Sudan Forces' (the SPLA and Northern secularists) hammered out a compromise with an Umma and DUP which feel threatened by them. They agreed to meet the government but insisted as a precondition on freezing the articles of the NIF's 1998 constitution which restrict the normal freedoms of association, speech, and movement (plus the release of political prisoners).

Sudanese enjoy no such freedoms, even outside the war zones where the worst atrocities occur (AC Vol 40 No 17). Foreign Minister **Mustafa Osman Ismael**, agreed to meet the NDA without preconditions, while NIF leader **Hassan Abdullah el Turabi** objected that the government had already fulfilled the conditions. President **Omer Hassan Ahmed el Beshir**, on 30 August, celebrated the arrival of oil at the Red Sea via the new pipeline by accusing the opposition of 'drinking beer... in Cairo and Asmara'. They were 'traitors' and 'worshippers of Satan', he declared: 'We must cleanse them in these waters before we let them in'.

This is not how the NIF has been projecting itself to Western governments and businesses. And it challenged those outsiders, especially in Egypt, who seeing Lieutenant General Omer as primarily the nationalist soldier, want to prise him and his fellow officers away from 'Turabi's fundamentalists'. The NIF's decision on 17 September formally to reduce Omer's power again and put Hassan el Turabi officially back on top changes nothing. (The NIF has also renamed itself the National Congress, a name appropriated from the secularist Congress Party, a founding component of the Sudan Alliance Forces.)

Under the Libyan-Egyptian Initiative, the NIF-NDA preparatory committee was due to meet on 6 September, then on 13 September. Nothing happened. Some NDA politicians want to press ahead but the Alliance long ago agreed that member parties should not move on their own; indignation was huge even within the Umma when **El Sadig Sadeeg el Mahdi** met Turabi in May. Friendly governments have let the NDA know they want it to hold together. Many NDA members want to make no move until after the Alliance summit meeting in Asmara in October. This is a key meeting and to underline this, it's timed, like the formation of the NDA in 1989, to coincide with the 'October Revolution', the anniversary of the peaceful civilian overthrow of Gen. **Ibrahim Abboud** in October 1964.

SOMALIA

Building blocks

Reconstructing the state step-by-step is showing results - but outsiders stay sceptical

Countless peace conferences have failed to pacify Somalia, including the latest, in Cairo in December 1997, whose collapse seemed to condemn the country to yet more clan wars and freelance banditry. Yet lately, it has seemed that some warlords, at least, are losing their power. Local administrations can offer internal peace, relative economic success and an incentive for others to follow, as in the unrecognised Republic of Somaliland and in Puntland in the north. More than half the aid given to Somalia goes to these two northern areas, which have only a third of the total population. There is money to be made in other parts of Somalia but no one puts it into houses or hotels, as they do in Hargeisa and Bossaso.

Even Somaliland and Puntland are at odds over the Sol and Sanaag regions, claimed and incorporated by Somaliland since 1991, as part of the former **British** Somaliland. Puntland, set up last year, claims them because most of their residents belong to Harti/Darod clans, as do most people in Puntland. Earlier this year, Puntland sent policemen to the town of Las Anod, which now enjoys two administrators and two police forces.

President **Mohamed Ibrahim Egal** of Somaliland has been careful not to react too violently. He and President **Abdullahi Yusuf** of Puntland like to pour scorn on each other but know that if they fight, they will lose everything. Other clans try to emulate their approach. In Bay and Bakool regions the Rahenweyne, who recaptured Baidoa from the Habr Gidir in June with **Ethiopian** military support, promise to set up an administration 'soon'. Hawiye clan elders and politicians, after talking for nine months in Belet Weyne, set up a committee but it left out some Hawiye warlords and failed to form an administration. Yet the Hawadle, a Hawiye clan, may try to set up their own administration in Hiraan region.

Deep distrust

These moves support the idea of 'building blocks', a step-by-step approach to a future national government which is backed by the United Nations and will attract some international help if it works. Last month **Kofi Annan**, the UN Secretary General, called for greater UN involvement in Somalia once again. The UN is deeply distrusted since its disastrous intervention of 1992-95 but its present Special Representative, **David Stephen**, is respected for his patience. After turning its back on Somalia for nearly five years, the **United States** is contributing to the repair of the Bossaso-Galkayo road. The European Union supports the 'building blocks' idea and might spend up to 300 million ecus in Somalia under the Lomé Convention, if it finds projects to spend it on.

In the south, peace is some way off. Most clans line up against the Habr Gidir, a Hawiye sub-clan whose main warlord is **Hussein Mohamed Farah 'Aydeed'**. His father, General **Mohamed Farah Aydeed**, was instrumental in ousting President **Mohamed Siad Barre** in 1991 and died after a shoot-out in 1996. He saw himself as a potential president of Somalia, taking control of large areas south and west of Mogadishu and so enabling Habr Gidir businessmen to make money beyond the clan's territories (AC Vol 40 No 12). Hussein inherited the claim to national ruler's status but



cannot emulate his charismatic father, who was known as 'the General'. Hussein is known as 'the Boy'.

Hard pressed even in Mogadishu, Hussein Aydeed is still more vulnerable since he lost Baidoa to the Ethiopian-backed Rahenweyne Resistance Army (RRA) in June. Even senior members of his own Saad/Habr Gidir want to pull out of areas their clan did not traditionally control, including Lower Shabelle. Yet moves to sideline or replace Hussein have so far been unsuccessful. The Habr Gidir clans disagree about possible replacements and some of their businessmen want to hold on to Balidogle airfield, 100 kilometres north-west of the capital.

The RRA is aiming at Balidogle, hoping to clear the forces of Hussein Aydeed and his clansmen out of Bay region. Hussein's forces beat the RRA near Balidogle last week but with more Ethiopian troops and weapons coming in through Baidoa airfield, further RRA attacks can be expected. The RRA and its allies in the Digil Salvation Front also attacked Qorioli in the third week of September. There, too, Hussein Aydeed's forces held them off but many of the Habr Gidir merchants and farmers who moved in under Gen. Aydeed have already pulled out of Lower Shabelle.

In Mogadishu, another warlord is in trouble. **Ali Mahdi Mohammed**, who formerly opposed Gen. Aydeed, then became Hussein's ally, left the capital in April after his house was looted by his own bodyguards; rejected by his own Abgal/Hawiye, he is unlikely to return. The Abgal, however, have not agreed on who might replace him. Three sub-clan leaders, **Musse Sudi Yalahow**, **Hussein Bod** and **Mohamed Omar Dhere**, are possible successors.

After the Benadir administration, set up for Mogadishu in August 1998, collapsed early this year, business people took the lead in removing roadblocks and supporting the creation of Islamic courts to try and stop banditry. Several such courts exist in the city but they too are clan-based and unlikely to work together against the warlords. At least one local Islamic court recently refused to cooperate with others because the target was from its own clan.

Hussein has problems but is far from finished. If the Habr Gidir

feel threatened, they could unite behind him as they did behind his father. With money from **Libya** and **Qatar**, and guns from **Eritrea**, he can still disrupt any peace process. So can outsiders, such as Ethiopia with its support for the RRA. Ethiopia wants to stop Eritrea from infiltrating Oromo Liberation Front fighters through Somalia into southern Ethiopia; some 1,500 have passed through the ports of Merka and Fah in the last few months. By taking Merka, the RRA could prevent future landings but would alarm the Habr Gidir. Two brigades of Ethiopian troops are said to be at Dinsoor in central Bay region. They are probably aiming for Kismayo, seized in June by allies of Hussein Aydeed from Ethiopia's ally, Gen. **Mohamed Siad Hirsi 'Morgan'**; they could also support RRA attacks on Qorioli and Merka.

Ethiopia was mandated to organise Somalia's peace process by the Organisation of African Unity and the regional Inter-Governmental Authority on Development (IGAD), to which Eritrea also belongs (as do **Djibouti**, **Sudan** and, technically, **Somalia**). Members are meant to observe the UN's long-standing arms embargo on Somalia but both Ethiopia and Eritrea, pursuing their conflict by proxy (AC Vol 40 No 4), have taken sides in Somali clan quarrels. Ethiopia's long-term interest is, as always, a weak and divided Somalia; Eritrea, like Ethiopia's ancient rival **Egypt**, would like a united Somalia, as a counterbalance to Ethiopia.

Other candidates for the role of Somalia's national mediator include the new Djiboutian President **Ismael Omar Guelleh**. He is close to Ethiopia, is married to an Ethiopian and was born and brought up in the Ethiopian town of Dire Dawa. He has offered to host a reconciliation conference but in return wants an international 'Marshall Plan' for the Horn of Africa. President **Daniel arap Moi** also shows interest in calming Somalia's chaos, which has spilled over into **Kenya** (also in IGAD) in recent months. Kenya's border with Ethiopia is affected when OLF guerrillas take refuge in Kenya, with Ethiopian troops in hot pursuit.

Another possible intermediary is President Egal. He says he wants international recognition for Somaliland but many believe he would like to be president of a united Somalia. He has criticised both Ethiopia and Eritrea over their conflict but is growing closer to Ethiopia since the EU's rehabilitation project for Berbera port and the EU's road into Ethiopia will increase trade between Somaliland and its Ethiopian hinterland. Egal is respected in southern Somalia and most clan leaders say, in private, that he would be an acceptable intermediary if he were prepared to bring Somaliland back into Somalia. He would be lucky to survive, though; most people in Somaliland value the stability and the peace that *de facto* independence has brought them.

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Pointers

AFRICA/EUROPE

Busting the busters

A combination of new surveillance technology and pressure on the United Nations to do more to clamp down on weapons flows to rebel movements in Africa is making life more difficult for arms dealers. Western governments are more prepared to share surveillance reports on illicit arms transfers with African governments such as **Angola**, **Rwanda** and **Uganda**. Western-based private intelligence agencies are now able to monitor rebel movements' money trails much more accurately than previously.

Now the three key areas of interest are: Angola (see Feature) where the UN has sharply improved its sanctions implementation; officials in the **Liberian** and **Burkina Faso** governments who have been training and arming Revolutionary United Front fighters; and arms suppliers to former *Interahamwé* fighters in the **Democratic Republic of Congo**.

Recent investigations have uncovered clear links between suppliers in these three zones. Many of President **Charles Taylor**'s arms suppliers (a UN arms embargo is still in force against Liberia) also supply *União Nacional para a Independência Total de Angola* and the *Interahamwé*. Currently under close observation by Western intelligence agencies and the UN are **Andrei Kossalopov** and **Victor Budd** (known also as 'Victor Bout' in **Belgium**), formerly of the **Soviet Union** and now using a range of different travel documents.

They are linked through ownerships to a series of air charter companies, including Air Pass and the **United Arab Emirates** registered Air Cess. According to **United States** military intelligence, these two companies have been providing services to UNITA in exchange for diamonds. Also, according to US military intelligence, Air Pass has been flying this year between **Central African Republic**, Kisangani in Congo-Kinshasa and Kigali in Rwanda carrying weapons, timber and precious stones.

It's not only the USA that has moved against Budd and his activities. **South Africa**, where the company used Gateway International airport in Pietersburg, has clamped down. South Africa's Civil Aviation authorities visited Air Pass in April 1998 and, after assessing its documentation, issued 200 charges for violations of the Civil Aviation Act, including working without a foreign operator's permit. According to the South African police, Air Pass had been transporting 'fuel tanks, tow trucks, boots, ponchos, food and mining equipment' to UNITA-held areas without permission from the UN Security Council.

Having come under scrutiny Air Pass, moved its operations to **Swaziland**, where it

began flying out of Manzini airport with its sister company, Air Cess. After a clamp down at Manzini over the liberal issuing of operating licences and after a freight company was found to be transporting military equipment in June, Air Pass decided to remove its operational headquarters from southern Africa and make its base at Bangui in the Central African Republic.

ZIMBABWE

Unmoved movers

Although dominated by trades unionists, the Movement for Democratic Change, launched on 11 September, is a formidable coalition: lawyers, war veterans, students and activists from the women's movement and residents' associations (AC Vol 40 No 18). Its Secretary General, **Morgan Tsvangirai**, is also Secretary General of the Zimbabwe Congress of Trade Unions; ZCTU President **Gibson Sibanda** is also President of the MDC. Tsvangirai says that an executive committee will be elected in December, when he's back from a six-country trip to Europe to drum up support. He'll have to be careful: ministers are already accusing foreign powers, notably **Denmark**, of financing the new party.

Twelve of the 34 members of the interim executive are unionists. Tsvangirai's deputy is **Gift Chimani**, a militant who leads the posts and telecommunications workers' union and has several times been gaoled for organising strikes in essential services. **Pauline Gwanyanywa** of the commercial workers' union is in charge of women's affairs and is one of the MDC's top seven. Other senior trades unionists are **Isaac Matongo** (a ZCTU vice-president), **Nicholas Mudzengerere** (one of Tsvangirai's deputies in the ZCTU), **Kumbirai Makore**, **Thokozani Khupe**, **Edward Muchena**, **Esaph Mdlongwa**, **Remus Makuwaza** and **Wellington Chibhebhe**.

The Deputy President, **Tichawona Mudzingwa**, is a doctor at Harare Hospital and an ex-combatant; other ex-combatants are **Hapson Nenji Gwaunya**, **Ngoni Chitauru** (an accountant) and **Fletcher Dulini**. **Paul Themba Nyathi** of the Zimbabwe Project, a non-governmental organisation mainly caring for ex-fighters, was offered the job of party treasurer but said the Project took all his time, so the post remains vacant. The one former political detainee is **Lovemore Moyo**.

The MDC's powerful lawyers include **Tendai Biti**, who successfully challenged the Law and Order (Maintenance) Act on behalf of the ZCTU and is a member of the Zimbabwe Human Rights Lawyers' Association; **David Coltart** from Bulawayo, once singled out by President **Robert Mugabe** as among the 'rabble-rousers' who must decide whether to remain in Zimbabwe or not.

If Sibanda, Tsvangirai and Mudzengerere quit the union movement for the new party, the ZCTU's only surviving top leaders would be

Shangwa Chifamba and **Ena Chitsa**, vice-presidents, and **Isidore Zindoga**, Deputy Secretary General. Chifamba is ill, so Chitsa could become the first woman to head a labour movement. Her small hotel and catering workers' union paralysed its employers on 10-17 September, striking for wage rises of up to 68 per cent. Zindoga, potentially the new ZCTU Secretary General, is unpopular because he was against turning the labour movement into a political party. Union leaders who do not hold top jobs on the MDC's executive may carry on their union work, so Mudzengerere could become secretary general and Matongo, president.

FRANCE/AFRICA

Another Euroland

Prospects for economic union in West Africa, at least among the CFA Franc Zone countries, are looking up. The *Union Economique et Monétaire Ouest-Africaine* is pushing ahead with plans to abolish internal tariffs by 1 January. **Dahuku Pere**, who chairs the UEMOA assembly's planning committee, claims plans are complete for a regional legislature. Despite worries that the CFA franc's ties to the hard Euro will make the Franc Zones uncompetitive, the *Banque de France*'s latest annual review reports strong growth in both west and central sub-regions.

'Real' gross domestic product was up 5.1 per cent in the western area, UEMOA, and 4.3 per cent in the oil-dominated central African *Communauté Economique et Monétaire de l'Afrique Centrale*. Tight monetary policies have kept inflation low.

To boost trade, French businesses are pressing for harmonisation of commercial laws throughout the Zone (and **Guinea**) and the *Organisation pour l'Harmonisation en Afrique du Droit des Affaires*, launched to do just this in 1996 (AC Vol 40 No 6), comes into effect this month under its **Cameroon**-based Permanent Secretary, **Aregba Polo**. Insiders say OHADA has massive problems. Too few judges are qualified to implement the new legal codes; French consultants at OHADA's training school, the *Ecole Régionale Supérieure de la Magistrature*, say it's struggling; the law associations of **Mali**, **Senegal** and several CEMAC countries say their judiciaries are in crisis anyway. Neither in the *Fédération des Associations Professionnelles des Banques* (under **Côte d'Ivoire**'s **Ange Koffi**) nor the *Réseau des Opérateurs Economiques Ouest-Africains* do members see much chance of a banking and investment boom.

Opinion is divided about UEMOA's chances of implementing its single market in 2000 as planned. The main immediate worry is that a single market whose currency is fixed to the Euro may not be competitive with **Ghana** and **Nigeria**, both free to adjust their exchange rates.

AFRICA CONFIDENTIAL

IMF/WORLD BANK 2

Dropping the debt

The debt of poor countries has finally become a significant political issue in the West. The latest changes in debt policy have been prompted by non-governmental organisations' relentless lobbying of Western governments.

CÔTE D'IVOIRE 3

No holds barred

The bitter pre-election campaign for the national presidency is wrecking the country's reputation for stability and its hopes for new foreign investment. President Bédié is determined to be re-elected and his supporters have launched a virulent campaign against his only serious rival, former deputy managing director of the IMF Alassane Ouattara.

ANGOLA 5

Stolen stones

As the UN struggles to impose sanctions on UNITA's diamond smugglers, the government says it is tightening its chaotic system of certifying the stones. The new certificates, harder to forge, will still need proper policing and the big question of who signs and controls the certificates has still not been answered.

BURKINA FASO 6

Whodunit?

In his speech to the nation on 15 October President Compaoré will have to make some major concessions to the opposition which has become increasingly militant since the investigative journalist Norbert Zongo was killed this January.

POINTERS 8

Somalia, Chad/ Cameroon, Niger

No proxy peace; spinning a pipeline; dead men's shoes.

IMF/WORLD BANK

Life after debt

Agreement on the latest plan to reduce Africa's debt burden should allow policymakers to concentrate on growth and investment

Africa moved up the agenda at the 28-30 September annual meetings of the World Bank and International Monetary Fund in Washington after the Group of Seven (G-7) industrialised countries failed to agree on grandiose plans for a new global financial architecture.

Technical discussions about relations between the Bank and IMF and the private sector's responsibilities in financial crises carried on behind closed doors while two key issues for Africa - debt and reform of the IMF - took the spotlight. Against expectations, the G-7 countries, together with some 45 other middle-income and poor countries, raised an extra US\$2.5 billion to finance the expansion of the Bank and Fund's debt relief scheme, the Heavily Indebted Poor Country (HIPC) initiative.

After pressure from **Britain** (with help from **Canada** and the new **German** government) the IMF and Bank had agreed to review the original HIPC plan launched in 1996. The G-7 plus **Russia** agreed at June's Cologne summit to make HIPC debt relief broader, deeper and faster. They relaxed some financial criteria for eligibility and increased the debt reduction that each qualifying country would receive. Accordingly, HIPC's costs were reckoned to have increased to \$27.4 bn. after the Cologne agreement from an initial \$12.4 bn. Summiteers also called for HIPC to be more closely linked to poverty-reduction, implicitly criticising the IMF's mechanistic approach to economic and social reform.

Asking for the impossible

That left last month's IMF-World Bank meetings with two main tasks: how to finance the expanded HIPC and how to reform the IMF's role. Debt campaigners and some African officials added another: how the Cologne deal could be improved. For the past decade, debt campaigners in the West and Africa have followed a precept borrowed from the May 1968 rebellion in **France**: 'Be realistic - ask for the impossible!' Until 1996, it was World Bank and IMF orthodoxy that their financial integrity would be jeopardised if their loans were written off or rescheduled. Before HIPC, the Bank and Fund used tortuous financial arrangements to conceal what amounted to effective rescheduling of their loans, especially to African states.

HIPC marked a turning point. But the debt campaigners - non-governmental organisations such as Oxfam, Jubilee 2000, Christian Aid and Eurodad, as well as **Mozambican**, **Tanzanian** and **Ugandan** officials (see Box) - kept up the pressure, calling for a review and expansion of HIPC. Unnecessary and impossible to finance, said the IMF. Yet two years later, the G-7 agreed to the expansion and pledged the necessary cash. The last frontier is the demand for a 100 per cent write-off of poor country debt. This time, it's backed by such mainstream economists as Harvard Professor **Jeffrey Sachs** and **Ghana's** former Finance Minister **Kwesi Botchwey**, in league with the growing band of debt lobbyists and sympathetic politicians.

So **United States** President **Bill Clinton's** announcement on 29 September that Washington was prepared to forgive all bilateral debt owed to the USA by HIPC-eligible countries marked another turning point, even allowing for Clinton's reduced political credibility and the difficulty of getting the US Congress to agree. His only proviso was that the savings must be used for socially productive spending. Not to be outdone in the G-7 benevolence stakes, British Chancellor of the Exchequer **Gordon Brown** said on the following day that he was also willing to grant 'up to 100 per cent' debt relief on UK loans to HIPC-eligible countries. The message was clear: if Britain and the USA can do it, why not other bilateral lenders and why not the multilateral institutions too?

Yet other G-7 countries were furious at what they saw as British and American posturing. The USA's bilateral lending to Africa is very small relative to other regions and even Britain's is substantially lower than that of France or **Japan**, the two countries that

came out of the Washington bargaining looking least generous. Those tensions and disputes about burden-sharing could still hold up finance for countries eligible for the new improved

HIPC. Meanwhile, the position of the poorest African debtor countries worsens. On average, in Sub-Saharan Africa last year, debt service costs were 14.9 per cent of export earnings,

Who's dropping the debt?

The debt of poor countries has finally become a significant political issue in the West. The latest changes on debt policy have been prompted by non-governmental organisations' relentless lobbying of Western (or Northern) governments and a sympathetic management team at the World Bank. Here are the main voices in the debt debate:

- The World Bank. President **James Wolfensohn** led efforts to convince the Bank's and IMF's boards in 1996 to break the taboo on debt relief on loans from multilateral institutions. Yet he insists that HIPC finance must not come from the Bank's still plentiful net-income coffers.

- The IMF. Beleaguered Managing Director **Michel Camdessus** has been targeted by NGOs because the Fund was initially reluctant to back the Bank's multilateral debt relief plan and then, because it insisted that all countries qualifying for debt relief must comply with its much criticised enhanced structural adjustment facility (ESAF). Now, fund officials are reshaping ESAFs to include social indicators such as health and literacy rates.

- The United Nations. Secretary General **Kofi Annan** called for a 'comprehensive restructuring' of poor country debt at the IMF and World Bank annual meeting last month and highlighted the growing threat to international stability of unemployment in poor countries. The new UN Development Programme Administrator, **Mark Malloch-Brown**, was formerly World Bank Vice-President for External Relations and is a strong Wolfensohn-ally who wants to run more joint UNDP-Bank initiatives.

- UN Children's Fund (Executive Director **Carol Bellamy**) has been highly critical of the social effects of IMF and World Bank economic reform programmes and produces joint policy papers with NGOs such as Oxfam.

- The UN Economic Commission for Africa. ECA Executive Secretary and former World Bank economist **Kingsley Amoako** has been trying to coordinate an African position on debt.

- The African Development Bank. President **Omar Kabbaj** backs more debt relief but the ADB can't afford to write off its loans to African states without finance from outside. The European Union has offered \$1 billion to meet the cost of ADB's debt writeoffs.

- The Commonwealth has hosted several conferences on debt and financed some independent research; it may increase its debt management services.

- The G-7 (group of Seven) July meeting in Cologne expanded the HIPC programme and doubled its notional cost to creditor countries to more than \$27.4 bn. if all eligible countries qualify.

- **United States** or 'G-1' as critics call it. President **Bill Clinton** asked Congress last week for \$970 mn. to cover most bilateral debt owed to the USA by HIPC countries and a \$600 mn. contribution to the HIPC trust fund which pays for the World Bank and IMF debt writeoffs. At the IMF-World Bank meetings, Clinton said he would support 100 per cent debt cancellations in specific cases if the scheduled payments were channelled into health and education.

- **United Kingdom**. Chancellor of the Exchequer **Gordon Brown** has led the G-7 on debt relief since 1997. He pushed the EU to contribute its \$1 bn. to the ADB debt relief fund. Britain is contributing some \$221 mn. to the HIPC trust fund and is offering to write off 100 per cent of its bilateral loans in some

cases.

- **France** is the biggest bilateral lender to Africa and accordingly, is reluctant to make substantial new contributions to the HIPC trust fund.

- **Japan** uses the same argument as Paris about its bilateral exposure and debt relief is unpopular with voters. Tokyo has warned some debtor countries that acceptance of a HIPC debt relief programme would jeopardise Japanese aid.

- **Germany**. Until Chancellor **Gerhard Schroeder**'s victory in last year's elections, there was little popular support for debt relief. After tough bargaining in Washington, Bonn pledged \$100 mn. to the HIPC trust fund.

- **Canada**. Finance Minister **Paul Martin** is a leading advocate of debt relief though there has been some domestic opposition. Ottawa pledged \$20 mn. to the HIPC trust fund and substantial relief on bilateral debt.

- **Italy** has pledged \$20 mn. for the HIPC trust fund but there is little local support for debt relief.

- **Russia**. President **Boris Yeltsin**'s office has made many *ad hoc* debt deals with African states but the details are shrouded in mystery.

- **Uganda** was the first African country to qualify for HIPC in 1996 and will be one of the first to benefit from the USA's and UK's offer of 100 per cent cancellation. President **Yoweri Museveni**'s government pioneered the ringfencing of social spending, which directs savings from debt relief into a health and education fund.

- **Tanzania**. President **Benjamin Mkapa** is a leading debt campaigner. Now eligible for debt relief, Dar es Salaam was excluded under the old HIPC criteria.

- **Côte d'Ivoire**. After pressure from Paris, Côte d'Ivoire was declared eligible for HIPC in 1998.

- **Ghana**. President **Jerry Rawlings**' government has been ambivalent on debt relief since Tokyo warned it would cut bilateral aid if Accra accepted an HIPC deal.

- Jubilee 2000 (not to be confused with the Jubilee Campaign, a fundamentalist Christian group in Britain). Led by **Ann Pettifor** in the UK and by **Carole Collins** in the USA, Jubilee 2000 has become the leading anti-debt coalition of NGOs, churches and political activists. It has won support from Pope **John Paul II** and rock music stars including **Bono** and **Robbie Williams**. Jubilee campaigns for total debt cancellation by the end of next year for countries which guarantee the use of the savings for social spending and it wants the IMF excluded as an arbiter of a country's eligibility for debt relief.

- Centre for International Development, Harvard University. Director **Jeffrey Sachs** and Ghanaian former Finance Minister **Kwesi Botchwey** give academic weight to the Jubilee 2000 arguments.

- UK-based Christian Aid has pulled many church groups into the anti-debt coalition and also wants the IMF's role limited

- UK-based Oxfam has campaigned against debt for a decade but has a closer working relationship with the IMF and Bank than the Jubilee coalition. Economist **Kevin Watkins** is one of the foremost radical development thinkers.

- **Netherlands**-based European Network of Debt and Development (Eurodad) is highly innovative in its research and campaigning. Using internal confidential information, it published a league table of creditors and their debt policies.

up from 12.8 per cent the previous year. And despite HIPC, Africa is spending more on debt service than it's getting in new loans.

Even if the G-7 compact on financing HIPC holds, several tough policy questions remain. The amount of debt relief available is still determined by its cost to the lender rather than a rigorous assessment of what debtor countries can afford. To a lending country, the costs of a write off may be notional, either because the loans are not being repaid or because the lender is making new loans available solely to cover the old ones (with all the bureaucratic fuss that this entails). As commercial bankers never tire of telling the Bank and Fund, if these loans had been commercial ones, they would long ago have been written off any bank's books as non-performing assets. In the USA, the \$6 bn. owed by HIPCs is already held on official accounts at around 10 per cent of face value, according to Sachs, a former advisor to the US Treasury.

Born-again Fund

Just as important is how debt relief links to the other parts of a country's strategy for economic growth and poverty reduction. Enter the born-again IMF. Much to the debt campaigners' frustration, the IMF will remain the main judge of whether a country is eligible for debt relief and all HIPC countries will have to undertake an IMF structural adjustment programme. Yet the Fund insists it is changing. Firstly, it has changed the name of its much-criticised Enhanced Structural Adjustment Facility to the Poverty Reduction and Growth Facility.

This reflects its greater attention to social development issues and their contribution to economic growth, Fund officials say. But they provide little detail about how these changes will affect borrowing countries. The Director of the IMF's Africa Department, **Goodall Gondwe**, said the Fund and Bank would be working far more closely together to measure, for example, the effects of economic growth on poverty reduction. There would be no retreat, though, from the Fund's core macro-economic strategy, according to the IMF's Associate Director in the Africa Department, **Ernesto Hernández-Catá**. 'We will continue to pursue growth as the fundamental strategy because that is the most direct way to ensure a reduction in poverty, particularly in countries where the majority of people are poor... so if you want to do great things on the social side, you had better get a bigger pie.'

It may be staying true to its fundamentals but the IMF's rhetoric is changing at the highest level. Managing Director **Michel Camdessus** spent two-thirds of his speech on 'humanising globalisation' and fighting poverty, ending with an outspoken attack on the arms trade. He called for arms sales to be restricted in 'sensitive regions', the abolition of export credits for military purposes and the adoption of national maximum levels for military spending 'that should not exceed 1.5 per cent of GDP in Africa and might often be lower.' These days, Camdessus walks around with a set of grey cards on which are printed the United Nations' seven pledges to reduce extreme poverty by 50 per cent in developing countries by 2015. Visitors to his office are given a card and implored to help meet the UN targets.

Yet the Fund's makeover hasn't convinced many of its

critics. They distrust its emphasis on short-term monetary goals, arguing that even for countries which have demonstrated their commitment to improved public finances, the Fund's fiscal conditions are too tight. They charge that the IMF's macro-economic programmes are too formulaic and don't attempt to assess the potential human development costs or the benefits of different monetary strategies. Debt relief is a necessary but not a sufficient condition for turning Africa's economies around. Much of the growth surge in 1995-1998, averaging 4 per cent a year, seems to owe more to an upswing in the price of key export commodities than to the efficacy of structural economic reforms. The subsequent downturn last year and this, as Africa's major commodity prices slumped, proved the point.

Both the Fund and Bank forecast sluggish growth in Africa: the Fund predicts Sub-Saharan Africa will grow by 3 per cent on average this year and 5 per cent in 2000; the Bank is slightly gloomier, predicting 2.4 per cent and 4 per cent over the same period. Those aggregate figures do mask stronger growth of 4-5.5 per cent in such countries as **Algeria, Cameroon, Côte d'Ivoire, Mozambique, Tanzania** and **Uganda**. Another positive sign is the gradual turnaround in **Nigeria** and **South Africa**, the continent's two biggest economies. Africa's other regional giant, **Egypt**, has been humming along at 4 per cent gross domestic product growth since 1995.

However, the most telling figures for Africa are its investment rate and capital flows. Both are declining. Investment as a percentage of GDP is running at under 19 per cent since 1990 compared to over 24 per cent in the 1970s. Last year, capital flows to Africa slowed to \$14.5 bn., their lowest in real terms for a decade and a third lower than their peak at \$21.5 bn. in 1995. This is where the critical turnaround has to be. The continuing real decline in aid levels (debt relief or not) means that Africa's export sector is more important than ever. Yet the recent roller-coaster prices for oil and gold have reinforced the danger of continued reliance on primary commodity exports. Moves to diversify exports and production techniques are still painfully slow, stymied by poor infrastructure and low investment. If after this year Africa can put the debt crisis behind it, then it can concentrate on the much bigger matter of growing and diversifying its economies.

CÔTE D'IVOIRE

No holds barred

The bitter government campaign for the presidency scares investors and stirs up hate

The bitter pre-election campaign for the national presidency is wrecking the country's reputation for stability and its hopes for the foreign loans and investments that it needs. Côte d'Ivoire has long had a poor debt and fiscal record but could always count on a stable political climate and **French** support to win the goodwill of creditors and donors. Now, though, President **Henri Konan Bédié** is determined to be re-elected and his government has launched a virulent campaign against his only serious rival, **Alassane Dramane Ouattara** (AC Vol 40 No 17). The attack focuses mainly on the claim that despite

being briefly the late President **Félix Houphouët-Boigny's** Prime minister, Ouattara is 'foreign' and therefore disqualified according to the country's new nationality laws. Many investors are holding back till after the presidential election from fear of ethnic and religious divisions and of a clash with the International Monetary Fund over the current structural adjustment programme (AC Vol 40 No 14). There are also fears that the ruling *Parti Démocratique de la Côte d'Ivoire-Rassemblement Démocratique Africain* may well be able to ensure victory for Konan-Bédié but not a convincing mandate.

'ADO' as Ouattara is widely known returned to Abidjan to rejoin the political arena as soon as he retired as an IMF deputy Managing Director in July. In Abidjan, Ouattara's opponents present his bid to stand in next October's poll as an **American** raid on France's back yard, in the interest of US multinationals aiming to buy up local commodity companies. Ouattara does have plenty of friends in Washington. On his visit there last month for the IMF-World Bank annual meetings, he met IMF Managing Director **Michel Camdessus**, World Bank President **James Wolfensohn**, and President **Bill Clinton's** confidant, **Vernon Jordan**. In August Camdessus wrote a personal letter to Bédié expressing concern for Ouattara's safety.

Regional and ethnic tensions are at work, too. Like Houphouët-Boigny, Bédié is from the south and his people are Baoule, an ethnic group belonging to the Akan, believed to have migrated from **Ghana** in the 16th century. Ouattara, from the north, is Dioula, a mainly Muslim people with kin along the Sahel in **Burkina Faso** and **Mali**.

Picking teams

In late September, Bédié went to France for a *tête-à-tête* with President **Jacques Chirac** and his advisor (and former Abidjan Ambassador) **Michel Dupuch**. In Washington, Bédié has hired the firm of a former Assistant Secretary of State for African Affairs, **Herman Cohen**, as his lobbyist. Ouattara has responded by employing **William Lee** of Sherman and Sterling as lobbyist and the controversial **Jacques Vergès**, who has variously defended **Carlos** the Jackal and **Klaus Barbier**, as his lawyer, a move seen as pre-empting Bédié.

In the rivals' absence, police led by Colonel **Al Moustapha Koné** announced they were investigating a complaint (filed by Security Minister **Marcel Dibonan Koné**) that Ouattara had forged identity documents that would prove his Ivorian nationality; they even subjected his mother, **Hadja Nabintou Ouattara** (née Cissé) who is in her 80s, to three hours of interrogation. Police concluded, we hear, that Alassane's parents were indeed Ivorian, his father **Youssef Ouattara** hailing from Dimbokro and his mother from Gbeleban, Odiénne. His paternal grandmother, they concluded, was from the Mossi royal family of Sindou, in what is now Burkina. On 6 October, ADO's mother issued a statement saying that if her son was foreign, then her whole home-area would secede from Côte d'Ivoire. If Ouattara were found guilty of forging ID cards, he could be sent to gaol and his criminal record would bar him from standing for the presidency.

Bédié asserts in his recent autobiography (*Les chemins de ma vie*, co-written by **Eric Laurent**, a Frenchman) that

Ouattara is a national of Burkina and represented that state both at the IMF and at the *Banque Centrale des Etats de l'Afrique de l'Ouest* (BCEAO). In rebuttal, Ouattara published details of two Ivorian identity cards, one issued in 1982 and the other just before Houphouët appointed him Premier in 1990. He was born when Côte d'Ivoire was not a state but part of colonial French West Africa; many Ivorians were born elsewhere or of immigrant parents, not least several government members; the country's prosperity has attracted millions of migrant workers. Everyone was happy with that until Bédié began trying to define national identity according to his doctrine of '*Ivoirité*'. Some recall the late dictator **Mobutu Sese Seko's** imposition of '*authenticité*' on the people of the country he named **Zaire**.

Started as a device to deal with one man, *Ivoirité* could undermine the ethnic and religious harmony which Houphouët affirmed. Ouattara's *Rassemblement des Républicains* (RDR) has its base in the mainly Muslim north and among the strong communities of Muslims in Abidjan and the main towns. The President of the *Conseil National Islamique*, **Idriss Koudouss**, recently gave warning that *Ivoirité* was undermining the social fabric of the country. The Ouattara question is raised in sermons at Friday prayers. The security chief, head of the *Renseignements Généraux et de la Sécurité du Territoire*, **Jules Nzi**, was sacked after warning in July that the *Ivoirité* slogan was dangerously polarising the country. His replacement, *Commissaire* **Touré** is deemed close to the powerful though minority group of 'hawks' bent on sinking Ouattara's candidature: these also include police chief **Attoh Nangui** and Gen. **Mathias Tauthui**.

One side-effect is that, with Bédié's own parents not publicly identified, speculation is rife as to his origins. Ouattara's elder brother **Gaoussou**, a National Assembly member, has taken up this theme, echoing rumours that Bédié's parents are of Ghanaian or **Beninese** nationality. Some PDCI-RCD hawks would like to smear Ouattara with allegations of corruption when he was Premier and Houphouët was terminally ill in France. Yet leaders of the former single party might not like too close an examination of corruption. The decisive step will probably be taken by the *Conseil Constitutionnel*, created by Bédié and headed by a former chief of his office, **Noël Nemin**. Candidates must formally present their credentials a few months before the polls, which along with parliamentary and local government elections, are due in October or November 2000.

Assuming that the election campaign proceeds normally, another man to watch is **Laurent Koudou Gbagbo** of the *Front Populaire Ivoirien*. Although not seen as a potential president, he is a political veteran who is widely respected, not least for refusing to be co-opted by Bédié; he can deliver the vote in the Bete-speaking west and has for four years controlled the Assembly's second largest group. Bédié needs him; Ouattara, whose only experience of domestic politics was brief, needs him more. The PCDI reckons Gbagbo won't do a deal with Ouattara, during whose premiership he was arrested after disturbances in the early 1990s. On the other hand, the RPR and FPI were allied in 1995 and both boycotted the poll after the RPR candidate, the late **Djény Kobina**, was barred as a 'Ghanaian'.

Gbagbo's FPI is affiliated to the Socialist International, alongside France's governing *Parti Socialiste*. Many in the

French government would rather deal with Ouattara than Bédié as, it seems, would French IMF boss Michel Camdessus. Meanwhile, French socialists have lobbied hard for the release of FPI activists gaoled for life after violence during the 1995 presidential poll. On 30 September, the Assembly approved a presidential amnesty for those prisoners, which could swing Gbagbo to Bédié's side. At the same time, a pardon was granted to a group of army officers accused of plotting a coup d'état just before that poll, including a former Chief of Staff, General **Robert Guei**. Some student leaders, imprisoned after violent student protests nationwide earlier this year, have also been released.

Foreign residents have been told to behave. One of Bédié's hawks, Interior Minister **Emile Constant Bombet**, having explained to the diplomatic corps the legal niceties of the government's treatment of Ouattara, called in the leaders of the main expatriate communities (except the French) and warned them to stay out of Ivorian politics. They were summoned in three groups. First came those from Burkina, Mali, **Guinea**, **Senegal** and **Niger**, suspected of RDR sympathies since most are Muslim and many are of Dioula descent. The second group, supposed to be allies of the PDCI's southern Akan supporters, were from Benin, Ghana, **Nigeria** and **Togo**. Thirdly, **Lebanese** and **Mauritanians** were reminded how lucky they were to have been allowed in in such numbers. The Lebanese community, many of them rich, staunchly backs (and has intermarried with) the ruling elite and may, the government hopes, fear reprisals if the *ancien régime* loses power. Bédié's protocol chief, **Georges Ouegnin**, is half Lebanese.

Some journalists from abroad have been harassed but local hacks face graver threats. In late September, unidentified gunmen murdered **Abdoulaye Bakayoko**, founder and former chief executive of the pro-Ouattara Abidjan daily *Le Libéral*. A few days later, **Lama Fofana**, boss of another pro-RDR journal, escaped unscathed from an armed attack. The opposition press alleges that both attacks were politically motivated. Even Abidjan's favourite pop-music station, *Radio Nostalgie*, run by the popular **Hamed Bakayoko**, who is close to Ouattara, was briefly taken off the air last month because its news bulletins were 'too long'.

Some infrastructure projects are stalled. Current projects, including the Azito power station, depend on private foreign investors. The contract for the 91 billion CFA francs (US\$145 million) Riviera-Marcory bridge in Abidjan was signed last year but negotiations - led by the main contractor, France's Bouygues, and including the International Finance Corporation, African Development Bank, French state Paraparc and oil group Total - have been delayed.

Uncertainty and the xenophobia fostered by the anti-Ouattara campaign deter potential small-scale investors, too. The new business sector opened up by privatisation is equally uncertain. Much of it is in the hands of the Franco-Ivorian Sifcom group, run by Frenchman **Yves Lamblin**, whose investors include senior government members. Its main trading unit, Sifca, dominates the trade in rice, sugar and palm oil, and cannot finance the 1999-2000 cocoa and coffee season without an offshore loan. Until the IMF releases its structural adjustment cash, signalling its belief that the government is competent and sufficiently honest, there could be hard times ahead.

ANGOLA

Stolen stones

Government and UNITA soldiers fight for the diamonds - and occasionally share them

As the United Nations struggles to impose sanctions on Angola's rebel diamond-smugglers, the government says it is tightening its chaotic system for certifying the stones. The old system is full of loopholes for smugglers of the *União Nacional para a Independência Total de Angola*; diamonds from UNITA areas reach Luanda, where government-issued certificates of origin are offered for sale. Some industry sources go further and allege connivance between some senior government officials and UNITA smugglers. The new certificates, harder to forge, will still need proper policing. The big question is who signs and controls the distribution of the certificates; the government's reply has not yet been made public.

The reforms' success depends largely on the director of state diamond company Endiama, **Agostinho Gaspar**, a general who is also a lawyer. His predecessor, **Paulino Neto**, was sacked after failing to improve Endiama's accountability. Yet since Gaspar's appointment in May, there have been few changes, despite the efforts of two new board members: **Victor Manuel**, in charge of security and diamond sales, and **Cid Batista**, head of geology and mining.

Glitter in the murk

Luc Rombouts, a **Belgian** geologist who spent time in UNITA areas before UN sanctions were declared last year, says that total Angolan production in 1998 was worth some US\$685 million, of which UNITA produced \$255 mn. De Beers, the company that dominates the diamond trade, estimates UNITA's production last year at closer to \$200 mn.; this year's is likely to be lower.

Endiama admits to debts of \$170 mn. but its figures are murky. Officially, government mines produced \$188 mn. last year, plus \$240 mn. from government-sanctioned buying operations. The largest official buying operation is RDR, a firm in which President **José Eduardo dos Santos'** daughter **Isabel** has a stake, with operations partly managed by **Noé Baltazar**, a former head of Endiama. Like the state oil company Sonangol, RDR does not open its accounts to the *Banco Nacional de Angola* and has so far had easy access to certificates of origin. Nobody knows whether and how much it buys from UNITA-held areas.

New York-based Lazare Kaplan International Inc. (LKI), another approved buying operation, declared after-tax losses of \$2.8m for the three months to 31 May; it had security problems and many of its expatriate employees - mostly **Americans** and **Belgians** - went to RDR. Angola's diamond buyers complain that profit margins are slim and some speculators say they have recently lost money.

Codiam, a licensed joint-venture buying operation formed by Endiama, Steinmetz and De Beers, has drawn in its horns. De Beers pulled many operatives out of the front-line provinces after the near-fatal shooting of a company

man, **Ken Kempson**, in an \$800,000 robbery near Cafunfo in 1997. Last year, as UN sanctions were applied, the company handed over its role as Codiam operator to Steinmetz (while keeping its 25 per cent stake). De Beers had hoped to expand its buying operations again and had started construction of a \$30 mn., 17-storey building in Luanda for processing rough diamonds. But on 5 October, De Beers announced that it would stop buying all Angolan diamonds, except those it was contractually obliged to buy in its joint venture with local diamond producer SDM.

UNITA's diamond production has certainly slumped. In 1992, it took over the Cuango valley, including river diversions and infrastructure just installed by **Brazilian** company Odebrecht. UNITA diggers dug diamonds as fast as they could, reaching a peak of \$700-750 mn. in 1996 until easily available deposits were exhausted at the end of 1997, when UNITA walked out and handed over the main mines. **Jonas Savimbi's** walk-out, claimed by the government as a victory, duped the world that UNITA was weak and committed to the Lusaka process. Both ideas were false.

Without the Cuango's riches, UNITA can get diamonds only by ruthless control of large numbers of people picking smaller stones. Insecurity prevents huge investment in mechanised production. Independent estimates say that no fewer than 100,000 people are digging in the Cuango valley, with a further 40-50,000 further east towards Lucapa; government estimates double or treble these figures.

In addition to UNITA's mines, many small operators work with permission from Endiama or from generals in the government's *Forças Armadas Angolanas*. **Canada's** Global Explorations has sought to establish a joint venture with Vermont-based Furmark Corporation and Soci Trade, owned by **Tony Mbakassy**, a Luanda-based businessman linked to Falcon Oil, with interests in deep-water oil licences.

The larger government-sanctioned diamond companies fear that UNITA may, as in 1992, attack sites where deposits have been exposed by engineering work. Last November, DiamondWorks' operations were attacked a few weeks after completing some important infrastructure work. Vancouver-based DiamondWorks almost collapsed. After restructuring and improving security (provided by Interior Minister Fernando da Piedade Dias dos Santos' Mboji company and Teleservices) it started mining again in June and now produces 12-15,000 carats, worth \$2.5-3 mn., every month.

The opaque ownership structure of DiamondWorks has aroused political and commercial suspicions. Its key behind-the-scenes figure remains **British** entrepreneur and former Special Boat Services officer **Tony Buckingham**, who is an advisor to London-based Sandline International and whose interests in DiamondWorks are represented by the Guernsey-based Hansard Trust Company (AC Vol 39 Nos 10 & 11). The new public face of DiamondWorks is **South African** entrepreneur **Brian Menell**, who controls Euskeni Resources. In turn, Euskeni has been recently bought by New Mining Corporation, whose shares are mostly owned by South African interests, including such black-owned outfits as Midland Molefe Resources, Khotso Investment Holdings and JCI Gold.

Australia's Ashton Mining, a member of the SDM joint venture with Endiama and Odebrecht, started production a year ago. The partners had to put an extra \$10 mn. into an

operation near Luzamba in the Cuango valley.

Catoca, mined by Endiama and Odebrecht, with Alrosa of **Russia** and Leviev of **Israel**, produces around 100,000 carats, worth \$8 mn., per month. Catoca is the only productive kimberlite pipe in Angola; few of the other 600 identified pipes are potentially commercial. Given the huge cost of starting kimberlite production, they are unlikely to be mined properly until peace is established. The FAA and Alfa-5 security (part-owned by the FAA Chief of Staff, General **João de Matos**) guard the Catoca mine and SDM's operations.

The government-held diamond operations around Lucapa are less productive than those in the Cuango valley but further out of UNITA's reach. Companies active there include DiamondWorks; the smaller, mainly **Portuguese**, *Sociedade Mineira de Lucapa*; and the mainly South African ITM, working on the Chitotolo mine in partnership with the Lumanhe company, run by a group of Angolan generals, as well as on sites around Lucapa town and nearby Calonda. ITM is closely linked to *Transafrica*, one of whose aircraft was shot down near Huambo while flying for the UN last December.

BURKINA FASO

Whodunit?

One death too many has left Compaoré's regime in a deep hole. It intends to escape

The government talks of 'national reconciliation'; its critics put it another way, saying that President **Blaise Compaoré's** regime wants to wipe away its bloodstained image. Now everyone is awaiting the speech which Compaoré is due to make by 15 October, the twelfth anniversary of his taking power after supporters of his murdered Captain **Thomas Sankara**. This speech is intended to end the anxieties of the past year, whose symbol is the murder of a journalist last December, apparently by members of Presidential Guard.

Norbert Zongo, founding Director of the newspaper *L'Indépendant*, died with his younger brother **Yembi Ernest Zongo**, **Blaise Ilboudo** and **Abdoulaye Nikiema Ablassé**, in a vehicle on the Léo-Sapouy road. Seven of the *Régiment de la Sécurité Présidentielle* (RSP) were later arrested. Zongo's death and the loss of public confidence it triggered reflected the ambiguities of Burkinabè politics: the conflict between the economic achievements which make Compaoré popular and the '*crimes de sang*' (blood-crimes) which were a constant theme of both Sankara's regime and its successor. The regime is sometimes labelled '*tueur mais travailleur*' - killing but hard-working.

In July, Compaoré, 50, withdrew from public life and sent his government (under Premier **Kadré Désiré Ouédraogo**) on holiday, after a highly critical report from a 'college of wise men' the government had asked to investigate. This consisted of former presidents **Sangoulé Lamizana**, Colonel (retired) **Saye Zerbo** and **Jean-Baptiste Ouédraogo**. (Many Burkinabè share this name). The withdrawal was seen as intended to facilitate discussions with the opposition and 'civil society'. The formal opposition is weak and lacks a charismatic leader. It consists mainly of an alliance of 14

parties led by **Joseph Ki-Zerbo**, 76, supported by lawyer **Herman Yaméogo** (from Koudougou, like Zongo) and **Halidou Ouédraogo**, a judge and President of a human rights group, the *Mouvement Burkinabè des Droits de l'Homme et du Peuple*. A more radical opposition of *Sankaristes* includes **Ernest Nogma Ouédraogo**, a cousin of Sankara's and former boss of his political police.

Most opposition groups refuse to join a government of national reconciliation. Instead they demand trials, under independent judges, for all killings, including Zongo's. They also want the government to organise fresh parliamentary elections in four months' time and another presidential poll in a year. Thirdly, they insist that Compaoré, whom they hold responsible for all the alleged crimes, should stand down. However, his *Convention Démocratique du Peuple* (CDP) has an overwhelming majority in the National Assembly, where the opposition holds only nine of 111 seats. Compaoré himself won over 60 per cent of votes and another seven years last December in a poll which the opposition boycotted.

In Abidjan, sources close to ex-Premier (1995) **Roch Marc-Christien Kaboré**, say this will be Compaoré's last term, 'to avoid sinking in the club of those with more than 20 years in power'. That may be wishful thinking; Kaboré is the CDP's new Secretary General, replacing the robust and super-rich mayor of Ouagadougou, **Simon Compaoré**, who is not well liked by either Burkinabè or Western diplomats. In his mid-40s, Kaboré styles himself as the regime's acceptable face, offering *perestroika* for the CDP. With his **French** connections and his chic image, many younger business people see him as a future president.

Compaoré is widely credited with the achievements of the past decade, during which a poverty-stricken country has made much progress in social and medical services, the delivery of water and electricity, and infrastructural development. For many donors, he's the Francophone star pupil of good governance.

The regime's hawks, including **Salif Diallo**, the Water and Environment Minister and presidential political fixer, lack the weight to follow their master. Diallo is one of the regime's 'gardiens', trying keep out the radical opposition, fearing it would overthrow them as soon as it got the chance. The guardians aren't alone in thinking that their opposition critics are exploiting Zongo's murder to drive Compaoré out of power and his armed forces back to barracks.

The army is keeping quiet. For ten years Compaoré's main instrument of power, they now are worried, especially by the implication of some of the Presidential Guard in the Zongo affair. Army sources say that Presidential Guard members in January 1998 tortured to death in their premises **David Ouédraogo**, a childhood friend of Blaise Compaoré's and driver for his younger brother, **François Compaoré**. They accused David Ouédraogo of stealing 30 million CFA francs (US\$47,540) meant for **Ivorian** singer **Aïcha Koné**, a friend of the President's.

Zongo was investigating the chauffeur's death. In particular, he was interested in Col. **Gilbert Diendéré**, head of the political police, presidential friend and private Chief-of-Staff - and therefore commander of the RSP (Presidential Guard). Zongo asked why the RSP was involved and what was François Compaoré's specific role in the affair. When

the police failed to investigate Ouédraogo's murder and François Compaoré subsequently refused to answer a court summons in a civil suit filed by the dead driver's family, Zongo publicly warned of a cover-up.

Reacting to the public concerns as well as its own, the army called for the truth to come out about Zongo. It took the opportunity to complain that, after years of fighting in **Liberia** and **Sierra Leone**, it was neglected: the government quickly found an extra FF CFA 8 billion (\$12.7 mn.) in military spending. Officers have long complained about lives lost in Compaoré's operations in support of Liberian leader, **Charles Taylor**. First, Compaoré sent Burkinabè soldiers, with **Libyan** finance, to help Taylor's National Patriotic Front to military dominance in Liberia. Compaoré was paid from Taylor's substantial personal war-chest (currently estimated by Western intelligence sources at over \$800 million). At the same time, and even more profitably, Compaoré and Taylor went to war in Sierra Leone, training and arming Corporal **Foday Sankoh's** Revolutionary United Front. Smuggled diamonds from Sierra Leone are part of a thriving gems trade in Ouagadougou.

Abroad, Zongo's murder was a death too far for Compaoré, who has just finished this year as Chairperson both of the Organisation of African Unity (AC Vol 39 No 12) and of *France-Afrique*. Nonetheless, he still has French President **Jacques Chirac's** backing, though some in France's Foreign Ministry aren't so keen, seeing him as a Francophone version of **Uganda's Yoweri Museveni**. He is certainly less likely to listen to Paris than, for example, **Gabon's Omar Bongo**, **Senegal's Abdou Diouf** or **Togo's Gnassingbé Eyadéma**.

Burkina Faso has several special friends, who repay that friendship in cash or favours. The country is the main base in Africa for **Taiwanese** diplomacy. It backs **Moroccan** attempts to incorporate Western Sahara. Burkina has become a key supporter of **Jonas Savimbi's** *União Nacional para a Independência Total de Angola*, which lost a good friend when **Zaire** transformed itself into Congo; the Ouaga regime helps with transporting weapons to the rebels and plays host to dealers in UNITA's diamonds. It even defends **Sudan's** National Islamic Front government against **United States'** hostility, while neatly avoiding any consequences: **Israel** asks the USA not to do anything to destabilise Burkina, which it uses as a base from which to keep an eye on states across the Sahel.

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Pointers

SOMALIA

No proxy peace

While many in Somalia push for peace (AC Vol 40 No 19), **Ethiopia** is pressing its allies for quicker military results against **Eritrea's** ally, **Hussein 'Aydeed'**. The 'Somali Peace Alliance', set up in Garowe in August, brings together the **Rahenweyne Resistance Army**, the pro-Ethiopian wing of the **Somali National Front** in Gedo, the new **Hawiye Somali Consultative Council** and **Puntland**. It's been holding a strategy meeting in **Addis Ababa** this week.

There's not much peace. The **RRA** has been threatening **Balidogle** airport; its offshoot, the **Digil Salvation Front**, has been aiming for **Qorioli** and **Merka**. Ethiopia would like to see these targets achieved: it would break the road between **Mogadishu**, **Aydeed's** main base, and **Kismayo** port, which his allies captured in June. Ethiopia hopes this would provide the impetus for the removal of **Aydeed**, already under heavy pressure within his own **Habr Gidir/Hawiye** clan. For now, it's premature to write him off: **Libyan** funds and **Eritrean** arms remain potent allies; he was recently in **Libya** negotiating more help; another shipment of arms is reportedly approaching **Kismayo**.

At September's **United Nations General Assembly**, **Djiboutian** President **Ismael Omar Guelleh** offered to host a new **Somali** reconciliation conference, while suggesting that: **Somali** civil society take greater responsibility, regional organisations use all necessary means to achieve a solution and warlords be charged with crimes against humanity. **Somali** faction leaders, now split into pro-Eritrean and pro-Ethiopian blocs, have responded cautiously, despite recent warnings by the donors' **Somali Aid Coordination Body** of serious food shortages developing. In the **Bay** and **Bakool** regions controlled by the **RRA**, up to 300,000 people are in need, with an equally serious problem in the **Gedo** Region, where the fighting is between the **SNF's** pro- and anti-Ethiopian wings.

CAMEROON/CHAD

Spinning a pipeline

As protests grow against the **US\$3.5 billion** **Chad-Cameroon pipeline** (AC Vol 39 No 13), *Africa Confidential* has obtained two confidential memoranda showing the **World Bank's** efforts to orchestrate a public relations defence of the controversial project. The memos' tone jars with the Bank's stated commitment to environmental protection and public consultation. It is to decide by the end of **November** whether to back the project.

Cameroonian and **Chadian** human rights groups say the pipeline will damage the environment and bring few economic benefits for their peoples. **Chad** is one of five African countries not to have even started work on a **National Environmental Action Plan** under the supervision of the **World Bank's** environment department. 'Lack of political commitment has hampered the effective implementation' of **Yaounde's** environment plan, the department reports. These plans were meant to help build environmental safeguards into new projects to avoid repeating the ecological disasters in **Africa** caused by mega-projects in the 1970s-80s.

A 24 August memo from **Ian Johnson**, the Bank's Vice-President for Environment, to **Jean-Louis Sarbib**, a Vice-President for Africa, advises him to start a public relations campaign for the pipeline in the run-up to the Bank's 28-30 September annual meeting: '... your team would set about building a strong case for use with the media, parliamentarians and national administrations.'

Johnson also called for 'high level discussions' with the Bank's partners - **Exxon**, **Elf** and **Shell** - in the oil business. He said **Bank President Jim Wolfensohn** should have the lead role: the object would be for the Bank 'to get some credit for having shifted the modus operandi of what is widely perceived to be a recalcitrant group of companies. It would be important to get them to make public statements that might protect our [the Bank's] reputation.'

Sarbib replied on 30 August to **Johnson** that he had talked to **Exxon** about the 'image issue' and public opinion. 'Their culture (I was told) is that of engineers who let their good technical work speak for themselves. We shall have some convincing to do here but it can be done. We had been talking of a conversation between **JDW** [Wolfensohn] and the **Exxon** CEO, and the time may have come for this to take place.'

If it decides to back the pipeline, the **Bank** group will put in **\$190 mn.** through loans to **Cameroon** and **Chad** and an equity stake from the **International Finance Corporation**. The **IFC** money will leverage another **\$300 mn.** from the markets. The three oil multinationals involved will provide the remaining finance, backed by **Western** export credit agencies.

Civil society groups in two countries doubt the project will help ordinary people. 'If the oil is exploited under current conditions, the bulk of the spending will go in arms and war and not on poverty alleviation,' said **Delphine Djiraibe**, founder of **Chad's** main human rights organisation, on the fringes of the Bank's annual meeting in **Washington**. With **Cameroonian** human rights activist **Samuel Nguiffo**, **Archbishop Desmond Tutu** and the **United States' Ethel Kennedy**, **Djiraibe** calls for a moratorium on the project until the two governments establish accountable judicial frameworks.

On 28 September, a protester from **Rainforest Action** scaled the new **World Bank** building on 19th street, **Washington**, to unveil a banner accusing the **Bank** of financing the despoliation

of **Africa's** tropical forests. The 1,000-kilometre line runs from southern **Chad** to **Kribi** on the **Atlantic**. Environmentalists are particularly concerned about the involvement of **Shell**, repeatedly accused of damaging the **Niger Delta** ecology in **Nigeria** and of cooperating with the late **General Sani Abacha's** military dictatorship.

NIGER

Dead men's shoes

The election to replace the dead dictator, **General Ibrahim Baré Maïnassara**, is due on 17 October, organised by the man whose soldiers killed him. **Major Daouda Malam Wanké**, now head of the ruling junta, commanded the **Presidential Guard**, from whom came the assassins at **Niamey** airport on 9 April (AC Vol 40 No 8). **Wanké** has promised what is the first presidential poll since he backed **Maïnassara's** coup against **Mahamane Ousmane** in 1996.

Of the eight candidates, the clear favourite is **Yssoufou Mahamadou**, of the *Parti Nigérien de la Démocratie et du Socialisme*, a **Hausa** from **Tahoua**. Now in his forties, this former executive with the state uranium mining company was **Premier** then **National Assembly President** under **Ousmane**. Alongside his friend **Hama Amadou**, another ex-Premier, and **Secretary General** of the *Mouvement National pour une Société de Développement* (former single party) and with support from **Mahamane Ousmane**, he led the campaign to bring back democracy after **Maïnassara's** coup.

Yssoufou Mahamadou has good links to **France**, through the **PNDS's** affiliation to the **Socialist International** and his friendship with the ruling **French Socialists' Africa** specialist, **Guy Laberti**. He is also backed by the rulers of **Algeria**, **Nigeria**, **Burkina Faso**, **Mali**, **Chad** and **Libya** and, crucially, by **Malam Wanké**, who reckons he will respect the amnesty, controversially incorporated into the constitution in July, for the soldiers who carried out first **Maïnassara's** coup, then **Maïnassara's** murder.

Second place will probably be won by veteran **Colonel (Retired) Mamadou Tandja**, **MNSD President**, backed by **Togo's** President **Gnassingbé Eyadéma**. The probable third-runner is ex-President **Ousmane**, of the *Convention Démocratique et Sociale*, of whom the **United States** is thought to approve.

The outsiders are the head of the transitional parliament, **Commandant Moumouni Adamou Djermakoyé**, a **Djerma** from the **West**, who heads the *Alliance Nigérienne pour la Démocratie et le Progrès*. **Hamid Algabid**, a **Tuareg** from a chiefly family, inherited **Baré Maïnassara's** role as head of the *Rassemblement pour la Démocratie et le Progrès*. **Baré's** family, including his widow, **Clémence Baré**, exiled in **Senegal**, want an enquiry into his murder, but human rights groups lobby against impunity for the regime.

AFRICA CONFIDENTIAL

BURUNDI

Losing a peacemaker

The loss on 14 October of Julius Nyerere as mediator coincided with an escalation of the civil war. As more than 15,000 Burundian refugees are driven into Tanzania, the search for a new mediator is proving problematic.

NIGERIA

Cleaning up oil

Recent high-level visitors to Abuja have left apparently convinced that President Obasanjo is reversing 20 years of corruption and mismanagement in Nigeria's oil industry, the heart of its economy.

BOTSWANA

All his own work

President Festus Mogae has gained a clear mandate to govern in his own right. His Botswana Democratic Party won its eighth successive victory in the 17 October elections.

ANGOLA I

Battle of Bailundo

After months of struggle, government forces have finally ousted UNITA forces from their headquarters in the central highland town of Bailundo.

ANGOLA II

Bailing in

Western powers are pressing the IMF and World Bank to help the Angolan government even if its reforms are limited so far.

POINTERS

Ghana, Congo-Brazza & Senegal

Saudi white knight; *danse macabre*; and *Au secours!*

2 TANZANIA

After Mwalimu

When Tanzanians stop mourning their Pan-African hero, they will have to work hard to keep the peace he left them

Saddened by the death of their founding President, *Mwalimu Julius Nyerere*, in London on 14 October, Tanzanians face a difficult run-up to the elections due next year without his steadying influence on the political stage. With Nyerere's death too will come far more strident calls to redefine Zanzibar's relationship with the mainland (AC Vol 40 Nos 10 & 11), which *Mwalimu* had said, perhaps prophetically, would happen only over his 'dead body'. President **Benjamin Mkapa** already looks more vulnerable in his bid for the ruling *Chama cha Mapinduzi*'s endorsement of him as its flagbearer for another five-year term. Certainly, it was Nyerere's backing that clinched the CCM nomination for Mkapa in 1995 and then helped him fight off opposition challengers such as **Augustine Mrema**. Nyerere squashed the populist Mrema's campaign by following him around the country and making better speeches to the *wananchi*.

Nyerere's climb to colossus status in Tanzania started with his appointment as Chief Minister, then Prime Minister, under colonial rule. He took up the presidency in 1962, a year after Independence; when he laid it down in 1986, he went on running both the ruling CCM ('Revolutionary') party he had founded and, in many ways, the country. His two successors, **Ali Hassan Mwinyi** and Mkapa, owed him their jobs. However, Nyerere was only the third post-Independence African leader to step down voluntarily. Like his friend **Nelson Mandela**, *Mwalimu* had a natural political style. Also like Mandela, his moral certainties and inflexibility would sometimes infuriate his colleagues. Belatedly sometimes, *Mwalimu* was prepared to admit his errors.

Ujamaa and its allies

The two gravest of these are seen as his *ujamaa* economic strategy and his handling of the union with Zanzibar - although there is a credible case for the defence in both cases. *Ujamaa*, strongly backed by the then World Bank President, **Robert McNamara**, and successive Scandinavian governments, was one of Africa's boldest experiments in social engineering. Almost 70 per cent of Tanzanians were prodded from traditional lands into state-run communal villages. After huge social investment, underwritten by foreign aid rather than agricultural production, more than 80 per cent of Tanzanians were literate (in Kiswahili) and at first health indicators improved sharply.

Yet *ujamaa* failed utterly in its economic goals. Small farmers hugely resented the heavy hand of the state. Nyerere was a great admirer of **China's** Chairman **Mao Zedong** (returning to Tanzania with what were to become his trademark Mao suits after a visit to Beijing in the mid-1960s) but was much less taken with Mao's successor, **Deng Xiao Ping**. Nyerere persevered with Maoist economics, even after Deng's liberalisation of agriculture had vastly improved living standards in China's rural areas. Between the mid-1960s and mid-1980s, Tanzania's economy shrunk by almost half a percentage point a year.

By the time he resigned the presidency in 1986, Nyerere had admitted some of his economic mistakes, even as he argued how much the terms of trade had moved against African farmers. By 1992, he reluctantly backed Mwinyi's Zanzibar declaration, which effectively dumped *ujamaa* and ushered in free-market economics. Nyerere constantly denounced corruption but the corrupt did well under the interventionist *ujamaa* system. And since 1995, he strongly backed Mkapa's anti-graft campaign.

Unlike his neighbours, Nyerere kept the peace in his country, at least on the mainland. Zanzibar, potentially richer, was his Achilles heel. In 1964, after a bloody uprising, the islands were incorporated in the Union with Tanganyika on terms which puzzled many and satisfied nobody. For those Zanzibaris who suffered under Sheikh **Abeid Karume's** subsequent dictatorship on the islands, Nyerere's refusal to act against this brutal autocrat was an unforgivable political mistake.

With their own government, parliament and ethnic politics, the 800,000 islanders complain of clumsy mainland domination. Many of the 30 million mainlanders resent Zanzibar's disproportionate representation. In 1993, the Union parliament unanimously called for a mainland house to match

Zanzibar's: as CCM's elder statesman, Nyerere overruled the elected members. Many now fear for the Union's future.

Zanzibar President **Salmin Amour**, whose stolen election in 1995 provoked the present crisis, appears to be planning a third (and unconstitutional) term. Reports from Zanzibar suggest that Justice Minister **Idd Pandu Hassan** is trying to organise a secret ballot in the House of Representatives to facilitate another term for Amour. Amnesty International is sounding alarms about arrest warrants being issued for the Civic United Front leader, **Seif Sharriff Hamad**, and his allies. All this could further undermine the Commonwealth-sponsored agreement between the CUF and CCM parties, in June. Although all the CUF MPs have taken up their seats in parliament after a four year boycott, Amour has not yet appointed an additional two CUF MPs, as stipulated in the Commonwealth deal.

The silver-tongued *Mwalimu*, a Catholic who adopted a Muslim teacher's title, was a star on the internationalist circuit and a serious Pan-Africanist. Tanzania's contribution to Southern Africa's liberation struggle was significant enough, in terms of material and moral support, to make it an honorary front-line state, despite its geographical distance from the then front-line. Nyerere, whose protege **Salim Ahmed Salim** is Secretary General of the Organisation of African Unity, often lost patience with the regional body's powerlessness. Appalled by **Idi Amin Dada**'s brutal dictatorship in neighbouring **Uganda**, Nyerere in 1979 sent 45,000 Tanzanian troops to topple it. Among the militants involved in that operation were Uganda's current President, **Yoweri Museveni**, and **Rwanda**'s Vice-President, **Paul Kagamé**, who have since taken Nyerere's interventionist doctrine much further.

BURUNDI

Losing a peacemaker

The mediator died just when his services were most needed

The loss of **Tanzania**'s **Julius Nyerere** on 14 October coincided with a serious worsening of Burundi's internal conflict. Since 18 August, when they made several raids on the capital, Bujumbura, rebel forces have kept up the pressure in the surrounding district (AC Vol 40 No 18). Dozens of people, most of them civilians, have died in ambushes and as a result of retaliation by government forces. The rebels have used rocket-launchers on the road south towards Rumonge; in the south, guerrillas have infiltrated from Tanzania; fighting in the east, at Giteranyi, had driven 15,000 refugees into Tanzania by mid-October.

In Rutana Province on 12 October, a relief convoy driving towards the 'protected site' at Muzye was attacked. The nine dead included the World Food Programme's logistics chief, **Saskia von Meijenfeldt**, the United Nations Children's Fund representative **Luís Zuñiga** and the director of the Mosso sugar company, **Alexis Rwagatore**. The Muzye camp contains 250,000 people, short of food and medical services, and (like other camps in Bujumbura Rural Province) is run by the army to separate the rebels from the general population - a counter-insurgency policy abandoned at the end of 1996 but reinstated in mid-1998.

The attacks on military and civilian targets are mounted by Hutu guerrilla movements excluded from the Arusha process by Nyerere, who refused to acknowledge leaders who (he said) had gained power by force. The main groups are: the *Forces pour la Défense*

de la Démocratie (FDD), led by 'Colonel' **Jean-Bosco Ndayikengurukiyé**, which split from its political wing, the *Conseil National pour la Défense de la Démocratie* (CNDD), under **Léonard Nyangoma**. The Dar es Salaam paper *The Guardian* estimates that the FDD's total strength is 10,000 men, of whom some (trained by the **Zimbabwean** army) are fighting on President **Laurent-Désiré Kabila**'s side in **Congo-Kinshasa**. A Brussels-based group of European non-governmental organisations, the *Concertation Chrétienne pour l'Afrique Centrale* (CCAC), puts the FDD's strength much higher, at 20,000 guerrillas, operating mainly in Bujumbura Rural and including 6,000 with Kabila's forces.

The CCAC believes that, since the FDD fell out with the Tanzania-backed CNDD, the CNDD's Nyangoma has been helped to build up a new force by the Tanzanian army, which is now training and equipping 1,000 of his men. The *Forces Nationales de Libération de Kabora Kossan* (FNL) were formerly the armed wing of the *Parti pour la Libération du Peuple Hutu* (Palipehutu) but are no longer recognised by Palipehutu's leader, **Etienne Karatasi**, now exiled in **Denmark**. The CCAC reckons the FNL has 200-300 men, mainly in the western provinces of Cibitoké and Bubanza.

Some 500-700 fighters in the *Forces Armées Populaires* (FAP), the armed wing of **Joseph Karumba**'s *Front de Libération National* (Frolina), operate mainly in southern Burundi. Major **Pierre Buyoya**'s government often blamed Nyerere for the failure of the Arusha talks, saying it was willing to talk directly to the rebels. Discreet preliminary discussions have been mediated by Ndayikengurukiyé's cousin, **Augustin Nzodjibwami**, who leads Frodebu's internal wing; Nzodjibwami favours Buyoya and is opposed to Frodebu's official leader, **Jean Minani**. The FDD, though, bluntly refuses to join the Arusha talks.

The blockage which the government blamed on Nyerere may soon start looking like a mere excuse for delay. Buyoya's team has obtained its interim objective, the lifting of trade sanctions, and is in no hurry to talk about the heart of the matter - power-sharing. Anyway, nobody seriously expected the Arusha peace talks to have real results before December, the date hoped for by donor countries disappointed by the lack of progress. The last round, in September, showed little progress on power-sharing or on key issues such as the transition to democracy or the composition of the army. Even if those at the talks make a deal at the next round, in November, it might not amount to much without the participation of those rebels that Nyerere excluded.

Now a new mediator is needed. The Nyerere Foundation cannot produce from its own ranks anyone with the prestige of *Mwalimu*. Some European diplomats (and the rebels) have mentioned Archbishop **Desmond Tutu**, winner of a Nobel peace prize, but he is also in the running to help the peace process in Congo-K. Another possibility is **Malawi**'s President **Bakili Muluzi**, though his standing has been marred by his messy re-election (AC Vol 40 No 13) in June. The Rome-based Catholic *Sant'Egidio* Community fostered talks between the government and FDD in 1997 but lacks Nyerere's prestige.

It would be hard to repeat the way in which Nyerere was picked as mediator. At the start, he was called in together with two ex-presidents, the **United States**' **Jimmy Carter** and **Mali**'s **Amadou Toumani Touré**, under the aegis of the European Union and the USA, which hoped to place the peace process in African hands. The trio did not last. Some Burundians think the international community should use its clout to press harder for a negotiated solution, whether the mediator is African or not.

NIGERIA

Cleaning up oil

At last people are taking Obasanjo's crackdown on oil crooks seriously

Recent high-level visitors to Abuja have left apparently convinced that President **Olusegun Obasanjo** is reversing 20 years of corruption and mismanagement in Nigeria's oil industry, the heart of its economy (AC Vol 21 Nos 12 & 19). They are less persuaded that his team has the political skills to tackle the crisis in the oil-producing areas which has cost hundreds of lives this year - and about US\$1 billion in revenue. Whatever their reservations, visitors such as the **United States** Secretary of State **Madeleine Albright** and World Bank President **Jim Wolfensohn** have heaped accolades on Obasanjo but, so far, little cash.

Obasanjo will use his state visit to Washington next month to push for US backing on debt relief and for more US investment. Over \$6 bn. of private investment has flowed into Nigeria over the past five years, at least 95 per cent of it for oil and gas projects. Obasanjo hopes that promises of Nigeria's cheap energy and huge, if poor, domestic market will lure investors into manufacturing and commodity processing.

Much of Obasanjo's economic policy has been plagued by conflicts in the chain of command. Oil policy is different, thanks largely to **Jackson Gaius-Obaseki**, promoted from Marketing Manager to Group Managing Director of the giant state-owned Nigerian National Petroleum Corporation on 29 May, the day of Obasanjo's inauguration. He at once began a sweeping reform. Oil majors say that, this time, the NNPC shake-up seems to be working. NNPC was known for inertia and absenteeism; now all senior staff are said to start at 7.00 am. Previously, some managers worked from 11 am to 3 pm; the former Managing Director, the Kano aristocrat **Dalhatus Bayero**, rarely went to the office and worked instead from his homes in Lagos, Kano and Abuja. Most of the senior old-guard, including seven of the group executive directors, have gone.

Some staff are shocked but morale is improving. There are regular staff meetings and consultations. A professional career structure, eroded by politicisation of the company and influence-peddling, has been re-established. There is a 'mission statement' and a code of conduct, including a formal warning that anyone caught accepting a bribe will be instantly dismissed while substantial incentives, based on merit and technical qualifications, are offered to professionals. All transactions are monitored by auditors for signs of leakage or corrupt side-payments. Three troubleshooters - **A.J. Solomon**, **Ode Okaisabor** and **Nike Sogunro** - are cracking down on crookery in exports of refined products.

Gaius-Obaseki says his reforms have two aims: maximising revenue and accountability. He has been helped by the bounce, to more than \$20 a barrel, in the price of Nigeria's Bonny light crude. He is also bringing far more revenue back to the treasury by squeezing out the middlemen in crude and refined-products sales. About 850,000 barrels per day (bpd) or about half of Nigeria's 1.9 million bpd exports are handled by NNPC and sold on to traders and end users on term contracts. The other 850,000 bpd are sold by the NNPC's multinational joint venture partners, such as Shell, Mobil, Elf-Aquitaine and Agip.

Under previous governments, crude sales were a fountain of political patronage, as military officers and politicians sponsored traders' bids for contracts. Out of such deals, the 'sponsor' could earn as much as 5 cents a barrel, which added up nicely when some sponsors controlled more than 70,000 bpd. An institutionalised 'Presidential allocation' of trading rights for up to 100,000 bpd was usable either to build a presidential pension or for political patronage. The system depended on cutting into the NNPC's profit margin to increase the trader's commission, part of which would be handed back to the 'sponsor'. The commission system may have cost the NNPC as much as \$1.5 bn. a year over the past decade.

This month, 16 new one-year trading contracts started up under new rules which limit crude sales to 'bona fide end-users' or 'large volume traders with a minimum annual turnover of at least \$100 mn.' Bidders had to show 'commitment to the Nigerian economy' by producing plans to invest either in community development or directly in the energy sector. Traders' profit margins have been squeezed down to 3-5 per cent below projected spot oil prices; previous levels were 13-15 cents below spot prices. This cuts the profit margin from which traders paid off middlemen.

This is a cultural revolution. Commissions for arranging contracts for trade in crude or refined products, or for exploration licences became institutionalised in Nigeria's first oil boom in 1973. Gaius-Obaseki has also ended the special deals for fuel oil exports that brought wealth to a few lucky contractors. The ending of the scandalous domestic fuel shortages has helped the government's credibility, even if much of the groundwork for improving distribution was laid under General **Abdulsalami Abubakar**'s military government.

The reforms have been furiously opposed by the soldiers, politicians and foreign traders cut out of the commission business. An unholy alliance is trying to persuade Gaius-Obaseki to ease up. If he does not, they want him removed. Those who have offered bribes to Gaius-Obaseki have regretted it. A devout Catholic who recently toured **Italian** churches as a guest of Italy's energy group, Eni SpA, Gaius-Obaseki strongly and publicly opposes corruption and dishonesty.

Obasanjo and Gaius-Obaseki know they must show results soon, to redeem promises to invest in agriculture, schools and healthcare. To maximise government revenues, they plan to increase oil production by 50 per cent to 3 mn. bpd within four years, creating thousands of new jobs in oil and gas. Three massive new offshore fields - Elf-Aquitaine's Amenam, Shell's Bonga and Texaco's Agbami - are to move ahead this year. Onshore, Elf, Shell and Chevron have started prospecting in the northern area of Gombe, the first time oil majors have drilled in that region. A big oil find in the economically devastated north would be a boon to Obasanjo.

The President must also boost his nationalist credentials by doing more to help Nigerian operators in a business where foreign oil majors produce 95 per cent of output. Local companies are lobbying Obasanjo for enabling laws to support their operations. Equally, Obasanjo and Gaius-Obaseki have worked hard to convince the oil majors that they're serious about reform. All joint-ventures between NNPC and the majors are being audited to establish the government's indebtedness to the oil multinationals, sometimes estimated at more than \$1 bn.

More problematic are the government's plans to deregulate the oil sector and develop the gas industry. Finance Minister **Adamu Ciroma**, in Washington last month, told the World Bank and International Monetary Fund that the government would end the domestic fuel subsidy, raising prices to equal those in neighbouring

non-oil producers such as **Benin** and **Niger**. That part of the price of the IMF standby loan (due to be finalised in January) may be sound economics but in the short term, will push up inflation.

Obasanjo is also determined to move ahead with liquefied gas export projects, doubling the penalties on oil companies which flare the gas, a by-product of oil production. Companies will have to come up with new schemes for productive use of associated gas, in the run-up to a total ban on gas-flaring scheduled for 2010. Although oil companies say this could add as much as \$100 mn. to their costs, it is not enough to force them out of Nigeria.

So far so good for the new oil programme. But five months is hardly long enough for a credibility test. Cynics suggest that, once Obasanjo finds himself in a tight political corner, he will buy his way out of trouble by oil patronage. Foreign traders and Nigerian middlemen are focusing on his special oil advisor, **Rilwanu Lukman**, whom they believe more sympathetic to their complaints about the NNPC reforms. A former Oil Minister and Secretary General of the Organisation of Petroleum Exporting Countries, Lukman was at first thought enough of a heavyweight to protect his long-time friends. He has been virtually sidelined but has kept his good relations with London-based traders Vitol, who have won a share of the crude sales contracts, albeit at a much reduced commission. London-based Trafigura, headed by **Claude Dauphin**, says it's focusing its lobbying attentions on Vice-President **Abubakar Atiku**.

France's TotalFina boasts of its close links to Defence Minister **Theophilus Danjuma**, a vastly rich businessman who financed much of Obasanjo's election campaign. Danjuma will profit greatly from his investment in deepwater exploration with Total. South Atlantic Petroleum, one of his companies, holds 60 per cent of oil prospecting licence 246, in which 40 per cent operator Total has located a large structure this year and is preparing to drill in November.

Danjuma acquired the rights to the block under Gen. **Sani Abacha** through Abacha's **Lebanese** business partner, **Gilbert Chagouri**. Danjuma's defenders point out that his investment is quite open and that his oil company is a genuine producer - quite different from some of the front companies awarded exploration licences in the dying days of the Abubakar regime. It is a sign of how much has changed that even a genuine investment by a serving minister is seen now as a political liability.

BOTSWANA

All his own work

After a false start President Festus Mogae has passed his first electoral test

President **Festus Mogae** has gained the clear mandate he sought to govern in his own right. The ruling Botswana Democratic Party won its eighth successive victory at the general elections of 17 October, giving him the mandate he has sought since he took over from Sir **Quett Ketumile Masire** in April 1998. The BDP took 33 of the 40 directly elected seats in the National Assembly, a gain of five on the 1994 elections. With four presidential nominees as well, the BDP will enjoy a majority of 30 - overwhelming in a 44-seat Assembly. Mogae, who was due to be formally re-elected head of state by his party on 20 October, seems set for a five-year term

Diamond deal

As luck would have it, investment incentives and job creation measures by Botswana's new government could be paid for out of extra revenues from the recent recovery in the world diamond market. In February, Finance Minister **Ponatshego Kedikilwe** introduced the 1999-2000 (April-March) budget, he disclosed that the previous fiscal year had ended with the first deficit for 16 years, of 1.5 billion Pula (US\$326 million), nearly 7 per cent of gross domestic product, because of unexpectedly low diamond revenues and lower central bank income from interest on foreign reserves.

This summer, De Beers' Central Selling Organisation (CSO, AC Vol 40 No 20) lifted quota restrictions on its diamond-producing clients, transforming this year's budgetary outlook. There should be a big budget surplus in 1999-2000, enabling the government to spend its capital budget and perhaps to unfreeze civil service pay.

Botswana is the largest single source of rough diamonds sold by the CSO, accounting for about one-third of CSO total sales, which increased by 44 per cent in the first half of 1999 as compared to the same period last year, to \$2.45 bn. Production by Debswana, the government's 50-50 joint venture with De Beers, totalled 21 mn. carats in 1998 (more than double **South African** output) and will increase to some 25 mn. ct. next year, when the Orapa mine near Francistown is due to double its capacity.

Debswana has an exclusive contract with the CSO, under whose quota restriction last year Botswana stockpiled its stones rather than cutting production. The stockpile has now been liquidated, boosting diamond exports to some \$2 bn. this year, compared to \$1.4 bn. in 1998. Jwaneng mine, near Kanye produces some twelve mn. ct. a year and is the most profitable mine in the De Beers stable. Next year it will start the 'Aquarium' project, with a diamond-recovery plant that will eliminate the final hand-sorting of diamonds.

without too many challenges from his rivals in the cabinet.

A strong vote for the divided opposition nevertheless reflected the anxiety arising from a 20 per cent urban unemployment rate and from AIDS (acquired immune deficiency syndrome). The United Nations estimates that around one-fifth of the population of 1.5 million people has HIV infection. Life expectancy was 60 years in 1990 but is now 47. In Gaborone, the opposition Botswana National Front (BNF) won three of the four constituencies; there is a potentially dangerous polarisation between the urban poor who benefit little from the country's diamond wealth, the Batswana elite, and the rural people whose low cash incomes are somewhat appeased by a sense of community and by government handouts.

The BDP got the votes of only just over half the registered electorate though only 460,000 of the 900,000 eligible had bothered to register. An apparent bureaucratic bungle nearly disenfranchised 60,000 of these, since the writ for the elections was issued before the Independent Electoral Commission had completed the electoral roll. Mogae was forced to cancel a trip to **Libya** for the Organisation of African Unity jamboree in early September and to declare a state of emergency, the only constitutional device whereby parliament could be recalled to put the blunder right.

During the campaign, though, Mogae hardly put a foot wrong and solid backing from cabinet and party helped to get out the BDP vote in the countryside. A year ago, Mogae's presidential position was under threat from within the party but his main rivals realised that a leadership challenge was unlikely to succeed and would put off the voters. The Minister of Finance and Development Planning, **Ponatshego Kedikilwe**, made it clear earlier this year that he wouldn't mount a challenge; Local Government Minister **Daniel**

Kwelagobe concentrated on his task as BDP Secretary General, intervening crucially in several party primary elections where squabbles threatened to produce splits.

A report by **South African** consultants (paid for, says the local press, by Anglo American Corporation) had told the party leaders, unsurprisingly, that internal divisions might alienate voters. The primaries attracted more candidates than in the past, perhaps because the wages and fringe benefits of members of parliament have been increased. Local political activity therefore increased, too, and despite Kwelagobe's efforts, two sitting BDP MPs were deselected by local party activists.

Vice-President **Ian Seretse Khama** played no great part in the campaign, despite his influential position as Presidential Affairs Minister and as chief of the dominant Bamangwato tribe. Patriotic sentiment has been strengthened by tension with **Namibia** over the presence in Botswana of about 2,000 Caprivian refugees, some of whom took part in August's armed attack on the Namibian town of Katima Mulilo (AC Vol 40 No 17). This both helped the BDP and reinforced Ian Khama's importance as a former commander of the Botswana Defence Force; he still has a military tendency to make decisions without consulting fully with colleagues, as in his scrapping of the long-established community service programme.

Botswana has grown rich but most of its citizens remain poor and the BDP needs new policies to deal with that. Unemployment is serious and there are signs of industrial and other civil unrest. Civil service manual workers are pressing for wage increases above the rate of inflation: the National Amalgamated Local and Central Government Manual Workers' Union, representing a third of the 80,000 public sector employees, wants a rise of 154 per cent, to lift its lowest paid members out of poverty.

FAP not SAP

In the short term, though, the BDP's economic reform programme may increase unemployment. Like Windhoek, Gaborone needs no help from the International Monetary Fund but nevertheless follows current orthodox policies, including tight monetary and fiscal stances, the privatisation of state assets and civil service restructuring. Inevitably, there are demands for higher spending and more job-creation. Existing policies, including a financial assistance programme (FAP), have failed to generate many additional jobs in manufacturing or tourism, while FAP-assisted businesses (including large textile companies in Francistown) have closed. Mogae has promised to maintain large foreign exchange reserves; Botswana's are the world's highest per head, with a current total of US\$5.6 billion.

Although the opposition's strength in parliament will be halved, the BNF is pleased by the defeat of the Botswana Congress Party whose leader, **Michael Dingake**, walked out last year with eleven of its MPs. Dingake (who did time in Robben Island gaol with **Nelson Mandela**) lost his Gaborone Central seat to the Mineral Resources and Water Affairs Minister, **Margaret Nasha**. Another of the BNF's three seats in the capital went to its veteran leader, **Kenneth Koma**. The BNF ended up with a total of six seats, rather than the two it was left with after Dingake walked out. It picked up votes from unemployed young urban voters but not in the BDP's solid rural areas.

Koma's autocratic ways deterred the rest of the opposition from lining up with him. Personal animosity between him and Dingake ruled out cooperation between the BNF and BCP, and the BNF botched its attempt to form an alliance with four smaller parties

that might have produced an electoral pact, with single candidates in the several seats where the ruling BDP might have been beaten. After helping to establish the Botswana Alliance Movement (BAM) early this year, Koma refused to submerge the BNF's identity into a larger grouping or share an electoral symbol. He insisted he had agreed only that the BNF would contest 35 seats, leaving the partners a clear run in five. In the event, the BNF put up candidates in all seats, ensuring that the opposition would be split, especially since the BCP too decided to fight everywhere.

Although he put forward the only fresh ideas in the campaign, Dingake's position looked shaky from the start. His proposal to decentralise presidential powers and increase democratic accountability, and his attacks on the BDP's 'paternalism' and the BNF's lack of internal democracy went down well with Gaborone's liberal elite, not with the average voter. The BCP's best chance looked to be at Kanye in the south-west, where its candidate, **Kwenantle Gaseitsiwe**, claimed royalist support as the nephew of the King of the Ngwaketse ethnic group. However, the BNF won the seat, though the BCP claimed its only victory in Okavango instead. Many now see Koma and Dingake as the obstacles to a realignment permitting a serious opposition challenge to the BDP.

ANGOLA I

Battle of Bailundo

The loss of UNITA's headquarters means more politically than militarily

After months of struggle, Angolan government forces have finally driven the rebels out of their headquarters in the Central Highland town of Bailundo, threatening a central symbol of the *União Nacional para a Independência Total de Angola* (AC Vol 40 Nos 19 & 20). Most dangerously for UNITA leader **Jonas Savimbi**, the loss of Bailundo could sharpen the power struggle within his Ovimbundu ethnic group.

Although Bailundo has lately been UNITA's titular headquarters, it is not much of a town and has been terribly damaged by years of war. Government forces humiliatingly failed to take it last December and did not announce their recent, more successful offensive. Independent sources confirmed on 20 October that Bailundo is now under government control, as is Andulo, Savimbi's home town in Bié Province. UNITA was insisting that it is still in charge and was dating its main communiques from Bailundo.

In recent calls to close relatives in Europe, Savimbi has admitted that UNITA has never felt so challenged by the government. His forces have been unsettled by the government onslaught and leaders admit that the government's **Brazilian** EMB-312 Tucano jets, flying from Catombela airbase in Benguela Province, have hit hard. In strategic terms, UNITA depends less on Bailundo and Andulo than on the diamond-rich north-eastern provinces, from which it raises its revenues. The generals of the *Forças Armadas Angolanas* (FAA) need a convincing victory after last year's collapse, just as they need to redeem the army's corrupt and incompetent image. Bailundo's real value is symbolic.

UNITA has always presented itself as utterly different from the ruling *Movimento Popular de Libertação de Angola*, as the party of the interior, of 'real Africa', not of the coastal cities. In the 1980s,

UNITA's alternative to the capital, Luanda, was its headquarters at Jamba in south-eastern Angola. The HQ moved to Huambo, until in November 1994 the government took that too and Bailundo became UNITA's new capital, symbolising the rebels' continuing grip on over half the country. Bailundo is the heartland of the Ovimbundu, who form 35 per cent of the population and are Angola's largest ethnic group. The traditional Ovimbundu kingdoms are at Bié, Andulo, Wambu (Huambo) and Bailundo; the minor kings paid homage to the King of Bailundo. An Ovimbundu proverb says: '*Ombalundu vutima*', meaning 'an Ovimbundu will always have Bailundo in his heart'.

In 1902, under their legendary commander, **Mutu-Ya-Kevela**, the Ovimbundu rose against **Portuguese** rule. With thousands of troops from the Highlands, Mutu's offensive almost succeeded against Lisbon's force of urbanised, coastal Africans, plus **Cape Verdeans** and others from elsewhere in the Portuguese empire. UNITA militants insist that the MPLA government is not really Angolan, because several senior figures are mixed-race people with Cape Verdean or Portuguese ancestors, as opposed to '*os Africanos genuínos*', the true Africans who fought the last Bailundo war. Savimbi continually reminds people that his grandfather, **Sakaita**, fought in that conflict. To lose Bailundo would be to lose UNITA's link to history.

Increasingly isolated, increasingly ethnic

As they become increasingly isolated, the rhetoric of UNITA's leaders becomes increasingly ethnic. They say the current war pits the northern Kimbundu against the Ovimbundu. According to **Paulo Lukamba 'Gato'**, **Alcides Sakala**, **Marcial Dachala** and others in Savimbi's circle, the loss of Bailundo would be a victory for the '*Kaluanda*' (the derogatory name for the Luanda elite).

In Luanda and other towns, prominent Ovimbundu reject UNITA's ethnic entreaties. They argue that most government soldiers are Ovimbundu and so are the war's main victims. UNITA's shelling of Kuito, Huambo and other towns in the early 1990s killed tens of thousands of Ovimbundu. Savimbi makes sure that these *Ovimbali*, a term for urbanised Africans, are kept away from the areas he controls. By losing Bailundo, he would enable his Ovimbundu opponents to make their case to the local elite.

Savimbi's grip on UNITA cadres, many of them from Bailundo, is weakening. The town's aristocrats regard him as a commoner from the minor kingdom of Andulo, dismissing the idea that he is their people's natural leader. **Jorge Valentim**, Savimbi's former, erratic, information secretary and now a leader of the government-backed *UNITA-Renovada*, is from Bailundo and tells journalists that his townsfolk reject Savimbi.

Others of the Bailundo elite say it's time for Ovimbundu from the royal line, such as **Abel Chivukuvuku**, who leads the UNITA members of parliament, to assert their traditional rights. Aristocrats critical of Savimbi include the Minister of Agriculture and Rural Development, **Gilberto Lutukuta**, and **Cornelio Calei**, an historian and senior manager in Sonangol, the state oil company. They say Savimbi's hold on Bailundo interferes with the court of King **Utondosi II**.

Control of the pre-eminent Ovimbundu royal court underlines UNITA's ethnic legitimacy. Savimbi is particularly concerned about the well connected **Waposoka** brothers, an Ovimbundu business clan with close links to the Bailundo throne. Their large fortunes give them political power and like much of the Bailundo aristocracy, they believe that what is good for Savimbi is not necessarily good for the Ovimbundu.

ANGOLA II

Bailing in

Under Western pressure, the IMF and the World Bank are going to help Luanda

Western governments, and Washington in particular, have been pressing the International Monetary Fund to be kind to Angola. They have lined up with the Luanda government's argument that negotiations with the *União Nacional para a Independência Total de Angola* are necessary but will work only if UNITA's negotiator is not the untrustworthy **Jonas Savimbi**. Angolan officials now hope to sign up early next year to six months of monitoring by the IMF, after which the Fund would offer loans under its Poverty Reduction and Growth Facility.

Meanwhile, say the donors, United Nations' sanctions against UNITA should be tightened further and the government should try to win over disgruntled Angolans by better management of its growing revenue from the production of almost 800,000 barrels of oil a day. This means convincing President **José Eduardo dos Santos**'s government to untie the web of corruption that keeps most Angolans poor. Without strong backing from the President, any IMF programme will come unstuck. But he is a **Russian-trained** engineer with little enthusiasm for capitalist economics. Angola lasted only a few weeks in an IMF strait-jacket four years ago and shows no willingness to expose its murky accounts to open audit.

Many members of the President's team would like an IMF deal, provided it doesn't disturb their own financial arrangements. The Fund has for long been asking the government to abolish the *Caixa de Crédito Agro-Pecuário e Pescas* (CCAP), officially a state bank serving farmers and fishermen but in practice mainly a source of easy loans for government cronies. Those involved have included the President's National Security Advisor and counter-intelligence boss, **Manuel Helder Vieira Dias 'Kopelipa'**; **Fernando Miala**, also from state security; and General **Higino Carneiro**. In July, the CCAP's accounts were audited by **Teodoro Lima da Paixão Franco Júnior**, a former Vice-Governor of the central bank, the *Banco Nacional de Angola* (BNA), and now an administrator of the state-owned *Banco de Poupança e Crédito* (BPC). The audit revealed a US\$100 million hole in the bank's finances and the full sum may be much higher.

Powerful borrowers have received loans from CCAP (and to a lesser extent from the other state banks, BPC and the *Banco de Comércio e Indústria* (BCI)), but so far have failed to repay them. In other cases inflation has eaten away the value of the kwanzas they borrowed; four years ago, the kwanza was worth nearly 500 times its present value. The respected BNA Governor, **Aguinaldo Jaime**, at last has abolished the dual exchange rates which allowed powerful individuals and organisations, such as the army and state oil company Sonangol, to juggle the books. Jaime faces many opponents but seems to be winning the battle to shut down the CCAP. This could take two years, both for technical reasons and because in some provinces its branches are the only banks.

A new point of access to government cash is a \$150 mn. 'socio-economic' development fund, financed directly from signature bonuses paid this year by BP-Amoco, Elf and Exxon for offshore petroleum licences. The initial plan was to help shield the oil companies from accusations that they were financing the war. A

Ultra-deep dodo

It now seems clear that the almost unknown **Swiss**-based ProDev, which managed to get a foothold in Elf-Aquitaine's highly prospective ultra-deepwater oil block 32, was hoping to use its stake as a short-term speculative play (AC Vol 40 No 10). Oil officials in Luanda say that ProDev, which has links to the arms industry, had misread the oil industry's appetite for the exploration blocks and was trying to hawk its 20 per cent stake in the block for a cash payment that would have been equivalent to the entire signature bonus that it was due to pay. There have been no takers. Elf has still not made the cash calls from its equity partners in the block, and a number of more reputable oil companies have expressed interest in taking up ProDev's stake (including its share in the signature bonus) if the company fails to stump up the \$40 mn. or so required. ProDev is nominally run by a **Syrian** businessman named **Bhazari**, a close associate of President **José Eduardo dos Santos'** daughter **Isabel**, as well as of former prime Minister **José França van-Dúnem**.

senior banker says: 'The original idea was probably genuine - but opportunists have jumped in and adulterated everything.'

Jaime is trying to re-establish 'normal' financial flows by abolishing most banking transaction taxes and ordering diamond companies to conduct their business through the banking system. Payments are supposed to be processed through the BNA but often remain offshore, flow into personal bank accounts or go directly to the presidential palace at Futungo de Belas. The presidency bank, the *Banco Africano de Investimento* (BAI), was set up by Jaime in 1996 with capital of \$32 mn. and now finances short-term commercial operations in Luanda, under **Mário Palhares**, another former central bank man. The BAI has links to Citibank, **South Africa's** Investec and the Republic Bank of New York, which is also one of the BNA's principal correspondent banks.

The only other Angolan private bank is the *Banco Comercial Angolano* (BCA), set up this year and run by the respected **Mário Pizarro**, formerly Luanda representative of **Portugal's** *Banco Espírito Santo e Comercial de Lisboa*, SA (BES). BCA's shareholders and directors include many out-of-favour reformists and failed moderates from the ruling *Movimento Popular de Libertação de Angola*, including former central bank Governor **Sebastião Lavrador**, former MPLA Secretary General **Lopo do Nascimento** and a sacked Prime Minister, **José França van-Dúnem**. These are names which persuade potential investors that the bank's political links are weak. They may be strengthened if and when Portugal's state-owned *Caixa Geral de Depósitos* (CGD) completes its plans to buy a 55 per cent stake.

Scratched record

Angola has an awful repayment record on traditional types of debt. Yet some foreign lenders are attracted by the established system of repaying loans from offshore escrow accounts that receive payments for oil cargoes. This was the procedure followed in mid-1999 for a \$575 mn. four-year facility provided by a syndicate of banks led by *Union des Banques Suisse* (UBS) and for a succession of oil-related loans and loan guarantees from the **United States'** official credit agency, Eximbank; the latest of these was a \$64 mn. financing for Sonangol in Cabinda. A \$135 mn. five-year commercial loan was provided in September by an eight-bank syndicate led by MeesPierson NV, to finance work on Chevron's Kuito field in Cabinda. Old-timers, such as **France's** *Société Générale* and *Banque Nationale de Paris* (BNP) have been eclipsed by the

success of UBS.

Oil-backed loans have been raised from companies with representative offices in Luanda. Citibank has a rolling six-month line of credit with the BNA; a similar credit line from Paribas is believed to be worth around \$100 mn., to be repaid at 20,000 barrels per day (bpd). South Africa's Investec Bank is believed to have a \$50 mn. six-year credit line, while **Japan's** Nissho Iwai trading company recently contracted a \$129 mn. debt, repayable in oil over six years. HSBC (Hong Kong and Shanghai Banking Corporation) Equator Bank has a \$50-\$60 mn. facility repayable in oil, probably at 1,000 bpd.

Equator was also involved in raising money for a \$20 mn. project by the **UK** Airports Group (UKAG) to rehabilitate Luanda airport, with repayment not in future oil revenues but in future overflight fees paid over five years through an account at the International Air Transport Association (IATA) in Geneva. This deal fell through because the British government does not provide export credit guarantees for Angola. This policy keeps UK companies out of Angola's oil sector, a market that Sonangol reckons should be worth over \$4 billion a year well into the next decade. The USA, France and **Italy** do provide export credit insurance. Luanda has raised oil-backed loans from the governments of **Brazil**, Portugal and **Spain**. Repayments stopped for a while this year but those to Brazil and Portugal re-started when oil prices rebounded; Spain has fallen foul of Finance Minister **Joaquim David**. When David was head of Sonangol, the state company had an almost impeccable repayment record on oil-backed loans, but in his new job he has become more autocratic and erratic.

Outside the oil industry, Portuguese private banks, including the *Banco de Fomento Exterior*, *Banco Totta e Açores* and *Banco Português do Atlântico*, fight over smaller sectors, especially civil engineering. The usually conservative *Banco Espírito Santo* has become involved with Escom, a local trading company with mysterious import-export activities.

There has been much criticism of the *Funda Eduardo dos Santos* (FESA), described by a French academic, **Christine Messiant**, in March's '*Politique Africaine*' as part of the 'privatisation of the state'. FESA's freshly painted Miramar headquarters is a building vacated in 1992 by Savimbi himself, as he returned to war after defeat at the elections. The fund's aim is to increase the President's power and influence by persuading investors to pay for good works in his name. Construction firms such as Brazil's Odebrecht and Portugal's Teixeira Duarte have embraced the FESA; oil companies too have become involved, despite the dangers posed by a crudely political venture.

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Pointers

GHANA

Saudi white knight

A three-headed battle for control of Ghana's flagship Ashanti Goldfields Corporation began after its board declared on 28 September that it couldn't meet potential liabilities of US\$450 million on its hedge book. Using financing derivatives, Ashanti had effectively bet that the gold price wouldn't go above \$300 an ounce this year. With the price over \$300/oz. for the last three weeks, Ashanti lost the bet and became technically insolvent. In Ghana it represents about 65 per cent of the Accra stock market's capitalisation, giving the stock exchange some international credibility and bringing in some portfolio investors. Its loss would be a symbolic blow.

Leading the predators is Lonmin, already owner of 32 per cent of Ashanti. Until 13 October, it seemed Lonmin's \$820 mn. bid for Ashanti would be accepted by the government, which owns 20 per cent of Ashanti and a golden share allowing it to turn down corporate takeovers. Four days earlier, Mines Minister **Fred Ohene-Kena** had publicly supported a Lonmin takeover, suggesting the government might sell half its stake to Lonmin. Though Ohene Kena must have cleared that statement with President **Jerry Rawlings**, he was unceremoniously sacked on 13 October and replaced by **Ekwow Spio-Garbrah**, a close political ally of First Lady **Nana Konadu Agyeman Rawlings**: at the same time, the government said it hadn't made a decision on Lonmin's bid - to the surprise of Lonmin Chairman Sir **John Craven**.

A day later, CAL Merchant Bank's Managing Director and former Vice-President of Lehman Brothers **Kofi Bucknor** entered the fray as chief government advisor on the crisis. He was closely followed by an improbable white knight, **Saudi Arabian** investor Prince **Al Waleed bin Talal bin Abdulaziz al Saud** (AC Vol 36 No 16). Al Waleed, whose net worth is estimated at \$15 billion, is offering to shore up Ashanti against a precipitate deal with Lonmin. Though in three months Ashanti's share price has slipped to \$4 from \$10 and it faces a liquidity crisis, the stronger gold price makes it a much more valuable company in the medium term.

Waleed has made millions by buying assets near their floor value. He bought stakes in Citibank and Euro-Disney at their lowest ebb and recouped on the upswing. He also has a growing interest in Africa: apart from a 10 per cent stake in Bucknor's CAL Bank, he has 10 per cent of the West African regional Ecobank and **Nigeria's** United Bank for Africa. A deal with Waleed might also appeal to Rawlings: he would be able to hold back Lonmin and sideline their director and Ashanti Chief Executive, **Sam**

Jonah. Since he turned down Rawlings' offer of the vice-presidential ticket in the 1996 election, Jonah has become a Rawlings hate-figure.

With a Waleed rescue, Accra could demand Jonah's dismissal and demand its own Chief Executive. Bucknor might be the choice, given his financial skills and politically neutral position. But time is short. As Lonmin and Waleed tough it out, **South Africa's** Anglo American is circling overhead. Anglo came within a hair's breadth of taking over Ashanti just before the 1996 polls but Rawlings had patiently explained to its directors that such a deal wouldn't be politically expedient.

CONGO-BRAZZAVILLE

Danse macabre

In their *ekonga* initiation dance, young warriors from northern Congo chant 'Boma!', meaning 'Kill!' The 'Cobra' militiamen who follow General **Denis Sassou-Nguesso** have often used the word in recent weeks, as they try to drive the 'Ninjas' (militias of ex-Premier **Bernard Kolélas**) out of Pool Region (AC Vol 21 No 17). A pastoral letter of 21 September, issued by the Chairman of the country's Catholic bishops, Monsignor **Anatole Milandou**, describes 'unprecedented violence' by Sassou's Cobras and the '*Forces Congolaises de Libération-Ninjas*'. Dozens of people die each day and some 5-600,000 have been driven into the forest without food.

The Pool-based *Collectif d'Intellectuels Congolais* (CICOP), sympathetic to Kolélas, has denounced Sassou's 'Columbus 2' plan, which aims at a 'final solution'. Humanitarian organisations claim Ninjas have used displaced people as human shields. In one appalling incident, 800 Cobras, on a train with **Angolan** and **Chadian** soldiers, are said to have massacred hundreds of civilians as they passed through the stations at Lulombo, Kintambo Marché, Kingoyi and Mindouli. The dead included a Catholic priest, a Protestant minister and a Salvation Army officer.

The **French** government is embarrassed by such horror-stories, since several French security companies have been competing to sell arms and know-how to Sassou's forces. A main contender in Congo's arms market is DLD, a company which sells telecommunications gear to specialised units of the French army and *Gendarmerie*. Its boss, **Eric Joubert**, obtained introductions to Sassou, to the Interior Minister, Colonel **Pierre Oba** and to army Inspector General **Norbert Dabira** at the Franco-African summit last November. Sassou offered him 28 million French francs (US\$4.6 mn.) to set up and equip a 100-strong commando force. Joubert tried to hire operatives from a **British** ex-Colonel, **Tim Spicer** of Sandline International, who has recently spent time in Paris.

The bid was not followed through because **Rodolphe Adada**, Congo's Foreign Affairs

Minister, backed the rival *Groupe 11*, whose boss is **Nicolas Courcelle** (brother of **Bernard Courcelle**, ex-security chief of France's extreme right-wing *Front National*). Adada was introduced to Nicolas Courcelle at a Paris hotel on 16 February by the French government's external security organisation, the *Direction Générale de la Sécurité Extérieure*. Congolese officials were put off when they were told that Sandline provides security for ex-President **Pascal Lissouba**.

A source close to Lissouba assured *Africa Confidential* that Sandline had never had a security contract with Lissouba, though the source conceded there had been detailed discussions in Washington last year about reconnaissance missions between Sandline officials, Lissouba and fellow oppositionist, Kolélas. Any putative Sandline involvement in Congo is further complicated by the oil interests of its 'patron', **Tony Buckingham**. In a joint venture with French-based Maurel & Prom, Buckingham's Heritage Oil has secured production licences in Congo's Kouala, Komba and Lokala fields which are reckoned to have a total production capacity of 80,000 barrels a day.

Finally, French ex-soldier **Marc Garibaldi** and former commando **Bernard Daviet** got the job of recruiting 600 Congolese soldiers to shore-up Sassou's forces. One source suggests the recruitment may be financed through FIBA bank, which is controlled by **Gabonese** President **Omar Bongo** and his Paris-based *conseiller*, **Samuel Dossou-Aworet**.

SENEGAL

Au secours!

Commerce Minister **Khalifa Sall** amazed **British** business audiences in Belfast, Glasgow and London by saying he wanted Senegal to be 'saved' from the influence of Paris. More conventionally, Sall, a cheerleader for President **Abdou Diouf's** campaign for re-election in February (AC Vol 40 No 16), signed off on 15 October: 'You'll be hearing all about Senegal after February 2000!'

Dakar has been hoping to diversify its foreign trade since 1994, when the CFA franc was devalued by 50 per cent; **United States' President Bill Clinton** visited in 1998 and Britain is happy to play its part. **Vincent Fean**, head of African and South Asian affairs at Whitehall's export-promotion agency, the Department of Trade and Industry, says more trade would reflect a 'warm' political relationship. Senegal's Ambassador to London, **Gabriel Sar**, is an energetic Anglophile; Britain's Ambassador to Dakar, **David Snoxall**, speaks Wolof.

Britain now invests little in and exports little to Senegal. In 1998, UK exports to the entire Franc Zone totalled only US\$259 million and much of that was oil-related hardware for Central Africa. Imports totalled \$157 mn.; trade with Senegal was just \$36 mn.

AFRICA CONFIDENTIAL

ERITREA-ETHIOPIA 2

Battling for Badme

Badme, taken by Eritrea in May 1998, has been the focus of many deadly battles. In February, Ethiopia counter-attacked with artillery and human-wave assaults. Over 30,000 died in battles there this year before the OAU announced a ceasefire in July.

CONGO-KINSHASA 3

Precious little peace

The Lusaka peace deal has only just survived. The foreign armies aren't ready to leave and the main rebel movement is splintering. Perhaps most promising are the discreet contacts between Zimbabwe's President Mugabe (leader of the pro-Kabila forces) and Uganda's President Museveni (backer of the main rebel factions).

ZIMBABWE/CONGO 5

Rhodies to the rescue

As the bill rises for Zimbabwe's war in the Congo, oppositionists are asking pointed questions about the role of a group of white Zimbabweans who are at the centre of several military equipment and mineral deals in the Congo.

GABON 6

Digging deeper holes

A \$350 million hole in Gabon's public finances is at the heart of its growing financial crisis. Its foreign debt arrears alone are reckoned at over \$250 mn.

POINTERS 8

Morocco/W. Sahara Morocco, & Mali

Desert king, Bziz buzzes again and Konaré counters.

ERITREA/ETHIOPIA

Ceasefire under threat

The OAU peace deal between Asmara and Addis Ababa is hanging by a thread as both sides rearm and turn up the war rhetoric

Ethiopia and Eritrea are set to start fighting again (AC Vol 40 Nos 4 & 9). Neither trusts the other and each accuses the other of preparing for war - accurately, since troop numbers have been increased again along the border and arms are flowing in. Ethiopia has bought more Mi-35 attack helicopters, Eritrea has bought air defence units. Both sides have replaced lost tanks by purchases from **China, Russia, Ukraine** and other East European countries.

Both sides carry on their over-the-top propaganda: 'gargantuan tantrum'; 'blasphemous, reeking of petulance'; 'an unmitigated disgrace'; 'psychopathic'; 'collaborator of the CIA'. At the United Nations General Assembly in early October, Ethiopian Foreign Minister **Seyoum Mesfin** repeated that Eritrea, 'ruled by the whim of one man', was 'a major source of instability in our sub-region', exploiting **Somalia's** chaos to 'advance its irresponsible policy of destabilising countries in the Horn of Africa'. He castigated the UN for failing to defend international law. His Eritrean counterpart, **Haile Woldetensae** (likely to be replaced in a reshuffle) denounced 'Ethiopia's avowedly ethnic-based policy of territorial aggrandisement and its systematic annexation of large areas of Eritrean territory'. He spoke of Ethiopia's 'shrill war hysteria' and of Eritrea's 'sovereignty and dignity'.

Both sides claim to have accepted the Organisation of African Unity Framework, plus the Modalities produced at this year's Algiers OAU conference. Ethiopia dislikes the technical arrangements, querying the timetable, the details for restoring Ethiopian administration in disputed areas, compensation for property (including 30,000 tonnes of food aid) and details of the proposed demarcation and monitoring missions. Eritrea, too, complains about compensation, particularly for its deportees. OAU special envoy **Ahmed Ouyahia**, on his fourth visit to both countries at the end of October, made no progress. Ethiopian Premier **Meles Zenawi** insisted on the need for a return to the *status quo ante* and the withdrawal of Eritrean troops from all disputed areas; Eritrea refused to move before a ceasefire.

More war, less economy

Badme, whose seizure by Eritrea in May 1998 started the conflict, remains at the centre of the fighting. Despite heavy losses in the last big battle, in June (see Box), President **Issayas Aferworki** has invested a lot of political capital in the fight for Badme, which Ethiopia recaptured in February. In Eritrea, criticism of the war is growing, though the ruling People's Front for Democracy and Justice (PFDJ) ensures that it's hardly heard; Eritrea's 12 private newspapers exercise stringent self-censorship. But the war is seen as less successful, and bloodier, than the government pretends; as during the Independence struggle, the PFDJ (formerly the Eritrean People's Liberation Front) refuses to announce casualties.

More conscripts are evading service, with the original bracket of 18-40-year-olds widened to include 15-55 or even 60-year-olds. The latest recruits at the Sawa training camp were deployed after a training programme already cut from six months to three and now, it is reported, to one month. A fresh call-up is under way and a new training camp has been opened near Assab. The Alliance of Eritrean National Forces, set up in **Sudan** earlier this year, is now numerous enough to tie down several brigades in western Eritrea.

Eritrea spent about a third of its gross domestic product on defence last year; very few countries spend more. Economic growth fell to four per cent in 1998 and is likely to be less than half that this year. Massawa port operates at no more than a third of capacity. Over 300,000 people have been internally displaced by the conflict and more than 65,000 deportees from Ethiopia must be integrated. Some 75,000 more may be regarded by Ethiopia as Eritrean citizens and could also face expulsion.

The Ethiopian government has similar problems. In September, the Central Committee of the Tigray People's Liberation Front (TPLF), which still controls the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF), put the war at the top of its agenda; Ethiopia's

Battling for Badme

Badme, taken by Eritrea in May 1998, has this year been the focus of several deadly battles. In February, Ethiopia attacked with artillery, then aircraft and tanks, then human-wave assaults. After four days and heavy losses, Ethiopia broke the Eritrean defences in two places. Eritrea, too, took heavy casualties, and withdrew.

Eritrea had seven divisions at Badme against Ethiopia's five; over-confident, it had built only a single line of trenches, which were broken by guns and tanks. At Tserona in March, Eritrean troops had dug three lines; an Ethiopian armoured brigade broke through the first two in six hours but lost more tanks than expected and withdrew when threatened by Eritrean reinforcements.

A week later, Eritrea made the first of three attempts to retake Badme and the strip Ethiopia holds to the west, between the Merab and Setit rivers, parallel to the former frontier but 20-30 kilometres on the Eritrean side of it. The last and largest attack lasted six days in late June; Eritrea made some ground but failed again. The first assault by Eritrea's 271 Corps, commanded by General **Teklai Habteselassie**, came at 10.00 am on 18 June and surprised the Ethiopian forces.

Conventionally, Eritrea began with a rocket and artillery barrage,

followed by infantry. The 271 Corps (one mechanised and three infantry divisions) was supported by the similar-sized 381 Corps (Gen. **Umar Hassan Teweel**) and 161 Corps of three infantry divisions (Gen. **Felipos Woldeyohannes**, demoted after February's failure but reinstated), plus elements from 2001 Corps (Gen. **Gabregziabher Gebremariam 'Wacho'**), 491 Corps (Gen. **Haile Samuel 'China'**) and 525 Commando Division: a total of one commando, eleven infantry and two mechanised divisions. Ethiopian forces, commanded by Gen. **Samora Yunus**, included the 21st, 22nd and 23rd divisions and were quickly reinforced, reaching a total of seven.

Ethiopian divisions comprise one mechanised and three infantry brigades - about 10,000 troops at full strength. Eritrean divisions have 7-8,000 troops in three infantry brigades; their mechanised divisions have one tank brigade and three artillery brigades.

In June, Eritrean losses were very heavy: against fixed and heavily defended positions, the first and second divisions of 291 and 381 Corps were devastated, as was 525 Commando, used several times as a strike force. Both sides had lost 70,000 men before the June fighting; they have since lost at least 30,000 more, of which most were Eritrean.

Ambassador in Washington, **Berhane Gebre Christos**, was present to discuss the recent coolness in relations with the **United States** (see Box). It was agreed that Eritrea could not be trusted: it accepted the OAU Framework only after being defeated at Badme in February and the Technical Agreements after taking another beating in June.

The Ethiopian generals thought they could win another victory, which would further weaken Issayas's regime, but it was decided to delay military operations, to make time for modifying the Technical Agreements and identifying areas from which Eritrea should withdraw. Since then, in what Addis Ababa sees as a provocation, Asmara has claimed sovereignty over Zalembessa and made probing attacks there and on the Jerbert river on the Badme front, on 24 October.

The TPLF reluctantly agreed that Ethiopia would stop military operations in Somalia, provided Eritrea stops backing the Oromo Liberation Front (OLF) and other opposition groups in southern Ethiopia. In Addis Ababa in the last week of October, Ethiopian officials held 'difficult' talks with Somali warlord **Hussein Mohamed Farah 'Aydeed'**; Eritrea is said to be sending more weapons to his allies in Kismayo, while Ethiopia is still arming his enemies, including Gen. **Mohamed Said Hirsi Morgan** (for whom an aircraft-load of weapons arrived in Baidoa in mid-October). Hussein Aydeed is said to have got money for weapons on his latest visit to **Libya** and has already bought some Toyota Landcruisers in Dubai, **United Arab Emirates**, along with food, medicine and ammunition.

Ethiopia still blames Eritrea for underwriting Aydeed, the OLF and other small Oromo and Somali opposition parties. Eritrean radio on 26 October publicised a coordination meeting of six Ethiopian resistance movements: the OLF, Ogaden National Liberation Front, Oromo Liberation United Front, Sidama Liberation Front (formerly 'Movement', with new leaders), Oromo People's Unity Front and Western Somali Liberation Front. In late October, **Yemen** agreed to stop the use of its territory as a channel for arms and recruitment for Aydeed's allies among Ethiopian opposition movements.

The TPLF Central Committee also considered the elections due next May for regional/state and national governments, amid growing

concern about corruption and the cost of the war. Last year, military expenditure was around seven per cent of GDP and rising sharply. The bill is partly met by 'restructuring of priorities'; a fifth of the 1998 Ethiopian Roads Authority budget was unused, capital and current expenditure budgets have been trimmed, taxes have been raised and treasury bonds issued. While Eritrea's war-chest was last year swelled by 'voluntary' donations from Eritreans abroad of more than US\$300 million, Ethiopia has been spending its privatisation receipts, \$360 mn. by this May. Another 41 companies (including three breweries) are to be sold off in the next phase and a further 80 by 2002, with foreign bidders tempted by concessions on company debts and payment details.

War shortages

Export earnings fell by almost 15 per cent in 1998-99, to \$442.5 mn.; world coffee prices were low, while war-induced shortages of labour and equipment cut the exportable volumes of pulses, hides and cereals. Since drought reduced the yield for the main 1998 harvest and almost completely spoiled the 1999 secondary harvest, more than seven mn. Ethiopians (up by two mn. since July) suffer from food shortages. This year's main rains have been better in the Highlands but with over 330,000 internally displaced people, workers and resources have been diverted by the war from farming and food distribution. Donors are cutting aid because of the war and a World Bank Vice-President, **Callisto Madavo**, recently warned both Ethiopia and Eritrea that they could expect no new lending until the fighting stopped.

Even the government admits to problems with corruption and inefficiency in the public sector. Accusations have been levelled at the Electric Power Corporation, Telecommunications Corporation, Agency for the Administration of Rented Houses, customs service and the administrators of land leases in Addis Ababa. Regional government scandals have reached the headlines, especially in Eastern Shoa and in Harar. It has been alleged that money raised for agricultural development is missing from the national accounts and revenue receipts, and that the money has been diverted to pay for the war.

The EPRDF runs a business empire, organised through regional development funds. Since political parties aren't allowed to own for-profit companies, these conglomerates belong to individual party members. The original company was the Endowment Fund for the Rehabilitation of Tigray (Effort), with its main divisions headed by leading TPLF members and Former Defence Minister **Siye Abraha** as Chairperson; his brother **Assefa Abraha** is head of privatisation, reporting directly to the Prime Minister's office. A similar organisation, Endeavour, has been set up by the Amharic National Development Movement (ANDM), another EPRDF party, but none such organisation exists for the other two EPRDF parties, the Oromo People's Democratic Organisation (OPDO) and the Southern Ethiopian People's Democratic Front (SEPDF), though companies called Dinsho and Wendo operate in their regions.

The regional funds and companies operate nationwide, with access to government (and international aid) funds and contracts, tax-free imports and advantages in land leasing. They reinforce the EPRDF's political dominance ahead of the May 2000 federal (national) and regional state elections. The Front, gaining patriotic support from the war, plays down its former ethnic-federal ideology; it is bound to win the elections.

The National Electoral Board has registered 23 parties belonging or allied to the EPRDF and 11 opposition parties, most of them in disarray. **Bejene Petros**, who leads the Coalition of Alternate Forces for Peace and Democracy in Ethiopia, has spent the past year abroad; in August and September some CAFPDE activists

were arrested in Burji, Awassa, Arbaminch and other southern towns. The previously suppressed All Amhara People's Organisation (AAPO) has failed to open the 14 offices authorised by the Electoral Board; its Chairperson, Professor **Asrat Woldeyes**, was released from gaol on medical grounds but died in the USA in May; there are rows about replacing the acting head, **Kegnazmatch Neqatibeb Bekele**. There is little space for opposition while the war drags on.

CONGO-KINSHASA

Precious little peace

Divided rebels, stay-put foreign troops and carpet-bagging threaten the ceasefire

There is not much sign of peace. The Lusaka peace deal, signed in July and August, has survived, just. Implementation is moving painfully slowly, with only a handful of United Nations' observers in place (AC Vol 40 Nos 14 & 18). The rebels are increasingly divided and the foreign armies seem determined to stay put. Perhaps the most promising signs are the discreet contacts between **Zimbabwean** President **Robert Mugabe** (the leading backer of the forces supporting Congo-Kinshasa President **Laurent-Désiré Kabila**) and **Uganda's** President **Yoweri Museveni** (the leading backer of the rebel forces). These contacts appear to be designed to forestall a major new outbreak of fighting around the diamond capital of Mbuji-Mayi. Few details have emerged about the possible negotiating points in these discussions, although some suggest they may involve Ugandan access to Congolese natural resources.

This dialogue hasn't moderated the Kabila camp's rhetoric yet on 2 November Congo's state television reported that Kabila would lead a liberation mission against **Rwanda's** occupation of Eastern Congo and threatened to take Congolese forces to Kigali. In the last week of October, Kabila's forces captured Libanda town from **Pierre Bemba's** *Mouvement pour la Libération du Congo* (MLC) and, early in the following week, started a wider bombing campaign against territory held by Bemba.

The biggest changes, though, have been in the rebel-held eastern territory, where the largest rebel faction is divided against itself. Barely five months after it chose **Emile Ilunga** as its president, the *Rassemblement Congolais pour la Démocratie*, based in Goma and backed by Rwanda, is in extreme crisis. At the end of October, after a meeting of the RCD's general assembly, Ilunga's 'government' was trimmed from 24 to 16 members and the president himself was instructed to run things in a more 'collegial' way with his two vice-presidents, **Moïse Nyarugabo** (a Tutsi, head of civilian affairs) and Commandant **Jean-Pierre Ondekane** (defence).

The movement's assembly, meeting while Ilunga was visiting Washington with his 'minister' of foreign affairs, forbade the president to sign commercial contracts, saying that the only valid ones were those signed by the relevant minister. The assembly's finance committee had censured Ilunga and his minister for security and information, **Bizima Karaha** (Munyamulenge); it said Ilunga had accepted US\$300,000 for exempting a Rwandan company, Petrocom, from taxes worth \$1.3 million, under a contract unapproved by the assembly or the ruling council. Karaha was said to have been unable to explain why he had postponed delivery to the treasury of half a million dollars contributed to the RCD-Goma by **Libya's** Colonel **Moammar el Gadaffi**.

Getting DC's drift

Ethiopia is angry at what it sees as the international failure to condemn Eritrean aggression. When receiving the new **United States'** Ambassador to Ethiopia, **Tibor Nagy**, in early October, Ethiopian President **Negasso Gidada** pointedly noted that 'aggression should and must not be rewarded'. Nagy, an administrative officer in Addis Ababa in the mid-1980s but recently stationed in West Africa, claimed at his confirmation hearings in August that Ethiopia was one of the USA's most important partners in Africa. The Addis Ababa government would like some positive indication of that. Ethiopia believes that the USA has not condemned Eritrean aggression partly because it wants to keep Eritrea out of the Arab camp, presumably at the behest of **Israel**, which worries about the prospect of an 'Arab Red Sea'.

Neither Ethiopia nor Eritrea has been impressed by the level of US involvement. Last year, President **Issayas Aferworki** was dismissive of the peacemaking efforts of **Susan Rice** (Assistant Secretary of State for African Affairs) and **Gayle Smith** (presidential adviser on Africa). In the past few months, Ethiopia has been equally concerned by what it sees as their failure to understand the issues or its concerns. Viewed from Addis Ababa, US policy seems to be drifting.

We hear the outgoing US Ambassador to Ethiopia, **David Shinn**, was deeply frustrated by the State Department's failure to listen to his advice in recent months and by the way the US diplomatic teams, including those headed by former National Security Advisor **Anthony Lake** which have shuttled between Addis Ababa and Asmara over the last year, isolated him from the discussions. It seems there was no consultation with the Ethiopian government before a recent US offer to provide logistic support for the planned Organisation of African Unity observer group of troops from seven African states, apparently to be based in Decamare in Eritrea and in Adigrat and Makelle in Ethiopia, with helicopters and communications equipment.

Ilunga's friends say that part of the \$300,000 was handed over to Tutsi Commander **James Kabarehe**, to finance the mid-August conquest by the RCD and its Rwandan allies of Kisangani, which was at the time held by the rival Ugandan-backed RCD faction under Professor **Ernest Wamba dia Wamba**. The rest had been used to pay public servants. Karaha finally paid most of the half-million into the treasury, on orders from Rwandan Vice-President **Paul Kagame**.

One of the rebel movement's new ministers says that Ilunga's time as president would have been up, save that sacking him so soon after his appointment would damage the RCD's image. From now on, said the minister, Ilunga is 'under observation'. His new ministerial team has some tough work ahead. The people of Goma are fed up. Hotel-keepers reckon the RCD owes them \$2 mn. Traders complain they have lost their market in Kinshasa, which used to buy the considerable agricultural surplus of Kivu. A 100-kilogramme sack of beans which used to fetch \$50 pre-war now sells for \$17. The only benefit of RCD rule is that the Congolese franc has lost its value in Goma only half as fast as in Kinshasa, since the Goma regime does not print new notes.

The biggest grievance is the presence of Rwandan troops, who are accused of looting. Gold is smuggled out in an aircraft which shuttles between Kigali and Pinda, 80 kilometres west of Goma. Light planes come and go between Kigali and Walikale, with similar cargoes and diamonds, too. The same aircraft, privately owned, are chartered by the Rwandan army to carry troops and supplies. When asked about this by the **Belgian** daily *La Libre Belgique*, Kagame replied that Europeans, Asians and **Americans** are in the smuggling business, as well as his own countrymen. 'It isn't our affair, it's up to the Congolese'. Kagame added that soldiers involved in smuggling were punished.

Local officials in Goma have had only one month's pay since the rebellion started in August 1998. Ilunga blames that on the economic war instigated by the rival, Ugandan-backed, RCD-Wamba, based in Bunia, 800 km. north of Goma. When the RCD-Wamba cut the customs duty at the border from \$20,000 per container to \$3,000, haulage firms bypassed Goma until, at the beginning of October, Ilunga's RCD set up a customs and immigration post at Rutshuru, 60 km. north of Goma. The effect is to formalise the division of RCD territory into Rwandan and Ugandan zones, to the fury of local residents.

One month's pay in eighteen

The RCD's soldiers are angry, too. The movement's officials claim that 70 per cent of its income goes to the war effort but the minister for military supplies, **Michel Tshibwabwa** (who lost his job in the October reshuffle), claimed he had received nothing from Goma with which to feed his soldiers, who must make do with what local people 'give' them. In mid-October, a group of soldiers tried to persuade Ondekane to back a coup against Ilunga and Tshibwabwa called for the president's resignation. Some expect Tshibwabwa to organise a guerrilla movement of his own, in alliance with Rwanda, at Lusambo in Kasai.

There is just as much confusion at Bunia, where Wamba dia Wamba leads the rival RCD faction. Since June, there has been fighting in the Djugu area between members of the Hema and Lendu peoples, whose relationship tends to resemble that of the Tutsi and Hutu in Rwanda, **Burundi** and Kivu. Relief workers say 300 people died between 16 and 18 October and the Bahema are said to be supported by Ugandan soldiers and the RCD-Wamba's forces. Some have even accused Kabila's forces (specifically,

Zimbabwean special forces) of behind-the-lines operations to create even more problems in rebel-held territory.

Elsewhere, intra-rebel disputes hardly need outside encouragement. Relations between troops of the RCD-Wamba and RCD-Ilunga are as tense as those between the Ugandan and Rwandan contingents. People in Bunia dread an attack by the RCD-Ilunga from Goma. In late September, thousands of traditional MaiMai and Wangilima warriors with their priestesses moved, with help from Ugandan soldiers, into a training centre at Bafwasende. The RCD-Wamba could employ them in an offensive against Rwandan forces and the RCD-Ilunga at Kisangani.

One stays, all stay

None of the foreign armies seems prepared to pull out. In his interview with *La Libre Belgique*, Kagame said: 'We must stay for various reasons which are our own business'. He added that Rwanda's security was at stake, claiming that there were *Interahamwé* and soldiers of Rwanda's former government at Mbuji-Mayi and Lubumbashi. Rwanda plans to set up export processing zones along its frontier with Congo and to establish a twin-town relationship between Bukavu and Rwanda. The RCD's enemies call this 'colonisation'.

Somewhat similarly, in late October the **Angolan** army said it intended to send troops into Congo to impose security along the frontier, in an area which rebels of the *União Nacional para a Independência Total de Angola* claimed, until recently, to control. On 23 September, too, the Zimbabwean Defence Ministry announced a joint venture for dealing in Congolese gold and diamonds between Comiex, a company belonging to Laurent Kabila and some of his ministers, and Osleg, one of whose main shareholders is General **Vitalis Zvinvashe**, the Zimbabwean Chief of Staff. This suggests that Zimbabwe has longer-term ambitions in Congo.

Namibia is also expressing an interest. Home Affairs Minister **Jerry Ekandjo** told the National Assembly in mid-October, 'The government would accept an invitation to explore any mineral enterprise, if invited by the Congolese people'. The Windhoek government has postponed the adoption of next year's budget until after the presidential election on 30 November-1 December for fear of opposition criticism of its involvement in Congo. Half of the budgeted increase of \$363 mn. Namibian dollars (US\$59 mn.) is for military expenditure rather than health and education.

Within Congo the unarmed opposition, its freedom of action strictly limited, refuses to take part in a national dialogue. The Kabilists have begun a dialogue with themselves, involving on one side Kabila's own *comités du pouvoir populaire* (people's power committees) and on the other, some token Lumumbists picked by the President. Some prefer to call it a monologue.

Kabila's government has brought an action before the International Court of Justice in the Hague, claiming war damages for actions by the armies of Uganda, Rwanda and Burundi. Hearings began on 19 October, yet on 29 October, Kabila sent his Justice Minister, **Mwenze Kongolo**, to Kampala to propose an out-of-court settlement; Kongolo said that Rwanda believed only in the force of arms and would not consider such an offer.

Recent military operations and scares include an accusation on 7 September by a Zimbabwean major general, **Amoth Chingombe**, that Congolese rebels and their Rwandan allies had assembled troops around Mbuji-Mayi. On 5 October, the headquarters of Kabila's *Forces Armées Congolaises* (FAC) said Rwandan troops had mounted an attack nearby, at Kileta on the outskirts of Kabinda,

three days earlier.

A week after that, FAC HQ accused Uganda's 'aggressive forces', plus rebels of the MLC, of building up troops and military supplies at Bomongo in Equateur Province. The FAC also claimed that Rwandan forces had attacked Kapondo, near Pweto in Katanga.

Nothing has been done to move a United Nations mission into Congo. On 9 October, the Kinshasa government said it would allow UN technical evaluation teams to operate in rebel-controlled areas but not in those under government control. In Brussels and Paris, the message is that Zimbabwe and Namibia may keep Kabila in power for longer than was expected, leaving a power vacuum from which the United States is absent. French Cooperation Minister **Charles Josselin**, making the first ministerial visit to Kinshasa since Kabila took power in May 1997, announced that 'coopération' would begin again, starting with some health and education projects. In mid-October, before Josselin's trip, the Secretary General of Belgium's Ministry of Foreign Affairs, **Jan de Bock**, visited Kinshasa to reopen a dialogue with Congo and suggested areas in which Belgian aid might be useful as well.

ZIMBABWE/CONGO-K

Rhodies to the rescue

Some of Ian Smith's old friends are helping to finance Mugabe's Congo war effort

Zimbabwe's war in the Congo gets costlier by the day. As the bill rises, the failure of President **Robert Mugabe's** government to budget accurately for its intervention has caused a new rift with the World Bank and International Monetary Fund. Domestic opposition is growing, too, as **Morgan Tsvangirai's** opposition Movement for Democratic Change (AC Vol 40 No 18) asks awkward questions about the Zimbabwe Defence Force's contracts and the 'growing militarisation of the economy'.

Two white businessmen, **Billy Rautenbach** and **John Arnold Bredenkamp**, have played a central role in procuring and transporting military supplies for Zimbabwean and Congolese troops. They were also meant to set up financing schemes through which Zimbabwe could invest in Congo's mining sector, using the profits to defray the cost of military support for President **Laurent-Désiré Kabila's** government. They are linked into a white business network that includes figures such as **Ricky Passaportis**. Even in Zimbabwe's cabinet, the Bredenkamp-Rautenbach partnership and its close links to Justice Minister **Emmerson Mnangagwa** are drawing fire.

Rautenbach's problems are now financial as well as political. In June, his **Botswana**-based Hyundai Motor Distributorship Company (HMD) had to negotiate a standstill agreement with its **South African** creditor banks. Rautenbach had more than 27 million Rand (US\$4.5 mn.) of unsecured loans from Wesbank and Bankfin in South Africa, and Marubeni Auto in Europe. The bank creditors told him to pay a total of \$16 mn. into HMD by the end of October to avoid insolvency. They say he has complied but appears to have sourced most of the money from operations in Congo, where his Ridgepointe company took over Gécamines' valuable *Groupe Central*; he became Chief Executive of Gécamines a year ago. After an investigation by South Africa's internal revenue department, Rautenbach has recently reached a settlement of corporate and personal tax liabilities.

His **British**-based partner, Bredenkamp, has been vulnerable to political criticism for his acknowledged support for the **Ian Smith** regime and its secret 'Zephyr' programme, which broke United Nations sanctions against the minority Rhodesian regime. At the height of Zimbabwe's liberation war, **Dutch** journalists photographed in a **Belgian** hangar a fleet of **Italian** Marquetti fighter planes procured by Bredenkamp for the Smith regime. Bredenkamp's political rehabilitation in independent Zimbabwe is generally attributed to Mnangagwa, whom he now tells friends he is 'positioning' to succeed Mugabe.

This year, Bredenkamp offered US\$50 mn. to Zimbabwe's state-owned fuel distribution company Noczim (central to the government's 'parallel financing' of the Congo war) after its **Kuwaiti** suppliers had refused to extend further credit. Bredenkamp, who sold his tobacco and arms trading company Casalee for \$150 mn. in 1993, now divides his time between running his Masters sports management company in Britain and his Lake Kariba villa in Zimbabwe. Although the Bredenkamp-Rautenbach partnership has delivered materiel to Congolese and Zimbabwean forces, it hasn't produced the needed income for the Zimbabwean government. Bredenkamp claims he is the leading arms supplier to Congo and Zimbabwe but other business people point to new arms-brokers entering the market.

Mugabe insists that Zimbabwe's military support for the Kabila regime in Congo-K is self-financing. Oppositionists argue that the only beneficiaries are a few senior politicians and military officers, business partners of a group of 'Rhodies' (white Zimbabweans formerly loyal to Smith's regime). Meanwhile, Harare's share of the war costs is mounting. Economic growth is projected to fall to 1.2 per cent this year from last year's 1.5 per cent and inflation is at almost 60 per cent for the year. **Denmark**, Italy and the Netherlands are cutting aid to Zimbabwe because of 'governance issues'.

Fog envelops the government's war spending. Finance Minister **Herbert Murerwa** estimates that defence spending will grow by 62 per cent next year to Z\$9 billion. (US\$235 mn.) Accordingly, the IMF is reviewing the 14-month US\$193 mn. stand-by facility approved in August. Since negotiations on the facility started late last year, the economic and political situation has deteriorated sharply; privately, Fund officials acknowledge that the government's estimates of \$3 mn. a month for its Congo intervention never looked credible.

No political strings

Mugabe clearly wants to keep troops in Congo for the longer term and the IMF seems unlikely to obtain water-tight assurances that stand-by credits would not be used to free funds for this. Previously worried about appearing discriminatory (the IMF and World Bank have approved several credits for **Rwanda** and **Uganda**, which sponsor Congo's rebels), Washington economists now argue that the case against more lending to Zimbabwe can be made solely on grounds of economic management, with no political considerations.

Zimbabwe's war finance effort is also threatened by recent ructions between the Rautenbach-Bredenkamp partnership and Congolese ministers. In particular, the ministers criticise Rautenbach's management of state-owned Gécamines for not generating enough revenue for the government. Gécamines has been technically bankrupt since before Rautenbach took over. Some suspect Belgian interests, the biggest losers in Rautenbach's takeover of Gécamines, of being behind the more xenophobic

denunciations of Zimbabwean businessmen in Congo.

Gécamines workers have protested against Rautenbach's announcement of mass redundancies and his broken promises over back-pay. One recent demonstration delivered a coffin with his name on to Gécamines' Kinshasa headquarters. We hear that senior Congolese ministers had persuaded Kabila to break commercial ties with Bredenkamp-Rautenbach, until Mnangagwa brokered a compromise allowing Rautenbach to retain management control of Gécamines.

One of Rautenbach's closest contacts in the Kabila government was the urbane **Pierre-Victor Mpooyo**, Minister of State in the presidency and its leading financial strategist. Last year, the two negotiated an agreement under which Gécamines' core mineral assets are assigned to Rautenbach's Ridgepointe, in which Congolese officials have an equity stake. *Africa Confidential* has obtained a copy of the contract signed on 4 September 1998 which differs significantly from copies posted on the Internet.

Dividing the spoils

A secret annex to the contract stipulates that profits from the sale of Gécamines' copper and cobalt are divided 62.5 per cent to the Congo government and 37.5 per cent to Ridgepointe. From the government's share, 20-30 per cent of profits are meant to go to the Zimbabwe government in part payment for its military support. Business people party to these transactions say that some highly placed Congolese and Zimbabweans have received *ex gratia* payments from both Ridgepointe and Congo. The contract waives Gécamines' rights to a share in the profits, partly because Gécamines' ownership of the most valuable concessions has been transferred, according to the contract, to a new company called the Central Mining Group Corporation, registered in Congo under Rautenbach's name.

Rautenbach and Mpooyo had planned to extend this mechanism to the diamond sector. Earlier this year, they were working on an arrangement whereby a Rautenbach company would get control of the majority state-owned *Minière de Bakwanga* (Miba). They had persuaded Kabila to approve the restructuring as a source of financial incentives for the **Angolan** and Zimbabwean governments to defend Mbuji-Mayi, Congo's diamond capital and the site of Miba's headquarters. Miba is 80 per cent owned by the Congo government and 20 per cent by Belgium's Sibeka, in which De Beers has a minority stake.

Since the Miba negotiations, Rautenbach's relationship with Kabila's government has deteriorated rapidly; the government is increasingly dissatisfied with its returns from Ridgepointe's cobalt and copper sales. It now seems that it is mainly Mnangagwa's sponsorship that keeps Rautenbach operating in Congo. Kabila sent Mpooyo to Paris in early November for talks with **French** and **Japanese** companies keen to replace all or part of Rautenbach's operations.

Rautenbach's problems in Kinshasa started in June after he fell out with the UK-based Metal Resources Group. Specialising in cobalt trading, MRG had been trying to get a monopoly of African supplies by negotiating exclusive purchase deals with the continent's two bulk cobalt suppliers, Congo's Gécamines and **Zambia Consolidated Copper Mines**, which together are reckoned to produce about 40 per cent of world supply. MRG boss **Rami Weisfisch** predicted a major price hike, given that estimated world cobalt demand was around 34,000 tonnes this year but world supply was no higher than 30,000 t.

Weisfisch and Rautenbach set up a working arrangement under

which Gécamines would send cobalt to MRG which would market it, repatriate the money to Ridgepointe and pass on a share to Kabila's government. Yet the two sides disagreed about business tactics at a stormy meeting at Rautenbach's London lawyers, S.J. Berwin, in June. Later that month, Kabila complained to MRG that the government hadn't received its expected share of the cobalt revenue from Rautenbach. In turn, Rautenbach accused MRG of bad faith and of trying to exclude him from future transactions.

For now, Rautenbach has won the battle, though MRG says it is negotiating with Kabila. Currently, Rautenbach is selling all of Gécamines' (now effectively Ridgepointe's) copper production to **Marc Rich Investments Limited**. In 1981, Rich was the subject of a **United States** indictment for running the 'largest tax evasion scheme ever prosecuted' and was a leading oil supplier to South Africa's apartheid regime. Since then, Rich has run his businesses out of Zug, **Switzerland**. Rautenbach is selling all of Gécamines' cobalt production to Glencore, a commodity company founded by Rich but now commercially independent of him.

How long these contracts continue depends mainly on how much revenue they produce for Kabila's government. Kabila may be reluctant to unravel the complex financial arrangements negotiated with Ridgepointe if a new partnership with a Japanese or French company provides only marginally more revenue. However, Rautenbach's own position in Zimbabwe and South Africa is important. His bankers have found it extremely difficult to assess his real financial standing. He is the ultimate owner of some 150 companies in 11 different African countries, the British Virgin Islands (BVI) and the USA. Over 40 of his companies have been incorporated as International Business Companies in the BVI to ensure secrecy of ownership. He has also vested the ownership of all his companies, including the BVI-registered ones, in two discretionary trusts, the Sinai and El Hara trusts, registered in Jersey.

Such secrecy may confuse some of Rautenbach's commercial rivals but doesn't much help him maintain good relations with Kabila, which ultimately depend on revenue levels for the Kinshasa government. Rautenbach's and Bredenkamp's strongest card in Congo is that as long as they have the political backing of Mnangagwa and Mugabe, Kabila will be under huge pressure to retain them. Kabila's future is more than ever dependent on the willingness of the Zimbabwean troops to protect him and the government's mineral assets. For now, the Zimbabwe government is willing to do that, almost at any cost to its treasury.

GABON

Digging deeper holes

Debts and corruption are rocking President Bongo's African emirate

A massive hole in Gabon's public finances - some say of more than US\$350 million - is at the heart of its growing financial and political crisis. By the end of last year, arrears to foreign creditors were estimated at 160 billion CFA francs (\$256.4 mn.). They have probably doubled this year. President **Omar Bongo**'s government also has arrears of CFA 100 bn. to local banks. With an oil-fired gross national product per head of \$4,000, Gabon is one of Africa's wealthiest states. Yet most people live in poverty and a damning new report from the United Nations Development Programme says

social services are collapsing.

Tracing the missing \$350 mn. preoccupies both foreign creditors and Gabonese who worry about government corruption and mismanagement. A decade ago, Bongo could have dealt with such a crisis by calling the **French** treasury for bridging finance and talking smoothly to foreign creditors. That changed when, in 1994, Paris devalued the French-backed CFA franc, against Bongo's objections. It told Libreville there would be no more *ad hoc* bail-outs and that future financial help would go through the International Monetary Fund.

Like fellow dinosaurs such as **Togo's Gnassingbé Eyadéma** and **Zaire's late Mobutu Sese Seko**, Bongo (in power since 1968) was shocked by his marginalisation by Paris and Washington. His regional clout, in the group that included **Angola's Jonas Savimbi**, **Mobutu** and **Morocco's late King Hassan II**, has gone, overtaken by the end of the Cold War and the death of two key players. Gabon has little economic leverage. The **United States** takes almost 70 per cent of its oil but could easily buy elsewhere. Gabon has nothing to match the massive oil discoveries in Angola and **Nigeria**. Its big foreign friend is France, which supplies about 40 per cent of imports.

No more Monsieur Afrique

The next shock came when neither Paris nor Washington would block exposure of some murky areas in Bongo's government. He tried everything, including a personal call to President **Jacques Chirac**, to stifle the inquiry by investigating magistrate **Eva Joly** into Elf-Aquitaine's unorthodox financing operations. This focussed on Bongo's relationship with **André Tarallo**, Elf-Gabon's disgraced and ousted *Président-Directeur Général*. Late last month, Joly's inquiries moved on when a **Swiss** magistrate, **Paul Parraudin**, produced bank records showing that over 600 mn. French francs (\$97 mn.) had been channelled through Tarallo's Swiss account from the Gabonese presidency.

Tarallo ('*Monsieur Afrique*') claims he didn't benefit personally from the arrangement, which was essentially an 'extraordinary bonus' scheme agreed between Elf's senior management and the Bongo government. French investigators now have documents detailing payments from Libreville to Tarallo's account. Further, the US Senate's Special Investigations Committee will on 9-10 November start looking at gaps in the US banking regulations by examining cases in which foreign politicians appeared to break the spirit, if not the letter, of US banking law. Cases to be examined by the hearings will include those of **Raul Salinas** (brother of former **Mexican** President **Carlos Salinas**), **Asif Ali Zardari** (**Benazir Bhutto's** husband), **Mohammed Abacha**, (son of the late **Nigerian** military ruler), and Omar Bongo. A private banker, **Alain Ober**, who has worked for Abacha and Bongo, will testify on Tuesday 9 November. The hearings will examine whether the commercial banks used observed their own rules of banking when dealing with these foreign account holders. None of Bongo's five hired lobbyists and several informal 'advisors' in Washington was able to forestall this public airing of his financial affairs in the US Senate. His US trip in April was a fiasco, as hungry lobbyists tried to clamber onto the Bongo gravy train (AC Vol 40 Nos 8 & 9).

Back home, after a year of strikes, demonstrations and the payments crisis, Bongo's government needs a new deal with the IMF. Last year, the Fund suspended its Extended Financing Facility for several reasons, including 'lack of transparency in public finance' (Fundspeak for corruption). Libreville's negotiating team is led by respected Finance Minister **Emile Doumba**, who has

been trying, with limited success, to persuade his ministerial colleagues and the presidency to implement an IMF-inspired austerity programme.

It isn't easy to sell austerity to the Gabonese. Libreville's lively oppositionists and trade unionists resent paying for an economic crisis they blame on political corruption. Politicians such as **Paul Mba Abessole**, leader of the *Rassemblement National des Bûcherons* and Mayor of Libreville, complain about December's presidential election, when Bongo's 66.5 per cent vote was broadcast by state radio hours before the count had finished in many voting centres.

Tens of thousands of new voters had found their way onto electoral rolls since the parliamentary elections two years earlier, particularly in Bongo-strongholds outside the capital. A negligible vote was recorded in the main opposition districts of Libreville. Under-age voters, claiming to be Bongo-loyalists, got voting cards. These oddities attracted no comment from a select group of French lawyers and magistrates brought in by *Maître Robert Bourgi*, Bongo's lawyer and a friend of Chirac's. Later, French Justice Minister **Elisabeth Guigou** remarked that it was a 'little curious' that Bourgi's independent observers were under the control of the state-run *Conseil National Electoral*. They concluded that Bongo had been fairly re-elected in a climate of 'calm and transparency... and without massive fraud.'

Opposition activists such as Abessole (who got 13.41 per cent of the vote) and **Pierre Mamboundou** (who got 16.5 per cent as leader of the alliance known as the *Haut Conseil de la Résistance*) are stepping up the rhetoric as Bongo's troubles multiply. However, Abessole and Mamboundou distrust each other; without an alliance between their parties and the unions, Bongo's ministers should be able to flatter or crush the opposition as usual - unless the financial crisis becomes a catastrophe.

The World Bank and the IMF would like to use Gabon's political and financial difficulties to promote macro-economic reforms and financial transparency. Without an IMF deal, nobody will talk about rescheduling Gabon's debt; the government is in arrears to all its creditors, including the multilateral agencies. Government sources say its total external debt at the end of 1998 was close to CFA 2,000 bn. (then \$3.54 bn.). The Paris Club of governmental bilateral creditors accounts for perhaps CFA 1,600 bn. of this, including almost CFA 1,000 bn. to France. Debt to the London Club of commercial creditors was refinanced in 1994 and is less than \$100 mn. An external audit by Deloitte & Touche Consulting is under way. McKinsey & Co are assessing the government's liabilities to local creditors.

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Pointers

MOROCCO/WESTERN SAHARA

Desert king

Is the 'people's King' preparing an initiative that would win him huge support at home by underlining the 'Moroccaness' of Western Sahara but could seriously compromise the United Nations-led referendum process?

As we go to press, we hear quiet discussions are afoot about a visit to the disputed territory by **Mohammed VI**. Meanwhile, in a sinister new turn last month, violence pitted local Saharawis against settlers, while youths have been rioting over unemployment.

Mohammed's meet-the-people tour last month took in most of his kingdom, including the troublesome, cannabis-growing north, which his late father, **Hassan II**, avoided for decades. Palace counsellors, with an increasing say in Saharan affairs at the expense of Interior Minister **Driss Basri**, mooted a speedy trip south. This would mobilise the pro-Moroccan vote and silence widespread criticism that **Algerian** President **Abdelaziz Bouteflika** has been allowed to manipulate the inexperienced young monarch, reasserting what many Moroccans still see as Algerian 'hegemony' in North Africa.

It's a high-risk strategy. Western Sahara remains turbulent after October's riots, which were not, it seems, triggered by Polisario. Mohammed has announced a new Saharan body to include elected local representatives and to fund an employment initiative. Successful 'fair and transparent' elections in the Sahara to elect a 'Royal Consultative Council' might build momentum behind a new Moroccan initiative. Polisario is expected vehemently to oppose any such move.

Efforts continue to ease relations between Algeria and Morocco, with **Saudi Arabia** in a leading role (one played down by the Saudi Foreign Minister, Prince **Saud al Faisal**) after a high-profile visit by the Deputy Premier, Crown Prince **Abdullah bin Abdul Aziz**. French President **Jacques Chirac** also apparently offered his services during a 28 October one-day 'private' visit for lunch with Mohammed. French commentators are already talking of the next postponement of the UN referendum to help Mohammed avoid a 'catastrophe on the Indonesian model'.

MOROCCO

Bziz buzzes again

In the latest slight to his father's old guard, King **Mohammed VI** has unbanned the country's leading satirist, **Ahmed Sanoussi**,

better known as 'Bziz' for buzzing at the authorities. For 13 years, he'd been barred from public performances by an Interior Ministry order, renewed only last month. Mohammed nevertheless picked Bziz to present his latest television promotion for the royal charity for poor people. Mohammed has moved quickly to break paternal taboos, earning himself the nickname 'Royal **Kherrouj**', after Morocco's world-record middle-distance runner. On a recent tour, he strode so briskly that some said he was trying to kill off the late **Hassan**'s ageing advisors, who panted to keep up.

Mohammed's key target is **Driss Basri**, veteran for 20 years of the Information and latterly, Interior, ministries. Without visible resistance, Basri has been publicly stripped of his intelligence network, the *Direction de Surveillance du Territoire* (DST), of the Western Sahara portfolio (AC Vol 40 No 18) and of the chair of the ultra-prestigious Moroccan Golf Association (though he's been sighted on the greens). Exiled dissidents have been allowed home.

To avoid further humiliation, say officials, Basri has thrice tendered his resignation, in vain. Royal advisors may reckon that he is safer inside the tent. It's a gamble. Basri's old security network controlled everything from television to town halls and is unused to humiliation. Already, the reform process is unbalanced. The supposedly socialist-led government, with its seven parties and 41 ministers, is inert. Ailing Premier **Abderrahmane Youssoufi**, 76, is losing credibility as he dithers between new guard and old. Meanwhile, Islamist groups are getting more strident. They have gained little from Mohammed. **Abdessalame Yassine**, mentor of the banned *Adl wal Ihsan*, remains under house arrest, with dozens of his disciples in gaol.

MALI

Counter-attack

Beleaguered President **Alpha Oumar Konaré** and Prime Minister **Ibrahim Boubacar Keita** chose *la rentrée* and the end of the rainy season to counter-attack, following unprecedented criticism of both men over corruption and incompetence (AC Vol 40 No 15). So far Konaré is succeeding.

Since mid-September, when he purged tens of top civil servants and parastatal bosses, Konaré has carefully encouraged a climate of fear among the rest, hinting darkly that more sackings and even arrests can be expected. After being ridiculed in the press all summer, Konaré felt he had to act. The timing was significant: following his putsch, he flew off to a Transparency International conference in **South Africa**. He has also pointedly made public the companies which have faced a hostile audit since the start of his rule in 1992. Meanwhile, presidential spin doctors are briefing about potential future victims.

Keita has been gunning for opponents in the hopelessly divided ruling *Alliance pour la Démocratie au Mali*: he is Adema President. At the long-delayed second party conference, on 7-10 October, anti-Keita factions were thoroughly outmanoeuvred: Finance Minister **Soumaïla Cissé** was even barred from the hall at one point, we hear. He's viewed as head of the 'CMDT clan' (AC Vol 40 No 2), named after the locomotive of the economy, the *Compagnie Malienne de Développement Textile*, where Keita is not popular.

A back-handed bonus for Keita came with the news on 25 October that the CMDT had lost US\$100 million on world cotton markets this year, due to falling prices. Outgoing CMDT boss **Drissa Keita** is a major player, though not an Adema member: the announcement hurts him. Cissé is keeping a low public profile and is under attack from the pro-IBK wing in his fiefdom of Niafunke. Another threat, *Assemblée Nationale* Speaker and Adema Political Secretary **Aly Nouhoum Diallo**, has simply had his party post abolished.

Some of those purged were major party fixers in Bamako: local pundits tell *Africa Confidential* that Konaré is trying to shore up Premier Keita's chances of adoption as Adema candidate for the 2002 presidential election. At least one regional governor thought to be lukewarm on Keita has also gone. Further disarray among the more credible opposition parties will help Keita's cause. The *Union Soudanaise-Rassemblement Démocratique Africain* is split in two; one faction, under **Daba Diawara**, is getting close to Adema. The uneasy ruling coalition partner, the *Parti pour la Renaissance Nationale*, has suffered a string of high-profile defections following controversy around the role of Parena co-founder and current Energy Minister **Yoro Diakit**.

Since 28-29 October rumours have been circulating in Bamako that Konaré is considering organising a referendum which would allow him to run for a third term, with the permission of the population. The locals are sceptical. But that would pose an interesting challenge for his Anglophone friends in Washington and London who have been particularly laudatory about Konaré's work to promote a ban on the small arms trade. Mali was the first port of call on United States Secretary of State **Madeleine Albright**'s late October swing through Africa. And Mali is already the biggest recipient of US aid.

If he refuses the blandishments of those encouraging him to go for a third term, Konaré will further stand out from his fellow long-standing Francophone leaders — **Côte d'Ivoire**'s **Henri Konan-Bédié** and **Senegal**'s **Abdou Diouf** - both of whom face elections next year which threaten to degenerate into chaos and violence. Relations between Bédié's government and Washington are deteriorating rapidly after strong words over the arrests of supporters of former Premier and Deputy Managing Director of the International Monetary Fund, **Alassane Ouattara**.

AFRICA CONFIDENTIAL

USA/AFRICA

2

Presidential accounts

President Clinton's administration wants to crack down on major US private banks through which it is alleged corrupt foreign officials have laundered stolen money. On 10 November a US Senate Committee heard how one private bank had managed millions of dollars for certain African rulers.

MOROCCO

4

Broom sweeps Basri

King Mohammed VI has sacked Driss Basri, the security chief he inherited from his late father. Basri, given a day to clear his desk, was replaced by Ahmed el Midaoui, a security official he had fired two years before. Far-reaching changes underline Mohammed's domination of domestic politics.

ZAMBIA I

5

Chiluba and after

President Chiluba has had a good six months. He brokered a peace deal in Congo-K, cemented relations with South Africa by hosting Thabo Mbeki's first trip abroad and has probably sold off Zambia's best copper mines. But MMD colleagues worry Chiluba may feel entitled to a third (unconstitutional) term.

ZAMBIA II

6

Gunmen at the gate

Four unknown gunmen shot dead Major Wezi Kaunda, son of Zambia's ex-President. Two people have so far been arrested. The Kaunda family has called in Scotland Yard. Wezi had a lot of enemies and conspiracy theories abound. Most suspect a political rather than a criminal motive.

POINTERS

8

Côte d'Ivoire, Libya-Congo-K and Sudan

COMMONWEALTH

Postponing the new order

Commonwealth heads have suspended Pakistan's military regime but balked at tougher action against others - until the next summit

Efforts to advance good governance and human rights ended in a Commonwealth fudge at the Heads of Government Meeting (CHOGM) in Durban, **South Africa** on 12-15 November. Calls for radical action against member governments which suppress opposition movements, steal state funds and gaol journalists ended in a 'high-level review' of the Commonwealth, to advise 'how best it could respond to the challenges of the new century.' The review committee, to report to the next CHOGM in Canberra in 2001, balances modernisers (**Australia** and **Britain**, favouring tougher measures on governance), non-interventionists (**Tanzania**, **Trinidad and Tobago**), and nationalists (**India**, **Singapore** and **Zimbabwe**).

The committee will consider what to do about arbitrary and corrupt member governments, and consider expanding the organisation's economic assistance and coordination role. Officials deny there are plans to move some Secretariat offices from London to South Africa, but some states still feel that Whitehall's influence inhibits autonomous growth. The review committee accommodates the calls of British Prime Minister **Tony Blair** for the Commonwealth 'to reform or become irrelevant' - and those errant states which want to postpone more political scrutiny.

Much will depend on the new Secretary General, **New Zealand's** Foreign Minister, **Don McKinnon**, 'elected by acclamation' on the summit's first day. We hear some 40 countries backed him, while 14 backed the highly experienced but less well-known **Bangladeshi** diplomat, **Farroq Sobhan**. McKinnon takes over when **Emeka Anyaoku** of **Nigeria** leaves next April. If McKinnon shouts too loudly for political accountability, he will be quickly told by African and Asian leaders that he doesn't understand political realities in developing states.

The Mbeki-McKinnon partnership

New Zealand is a small, prosperous, multi-racial country which has pushed through painful economic reforms, skilfully sold by McKinnon at home and abroad. McKinnon will also be aided by an innovation, whereby the Durban summit's Chairman, South African President **Thabo Mbeki**, will be an active, high level representative of the Commonwealth until the 2001 summit. He can stand up at the United Nations General Assembly, mediate in disputes among members and advance Commonwealth initiatives. The McKinnon-Mbeki partnership could, if it works, add weight to calls for constitutional reform, political tolerance and fairer elections: South Africa and New Zealand both have liberal constitutions. Mbeki's personal friendship with **Algerian** President **Abdelaziz Bouteflika**, current Chairman of the Organisation of African Unity, should improve Commonwealth-OAU coordination.

But some members were frustrated by the summit's failure to agree tougher procedures for monitoring good governance. The old Commonwealth (Britain and **Canada** particularly) was joined by African states, such as **Botswana** and **Ghana**, in arguing for giving the Commonwealth more 'political credibility'. Outgoing Secretary General Anyaoku - ousted from Nigeria's foreign ministry by a military coup in 1983 - managed to exclude military governments from full Commonwealth membership; censuring elected civilian governments is much more contentious. Obvious targets of censure for human rights abuses and corruption - **Kenya**, **Sri Lanka**, **Zambia** (whose President **Frederick Chiluba** left early for 'personal reasons') and **Zimbabwe** - vigorously defended their sovereignty against foreign meddling. **Uganda's** President **Yoweri Museveni**, whose government has been robustly criticised in a new report by New York-based Human Rights Watch, told *Africa Confidential* that he supported scrutiny and would happily entertain monitors in Kampala but that some of his colleagues 'weren't quite ready.'

So the Durban summit rejected proposals for a Commonwealth good governance commissioner, backed by a unit to monitor members' adherence to the principles they adopted in Harare in 1991. There will be no trigger mechanism, other than a military takeover, to call bad governments automatically to account. The Commonwealth Ministerial Action Group (CMAG) grouping eight

foreign ministers had agreed tougher proposals in New York on 1 October, outlining three main infringements which should trigger a scrutiny: postponing elections beyond the constitutional life of a government; banning or impeding opposition groups; and systematic or widespread violation of human rights. Government leaders in Durban watered these ideas down: members would be scrutinised by CMAG only on the recommendation of the Secretary General or another member state.

McKinnon shows little desire to confront such veteran bruisers as Zimbabwe's **Robert Mugabe** and Kenya's **Daniel arap Moi**. For his first year or so, McKinnon is likely to focus on less contentious issues such as administrative restructuring, lobbying for more debt relief and coordinating trade policies.

Asian values

The coup in **Pakistan**, a clear breach of the Harare principles, caused much agonising in the closed ministerial sessions. **Malaysia's** Foreign Minister **Syed Hamid Albar** led the defence of General **Pervez Musharraf's** takeover, citing both 'Asian values' and the threat of Islamist militancy. Syed Hamid stood in for Prime Minister **Mahathir Mohamed**, a staunch defender of 'Asian values' whose chances in next month's national elections are enhanced by the continued imprisonment, on allegedly trumped-up charges, of former Deputy Prime Minister **Anwar Ibrahim**, a Muslim leader.

Mahathir is an ally of Mugabe and advocates a revived African-Asian bloc in international negotiations. An alternative African-Asian bloc emerged when both India's Prime Minister **Atal Behari Vajpayee** and Nigeria's President **Olusegun Obasanjo** called for maximum measures against Pakistan, short of immediate expulsion. India likes anything that weakens Pakistan; and Nigeria felt that military usurpers should be treated as sternly as the late Gen. **Sani Abacha**, whose execution of writer-activist **Ken Saro-Wiwa** and eight others on the opening day of the 1995 Commonwealth summit (AC Vol 36 No 23) prompted the formation of CMAG.

Nigeria's readmission to the Commonwealth and the presence of Obasanjo, whom Abacha gaoled, was hailed as a victory for Commonwealth intervention. It was - up to a point. Had Abacha not suddenly died in June 1998, helped perhaps by toxins and dissident officers, he might have continued to defy the Commonwealth's - and almost everyone else's - strictures on human rights and corruption for another five years.

In two states under Commonwealth scrutiny, **Sierra Leone** and the **Gambia**, things have worked out differently. Nearly five months after the signing of the Lomé peace accord between President **Ahmad Tejan Kabbah's** government and Corporal **Foday Sankoh's** Revolutionary United Front, none of the agreed 6,000 UN peacekeepers have been deployed; and Sankoh's rebels still control Sierra Leone's main diamond fields, shipping the proceeds to **Liberia**. Sankoh, who was to be made chairman of the state-owned diamond mining corporation, has openly flouted Kabbah's presidential authority.

Some fear that President **Charles Taylor** of Liberia will back Sankoh's rebels in a new assault on the relatively unscathed diamond fields in Tonga, further south beside the Liberian border, triggering new clashes between the RUF and the Kamajor civil defence groups close to deputy Defence Minister **Hinga Norman**. The longer the wrangles about peacekeeping persist at the UN, the more dangerous the threat appears. The Commonwealth role is limited to technical assistance to the Kabbah government, plus the Secretary General's 'good offices' to keep the peace accord alive. Kabbah wants more

Commonwealth involvement, to boost his flagging credibility.

Interfering in internal affairs

President **Yahya Jammeh** resents any Commonwealth intrusion into his Gambian mini-state. He seized power in 1994, brutalised the opposition and rigged a 'victory' in elections two years later. Nobody in the Commonwealth takes him very seriously or minds interfering in Gambia's internal affairs, so his attempts to remove Gambia from the CMAG list were roundly rebuffed. Jammeh was told the Commonwealth would not stop criticising his government unless it repealed Decree 89, which bans specific political parties and politicians: he replied that 'his people' would not allow him to repeal this decree 'even in two million years'. The Commonwealth's power is limited, even against a mini-state.

The summitters made more progress on economic matters. With the Commonwealth Finance Ministers' meeting and the Commonwealth Business Forum, the delegates did some horse-trading ahead of the World Trade Organisation talks in Seattle at the end of this month and agreed a new range of investment and trade-promotion measures. They also considered a hard-hitting anti-corruption report from Ghana's respected former Finance Minister **Kwesi Botchwey** and set up a business-minded working group to help implement his recommendations and persuade governments to sign up to anti-graft practices and principles.

The summit's Fancourt Declaration attempted to combine industrial world imperatives of globalisation and developing world imperatives of people-centered development. Its list of good intentions committed poor countries to pursue 'pro-poor' policies, rich countries to support more debt relief and aid and - perhaps most importantly - the abolition of all barriers to developing countries' exports.

Having seen the European Union drag out free trade negotiations with South Africa for more than five years, Chairman Mbeki knew all about rich-to-poor trade negotiations; his assertion that the Durban summit laid the basis for a Commonwealth understanding on WTO issues should be taken seriously. How the Commonwealth's richest states line up in Seattle alongside its poorer members will test the grand aspirations of equity and responsibility voiced at Durban.

USA/AFRICA

Presidential accounts

Between the banks and the ruling families, Africa's money runs out

President **Bill Clinton's** government wants to crack down on the private-banking departments of some major US banks through which, it is alleged, corrupt foreign officials have laundered stolen money. The initiative was announced, on 10 November, as the US Senate's Special Investigations Committee heard testimony about how Citibank's private-bank department had managed tens of millions of dollars for **Gabon's** President **Omar Bongo** and the sons of **Nigeria's** late military ruler, General **Sani Abacha** (AC Vol 40 No 22).

The US move, along with a bribe-payers index issued by the anti-corruption lobby Transparency International, is also pushing European banks to tighten controls on suspect funds. **French**

officials have asked the International Monetary Fund for tough measures against money-laundering and corrupt payments. The **Swiss** authorities have already opened up some accounts, and Swiss banks have had to disclose information about account-holders such as **Mali's Moussa Traoré**, Nigeria's Abacha and family, Gabon's Bongo and family, and **Zaire's late Mobutu Sese Seko**. The big private-banking department at *Union des Banques Suisse* handles accounts for members of the family of **Kenyan President Daniel arap Moi**.

The IMF has recently suspended balance-of-payments support to Gabon and Kenya until they explain hundreds of millions of dollars worth of extra-budgetary spending. **Raymond Barker**, a financial specialist at the Brookings Institution, told the US Senate hearings on 9-10 November that private banks were helping to hide stolen funds and undermining economic reforms pushed by the World Bank and IMF.

Officials in President **Olusegun Obasanjo's** government, notably National Security Advisor Gen. **Aliyu Mohammed Gusau**, have asked for Western cooperation in tracing funds allegedly stolen by the Abacha regime. The debt-cancellation lobby also wants Western governments to help track down stolen funds. American law, on the trail of drug-trafficking, terrorism or fraud, already requires banks to exercise 'due diligence' in determining the source of funds. Now Senator **Carl Levin**, a Democrat, has introduced a bill (co-sponsored by Republican Senator **Arlen Specter**) to require US banks to verify that their clients' wealth doesn't come from theft of state funds or similar fraud, and to make it a crime for them to handle money obtained by 'corruption or fraud by or against a foreign government...'. 'Public corruption and money laundering can affect trade flows and ultimately undermine financial stability,' said **Stuart Eizenstat**, US Deputy Treasury Secretary, who argues that such crimes have become 'national security matters'.

Breaking the rules

A report from the Senate's Committee on Investigations alleged that Citibank's private-banking department breached the existing rules in handling millions of dollars for President Bongo and Gen. Abacha's family. Bongo (according to Citibank officials) launched his private accounts with US\$52 million transferred from Citibank **Bahrain** in 1985, and later moved at least \$130 mn. through two private accounts held by shell corporations (Tendin and Leontine), and a third special account called 'OS'. This 'OS' account was created with a \$5 mn. deposit in late 1995 to receive payments from oil companies, and power of attorney was given to Bongo's oil and investment advisor, **Samuel Dossou-Aoret**. About this time a new IMF loan agreement with Gabon imposed stricter accounting for oil revenues.

Bongo used those accounts as collateral for loans of up to \$50 mn. between 1989 and 1996. The private bank also converted \$1.6 mn. into cash for use by the Bongo family during a visit to New York; cashed a \$69,000 cheque for Bongo's daughter and wired the sum to her in Gabon, avoiding the three-week delay on cheques presented in Libreville; and issued \$100,000 in cash to a third party who, the bank was told, would deliver it to the President's son. Bongo's accounts earned the bank more than \$1 mn. a year, net. Information about them was restricted to senior Citibank personnel, and they were handled by **Alain Ober**, a dual French-US citizen who managed all the African accounts in Citibank's New York office.

In 1996 and 1997 regulators at the Federal Reserve Bank and the

Office of the Comptroller of the Currency (OCC), started asking where Bongo's money was coming from. Ober said some was 'donated' by the French government or its state-owned oil company Elf-Aquitaine and that the rest came from about 8.5 per cent (about US\$110 mn.) of Gabon's national budget reserved for the presidency. The OCC accepted these explanations in June 1997, just after the French press had run stories about a criminal investigation into alleged bribery by Elf-Aquitaine in Gabon. Ober told Senate investigators that he discounted these reports after checking with Gabonese sources. 'No, I did not ask Bongo directly,' he testified at the Senate hearings. 'It felt very awkward to ask that kind of information from a head of state.'

Public figures, private accounts

In late 1998 the Swiss authorities froze several Bongo accounts in Swiss banks, and Citibank faced embarrassment over private accounts held by **Raul Salinas** (brother of former **Mexican** President **Carlos Salinas**) and **Asif Ali Zardari** (husband of former **Pakistani** Prime Minister **Benazir Bhutto**). The bank began a review of accounts held by public figures. **Christopher Rogers**, a top Citibank official in Johannesburg, opposed closing Bongo's accounts, warning: 'The impact on marketing in Francophone Africa will be serious.' But in January the then head of Citibank's private bank, **Saukat Aziz** (now Pakistan's Finance Minister), decided to close Bongo's accounts. The funds are now being transferred to other (unnamed) banks.

IMF and World Bank officials, who have been working to improve public accountability, rejected Ober's claim that Bongo received \$110 mn. of the Gabon budget for his personal use in 1995 and similar sums in 1996 and 1997. They said this was 'plainly contrary' to Gabon's budget policy. They didn't comment on where the funds placed in Bongo's network of secret Swiss accounts and shell companies might have come from, or even why such mechanisms were necessary if these were legitimate commercial earnings. But Fund economists said the Gabonese government's extra-budgetary payments of more than \$60 mn. in 1997 had prompted the IMF to suspend loan disbursements in October 1998. Neither the Fund nor the Bank is paying out funds to Gabon, which owes more than \$3.5 billion in external debt, until accountants Deloitte & Touche complete an audit of government revenues.

Gabon's state funds will not be investigated there without political upheaval. In Nigeria the upheaval has happened, and Obasanjo's newly elected government is scrutinising funds held by Gen. Abacha's sons **Mohammed** and **Ibrahim**. They first opened accounts with Citibank's private bank in London in 1988; in 1992 the New York accounts were established under Ober's management and, like Bongo's, with special names (Chinquinto, Gelsobella, Navarrio), plus, in 1995, an additional shell corporation, Morgan Procurement. More than \$110 mn. flowed through these accounts until they were frozen by court order this year. From 1992 to 1994, the monthly balances generally stayed under \$2 mn.; in early 1995 they jumped to \$35 mn. and dropped again to less than \$1 mn. by 1996. The New York accounts were rarely used after Ibrahim's death in a plane crash in January 1996, but the London accounts had risen to \$60 mn. by 1998.

Ober testified at the hearing that the two sons were introduced to him by the London office as 'Ibrahim and Mohamed Sani ... [who] in contrast to other Nigerians we have dealt with, [are] unfailingly charming, polite and, above all, reliable...'. He said he had no idea that they were related to Gen. Abacha until Ibrahim's death. 'I was embarrassed and appalled,' he testified, 'and then we set up the

process to close the account.' But after Ibrahim's death another son, **Abba**, was added to the accounts.

According to Senate staff, Ober 'asked no questions about \$47 mn. passing through the New York accounts in six months. He never discussed with his supervisors press reports that one of the account-holders was caught with \$100 mn. in cash, amid allegations of corruption.' When the Nigerian government investigated Abacha's family finances after his death in June 1998, the sons asked that \$39 mn. from the London accounts be moved to another bank; to speed up the transaction the private bank loaned them the money. Ober and Citigroup co-chairman **John Reed** told the Senate panel that the loan was part of the bank's 'exit strategy'.

But in March 1999, before Citibank could close these Abacha accounts, the High Court in London ordered the freezing of all accounts relating to the Abacha family, pending the outcome of a suit launched by **Nessim Gaon**'s Swiss-based Noga corporation and President Obasanjo's government to recover funds lost in an allegedly fraudulent \$2.5 bn. debt-swap deal involving Nigeria's non-functioning Ajaokuta steel-works.

MOROCCO

Broom sweeps Basri

The new King sacked his security chief - and may even have a new Sahara policy

King **Mohammed VI** affirmed his new authority with the summary dismissal of **Driss Basri**, the late King's veteran Minister of State for the Interior. Four months after the death of King **Hassan II**, Basri went to the office on 9 November for a normal working session. There he was abruptly thanked for his services by the young monarch, and told to clear his office by evening. Basri had been bluntly relieved of his duties and replaced by **Ahmed el Midaoui**, a security official he had fired two years before.

The resulting changes could prove profound, underlining Mohammed's domination of domestic politics - and bringing down Basri's massive security apparatus. This included powerful computer and listening systems, the police, about 30,000 *Moghaznis* (auxiliary forces) and more than 60 governors of the cities and the 16 provinces created by his own administrative reforms, one of which was designed to incorporate the disputed Western Sahara into the kingdom.

New security chief Midaoui, aged 51, from Taounate, is a low-profile technocrat who served at the heart of Basri's empire. In 1993 he was made head of the *Direction Générale de Sûreté Nationale* (DGSN), a security organisation, but when Basri sacked him from this job in 1997 he was given no other. He has apparently been told he must function as part of the government team led by Prime Minister **Abderrahmane el Youssoufi**, whose senior aides say that, for the first time, the ageing socialist Premier can lead a government with power. Basri's sacking shocked and titillated Moroccans, bolstering Mohammed's status as 'the people's king'. It follows weeks of regional tours by Mohammed to areas such as the under-privileged, drug-producing, fractious north, which his father avoided. But Mohammed is still his father's son: he delegates power to ease political pressures, while placing his own people where it really matters.

As Basri went, the director of Mohammed's private office, **Fouad Ali el Himma** (aged 37), was made Secretary of State (number two) in the Interior Ministry, where he will be perfectly placed to represent his royal master's wishes. He was among the King's classmates; so were **Mohammed Rachdi Chraïbi**, the new head of the King's office, and palace spokesman **Hassan Aourid**. The palace school took the brightest pupils from all backgrounds and all regions to be educated with the royal princes. Basri used to wax lyrical about this system, as an example of how to unite Moroccans of all classes. Now it has created a generation to replace him. King Hassan's old advisers are either dead, like **Ahmed Redha Guedira**, or incapacitated, like **Moulay Ahmed Alaoui**.

Unlike past interior ministers, including the late Generals **Mohammed Oufkir** and **Ahmed Dlimi** in the 1970s, Basri's passing was serene; he has gone home to Settat to indulge his passion for golf. However, as a foretaste of changing times, he recently lost his position as President of the Moroccan Golf Association. Among other signs of change were the sacking of senior officials, including **Ahmed Azmi**, in charge of liaison with the United Nations Mission for the Referendum in Western Sahara (Minurso), and the transfer of the domestic security agency, the *Direction de Surveillance du Territoire* (DST), from the Interior Ministry to the army under a gendarmerie officer, Lieutenant Colonel **Hamidou Laanigri**. The military establishment, often sidelined by Hassan after the 1971-72 coup plots, is one beneficiary. Gendarmerie commander Gen. **Benslimane**, counter-intelligence chief Gen. **Kadiri**, security chief Gen. **Hafid Benhachem**, and the veteran southern region (Saharan) commander Gen. **Abdelaziz Bennani**, all enjoy unaccustomed public attention.

Markets respond favourably

Basri's departure was popular among the middle and working classes, who want less political repression - already in retreat in Hassan's last years - and a fairer deal for government supporters. Catching the national mood was satirist **Ahmed Sanoussi**, known as Bziz, who after 12 years was unbanned from performing in October (AC Vol 40 No 22). He told one interviewer that 'What Moroccan people expect from His Majesty King Mohammed is to dismantle all Basri's corruption networks and manipulators of elections to ensure a real state of law and respect of human rights to build strong institutions through constitutional reform and transparent elections.' Markets also responded favourably, even though in the conservative kingdom all change is met with some trepidation.

Basri's departure may give more room to radical Islamist groups - notably the banned *Al Adl wal Ihsane* (Justice and Charity), Morocco's biggest Islamist party, whose leader Sheikh **Abdessalame Yassine** has been under house arrest in Sale since 1989. It may also make space for more accommodating Islamist parties, such as the *Mouvement Populaire Constitutionnel et Démocratique* (MPCD), a moribund nationalist party until 1996, when (apparently with Basri's approval) it was infiltrated by members of **Abdelilah Benkirane**'s *Attajdid wal Islah* (Renewal and Reform) movement, and subsequently won nine seats in parliament.

On the Western Sahara question, Basri held the hard line. Last year at the Houston talks with the Polisario Front one of King Hassan's ageing aides, Foreign Affairs Minister **Abdellatif Filali**, had seemed set to make concessions. Basri stopped that: Filali was

replaced by **Mohammed Ben Aïssa** and Basri took over Sahara policy. There was rioting in the territory in September/October (which some accused him of orchestrating), and a demonstration in Rabat on 3 November by some 250 students from the Sahara against police violence there. Police tried to keep the students within Mohammed V University but eventually allowed them to march towards the parliament building, shouting anti-Basri slogans.

Risky vote

Recent demonstrations in Rabat and El Ayoun, the Saharawi capital, have focused on the heavy-handed policing of the October riots, which were about living conditions and communal tensions. Not inspired by the Polisario Front, they have been welcomed by the Saharawi liberation movement, which fears the UN may never succeed in sponsoring an independence referendum in the territory.

Many think Morocco would lose a fair vote and nobody knows whether King Mohammed will take that risk. The King reacted to the October troubles by offering to fund an unemployment initiative in the territory (AC Vol 40 No 22) and announcing that a new body for Western Sahara, including local representatives chosen in 'fair and transparent' elections, would serve as a 'Royal Consultative Council'. This was presented to the territory by a high-level delegation consisting of Ben Aïssa, Religious Affairs Minister **Abdelkebir Alaoui M'Daghri**, Justice Minister **Omar Azziman** and Finance Minister **Fathallah Oualalou**. It looked like a new initiative by Rabat to keep the Sahara Moroccan.

Alarmed, Polisario proclaimed an unarmed *intifada* (uprising) to remind people of the Palestinian resistance. Polisario wants to prove it remains a credible force within the territory, as well as in the camps in the **Algerian** desert, its base since Moroccan forces took over in 1975. **Mohamed Abdelaziz**, Polisario's leader, sees a UN-sponsored referendum as his best chance of becoming president of a real country and needs to raise the pressure to stop the voting plans losing momentum. Certainly, UN Secretary General **Kofi Annan** has made the most determined attempts by the UN to push the referendum through. Nevertheless, the deadline for a referendum has been put back again, from July to end-December 2000.

The East Timor factor

No UN Security Council member wants to destabilise Morocco's new regime - even **China**, whose President, **Jiang Zemin**, visited Rabat in late October. Until the sacking of Basri, diplomatic wisdom reckoned that Rabat would simply stall the referendum by raising new objections to voter registration. Rabat may be developing a new strategy now but its shape is unclear. Abdelaziz observed that 'the **Spanish** government should take up its responsibilities with regard to the Saharan people as the **Portuguese** government did with [East] Timor.' Its precisely the confusing Timor precedent which helps persuade Western governments not to risk a referendum.

In domestic affairs, Premier Yousoufi's government has drifted in recent months, amid public calls for a reshuffle to bring in new blood. With Basri gone, activists are now calling for inquiries into past human rights abuses, corruption and patronage networks, and the kingdom's big money-spinner, the drug trade which makes Morocco the largest supplier in the lucrative European cannabis market. The government will not want to rock the boat too far. And nor will Mohammed, the would-be modern ruler who wants to manage a fast-changing political system while preserving the structures which, like Basri in his day, have served the Alaouite monarchy well.

ZAMBIA I

Chiluba and after

The President, tempted by another term, would face rivals within his own party

President **Frederick Chiluba** has had a surprisingly good six months. He brokered a seemingly impossible peace deal for the **Democratic Republic of Congo**, signed in July and now under serious threat. He played host, in October, to **Thabo Mbeki**, on the **South African** President's first state visit abroad. He has probably sold off (albeit cheaply) Zambia's best copper mines, which just might start foreign investment flowing again. And his ruling Movement for Multi-party Democracy (MMD) easily won two recent by-elections in Western province. 'I never knew power was so sweet', he admitted after his election in 1991. Like others before him, he may feel he deserves a third presidential term.

But standing again would involve a tricky reading of Zambia's constitution. To exclude ex-President **Kenneth Kaunda**, who ruled the country for 27 years, mostly as a one-party state, the constitution was amended in 1996 to prevent a president from serving more than two terms. The tiny loophole is that the two-term rule took effect in 1996, so might not apply to Chiluba's previous term, a lawyers' quibble which would be hugely controversial at home and abroad.

He has publicly stated his intention to step down in 2001, and frequently praises those African leaders who have made way for elected successors, citing the late **Julius Nyerere** of **Tanzania**, **Quett Masire** of **Botswana**, and of course, **Nelson Mandela**. In a Reuters interview this year he appeared to rule out any attempt at a third term, and the point was taken by Mbeki at a state banquet in his honour. Mbeki spoke of a private conversation between the two presidents. 'I asked him', he told his fellow-guests, 'whether the newspaper reports that he was not going to stand again were true. He confirmed to me that they were.' The diners, most of them MMD supporters, applauded rapturously. An attempt by Chiluba to stand again could both damage Zambia's renewed friendship with South Africa and be unpopular with his own party. Chiluba's improved regional credibility owes almost everything to his collaboration with South Africa in the Congo peace talks.

Flourishing corruption, dubious human rights

In 1991, Chiluba was in the first wave of democratically elected, business-orientated African rulers, but his tenure is widely described as disappointing. Corruption has flourished, privatisation has brought few benefits except to a narrow business elite, the human rights record has been dubious and Zambians have grown poorer. Within the MMD only the brave stand up to the President, a complicated and prickly personality. Around him is a group of political hard men whose rough political style has effectively crushed any opposition. 'He has no real friends', said one source, but he has used the skills honed as a trade union leader to sideline or sack his rivals, playing one minister off against another, and adeptly using the state-run media against his opponents. Those who leave the party to criticise from the sidelines may find their businesses squeezed to the point of bankruptcy.

Chiluba runs the party at all levels. Before the recent election for the mayor of Lusaka, MMD councillors were summoned to State

House, to be told which of the several party candidates for mayor and deputy-mayor the President favoured. The others duly stood down. One councillor commented, ruefully, that Zambia is 'a guided democracy'. Despite the personal enrichment of prominent MMD members, implicated in everything from gun-running to drug dealing, Chiluba has maintained the party's dominance. Its tough liberalisation policies have not pleased the electorate but organised opposition is weak.

UNIP divided

Kenneth Kaunda's United National Independence Party is a spent force: people say that KK 'had his chance' during 27 years in power. Bitter party divisions - possibly exacerbated by MMD intervention - have been heightened by the murder of Dr Kaunda's son and political heir, Major **Wezi Kaunda** (See next Feature). The other opposition parties tried to form a coalition behind a credible presidential candidate by forming the **Zambian Alliance Party (ZAP)**, but it has been dogged by squabbles over positions and personalities. 'They all want to be president,' somebody remarked.

Chiluba's public refusal to try for another term is greeted with scepticism. Insiders, though, think he is ready to go, maybe because the party might resist an attempt to stay on, maybe because he wants to establish a precedent of democratic succession. The MMD will select its candidate at a national convention in late 2000 or early 2001, and undeclared candidates and regions are already trying to build support.

After nine years in office, Chiluba will dominate the selection process. His effusive praise of Nyerere suggests he may try to retain power after retirement, as the ruling party's eminence grise. Nyerere's death left open the role of African peacemaker. If Chiluba wants a second career as chief broker in regional conflicts - a job for which his political skills as a tough fixer and dealmaker could be fitting - he must hope that the precarious Congo-Kinshasa peace deal will hold.

Whose turn next?

There is no shortage of alternative candidates, some of them already manoeuvring discreetly. Ethnic background is important; both Kaunda and Chiluba are Bemba, from the North, and other regions claim it is their turn:

● **Lieutenant General Christon Tembo**: now Vice-President. Imprisoned in the 1980s for involvement in an alleged coup plot against Kaunda, he was freed after an amnesty and immediately joined the MMD. When it took power he became Minister of Tourism, then of Foreign Affairs, then Vice-President. He is from Eastern province, with a parliamentary constituency in Lusaka. Seen as a 'nice guy, with a short attention span', who falls asleep in meetings.

● **Brigadier Gen. Godfrey Miyanda**: Education Minister. He was in then-Zaire, when named in connection with a coup plot against Kaunda, who had him brought back in chains. After gaol he survived as a taxi-driver and squash instructor. Joined the MMD, served as its National Secretary, became Minister without Portfolio then Vice-President - until he fell out of favour and was demoted in favour of Tembo. A born-again Christian from Eastern province, whose army nickname was 'Rasputin'.

● **Vincent Malambo**: Minister for Legal Affairs. He has kept his aspirations quiet but friends say he covets the presidency. One of Chiluba's trusted legal advisors, he was in charge of the

controversial amendments to the constitution in 1996, and in 1997 defended Chiluba, who was taken to court to prove his Zambian citizenship. His main rival from the powerful Southern province, **Bennie Mwiinga**, died recently. He is a low-key consensus-builder, lacking grassroots support.

● **Eric Silwamba**: Minister for Presidential Affairs, has fallen out with his former associate Malambo, the other half of the defence team in Chiluba's citizenship case. From Northern province, he was an effective backbencher, taking the government to task over several issues. After two stints as a deputy minister he rose to the cabinet and was put in charge of Zambia's mediation efforts in Congo. Colleagues are jealous of his reputation as Chiluba's handpicked successor and he is seen as a bit of a teacher's pet. 'Too pompous', said one insider.

● **Michael Sata**: Minister without Portfolio and MMD National Secretary. He was called 'King Cobra' during the Kaunda years, when he was UNIP District Governor of Lusaka and mesmerised his political opponents. After reading **Machiavelli** he is reported to have said, 'Who's this amateur?' Defected to MMD a few months before the 1991 election, and was accused of political opportunism. A crowd-pulling orator, called by some 'a brilliant tactician', by others 'a buffoon, a mischief-maker'. From Northern province, he could give others a run for their money.

● **Emmanuel Kasonde**: Chairman of the **Zambian Revenue Authority** and an elder statesman of MMD. First Permanent Secretary in the Ministry of Finance under Kaunda, then Minister of Finance in the first MMD government in 1991, he was sacked in 1993, with several other ministers favoured by donors. He stood for leader of the National Party, but lost and rejoined the MMD after 1996 and was appointed chairman of the Revenue Authority. A 'pure Bemba', he is regarded as honest and liked by donors - but may be yesterday's man.

The kingmakers

Powerful non-candidates will influence the selection. The Minister for Environment, **Ben Mwila**, is a millionaire businessman, long associated with Chiluba, who calls him 'uncle' - but an orchestrated campaign in the state-run media detailing some financial embarrassments seems to annul his presidential ambitions. **Vernon Mwaanga** served as ambassador to the United Nations and as Minister of Foreign Affairs. His career collapsed after repeated allegations that his ministry had permitted and even facilitated drug smuggling. Mwaanga dismissed the allegations as unfounded and malicious but resigned under pressure from donors. But as parliamentary chief whip he will be among the kingmakers.

ZAMBIA II

Gunmen at the gate

KK's aspiring politician son, Wezi, was murdered. On whose orders?

Four unknown gunmen at the gate of his house fired four shots and then disappeared. After a few hours in intensive care at the government hospital, he was pronounced dead. Major **Wezi Kaunda**, son of Zambia's former President **Kenneth Kaunda**, was brutally murdered on 4 November. Two people have so far been arrested; one of them said that he was ready to talk but only to the

United Nations or to the **United States** Embassy in Lusaka. The Kaunda family has called in Scotland Yard. There are plenty of conspiracy theories.

Faction fighting

At the time of the murder, the United National Independence Party (UNIP) was split into a pro-Kaunda faction led by the party Vice-President, Chief **Inyambo Yeta**, and a 'rebel' anti-Kaunda faction led by UNIP Secretary General **Sebastian Zulu**. Zulu accused KK of grooming his son for the party presidency; along with senior members, including the party Chairman, General **Malimba Masheke**, he has accused KK of misusing party funds. He says that Wezi, using his Hi Tech Trading Company, diverted to an unknown destination more than 50 vehicles and 5,000 bicycles, which had been donated for the 1966 elections by an unnamed foreign sympathiser. Wezi, in return, called the Zulu faction 'moles', used by the ruling Movement for Multi-party Democracy (MMD) to destabilise UNIP.

In January this year, the Lusaka District party chairmanship fell vacant and Wezi went for it. The anti-Kaunda faction claimed angrily that Wezi had been imposed thanks to his father's influence and that he was hoping to jump up into the party leadership when KK retired. On election day, some political activists secretly approached Lusaka Province Chairman **Peter Lishika** and promised him a lot of money to back Wezi's opponent. Lishika refused and told Kaunda of the plot against his son. Wezi was then triumphantly elected.

Two months later, Lishika - who had been missing for five days - was found dead. It was alleged that he had last been seen alive with Wezi and that Wezi had killed him to open the way to the Lusaka Province chairmanship. However, Wezi declined to stand for the post and KK, in his capacity as UNIP President, opened an investigation by senior party members and a priest: its findings have not been made public. UNIP's Administrative Secretary **Basil Kabwe** says the investigators 'pulled out after getting very frightening information linking some bigwigs within the party', pointing at some people working against the Kaunda family. In this version, Lishika was killed for informing Kaunda. The police are still investigating.

Suspension and counter-suspension

In April 1998, KK was in detention, having been accused of involvement in a failed military coup in October 1997 (AC Vol 38 No 22). A member of the Zulu faction, the UNIP Vice-Chairman for Labour, **William Wilima**, accused Wezi of creating a parallel central committee that was getting its orders from KK's prison. Wezi reacted sharply, saying that some senior members were state agents planted in UNIP. Kabwe claimed that they had met President Chiluba without permission from the Central Committee and also claimed that a second meeting had been hosted and chaired by **Xaviour Chungu**, the Director General of the much-feared Zambia Secret Intelligence Services.

Zulu wrote to suspend Wezi and Kabwe from the party. KK wrote from prison to suspend Zulu. On his release in June 1998, KK hinted in his first speech that UNIP had been infiltrated by the government and called for a national council to be convened in order to 'sort out the agents'. He also said he would retire from politics. The Zulu faction opposed the holding of a national council and again insinuated that Kaunda was trying to impose Wezi as party president.

Because funds were short, though, the national council did not meet until 10 October of this year and Secretary General Zulu did not attend. Only KK's intervention stopped cadres from beating up the anti-KK party Chairman, Masheke. Members called for an extraordinary congress to 'flush out moles'. KK accepted the resolution, dissolved the Central Committee and suggested that the congress be held in December. Zulu, backed by Masheke, announced that at the congress he would stand against KK for the presidency.

Wezi was aiming to become Secretary General, but did not publicise his ambition. His enemies claimed the Kaundas wanted control of the party in order to benefit from UNIP-owned companies; the Zulu faction had proposed to sell off some UNIP companies to raise funds for the 2001 general election; the pro-Kaunda members were against that idea.

Task force

Wezi had plenty of enemies outside of UNIP, too. As Lusaka District Chairman, he had formed his own youth wing, which became notorious under the name of the 'task force'. In government and UNIP circles, there were rumours that he was training guerrillas in neighbouring **Angola**, for use against the legitimate government. Early last year, armed police raided houses belonging to task force members, looking for ammunition which Wezi had allegedly acquired for them. They found nothing. Wezi's house was watched by government agents and his telephone was bugged; he complained several times to the police but without response.

At Wezi's funeral the task force beat up reporters and officials of UNIP's Zulu faction. Mbangu was badly beaten and members of the ruling MMD who visited Wezi's house were chased away. No government official or Zulu faction member was present at the church or the burial.

Even before Wezi became a party official, in 1992, he and other UNIP members were charged with plotting against the MMD government. The High Court found him not guilty and released him.

In 1997, when trying to cross into **Zimbabwe** with his family shortly after the failed October coup, his passport was confiscated without explanation; he had been warned several times for 'alarming the nation'.

KK himself has survived three assassination attempts. The motive behind Wezi's killing remains secret as do the perpetrators. Everyone seems to agree that politics was involved. The government was wary of him and some in his own party feared he would be his father's successor. Indeed, he faced numerous enemies.

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Pointers

CÔTE D'IVOIRE

Bédié's flashpoint

Crisis has come in the struggle by President **Henri Konan Bédié** to exclude from next year's presidential election the recently retired Deputy Managing Director of the International Monetary Fund, **Alassane Dramane Ouattara**. Bédié claims Ouattara was born in what is now **Burkina Faso** and is ineligible. On 12 November, key leaders and party activists of ADO's *Rassemblement des Républicains* were gaoled on riot charges after a dubious trial.

They include RDR Secretary General and key strategist **Henriette Diabaté**, influential trades unionist **Yaya Fofana** and nine others. The sentence was two years and fines that could cripple ADO's campaign finances. He says his colleagues are 'political prisoners' and claims they were nowhere near the rioting. The birth certificate that could prove him Ivorian has again been annulled; magistrate **Epiphane Zoro Ballo** who issued it has resigned; and ADO has been charged with forgery and could be arrested if he goes to Abidjan. Party representative **Abdou Touré** has asked him to stay away.

Ouattara rivals veteran opponent **Laurent Gbagbo** (*Front Patriotique Ivoirien*) in opinion polls. The government seems to have panicked and has attracted outrage from, among many others, **James Rubin**, **United States** State Department Spokesperson. *Parti Démocratique de Côte d'Ivoire* bigwigs tell the outside world to mind its own business. **French** diplomats in Abidjan feel undercut by the slanging match. Yet on 17 November, French Cooperation Minister **Charles Josselin** told Abidjan that unless the alleged persecution of RDR members ceases, all lines of credit will close and cooperation will be suspended.

Bédié's technocrat Premier, **Daniel Kablan Duncan**, keeps quiet: he wants IMF loans and policies, and foreign investment. **Senegalese** President **Abdou Diouf**, also facing re-election next year, is a Bédié-ally. But **Mali's Alpha Oumar Konaré** is furious: Malians are among the victims of xenophobic violence against immigrants, including some 12,000 Burkinabé. Burkina's President, **Blaise Compaoré**, in Abidjan for the funeral of his Ivorian father-in-law on 13 November, had private talks with Bédié. The two were already not best friends. Northern centres including Ferkessédougou and Korhogo (the heart of Muslim Dioula networks underpinning the RDR) are practically under martial law. It is rumoured (and of course denied) that outgoing IMF Managing Director **Michel Camdessus** has lobbied on Ouattara's behalf. Coincidentally, a Fund mission to Abidjan during the crisis delivered withering verdicts on corruption and mismanagement, so Finance Minister **N'Goran Niamien** is wondering how to borrow some quick cash to

pay public sector salaries.

ADO's French legal team, led by the high-profile **Jacques Vergès** says it will fight: they may know too much about Côte d'Ivoire for Bédié's comfort. French Prime Minister **Lionel Jospin** and his *Parti Socialiste* had been trying to keep good relations with Bédié, as French influence falters elsewhere. But fellow Socialist **Laurent Fabius**, a former French Premier who now leads the *Assemblée Nationale*, expressed 'very serious anxiety'. Others, including ex-Premier **Michel Rocard**, have been vainly trying to forge compromises. The row embarrasses France and gravely damages Côte d'Ivoire.

LIBYA/CONGO-K

Diamonds for guns

A five-man Libyan 'business delegation' visited Kinshasa last month to express Colonel **Moammar el Gadaffi's** 'desire to invest in the diamond sector', said local press reports. The Libyans, who met **Albert Luhawle**, the DRC's Deputy Finance Minister, and Deputy Central Bank Governor **Nestor Diambwana**, explained that their purpose was to gain information about the diamond sector as the prelude to possible investment, although they did not explain precisely what they had in mind.

According to sources close to the visit, the real purpose was to negotiate a diamonds-for-guns deal. Gadaffi's Libya is awash with **Soviet** bloc-origin light weaponry but presently faces a cash squeeze stemming from the recent weakness of oil prices. The Libyans hope to turn their guns into cash, via Kinshasa's diamonds. No wonder that the Kinshasa daily *Le Potentiel* reported that 'the identity and official duties (of the five Libyans) have not been revealed to us' and commented that the paper's 'sources spoke especially about the Libyans' intention to invest in diamonds, without explaining how'.

SUDAN

A gambit too far

The National Islamic Front's bid to smash the opposition while convincing outsiders it seeks reconciliation has provoked the normally taciturn **Saudi Arabian** government into denying reports that it had offered to host talks between the NIF and opposition in Mecca.

On 11 November, the Saudi-owned daily *Al Sharq al Awsat* (close to the royal family and government) said 'informed sources' in Saudi had denied that the initiative was Riyadh's - Sudanese Foreign Minister **Mustafa Osman Ismael** having announced that Riyadh had proposed the meeting. It also noted **Hassan el Turabi's** involvement.

Then the Saudi Defence Minister, Prince **Sultan bin Abdel Aziz al Saud**, denied any moves by Riyadh. In the 1989 Taif Agreement,

when Saudi brought together **Lebanese** factions, he pointedly noted, 'the Lebanese brothers all agreed, before coming to the Kingdom, to reach a settlement of their problems'.

Sultan said Saudi was ready to help - as long as this didn't interfere with the '**Libyan-Egyptian** initiative' (AC Vol 40 No 19) or that of the Inter-Governmental Authority on Development. Khartoum's proposal inevitably interferes with both, just as the Libyan-Egyptian initiative overtakes IGAD. Those trying to supersede IGAD now label it a '**United States** initiative': it would not go down well internationally to stress that it's in fact overseen by **Eritrea, Ethiopia, Kenya and Uganda**.

Khartoum is also trying, with some success, to fuel opposition disarray. The suggestion that the meeting should be in Mecca is typically NIF, wrong-footing everyone, including the putative Saudi hosts. The vast majority of Southerners are not Muslims and non-Muslims are not allowed in the holy cities of Mecca and Medina. Thus the NIF was excluding not only its Southern opponents but also its allies, including Southern Coordination Council head **Riek Machar** and Transport Minister **Lam Akol**, Secretary of its latest peace committee. The Sudan Communist Party might also have a problem attending. Some suspect Khartoum intends to depict itself as more religiously tolerant than Saudi.

In another negotiating gambit from Khartoum, Lieutenant General **Omer el Beshir** asked **South African** President **Thabo Mbeki** to broker a meeting with Ugandan President **Yoweri Museveni** during the Commonwealth Heads of Government Meeting in Durban on 12-15 November.

Mbeki conveyed the request to a sceptical Museveni, who told *Africa Confidential*: 'As the President of my country, I have a duty to pursue negotiations through any channels.' Yet by the closing day of the Commonwealth conference, Beshir had sent a message to Museveni that he had fallen sick and wouldn't be coming. 'This is the second time this has happened. I think we shall have to ignore such requests in future', said Museveni, noting that he had taken the meeting seriously only because the message had come through Mbeki, whom he regarded as a credible channel. Meanwhile, **Mustafa Osman** announced President Beshir had a 'prior engagement'.

This all follows an October trip to Khartoum by Pretoria's Deputy Foreign Minister, **Aziz Pahad**, with a group of diplomats and business people. It was the most serious diplomatic contact since 1994, when the African National Congress-led government came to power. Pretoria soon cancelled the arms deals the apartheid government had negotiated with the NIF and tilted its foreign policy strongly towards its old allies in Uganda. That, we are told, remains Pretoria's foreign policy position, though some in the Department of Foreign Affairs (like European governments) are prepared to test Khartoum's latest round of negotiating bids.

AFRICA CONFIDENTIAL

EGYPT

3 UNITED NATIONS

Pharaoh's frown

Egypt is in the throes of a nationalist backlash, a reaction to claims that the co-pilot of the Egyptair jet, which crashed on 31 October, may have committed suicide. At home there is widespread criticism of the government for bungling the issue, as there was about its handling of earthquake rumours in October.

EGYPT

4

Mubarak's men

The ruling party barons remain unchanged, indeed some have been around since President Gamal Abdel Nasser's day. The new faces are mainly technocratic and junior, whose ideology is gradualist and market-oriented reform.

GHANA

5

Tarnished gold

The oppositionists' rally at Accra sports stadium on 25 November has put the country's wobbly economy back at centre-stage. This follows a controversy about a bizarre tape, in which a government security man allegedly discusses his involvement in a series of killings and bombings. But the government insist the so-called 'Albert tape' is a fake.

NIGERIA

6

Lousy legacies

Fighting around a market in Lagos started just as President Obasanjo's government was threatening another dissident area in the poverty-stricken oil-producing states with martial law. Gross inequities, long-ignored under military rule, are coming to the fore in a new political crisis.

POINTERS

8

Niger, Algeria and Sudan

The blue helmets return

Weak mandates and lack of resources have hobbled UN operations - new missions in Congo and Sierra Leone face the same constraints

In Africa, a dozen wars are simmering, affecting more than 200 million people, and the United Nations is committing itself to an unprecedented series of peacekeeping and monitoring operations. The blue helmets are heading for **Sierra Leone**; a mega-mission is being prepared for **Congo-Kinshasa**; there is heavy Western pressure to keep a foot in **Angola's** door; further - much further - down the line, plans must be made for a mission in **Eritrea-Ethiopia**. And, delayed again until December 2000, the UN is due to hold a referendum on Western Sahara. UN intervention failed miserably in Angola, **Rwanda** and **Somalia**. Why are the interveners back?

First, there is no one else to do the job. The 6,000 blue-helmeted UN troops are heading for Sierra Leone partly because **Nigeria's** President **Olusegun Obasanjo** wants to withdraw its soldiers who have spent the last three years propping up President **Ahmad Tejan Kabbah**. **South Africa**, keen to shed its apartheid bully-boy history, will not join a peacekeeping operation such as the one planned for Congo-K unless its troops are under a UN mandate.

Secondly, there's international pressure. Two months ago, UN Secretary General **Kofi Annan** told the General Assembly that the new commitment to intervene - shown in Kosovo and East Timor - 'must be... fairly and consistently applied, irrespective of region or nation. Humanity after all is indivisible.' Annan was rallying support as much as talking policy. African missions liked the rallying but frowned when Annan said that nothing in the UN Charter 'precludes there are rights beyond borders'. The UN, given Security Council backing, could override state sovereignty and intervene in response to human rights or humanitarian crises. And for **Ghanaian** Kofi Annan, it's important that the UN redeems its record in Africa during his tenure as Secretary General.

Diplomatic legitimacy

Thirdly and crucially, the UN brings diplomatic legitimacy to international interventions, provided they are controlled by the UN Secretariat and governed by UN rules. Moreover, despite running battles over peacekeeping budgets, the UN (even if it pays up slowly) can provide the necessary money. The deal offered by the **United States** government to pay some US\$1 billion of its arrears to the UN (leaving \$600 mn. arrears unpaid) will help the cashflow. Over the last three years, other UN departments have borrowed from its peacekeeping budget to make up their shortfalls.

Most peacekeeping troops come from the region concerned. Nigeria and other West African countries under the aegis of the Economic Community of West African States' Monitoring Group (Ecomog) will provide about half the soldiers for the UN operation in Sierra Leone. In any future Congo operation, most troops would come from that region. The UN's Congo operation in the 1960s was a foreign policy priority for both Eastern and Western powers, and troops were deployed in 48 hours. Now only the USA has enough giant aircraft to shift that many troops quickly and, compared to the Balkans or East Asia, Congo seems a side-show for which the major powers would be unwilling to risk more than some technical and logistical backup. Alongside the African peacekeepers, the rest of the personnel for Congo would come from medium powers such as **Argentina**, **Canada** and **India**, keen on their role as international 'good citizens'. (**Belgium**, like **Portugal** in East Timor, also feels an ex-colonial moral obligation, not to mention material interests.) Within most regions, there is an obvious lead player; Nigeria in Sierra Leone, **Australia** in Timor. In Congo, it could be South Africa, which is already working with **Zambia** to negotiate a ceasefire. Pretoria has been driving the diplomacy on Congo, prompted not least by the economic interests of mineral companies such as Anglo American and De Beers. It is far more nervous about deploying its army, which ran a disastrous policing operation in **Lesotho** last year and is still undergoing a politically tricky restructuring.

Annan, a veteran of UN politics, expects little from grand reform proposals. A UN standing army is most unlikely to be launched and even then, would be of doubtful value. Years of painful negotiation lie behind the UN rapid deployment force to which **Sweden**, **Norway** and **Denmark** have promised to contribute battle-ready troops, alongside Argentina, Canada and **Poland**, plus a **British**

offer of 10,000 troops on standby. It could be harder still to get agreement in a reformed, more representative, Security Council.

Annan gives greater weight to his own diplomatic networks and the impetus from regional groupings such as the Economic Community of West African States (which negotiated Sierra Leone's peace accord) and the Southern African Development Community in Congo. Some UN officials see regional arrangements as detracting from 'true multilateralism'; regional security organisations, in Africa, are a building block not a substitute for full UN-mandated operations. Yet the money is short and so is the political will: the UN is meant to help galvanise both.

Paved with good intentions

The opponents of multinational intervention range from isolationist Western (notably US) politicians to hard-nosed analysts who question whether outside interventions can bring long-term benefits. Too often, negotiations arranged from outside merely provide a hiatus in which the combatants rest, recuperate and rearm. A research fellow at Washington's Carnegie Endowment for Peace, **Marina Ottaway**, warns that such diplomacy may promote half-baked agreements - deals full of good intentions but lacking detail and serious commitment, diverting attention towards the deployment of peacekeepers, away from the political issues underlying the war.

Just so, in Congo, there is hot debate about access for UN monitors but no progress on the promised national dialogue about political reform or on tracking down forces loyal to Rwanda's former genocidal government. Congo's Lusaka accord means little until President **Laurent-Désiré Kabila**'s government talks to and negotiates seriously with the three main rebel groups.

Worse results follow when the Security Council agrees to a UN operation with a weak mandate and insufficient resources. After Angola's 1991 Bicesse accord, even the UN special envoy to Angola, **Margaret Anstee**, complained bitterly about the weakness of the mandate, inadequate resources and lack of political will in Angola and the West. Despite elections and agreement to form a new national army, government and rebels went back to war within 18 months of the Bicesse signing. Now that Angola's government has the military upper hand again (helped by outside forces, sanctions on the *União Nacional para a Independência Total de Angola* and UNITA's internal divisions) the prospects for ending the agonising war are improving. 'Either we do more or we do less - but what we do should be effective,' says Ottaway. Many believe the most effective foreign interventions would be sanctions, such as banning the arms and mineral trades that fuel the wars.

UN officials and Western diplomats insist they're fully behind Africa's latest peace deals, claiming that UN deployments can build confidence and strengthen the political will for peace among the combatants. The next two big tests come up soon, in Sierra Leone and Congo. The first of 6,000 peacekeepers for Sierra Leone started arriving in the week ending 27 November, some five months and much horse-trading after the peace accord was signed in Lomé, **Togo**. Nigeria's role is crucial, supplying 2,500 troops to the UN mission while keeping four battalions from its Ecomog contingent for policing duties.

However, Obasanjo faces security problems at home, has repeatedly extended previous deadlines and wants to pull out all Nigerian troops by next February at the latest. Washington hopes a \$10 mn. grant to Ecomog might stiffen Nigerian resolve, a tiny sum beside the \$10 bn. that Nigeria claims (somewhat implausibly) to have spent on peacekeeping in West Africa since 1990. Sierra Leone was not even on the agenda when Obasanjo met President

Bill Clinton in Washington last month.

If Obasanjo did withdraw the Nigerian troops, that would trigger the UN's 'Plan B', to fill the gap with non-Nigerian troops, pushing the total force strength up to 10,000. The Security Council would never have agreed to a 10,000-strong mission in the first place but must nod it through if the Nigerians leave.

Initially, UN officials opposed Nigeria's domination of Ecomog, because they were sensitive to its regional hegemony and embarrassed by the role of successive Nigerian military leaders. Some of the same officials now agree that Nigeria did a useful job: troops took sides and shot rebels, which no UN mandate would have allowed. Ecomog restored Kabbah to power in March 1998: he had been overthrown nine months earlier, when the UN was considering sending a mission to shore up his government.

Influenced by the Timor and Kosovo precedents, Canada argued that the UN force in Sierra Leone should have the strongest peace-enforcement mandate, under the UN's Chapter Seven, allowing the force to take 'all necessary measures' against violators of a peace accord. If not, the UN could be accused of double standards in Africa. Britain and the USA demurred, though: Kosovo and East Timor were essentially different because multinational combat forces went in to do the fighting and enforce the peace. In Sierra Leone, they insisted, both sides had signed up to a peace deal and a national unity government, so the UN's job was to monitor and help keep the peace alongside domestic agencies.

Eventually, a compromise was reached on a 'Chapter Six and a half' mandate (which doesn't exist in the UN constitution), allowing UN troops to respond with force if, for example, rebels start killing civilians outside the UN compound (as they did in Rwanda, when Annan was in charge of peacekeeping operations). The mandate doesn't permit UN forces to take a military initiative; for example, to send a detachment 300 kilometres up country if they hear that rebels are operating there. In practice, the distinction is fuzzy but pushing for a full Chapter Seven mandate would have delayed Security Council approval even further.

Pushing Sankoh and co

The job now is to put pressure on Corporal **Foday Sankoh**'s Revolutionary United Front and on his sponsors, presidents **Charles Taylor** in Liberia and **Blaise Compaoré** in Burkina Faso, to comply with the peace accord. At Lomé, Sankoh agreed to recognise Kabbah's presidency but he is now openly dismissive of the President's position; Liberian and Burkinabé diamond miners and smugglers stay put in Kono district, guarded by the RUF, funnelling out diamonds worth tens of millions of dollars to Monrovia and Ouagadougou. Their next target could be Tonga, against the border with Liberia, whose rich alluvial diamond deposits have been relatively untouched so far. Complicating matters, we hear, is the acquisition by some members of the Freetown government, including **Prince Harding** and Deputy Defence Minister **Hinga Norman**, of mining concessions in Tonga. If the RUF moves southwards towards Tonga, it would probably get into fights with the Kamajors and other Civil Defence Force units (partly to protect their government sponsors' interests), putting the UN's fuzzy mandate to the test.

In Congo, the UN faced an even more formidable task as its first military liaison officers flew into Goma on 27 November amid reports of fresh fighting between Kabila's forces, their **Zimbabwean** backers and some of Congo's rebel factions. A week earlier, a Congolese-owned Antonov 12 loaded with cluster bombs exploded on the runway at Mbandaka, injuring Kabila's Chief of Air Staff,

General **Faustin Munene**; the aeroplane's Belgian pilot is being treated in a Kinshasa hospital but several flight and ground crew were killed in the explosion. Military sources say the Antonov was one of five recently bought by Kabila's government for use as wildly inaccurate bombers (the cluster bombs are kicked out of the plane's back door). On 29 November, Zimbabwe's military spokesman, Colonel **Chancellor Diye**, said over 30 American mercenaries at Lusambo and Kabalo, near the mining capital of Mbuji Mayi in Kasai Oriental, were operating artillery and communications equipment for the Congolese rebels and their Rwandan allies.

Going back to Goma

The UN's Goma contingent is part of a 90-member military observer team sent to Congo and the capitals of the five countries directly involved there - Angola, **Namibia** and Zimbabwe backing Kabila, and **Uganda** and Rwanda backing the three rebel groups. The UN officers' first assignment is to help set up political and military commissions and promote the national political dialogue called for in the peace deal. Helping that process will be **Tunisia's Kamel Morjane**, formerly head of the Africa department of the office of the UN High Commissioner for Refugees, who was appointed in mid-November as UN Special Envoy to Congo. **Richard Holbrooke**, the forceful US Ambassador to the UN, started a 12-nation tour of Africa on 1 December, focusing mainly on the need for diplomatic backing for the Congo peace.

The second stage, bringing the total UN strength to 3,000, provides for sending 500 UN troops as a robust observer force and protection unit, alongside observers from the Organisation of African Unity. The third, and so far implausible, stage would be a full-blown UN peacekeeping operation, with tens of thousands of troops deployed alongside regional and OAU forces.

The stage two proposals are designed to show the warring parties that the UN is serious about backing regional efforts. Before reaching that deployment there would have to be much progress in enforcing the Lusaka accord. The UN mission hopes to establish minimal trust between the parties. Yet the deadline for withdrawing foreign troops next March will probably be broken and all sides are stalling the setting up of joint political-military commissions. Until they cooperate, there's little hope of domestic political reconciliation and the UN cannot monitor ceasefire violations.

Instead, the focus now is on the deployment of UN officers. Kabila has set three conditions: that he may define 15 sensitive areas (such as Matadi port, where his arms shipments arrive) as off-limits to the UN; that the UN must give him 15 days' advance notice of any deployment; and that his security officers may inspect all classified documents produced by UN officers. Kabila has slowed the UN down and prompted Annan to dispatch a high-level team to try to negotiate more realistic conditions.

Back at the UN Secretariat in New York, the Department of Peacekeeping is reworking its deployment plan to include much more detail about the proposed mandate, its size, cost and logistics. For now, the main motor for the Congo peace seems to be a military stalemate rather than the planned UN deployment. Uganda and Rwanda and their rebel clients seem hard-pressed to make any substantial military gains.

The prize that could change the war, the capture of Mbuji Mayi by Rwandan troops, still looks beyond their grasp. Zimbabwean and Congolese forces (including ex-*Interahamwé* and ex-*Forces Armées Rwandaises* troops) have dug in within and around the city. We hear that Uganda would be unwilling to back any Rwandan

push for Mbuji Mayi, despite the potentially lucrative rewards at the centre of Congo's diamond industry. Similarly, efforts by Kabila's troops to retake lost territory in eastern Congo are proving fruitless. Zimbabwean troops in Ikela (some 480 km. north-east of Kinshasa and a declared troop position under the Lusaka accord) say they have come under rebel fire in recent days. Rebel sources say they were preventing cut-off Congolese troops from breaking through the lines to join the Zimbabweans. And Kabila's recent attacks on **Jean-Pierre Bemba's Mouvement pour la Libération du Congo**, thought to have about 20,000 troops in the north-east, have been strongly repulsed. For all the hopes of multilateral solutions to Africa's wars, the successes and failures of the military forces on the ground remain the determining factor - and stalemates are good for peace.

EGYPT

Pharaoh's frown

The new government is riding a nationalist wave but still needs to win political credibility

Egypt is in the throes of a nationalist backlash, a reaction to claims in the Western media, particularly in the **United States**, that the co-pilot of the airliner which crashed on 31 October may have committed suicide. The vast majority of Egyptians seem to find it inconceivable that anyone taking his or her own life would take those of 216 other people too. Ministers have stood up to suggest a US conspiracy to protect aircraft manufacturers Boeing.

Only days earlier, the popular feeling had been less of defiance than of despair. Nothing seemed to have gone right since **Atef Obeid** was appointed Premier on 5 October. Rumours of an impending earthquake emptied buildings on 16 October: thousands camped in the street overnight. A wall collapsed on a school, killing four children on 22 October. A pall of smoke hung over Cairo: for days, Environment and Transport ministers searched for an explanation.

Then came the Egypt Air crash: the semi-official press has tried to point readers away from terrorism or inefficiency. The Editor of government-owned *Al Gomhuriya*, presidential confidant **Samir Ragab**, even suggested 'a destructive laser weapon aimed at the aircraft by one of the quarrelling US security services'. The government is widely blamed not only for bungling the aftermath of these crises but even for the problems themselves. As usual, the opposition didn't miss a chance to point out that things would have gone much better if it had been allowed into the government and called for 'political renaissance' (i.e. power-sharing).

Veteran political observers like to say that Egyptian politics have not changed much since the pharaohs ruled. The ruler is still permanent, even if nowadays he has to organise a presidential referendum like that which took place on 26 September. Since the referendum is always followed by a reshuffle of ministers and provincial governors, the run-up always involves impressive displays of loyalty by incumbents.

Giza Governor **Maher el Gindy**, for example, erected a pasteboard obelisk in Galaa Square, just across the Nile (AC Vol 40 No 12) from central Cairo, bearing a profile of President **Hosni Mubarak** with reliefs symbolising what the state press likes to call 'his achievements': wheat for agriculture, a tank for military strength and a satellite dish for development. Even the official press, however, thought this was over the top. Days after the referendum, workmen had ripped down the obelisk (it cost 500,000 Egyptian

Mubarak's men - new and old

The ruling party barons remain unchanged: some have been around since President **Gamal Abdel Nasser's** day. The new faces are mainly technocratic and junior: gradualist and market-oriented reform is the new ideology. The government comprises:

● **Atef Obeid** (or 'Ebeid'), Prime Minister: former management professor, in cabinet since 1984; as Public Sector Minister, has supervised 1990s' privatisations.

● **Mohammed Tantawi**, Minister of Defence and State (junior) Minister for Military Production: career army officer; said to be ill and is seen as uncharismatic (unlike, for example, 1980s Defence Minister **Mohammed Abu Ghazala**, purged after becoming a threat to **Hosni Mubarak**).

● **Amr Moussa**, Foreign Affairs: career diplomat; represents Arab nationalist trend in Ministry; charismatic; popular for cynical sound-bites about **Israeli** government.

● **Safwat el Sherif**, Information: high-ranking intelligence officer under Nasser (reigned 1952-1970); sent into political wilderness when services purged after 1967 defeat; comeback under **Anwar el Sadat**, late 1970s; relied on to keep watch on state television; now under fire as TV must compete with **Saudi Arabian**, **Lebanese** and **Qatari** satellite channels.

● **Habib el Adly**, Interior: former state security chief, kept tabs on political dissent; became minister after 1997 Luxor massacre; released 5,000 of estimated 20,000 suspected Islamists from gaols and concentration camps at height (1993-96) of confrontation (as many as 15,000 detainees may be non-activists caught up in security sweeps).

● **Kamal el Shazly**, State Minister, Parliamentary Affairs: Whip for ruling party throughout evolution from Nasser's Arab Socialist Union to Sadat's various versions to today's National Democratic Party.

● **Youssef Wali**, Agriculture and Land Reclamation: probably largest landowner in Fayyoun (rich but undeveloped agricultural region); also Deputy Premier and NDP Secretary General; has Mubarak's confidence.

● **Farouq Seif el Nasr**, Justice: career jurist; little impact on overloaded judicial system: routine cases can take years.

● **Mamduh el Beltagui**, Tourism: NDP apparatchik; press-ganged into job 1993; largely responsible for covering Red Sea coast with (empty) luxury hotels.

● **Farouq Hosni**, Culture: flamboyant painter-turned-politician; under constant fire for alleged corruption at his Ministry or neglect of monuments yet liked by artists for keeping Islamists and religious conservatives away from cultural events.

● **Hussein Kamel Baha el Din**, Education: ex-*Tanzim Tala'i* (Vanguard Organisation), group of civilian apparatchiks trained in Nasser's era to take over day-to-day running of country from the soldiers; rooted out Islamist teachers from classrooms and built new schools but ineffective at improving teaching methods.

● **Mohammed Zaki Abu Amr**, State Minister, Administrative Development: technocrat heading government departments' computerisation.

● **Ibrahim Suleiman**, Housing and New Communities: housing specialist, known for building flyovers.

● **Hamdi Zaqqouq**, Religious Endowments: ex-theology professor in

charge of private religious endowments, more or less state-run since Nasser.

● **Ismail Salaam**, Health and Population: heart surgeon; reforming a decrepit health service but opinion is divided on his effectiveness.

● **Youssef Boutros-Ghali**, Economy and Foreign Trade: youngest in cabinet (47); a top economic brain; scion of an elite family; nephew of ex-United Nations Secretary General **Boutros Boutros-Ghali**.

● **Mufid Shehab**, Higher Education and State Minister, Scientific Research: ex-Dean, Cairo University; in mid-1990s, worked with state security to keep Islamists out of student unions; kept staff and student bodies as apolitical as possible.

● **Mahmoud Abu Zeid**, Public Works and Water Resources: agricultural engineer; in charge of country's irrigation systems.

● **Nadia Makram Obeid**, Minister of State, Environmental Affairs: popular ex-academic; telegenic; respected by radical environmental groups for pushing for environmental regulation.

● **Ahmed el Emmawi**, Manpower and Emigration: former leader of government-controlled union; dampened worker unrest against privatisation.

New ministers

● **Medhat Hassanein**, Finance: finance and economics professor, American University in Cairo.

● **Mustafa Abdel Qadr**, Local Development: ex-state security head; from 1997, Governor of Minya, stronghold of *Gama'a Islamiya* in late 1990s.

● **Amina el Gindy**, Social Affairs: sociology professor-turned-apparatchik; on various state councils, including High Council for Education and Radio and Television Union board.

● **Mustafa el Rifai**, Industry: ex-Chairman of a state-owned petrochemical company.

● **Ali el Saeedi**, Electricity: ex-Executive Chairman, Nuclear Stations Authority (limited to small research reactors).

● **Sayed Mish'el**, with Tantawi, State Minister, Military Production: military and chemical parastatal background.

● **Ibrahim el Demeiri**, Transport: traffic specialist; Dean, Engineering Faculty, then Vice-President, Ain Shams University; set up Traffic Planning Department there.

● **Alei el Din Hilal**, Youth: ex-head, Political Science, Cairo University; toed government line but students liked him for tolerating free speech; Youth Ministry lacks a clear brief.

● **Hassan Khedr**, Supply: ex-economic researcher for Agriculture Ministry.

● **Ahmed el Darsh**, Planning and International Cooperation: economic researcher and member, National Planning Committee, under Nasser; later, university economics lecturer, **United States** and **Kuwait**; then advisor to Economy Minister.

● **Mokhtar Khattab**, Public Sector: economist; Obeid-protégé in Information Decision and Support Centre (which computerises government), then advisor to Obeid.

● **Ahmed Nazif**, Communications and Information Technology: computer engineer; supervised computerisation of identity cards.

● **Sameh Fahmy**, Petroleum: ex-director and advisor, state petrochemical sector.

pounds, US\$150,000) and dumped it in an underpass. Gindy may suffer a similar fate.

In Egypt's politics, one man determines who stays and who goes. There are no ethnic or regional constituencies to speak of. The 10-15 per cent of the population that is Coptic Christian is, with some notable exceptions, happy to stay out of the political spotlight. The opposition, including the Islamists, is far too weak to demand a share in government. The only people Mubarak must keep happy

are his colleagues in the top brass of the armed forces and intelligence services - and they tend to be publicity shy. Ministers and governors can be local heroes but are more often cast, even by the government press, as scapegoats.

Mubarak's grip on the country is shown by the way he treats his prime ministers. A week before the referendum, only a handful of people had any idea that Premier **Kamal el Ganzouri** wasn't still the apple of the presidential eye, as he was when appointed in 1996

and given unprecedented powers to run the cabinet. Then on 5 October, before a new cabinet was to be named, Ragab, who puts Mubarak's thoughts into writing, criticised Ganzouri's government for 'weak management, arrogance, narcissism and clannishness.' Everyone knew Ganzouri had rowed with several ministers; most assumed they would be the ones to go, not he.

Mubarak won his credentials as the airforce chief who made a fighting force of the demoralised men caught flat-footed by Israeli troops in 1967; and he got them up to scratch for the 1973 crossing of the Suez Canal. It took ten years as President for Mubarak to abandon his barracks slang in public addresses; in private, he still communicates with his ministers like a drill-sergeant. Sometimes he tells them off without warning in public, leaving them with awkward grins on their faces as the television cameras roll.

Aside from Ganzouri's removal, the cabinet reshuffle (on 6-10 October) was unexciting. The new Premier, Obeid, is a former Minister of the Public Sector who has been in cabinet since 1984. He'll be running economic matters and little else. For the infrastructure ministries such as Transport, Energy and Communications, the President brought in mostly university professors.

The real pillars of the regime are unchanged. They include Agriculture Minister **Youssef Wali**, Foreign Minister **Amr Moussa** and **Safwat el Sherif**, the Information Minister noted for telling the semi-official *Al-Ahram* in 1994: 'The battle to stop people acquiring information is futile'. Mubarak is careful to groom no successor. Many Egyptians think this irresponsible but at least the aspirants must struggle to prove themselves.

The new Premier has specialised in privatisation, indicating that Mubarak wants to speed up the process. There is already a good deal of private enterprise but it tends to favour building or foreign trade rather than industry. Despite official proven reserves of 2.9 billion barrels of oil and 36 trillion cubic feet of natural gas, plus some of the world's finest cotton and a relatively industrialised economy, Egypt's exports are only about a third of its imports. It runs a trade deficit with every big trading bloc, including the rest of Africa. The stock market, the Egyptian pound and the economy in general are in the doldrums. It is often said that the main factor preventing capital flight is that nobody, local or external, has invested enough capital to flee.

Politically, things are more obscure. A few carefully monitored opposition parties are allowed to snipe from the sidelines but can't go anywhere near government. Yet Mubarak has shown signs of discontent with the ruling National Democratic Party. It has been overconfident, embroiled in scandals ranging from sweetheart loans to raiding a flat with a squad of gunmen in an attempt to evict the tenants. One of Mubarak's closest advisors, **Usama el Baz**, has encouraged some businessmen to put out feelers for a new 'Future' (*Mustaqbal*) party, a somewhat cleaner, more transparent version of the NDP, to compete in the parliamentary elections next year.

If the cautious Mubarak were to attempt a bold move into semi-pluralism, he wouldn't swap his old confidants for new faces just beforehand. Any experiment would be tightly controlled. Advocates of political Islam have been in the political mainstream for over two decades but are still considered dangerous. On 16 October, for instance, 20 Muslim Brothers were arrested for 'conspiring to infiltrate' parliament and local councils through elections. Yet if a cleaned-up, gentrified version of the NDP is allowed to compete fairly with the party dinosaurs next year, with Mubarak aloof above the struggle, it would offer voters a lot more choice than they have grown used to.

GHANA

Tarnished gold

Confusion in the markets, muddle at the top and elections ahead

The peaceful march by oppositionists to a rally at Accra sports stadium on 25 November has put the country's wobbly economy back at the political centre-stage and President **Jerry John Rawlings'** government on the defensive. Ghana's opposition parties, not known for their tactical acuity, claimed they drew some 5-10,000 supporters to the rally, at which speaker after speaker berated the government's economic mismanagement, official corruption and plans to sack more state employees. The rally was a rare flash of unity among the five biggest opposition parties, from **John Kufour's** stolidly bourgeois New Patriotic Party (NPP) to **Goosie Tanoh's** leftist Reform Party. It was the biggest political protest since the 1995 '*Kume preko*' (kill me now) demonstration against value added tax. Then, the opposition was too divided to build an effective coalition in the 1996 elections. That hasn't changed much but this time, the ruling National Democratic Congress is a weaker target. It's torn by faction fighting ahead of next year's elections, when Rawlings must stand down; economic grievances are even stronger than four years ago.

The timing of the rally, straight after a two-day donor meeting in Accra chaired by the World Bank, was to show the depth of feeling about the crisis in what has been held up as a model reforming economy. If they had been better organised, opposition parties could have put their complaints directly to the donors' meeting. The Bank's Resident Representative in Accra, **Peter Harrold**, is an enthusiastic adherent of Bank President **Jim Wolfensohn's** policy of opening up and many civil society and non-governmental organisations attended the 23-24 November donors' meeting. Donors also raised concerns about corruption but unlike the opposition, they wanted government to speed up economic reforms, the sale of state companies and the reduction of the public sector wages bill (that is, more sackings). So budgetary aid pledges fell short of projections: US\$180 million for 2000 (government had expected \$250 mn.) and \$150 mn. for 2001 (instead of \$200 mn.). And project aid pledged amounting to \$600mn. a year from 2000-2001 also fell short of hopes. Much of this is academic, however, as last year just 30 per cent of the pledged aid was disbursed.

The aid problems are compounded by an argument among donors: **Japan** has pressured Ghana not to apply for debt writeoffs under the Bank and International Monetary Fund's Heavily Indebted Poor Country Initiative by threatening to cut all bilateral aid (Ghana is Africa's biggest recipient of Japanese aid). Tokyo is also the biggest bilateral lender to Africa and not keen on debt relief. **France**, the second aid provider to Africa, is also unenthusiastic about Ghana joining HIPC and speaks of Accra's 'sovereign right' to work out where its interests lie. **Britain** insists, however, that Accra's interests lie in joining HIPC, getting debt relief and trying to maintain general donor support. Until Accra categorically pledges not to join HIPC, Tokyo is withholding its bilateral aid pledges. To the consternation of Tokyo's diplomats, one Accra weekly, *Public Agenda*, screamed: 'Japanese blackmail!'

The row is central for a government which is more aid-dependent than ever. For two years, Ghana's economy has been buffeted by international commodity markets: oil is now at a three-year high,

cocoa at a seven-year low. An unforeseen rise in the gold price almost forced the Ashanti Goldfields Corporation (AGC) into an unwanted takeover by Lonmin (AC passim). Last year's drought brought nationwide power cuts and this year floods have devastated much of the north.

Government officials reckon that cocoa prices will fall by about 25 per cent next year. The IMF puts the funding gap for 2000 at US\$183 million. The cedi's value has fallen since January from 2,200 to the US dollar to 3,400:\$1.00. Finance Minister **Richard Kwame Peprah**'s position is shaky. He was widely criticised for spending lavishly on his own 50th birthday party and in October he told parliament that Rawlings' new presidential jet (a Gulfstream Series III, costing \$16.9 mn. over five years) had been bought from Texas-based Wings Aviation. The firm denies any connection with the sale.

The purchase of the jet, when petrol prices had just risen for the fourth time this year, added to the discontent among groups such as doctors, nurses and university students, whose threat to strike eventually forced the government to change its mind about the price rises. A decision to raise students' fees by more than 300 per cent, announced just three weeks before the new academic year, had led to a two-month boycott of classes, until Rawlings himself stepped in to order a review of the charges. Decisions to raise fees paid by students and hospital patients had been taken with little or no public consultation. A move to place three of Accra's main hospitals under the control of the Defence Ministry also ended in a U-turn, after staff threatened industrial action despite the offer of higher salaries. Education Minister **Ekwow Spio-Garbrah** and his deputy, **Mohamed ibn Chambas**, took the brunt of public anger; Spio-Garbrah was later given additional responsibility for Mines and Energy.

Sacking on the radio

The substantive Minister of Mines, **Fred Ohene-Kena**, was dismissed by radio while in London. He was there as a member of Ashanti Goldfields' board, with fellow-member Peprah, to confront Lonmin's takeover offer. They eventually won a conditional three-year respite from AGC's creditors (and from the takeover threat) by promising 15 per cent of capital as collateral to bankers.

Sam Jonah, Ashanti's Chief Executive, is an old adversary of Rawlings. Ohene-Kena, too, was caught in a personal feud. Rawlings has talked several times, without naming names, of 'criminal acts' in the mining sector. The ex-Minister challenged the government to prove charges of criminality. So did Ashanti, in a two-page advertisement refuting criticism of its strategy during its debt crisis.

Ohene-Kena said Rawlings hadn't spoken to him for 16 months before his dismissal. Another high-profile casualty was **Kojo Yankah**, Minister for the Ashanti (and formerly the Central) region. Rawlings explained that he had wanted to make better use of his talents by moving him to the (virtually defunct) National Development Planning Commission: Yankah promptly resigned and won a standing ovation from the opposition the next time he walked into parliament. He had angered Rawlings by failing to ensure that the NDC's preferred candidate, **Akwasi Agyeman**, was installed as *Asantehene* after the previous Ashanti King, **Otumfuo Opoku Ware II**, died on 25 February. The crisis was only defused when Rawlings flew to Kumasi to broker a deal between the two men. Akwasi Agyeman, the NDC-appointed Municipal Chief Executive in the Ashanti regional capital, Kumasi, is deeply unpopular there.

The new monarch, **Otumfuo Osei Tutu II**, is seen as the opposition candidate and is a close personal friend of AGC's Jonah. Recent strikes at the company's Obuasi mine are widely believed to have been instigated by elements in the government itself. Rawlings' old feud with Jonah is matched by a new one with Jonah's friend Peprah. As Finance Minister, he had agreed a deal with the **Italian** oil company Agip to privatise the Ghana Oil Company (Goil). But without telling the Minister, the first couple, Jerry and **Nana Konadu Agyeman Rawlings**, had already reached sale terms with the **Franco-Belgian** conglomerate TotalFina (now merged with Elf-Aquitaine, which specialises in West African oil). The Goil sale is now in abeyance and the row leads many to assume that Peprah won't be Finance Minister come the New Year, though he vehemently denies falling out with Rawlings.

The main voice of discontent is not the fractious opposition but the private press. At the end of October, the *Weekend Statesman* (owned by **Nana Akufo-Addo**, an NPP MP and Legal Affairs Spokesperson) published a transcript of a tape recording which, if authentic, could implicate people at the highest levels of government in several unsolved crimes. The conversation purports to be between '**Albert**', a member of the Castle security guard, and an unnamed woman. Their discussions include a bomb explosion after the 1992 elections at the Ringway Hotel in Accra, owned by Akufo-Addo's family, and the murder in 1985 of a Roman Catholic priest, Father **Kukah**, whose body was found on Bortianor beach. It is widely thought that his killers mistook him for their intended victim, the Rt. Rev. **Charles Palmer-Buckle**, then editor of the *Catholic Standard*. His paper was one of the few still critical of the military regime, the Provisional National Defence Council, which Rawlings headed from 31 December 1981 to 7 January 1993. The *Standard*'s publishing licence was withdrawn a few days after the murder was discovered.

Other incidents '**Albert**' referred to were the attempted bombing of former security chief **Kojo Tsikata**'s Accra home and the house of **Tony Gbeho** (the late brother of the current Foreign Minister, **Victor Gbeho**). The '**Albert** tape' was picked up by a private Accra radio station, Joy FM. Police then detained nine staff members of Joy and the *Statesman*. The journalists involved and Akufo-Addo have been threatened with prosecution for publishing false news. They deny wrongdoing, saying they had handed copies of the tape to the Inspector General of Police and the Attorney General before publication, and that it was a legitimate matter of public interest.

The government insists the tape is a fake designed to embarrass it (one of Rawlings' long-standing security officers is called **Albert Gbafa** and has a reputation for robustness). Fake or not, the tape saga points to more wrangling in government and a loosening grip on security since Tsikata's departure. There's much complaining in the military and security about conditions and pay. Complaints were hardly assuaged by a two-hour harangue by Rawlings at a mid-year military passing out parade in which he warned Ghana could become 'ungovernable' next year.

Worries about Rawlings' health and erratic behaviour are second to wider concerns about next year's transition. The NDC's dominance seems assured, despite the weak economy. Vice-President **John Evans Atta-Mills** is likely to be confirmed as Rawlings' chosen successor, at a party congress which must be held by June. Even though Rawlings has publicly ruled out staying on, he doesn't look set for retirement. His party is likely to bring in a new rule making him, as its founding father, an *ex-officio* member of any future NDC cabinet. If so, Atta-Mills would preside for the next four years with Rawlings looking over his shoulder.

NIGERIA

Lousy legacies

President Obasanjo's good start is being threatened by poverty and ethnic nationalism

Street fighting over control of a local market in the old capital, Lagos, in late November, in which over 100 people have died, started just as President **Olusegun Obasanjo's** government was threatening another dissident area (in the poverty-stricken oil-producing states) with martial law. Obasanjo had been winning high marks for a return to constitutionality, anti-corruption campaigning and better economic policies but still had to deal with the legacy of 18 disastrous years of military rule.

Across Nigeria, public services have collapsed and poverty is growing, sharpening ethnic divisions and fostering an ever shriller parochial politics in which ethnic groups, clans and sub-clans battle for the shrinking national cake. Obasanjo, regarded by many (especially outsiders) as a one-nation Nigerian, comes under attack from all shades of ethnic chauvinism: for Yoruba nationalists (such as the Oduduwa Peoples' Congress) he is a traitor; to Hausa nationalists, he is a closet Oduduwa supremacist; to minority group activists scratching a living in the mineral-rich regions, he's just part of the establishment - long on promises, short on action.

The Lagos violence was sparked by a dispute between Yoruba people (apparently egged on by the OPC) and Hausa traders over the control of Ketu produce market. Understandably, the Abuja authorities play down the ethnic complexion of the violence. There's no tradition of Yoruba-Hausa confrontations in Nigeria. But as both groups are in every city, there's a horrific potential for copycat clashes. Dealing with such tensions in the volatile cities needs a longer-term political strategy. Several of Obasanjo's aides believe that at least some of the violence is fanned by opponents (or the suspected targets) of his anti-corruption drive.

In the Delta, much will have to be done immediately if the crucial oil industry is to recover from its current paralysis. In September, there was an eruption in Bonny, which gives its name to the high-grade Bonny Light crude and is the site of a huge new Liquefied Natural Gas plant. The scheduled first shipment of gas was halted by a three-day protest, called off only after Obasanjo had visited the town and appealed to demonstrators. Community leaders threaten further demonstrations unless the companies employ more local people, improve environmental management and foster community development. Their 'Bonny Agenda' has become a model for protests all over the Niger Delta, some of them violent.

The Delta's unrest is exacerbated by long-term unemployment and the wage gap between foreign oil workers and locals. The Rivers State government blames these feelings for a crisis near the state capital, Port Harcourt, in Choba, a village which has for more than 30 years been the base for Willbros, an **American** oil service company. People in the area complain of employment practices, accusing the company of breaking its original agreement with them.

The Rivers government offered to mediate. Community activists first claimed that Willbros was not acting in good faith, then accused the government of taking the company's side. They invaded the site, security personnel were drafted in and some local people were killed. The State government put out a long statement

denying accusations of brutality but *The Punch*, a national newspaper, published photographs that seemed to show security officers raping women in Choba during the events. The National Assembly is now investigating.

Choba people are Ikwerre and seen as among the most tolerant and docile in relations with oil companies. Rivers is home to many oil installations operated by Shell, Agip, Elf-Aquitaine and other giants. Violent protests by Ikwerre would have a far greater impact than by Ijaw. Many Ikwerre leaders say their control over young people has been undermined by the oil industry's delays in granting concessions and that the Choba incident shows they have been deliberately ignored in state politics too. This is a challenge to State Governor **Peter Odili**, who has been working closely with Obasanjo and has been appointed to head a federal committee on relations between multi-nationals and host communities in the Delta.

The proposal for a regional state of emergency was made not by Obasanjo but by Vice-President **Atiku Abubakar**, a northerner closely allied to ex-General **Aliyu Mohammed Gusau**, the National Security Advisor. It was announced that the US and **British** governments were ready to mount joint training exercises with the army, which several Nigerians accused of agreeing to defend foreign oil companies. Such ideas help to recruit young dissidents to the ranks of the insurrectionists, especially among the Ijaw.

In mid-November, twelve police officers were killed by a gang of Ijaw youths in the recently created Bayelsa State. Many Delta leaders deplored the killings but said things would be worse if central government declared a regional state of emergency. Bayelsa's State Governor, Chief **D.S.P. Alamieyeseigha**, was given 14 days to bring the killers to book. He failed: young dissidents known as the 'Egbesu boys' seized Odi, near the State capital of Yenagoa, and drove out local inhabitants. (The Egbesu boys, said to have been strong-arm men for the Governor during the State elections earlier this year, follow a cult whose members are supposed to be bulletproof and invisible.) Before the deadline had expired, on 24 November about 2,000 soldiers were sent into Odi, fighting broke out and Ijaw spokesmen said more than 200 of their people were killed; a formal state of emergency had not been declared. Shocked at the devastation, visiting National Assembly members have called for the immediate withdrawal of the troops.

Obasanjo's new budget promises an immediate US\$50 million for the Delta states, to be followed by \$600 mn. next year. But it also promises to end fuel subsidies and deregulate domestic fuel prices. While that would make smuggling fuel to neighbouring states unprofitable, it might also spark more violent protests.

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Pointers

NIGER

Tandja wins, ok

The former ruling party pulled it off again: **Mamadou Tandja** of the *Mouvement National pour la Société de Développement* polled 59.9 per cent of the vote in the military-run presidential poll on 24 November. The MNSD also won 38 of the 83 constituencies; with 17 seats won by its ally, the *Convention Démocratique et Sociale*, it is firmly in charge. The polls were well run and good-humoured with no dispute over the result: no mean achievement for the second poorest country in the world which has a record of political instability and military rule.

Mahamane Ousmane (CDS), the democratically elected President overthrown by General **Ibrahim Baré Maïnassara** in 1996, threw his south-eastern Hausa bloc-vote behind Tandja. **Mahamadou Issoufou** of the *Parti Nigérien pour la Démocratie et le Socialisme* won the remaining 40.1 per cent and graciously congratulated Tandja, calling the polls a 'victory for democracy.' He might yet play a role in a power-sharing government.

Tandja knows how to build the alliances needed in Niamey's personality politics and may offer a trouble-free future for the soldier who made way for him, Commandant **Daouda Mallam Wanké**, whose airport guard killed Maïnassara on 9 April (AC Vol 40 No 8). Wanké seems to have played a clever game: after October's first round of voting, the local media seemed convinced he favoured Issoufou. Yet diplomats feel Wanké has always thought only Tandja could give his new constitution a fair chance. Wanké has often said he wants to return to barracks: the constitution gives immunity to all involved in his and Maïnassara's coups (in which he was heavily involved).

Tandja may also manage the trades unions better than Issoufou: he's closer to union leader **Ibrahim Maiyaki**, who resigned in fury as Premier in 1994, undermined by union activists. Social peace would bring badly needed aid.

Togo's Gnassingbé Eyadéma, once close to military leader **Seyni Kountché**, was seen as behind Tandja from the start. **Libya** has had less apparent influence since Maïnassara's death but **Moammar el Gaddafi's** secret services keep Tuareg contacts. Key to the next government will be **Rhissa ag Boula**, who led the 1990-96 Tuareg insurrection then became Maïnassara's Tourism Minister. Donors will have pushed for Premier **Ibrahim Hassane Maiyaki** (who memorably described Maïnassara's murder as an 'unfortunate accident') to remain: he gets credit for the recent leap in privatisation. Within hours of winning, Tandja appealed to donors to lift the aid embargo imposed after Maïnassara's killing.

ALGERIA

Going to the dentist

Abdelkader Hachani was murdered by a lone gunman on 22 November as he waited to see an Algiers dentist. He was the leading Islamist at liberty, nominally number three in the banned *Front Islamique du Salut* but a more credible figure than ageing leader **Abbasi Madani** or gaolod preacher **Ali Belhadj**. President **Abdelaziz Bouteflika** has been telling the world Algeria's conflict is all but over and that since his 'civil concord' referendum on 16 September, he sits easy in power (AC Vol 40 No 15). Yet Hachani's murder underlines the risks of Bouteflika's presidency. Over eight months after his election, he has not yet named a government.

More than 100,000 people have died in the current conflict, few of them senior politicians; Hachani is the first FIS leader to die. The finger pointed promptly at the ultra-radical *Groupe Islamique Armé*, though the FIS Executive Committee Abroad blamed 'eradicationist circles', meaning regime hardliners. Algerian signature killings often follow elite in-fighting. A group of 94 Islamic leaders then circulated a call for a new opening to the FIS. The signatories, as well as **Egyptian** and Palestinian Islamist leaders, included **Tunisia's Rachid Ghannouchi** and Algeria's ex-Premier **Abdelhamid Brahimi** (both living in Britain). Algerians included **Rabah Kebir** and other exiled FIS officials, plus **Abdallah Djaballah** and **Ahmed Taleb Ibrahim**, who since his failed presidential bid in April has set up a new party, *Wafa*.

The Algiers press and the security establishment suggest 'Boutef' himself may now be a target for the 'Islamist International'. He is also unpopular with some senior serving and retired officers concerned about his tendency to rule alone, military appointments and his ideas on tackling corruption and human rights abuses. Boutef wants to give old allies delicate jobs including, as Defence Ministry Secretary General, **Yazid Zerhouni**, who was close to the murdered ex-Premier and security chief **Kasdi Merbah**, another signature killing victim. The security chief, Major General **Mohamed 'Tawfik' Mediène**, wants to promote his own allies, such as **Abdelkader Hadjar**, head of parliament's Foreign Affairs Committee.

Algeria's politics enters a new phase on 13 January when Bouteflika's offer of amnesty expires and the army will again have free rein. Meanwhile the presidency has promised better protection to Islamist leaders; if there is another death, **Medani Merzak's Armée Islamique du Salut** could reconsider its ceasefire. A fiercer challenge to Bouteflika would come if one of the establishment's warring clans decided to relaunch a hot war. Since his questionable election this year, Boutef has built credibility by ending much of the urban violence.

SUDAN

Hostile homelands

The opposition's swift rejection of the 25 November agreement between the National Islamic Front and Umma Party has surprised both signatories. National Democratic Alliance leaders were 'unanimous' in deploring 'a flagrant violation' of NDA charters and they suspended NDA Secretary General **Mubarek Abdullahi el Fadil el Mahdi**, who had signed 'The Call of the Homeland' document on the Umma's behalf. Though the pact was made, in **Djibouti**, by President **Omer el Beshir** and **El Sadig el Mahdi**, neither signed it. Their acolytes did: Foreign Minister **Mustafa Osman Ismael** ('Mr Smile'), who then rushed off explain things to **France** and **Germany**, and Mubarek Abdullahi el Fadil, who omitted the Mahdi family name he always uses.

'Homeland' has two main aims for the NIF: to coopt and therefore neutralise El Sadig and his Umma, further dividing the NDA, on the model used for **Riek Machar** and **Lam Akol**; secondly, to wrongfoot the **United States** while convincing outsiders, especially European governments and businesses, that it really wants peace (AC Vol 40 No 23). The timing was impeccable. On 29 November, the USA passed legislation allowing it to give food aid to the Sudan People's Liberation Army and other NDA parties holding territory in Sudan. United Nations bodies and even US officials accused the USA of fuelling the war. **Egypt** welcomed 'Homeland' (**Usama el Baz**) then called it 'unacceptable' (**Amr Moussa**).

'Homeland' was also timed for a heads of government meeting of the Inter-Governmental Authority on Development in Djibouti: the NIF has in fact been trying to supersede the IGAD talks process. 'Homeland' emphasised a 'Declaration of Principles', the same name as that used for the key IGAD framework whereby the NIF agreed in 1997 to a 'secular and democratic state'. Superficially attractive but deficient in substance, 'Homeland' doesn't offer secularism (or an independent judiciary). It stipulates four years before a southern referendum: two years ago, the 'Khartoum Peace Agreement' had also stipulated four years.

The furious Sudanese reaction means 'Homeland' is already being presented as less an accord, more a declaration of intent. And the Umma website still displays El Sadig's 1996 condemnation of the NIF's 'terrorism against its own people' and 'project to discredit Islam' and includes a 'List of Shame', headed by Lieutenant General Omer and including **Nafie Ali Nafie**, the security chief who also attended the Djibouti meeting. Nafie also made a clandestine visit to London in October for talks with **Ugandan** officials, mediated by a Ugandan Coca-Cola executive and Carter Center officials. He fled **Britain** after his cover was blown and human rights activists demanded his arrest.

AFRICA CONFIDENTIAL

KENYA

2

Sorry, wrong number

The bizarre saga of Kenya's cellular phone licences raises questions about the government's anti-corruption campaign. Although Nairobi officials claim the bidding was 'World Bank-monitored', some companies report gross irregularities and say the state has lost \$50 million revenue.

SOUTH AFRICA

3

Dealing with dissenters

President Mbeki is piling on pressure on Inkatha leader and Home Affairs Minister Buthelezi and Democratic Party head Tony Leon. Buthelezi is in the ruling ANC's suffocating embrace, and under fire for ministerial errors. Leon, spoiling for a debate with Mbeki, is kept at arms' length.

EQUATORIAL GUINEA

5

Obiang's heritage

The government denies that President Obiang is gravely ill but recent sightings of him in Nigeria show him thinner and more tired than before. Obiang has confirmed visiting a renowned US clinic for a 'check-up'.

RWANDA

6

Advantage, Kigali

At home an anti-corruption drive gathers pace; regionally, lack of progress in tracking down *genocidaires* makes Congo peace prospects bleaker; and Kigali has scored a win in its battle with the UN over the genocide tribunals.

POINTERS

8

South Africa/ Zimbabwe, Angola, Uganda and ACP/EU

KENYA

Going for broke

Civil service chief Leakey's anti-corruption drive could bring in just enough aid to rescue the government

Kenya is almost broke. And the International Monetary Fund, which has been expertly teased with promises of reform by President **Daniel arap Moi's** government several times before, is thinking about restarting the flow of aid. On 16 December, as we went to press, an IMF board meeting was to consider reopening negotiations (with several provisos) on US\$175 million of low-interest credits under its Poverty Reduction and Growth (formerly Structural Adjustment) facility. An IMF deal could trigger a further \$250 mn. of credits from the World Bank and bilateral donors.

The Fund's Nairobi staff have sent a favourable report, and if the board says yes a mission from headquarters in Washington will visit Kenya within a month. Aid could be resumed as early as next March, but negotiations are more likely to drag on until mid-year. Without help, the government would probably default on several debts next year. If the IMF reopens its cash box, it will be a tribute to, and a boost for, **Richard Leakey**, the former wildlife director and opposition activist who was appointed by Moi as Head of the Public Service and Secretary to the Cabinet on 23 July, bringing a team of other Kenyan professionals with him into senior civil service posts.

Leakey has notched up some notable administrative reforms. **British** officials helped organise the June meeting between Moi and World Bank President **James Wolfensohn** which led to Leakey's appointment. If Whitehall backs Kenya on the IMF board, the aid talks will get serious, and Kenya's diplomats, coordinated by **Sally Kosgey**, Permanent Secretary in the Foreign Ministry, have done their best. Britain's new Minister of State for Africa, **Peter Hain**, was (like Leakey) born in Kenya; his trip there in October included a visit to the house where he lived as a child. Even Hain, who first came to public notice as an anti-apartheid activist and is tough on corruption and human rights, may have been touched. Within days of his appointment in July, Vice-President **George Saitoti** had visited him to explain the bgorn-again Moi government's reformist credentials. British officials remembered past promises broken, but also know that financial collapse could mean disaster for Kenya's people.

Have you been Leakey-ed?

IMF credits were suspended two years ago, after the government failed to investigate seriously the Goldenberg affair (in which more than \$300 mn. of state funds were lost, with several senior officials implicated) and to close down its network of 'extra-budgetary' accounts. The Fund and the World Bank also pressed Nairobi to clean up the way it awards contracts, but questions are still being asked about recent deals, especially the award of the second mobile phone licence (see Box) and other parts of the proposed telecommunications privatisation.

No one doubts Leakey's energy and determination. He usually starts work at 6 am and is often there 15 hours later. He has subjected the corruption-riddled coffee and tea boards to a full audit for the first time in years; several senior officials have since resigned. He has strengthened the Anti-Corruption Authority, put a finance officer in each ministry to monitor spending, and restarted privatisation. All of the Kenya Reinsurance Corporation and 35 per cent of Kenya Commercial Bank are to be sold next year.

Civil servants take Leakey seriously because he aims to cut the public payroll by a third, and has unearthed plenty of skulduggery: 'Has your department been Leakeyed yet?' civil servants ask each other. Those tempted to skim a contract or divert state funds to a relative's account now face a real risk of being caught. Moi has told visitors that Leakey's anti-corruption remit extends to the top. Asked if that includes Moi's business-minded sons, **Gideon** and **Philip**, we hear that the President replied: 'If there is evidence against them . . . they must be taught to behave'.

But nobody knows how far up the political food chain Leakey's power runs. Some hard-nosed ministers and deputies regard his appointment as a smart move by Moi's tough ally, **Nicholas Biwott** - even though Leakey, whose first language was Kikuyu, is not an obvious ally for Moi's friends. Kenya needs aid, and if anybody could persuade the donors to unblock it, Leakey is the man. Yet his supporters foretold a purge of old-guard ministers and a merging of ministries when Moi

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To enliven Kenya's official anti-corruption campaign comes the bizarre saga of the cellular telephone licences. The licence to operate a second cellular system was awarded last month to a consortium led by Vivendi, an ambitious **French** sewerage contractor, and Kenya's Sameer Investments. The Vivendi-Sameer consortium bid just US\$55 million for its licence. Two competitors submitted bids, for \$94 mn. and \$120 mn. On the face of it, that cost the Treasury about \$50 mn. The all-powerful Trade and Industry Minister, **Nicholas Biwott**, who has taken a very close interest in the matter describes the award as 'good for Kenya'.

It is surely good for Vivendi (with 40 per cent of the new company, Kencell) and Sameer and a cluster of unnamed local interests (60 per cent). Apart from an apparent \$50 mn. discount on the licence, Kencell should earn a minimum \$50 mn. a year. The local Managing Director of Sameer, **Naushad Merali**, is regarded as a competent and serious businessman whose career took off after he bought Firestone East Africa. His Sameer Investments has a nominal capital of KShs10 mn. (\$133,000); the majority of its equity is controlled by an investment syndicate, Yana Developers Ltd. Another syndicate, Yana Investments, and Sameer hold equity in local banks. There is deep interest in the identity of the senior political figures linked to these syndicates.

Vivendi has just paid \$510 mn. for a second mobile phone operating licence in **Egypt**. Officials at the Communications Commission of Kenya had confidently predicted that their second cellular licence would raise at least \$100 mn. **Neguib Sawiri**, Chairman of a rival bidder, Orascom, confronted the CCK chairman, **Samuel Chepkong'a**, at the public announcement: 'You have just rejected a bid of \$94 mn. How can you throw away this kind of money?' This murky affair is a great embarrassment to the World Bank. Government officials repeatedly claim the tendering process was 'World Bank-monitored'. Unsuccessful bidders say that is patently untrue. Yet the Bank has not yet disavowed the government claims, indeed it has had nothing substantial to say at all on the controversial award.

The row also embarrasses the respected Permanent Secretary at the Transport and Communications Ministry, **Titus Naikuni**. He replaced Biwott's long-time ally, **Stanley Morage**, as part of the 'recovery team' under civil service chief **Richard Leakey**, to clean up the notoriously non-transparent telecommunications sector and speed its privatisation. By the time Naikuni was appointed, the government had

fixed its cellular phone strategy. Leakey's team's failure to stop the licence going cheap shows its political limits.

Biwott insisted that the announcement, made five months earlier than scheduled, proved that the government was serious about privatising telecommunications but ministers are refusing to answer questions in parliament about the award. Naikuni and his Minister, **Wycliffe Musalia Mudavadi**, have now set up a tribunal to investigate complaints, both from major companies eliminated in the early stages of the competition, such as **Deutsche Telekom** and **Malaysia Telecom**, and from five of the short-listed companies. The complainants hope the International Monetary Fund and World Bank will use their leverage over aid funds to insist that the pre-qualification and bidding rounds are re-run according to international competitive standards.

We hear that all six short-listed companies had recruited senior politicians, formally and informally, into their consortia. In one consortium, **United States'** GTE joined forces with Egypt's Orascom and the Kenyan Flying Academy (which has good contacts with the Biwott family). We hear that competition among Kenya's elite for participation in the phone licences was so intense that Intelligence Director **Wilson Boinet** found it necessary to tap the telephones of the main contenders, as well as Biwott's. A considerable chilliness has developed between the two since then.

Orascom insist that GTE came under political pressure to withdraw from the race and so sabotage their higher \$94 mn. bid. Another powerful contender was the consortium of France-Télécom, IPS Diamond Trust and Jubilee Insurance (the latter is run by **Amin Juma**, an Asian businessman close to Kenyan intelligence). **South Africa's** MTN, in partnership with Scandinavia's Telia and Kenya's Triton, were convinced they had won the contract. Not only had they got Moi's sons **Gideon** and **Philip** involved, they also seemed to have inside information about their rivals' bids. The award announcement for Vivendi rendered MTN executives speechless with rage.

The row over the second cellular licence could damage the prospects of selling a stake in Safaricom (holders of the first cellular licence) which is jointly owned by Presidential son Gideon and the state's Telkom Kenya. **Britain's** Vodafone was set to buy a 49 per cent stake in the ailing Safaricom, which has a reputation for high prices and poor service. But we hear that the manipulations over the second licence are making Vodafone think again.

reshuffled his government on 6 September (AC Vol 40 No 18). In the event the entire cast of ministers was retained, and the donors' chief target, Biwott, was promoted from the East Africa Cooperation portfolio to Tourism, Trade and Industry. Leakey insisted that the reshuffle would still improve financial control. Although the ministers kept their ministerial titles, the number of ministries was cut to 15 from 28. Now each has its budget controls.

The 'economic recovery team' has already won some victories. Several heads of parastatal companies and senior police officers have been sacked for 'governance' offences. Six accountants in the Office of the President have been arrested by the fraud unit of the Criminal Investigation Department, and detectives are investigating the Ministries of Roads and of Public Works. Late last month Leakey stopped **Samuel Gichuru**, Managing Director of the Kenya Power & Lighting Company and an old ally of Trade and Industry Minister Nicholas Biwott, importing new generating plant. Gichuru was claiming that extra generators were needed to compensate for a shortfall of hydro-electric power - but it has been raining heavily for a month, and the dams' supply is improving.

Things went less well at the notorious Kenya Ports Authority,

where Leakey appointed a new chief executive, **Joseph Munene** - who resigned last week, under pressure from vested interests who manipulated political protests against him. His successor, **Brown Ondego**, is also keen to cut the graft but is taking a much-higher profile. It is not easy to recruit honest Kenyan professionals to the public service, where the pay is bad and would-be reformers may face threats of violence.

The government's worst performance has been its handling of the famine in North-East Province. Local officials and aid agencies say that more than 35,000 lives are at risk in Keelang alone. Most of Turkana hasn't had rain for three years, and disaster was predicted there a year ago. But officials in the Office of the President insisted that they had allocated enough money for maize and that the situation was under control.

Far from it. Hopelessly inadequate deliveries were delayed by transport breakdowns. Much food aid was stolen by local officials, who diverted maize to traders in Eldoret and Kitale, who sold it to millers. One food consignment was held up for days, until **Shariff Nassir**, the Minister of State responsible for famine relief in the President's Office, arrived with a state television crew to record his

kindly hand-outs. He denies there is a famine: to journalists asking him why people in Turkana were dying, Nassir replied: 'It is because they follow water for long distances, they become tired . . . it is fatigue which kills them and not hunger.'

Beyond corruption and mismanagement, the chaotic response to the Turkana famine has deeper causes. The Kenya National Produce and Cereal Board (KNPCB) has been appallingly managed. Graft has destroyed the storage and distribution systems. Grain needed locally has been exported by officials and their relatives. Farmers are unwilling to sell maize to the KNPCB this year, because it offers KShs400 (US\$5.40) a bag, while **Tanzanian** traders offer KShs2000. Some suspect that senior officials are deliberately encouraging depopulation of the North Rift Valley and Frontier districts, earmarked for exploration by international oil companies. There are rumours of shadowy local consortia, linked to powerful local politicians, negotiating land-use deals with foreign oilmen.

The famine highlights the nation's crisis. For years Kenya has prided itself on being the centre for relief operations in countries such as **Somalia** and **Sudan**. But aid agencies and international organisations no longer see Kenya as a safe place with a working infrastructure. Police corruption and rising unemployment are driving up crime. Leakey and his reformers will make little headway without an economic upturn. One of their business supporters, asked about plan 'B' if the IMF and the World Bank refuse to turn the aid taps on again, replies: 'There is no plan 'B' and that's worrying'.

Keeping a straight face on corruption

Yet Biwott goes on accusing donors of hypocrisy, complaining that they change their conditions each time the government meets their demands. He insists that Moi will not be bullied by donors into making 'sacrificial lambs of high-ranking officials' accused of graft - adding, with a straight face, that corruption is 'an evil consuming Africa'.

Biwott is a multi-millionaire, with interests in banking, oil, property and telecommunications. His position at the hub of government and business is more powerful than ever. Biwott's name was crossed off Western diplomats' guest lists, and vanished from official Kenyan delegations, after Scotland Yard Detective, **John Troon**, examined allegations of his involvement in the murder (and its cover-up) of the Foreign Minister, **Robert Ouko**. Biwott was sacked from his job as Industry Minister then arrested and detained from September to December 1991. Kenya's Department of Public Prosecutions said there was not enough evidence to link him to the Ouko murder.

Now Biwott is back and more powerful than ever. He sticks close to Moi, even on the presidential swing through Europe in late October. His message to diplomats was: 'If you want to talk to Moi, you have to talk through me, Biwott.' He sticks close to Leakey, too, following him to the IMF and World Bank meeting in Washington in September, where he put in a cameo appearance at the governors' opening reception. He has now taken to telephoning Leakey to enquire about his health. Our sources indicate that Leakey's health is remarkably robust, given that he lost both legs when his light aircraft mysteriously crashed on takeoff in 1994.

Some businesspeople and donors are resigned to Biwott's political primacy for two more years, and maybe more: 'Whatever you think about his record, he's probably Kenya's most effective minister. He's bright and he gets things done', according to one. But a recent poll in the *Daily Nation* found he was one of the most unpopular

politicians in the country. Biwott is also unpopular in the army, the one Kenyan institution where he hasn't made many inroads. He may be the only one to believe he could follow Moi, whose final term expires in 2002; even so his grip on security and business will make him a big man in the new era.

Activists of the ruling Kenya African National Union are no longer sure that Biwott will help Vice-President Saitoti to follow Moi into the presidency. There has been a falling out between Biwott and Saitoti, formerly the pillars of the KANU 'B' group. Saitoti shunned Biwott during the latter's political exile and the Ouko affair. Some say Biwott was secretly irritated that Saitoti survived his no-confidence vote in parliament on 30 June. But ethnic politics help explain the split. Saitoti, who used to bill himself as Maasai a decade ago, has been talking up his Kikuyu allegiances recently - presumably to win support from the populous Central and Nairobi provinces, whose Kikuyu majority wants to see a home-boy in the top job again.

Biwott, a Kalenjin (Geiyo) may fear the fate that met the Anglophile Kikuyu lawyer **Charles Njonjo**, chief engineer of Moi's succession to the Presidency after the death of founding President **Mzee Jomo Kenyatta** in 1978. Once Moi was firmly in the seat, Njonjo was dumped and accused of treason. Only in the last year has Njonjo been brought back into the presidential circle, and Leakey has had him made chairman of the Lands Commission.

If Moi and Biwott are losing enthusiasm for a Saitoti succession, what are they planning? The notion of changing the constitution to allow Moi another term has been floated by ultra-loyalists such as Nassir, **Hoseah Kiplagat**, presidential son Gideon, and **Mark arap Too**. But it would require all the KANU votes in parliament, plus those of at least 40 opposition MPs, to produce the necessary two-thirds majority. In fact the tortuous debate on Kenya's constitutional reform is going the other way. Most parliamentarians, in both KANU and the opposition, want the President's powers curtailed and parliament's increased. By mid-December, the constitutional debate has reached stalemate with oppositionists calling for a return to street protests. Several other options are aired in the President's circle. One is a business ticket - Biwott for president and a Kikuyu for vice-president - enticing Kikuyu in Central Province and Nairobi back into KANU. A more plausible idea is to go along with opposition plans, strengthen the premiership, and make sure that Biwott gets elected prime minister. Whichever they go for, the State House political persuaders have a busy two years ahead.

SOUTH AFRICA

Dealing with dissenters

President Mbeki is hugging some of his enemies - and shunning others

A ruling party with a huge majority may not really need to crush its political opponents. Yet President **Thabo Mbeki** is squeezing as hard as he can the only possible rivals to his African National Congress - Chief **Mangosuthu (Gatsha) Buthelezi** of the (mainly Zulu) Inkatha Freedom Party, which has 34 seats in parliament, and **Tony Leon** of the (mainly white) Democratic Party, with 38 seats. Buthelezi is Minister of Home Affairs, Leon is formally leader of the opposition.

To Buthelezi, Mbeki applies the old mafia adage: 'Keep your friends close but keep your enemies even closer'. While **Nelson**

Mandela was still President, officials in both the ANC and Inkatha believed that a merger was about to be negotiated. That never happened and now ANC-Inkatha relations are worsening again. Buthelezi is rattled; he has been accused of 'utter incompetence' in running the Home Affairs Ministry, over which he has presided since Inkatha was given three cabinet seats in 1994; Mbeki and his ANC colleagues are building up the pressure.

Buthelezi has tried to evade responsibility for his Ministry's faults. Mbeki asked him to keep his job but imposed on him a strong new Director General, **Billy Masethla**, former head of the South African Secret Service (SASS), the foreign intelligence organisation. Masethla led uprisings in Soweto in 1976, then joined the ANC and Mbeki's circle in exile. His appointment in mid-December almost ruptured relations between Mbeki and Buthelezi, who is likely to swallow his pride and stay in the cabinet.

Gatsha under fire

Buthelezi's capitulation will help to end Inkatha's role as a disruptive political force, perhaps as any force at all. One of his colleagues said recently that the party was 'dying quickly and quietly'. Political violence, which claimed over 20,000 lives in kwaZulu-Natal from the mid-1980s to the mid-1990s, has declined, and Inkatha's military challenge to the ANC looks almost over.

The crisis in the Home Affairs Ministry was prompted by **Jakkie Cilliers**, Executive Director of the Pretoria-based Institute for Security Studies, who wrote in the Johannesburg daily *Business Day*: 'The Minister is either completely and utterly incompetent or he has no interest in his department. In either case, Buthelezi should be removed and redeployed to an area where he can do less damage'. Hundreds of residence and work permit applications have not been dealt with since June's elections, many of them from foreigners whose skills are badly needed. BMW, one of the biggest and most prestigious foreign investors, had a set of applications delayed for months.

Buthelezi blamed his deputy, **Lindiwe Sisulu**, to whom (he said) he had delegated all 'migration functions' till June. Since the elections, no one had been running that section and matters got even worse. Buthelezi insisted he had only recently found out about the problems and promised to end the chaos. Yet whistle-blowing officials say the department has been chaotic and seething with animosities for several years. Some foreigners known to have shady backgrounds have been given citizenship or permanent residence, while highly skilled foreigners or *bona fide* migrants have waited for months without response.

In October, a Labour Court judge found the Ministry's Director General, **Albert Moekana**, guilty of misconduct. He resigned and relations between Buthelezi and his deputy Sisulu worsened further. Sisulu (Mbeki's ANC nominee) was sparring with Deputy Director General **Khulu Mbatha** (a Buthelezi nominee). Buthelezi had blocked Sisulu from appointing as her special advisor **Elsabe Wessels**, wife of Environmental Affairs and Tourism Minister **Mohamed Valli Moosa**. He accused Sisulu, who was herself involved in exile in ANC intelligence, of lobbying for Masethla as DG.

ANC insiders questioned Buthelezi's retaining as his own special advisor a shadowy **Italian-American, Mario Oriani-Ambrosini**. Then Buthelezi lashed out at Mbeki for deploying a 'trained spy', Masethla, in his department. Mbeki and his advisors want Home Affairs to be turned into a 'security department', tightly controlled and in step with South Africa's economic policy. Intelligence appraisals emphasise the dangers of illegal migration and

international organised crime, claiming that South Africa is a popular destination for both.

ANC militants in kwaZulu-Natal were frustrated when, just after the party was unbanned in 1990, Mandela began to woo Buthelezi. The Inkatha leader accepted three cabinet seats in the ANC-led Government of National Unity but remained fractious. Mbeki and **Jacob Zuma** (now Deputy President and an ANC Zulu) kept Buthelezi happy by appointing him to act as President when both Mandela and Mbeki were abroad: he did so eleven times, for a few days each time, and during one of his stints the South African Defence Force disastrously invaded **Lesotho**.

During this year's election campaign, it was widely believed that Mbeki would offer Buthelezi one of the two deputy presidencies; Buthelezi believed it, too. Inkatha then won a majority of seats in kwaZulu-Natal and the ANC asked Buthelezi to cede the premiership to an ANC nominee. Fearing Buthelezi would trade the provincial premiership for a deputy presidency, Inkatha activists urged him to say 'no'. So when Mbeki announced his cabinet in mid-June, Zuma got the deputy presidency and Buthelezi was back at Home Affairs, saying he'd prefer another portfolio.

He could have left cabinet then; he's 70, has diabetes and (say senior colleagues) is 'tired'. Haphazard post-election arrangements confirmed Buthelezi had been destined for a deputy presidency, remodelled into a largely ceremonial post with a staff headed by a deputy DG answering to the DG in Mbeki's office, the Reverend **Frank Chikane**. Buthelezi's Zulu rebellion looks over. His successors could resume the fight by other means.

Mbeki has dealt no less successfully with the official opposition, the Democratic Party. With eleven opposition parties in the National Assembly, the ANC's only regular critic is the DP, whose leader, Leon, is spoiling for a fight. Mbeki won't come out of his corner, though. Frustrated, Leon complains the President hasn't granted him a slanging match across the Assembly floor, leaving him to face Deputy President Zuma, an uninspired debater. The DP claims Mbeki is steering South Africa towards autocracy; the ANC calls the DP 'racist'.

Liberal enemies

Just as poisonous are the battles between the ANC and some white liberals, such as **John Kane-Berman**, chief of the SA Institute of Race Relations, and **R.W. Johnson**, Director of the **Helen Suzman** Foundation and occasional correspondent of *The Times* of London. They accuse Mbeki of rejecting the idea of a loyal opposition and are smarting because three of their club - **Allister Sparks**, **Raymond Louw** (both former editors of the famous old *Rand Daily Mail*) and **John Matisson** have been left out of the new twelve-member board of the state-owned SA Broadcasting Corporation.

A recent ANC discussion paper said the power of the 'English liberal section', exercised mainly through business, capital and the media, hadn't been significantly reduced. True, perhaps, but the English-speakers' role in politics is ebbing as fast as Inkatha's. The ANC objects to white liberal claims to the moral high ground and constant sniping at corruption, maladministration, nepotism and the other usual sins of a dominant party. Aggressive politics enabled Leon to boost the DP from seven to 38 members of parliament in June, when tens of thousands of Afrikaner voters deserted the New National Party for the DP. Now it needs both black support and tactics to counter Mbeki's disdainful dismissal of it as a political force.

The ANC has 266 seats. With 38 seats, the DP (supported mostly by whites, coloureds and Indians) is the official opposition. Inkatha,

with 34, must count as part of the government. Next comes the disintegrating NNP, which stood for apartheid and has 28 seats. Several opposition parties say they want alliances; the most significant one would be between the DP and the mainly Xhosa United Democratic Movement, with 14 seats. The UDM is led by **Bantu Holomisa**, former military dictator of the Transkei homeland (then expelled from the ANC for accusing a cabinet colleague of corruption). The UDM and DP would make a credible if ill-assorted 52-member multiracial opposition bloc.

The ANC has used its huge majority to stop the DP from chairing parliamentary committees that oversee legislation. It has manoeuvred the DP members off two bodies which the party had used effectively - the Judicial Service Commission, which appoints judges (DP deputy leader **Douglas Gibson** was ousted but a seat was found for the ANC's arch-critic, **Louis Luyt**, of the SA Rugby Board) and the Parliamentary Finance Committee (from the chair of which the DP's **Ken Andrew** was ousted). Mbeki has moved the presidency to Pretoria and rarely attends parliament. By convention, opposition leaders discuss national issues with the President but Leon and Mbeki have not met since the elections. Instead, Mbeki is wooing two weaklings, the NNP and the incoherent Pan Africanist Congress.

Colin Eglin, the DP's former leader and now a back-bench MP, says the ANC has set out to 'denigrate and demonise' the DP for four reasons:

- in reaction to the DP's campaign against corruption, rising crime and lack of jobs;
- the tripartite alliance of ANC-SA Communist Party-Congress of SA Trade Unions (Cosatu) is 'deeply divided', so Mbeki needs 'a cause around which the factions can unite';
- the ANC, aware of its failures, is becoming more sensitive to criticism;
- the ANC 'is starting to develop a lust for power', with tentacles 'reaching far into all spheres of government and of civil society'.

Yet the DP's performance since the elections has been 'underwhelming', according to one of its leaders. Its new parliamentarians lack experience, there has been little new legislation for the opposition to criticise and the ANC leader downplays parliament. Meanwhile, police are investigating DP allegations that its main offices were under 24-hour surveillance by sophisticated electronic lasers and telephone bugs. DP loyalists ask who would have the motive or the resources to bug their offices other than the government? Who indeed?

EQUATORIAL GUINEA

Obiang's heritage

Succession talk could spark political change in Africa's newest emirate

The government goes on denying that the President is gravely ill but speculation continues. When President **Teodoro Obiang Nguema Mbasogo** met his **Nigerian** counterpart, **Olusegun Obasanjo**, on 4 December, officials were shocked at his obvious decline. Oil executives, who met Obiang a month ago, say that he seemed cheerful but was much thinner and that he tired faster than last year.

Obiang has dominated political life in Equatorial Guinea since he seized power from his uncle, **Francisco Macías Nguema**, in

1979. His opponents insist that he has cancer of the prostate, for which he has sought treatment unsuccessfully in **France**, **Morocco** and **China**. Deputy Prime Minister **Miguel Oyono Ndong Mifumu** says such claims are 'false and mischievous'. In September, though, Obiang Nguema confirmed reports in the **Spanish** media that he had visited the famous Mayo clinic in Rochester, Minnesota, whose specialities include cancer, HIV and heart ailments. A series of tests showed that 'basically, everything is fine', said Obiang.

Obiang has no heir apparent and his sudden departure could lead to a long and strenuous power struggle. Oil companies and neighbouring states look on with mounting concern. The **United States'** oil major Mobil is approaching completion of a billion-dollar development programme in the Zafiro field, which will boost Equatorial Guinea's production to at least 120,000 barrels per day (b/d) during 2000. Triton Energy, also American, was discussing contractual issues with the Malabo government in London at the end of November; its development proposals follow September's discovery of the potentially huge Ceiba field, which has generated lively new interest in the burgeoning oil sector.

Regional rivals

The oil beneath the sea has involved Equatorial Guinea in ever sharper disputes with its neighbours over maritime boundaries. After December's talks in Nigeria, both sides expressed confidence that a technical commission would complete its work by February. Relations with **Gabon**, which has a long-standing claim to the Corisco islands, remain wary. Tension with **Cameroon** has increased since June, when Malabo protested to the International Court of Justice in The Hague about Yaoundé's claim to territorial waters around Bioko island. Gabon's President **Omar Bongo**, currently suffering from embarrassing revelations about his private banking arrangements (AC Vol 40 No 23), also has an interest in oil to the south of Bioko; he hosts many Equatorial dissidents in Libreville (most of the rest are in Madrid and Berlin).

Hoping to calm the regional climate, Nigeria has pushed for a Gulf of Guinea Commission to be set up. On 19 November, eight states (Cameroon, Nigeria, Equatorial Guinea, Gabon, **São Tomé e Príncipe**, **Congo-Brazzaville**, **Congo-Kinshasa** and **Angola**) approved a draft declaration favouring such a forum. Cameroonian officials, though, fear the Commission could turn into a device for Nigerian expansionism and want to limit its powers. Prospective members have until November to ratify the treaty, which even then may prove no more than a talking shop.

Obiang is the absolute ruler of his country and nobody can be sure whether he will be in charge next November. His capital is thick with rumours about what might happen should he suddenly die. The constitution provides for the President of the National Assembly, the *Cámara de Representantes del Pueblo*, to take over, pending fresh elections. He is former Health Minister **Dario Tadeo Ndong Olomo**. However, the constitution is not always respected in Equatorial Guinea, which embraced its own form of multi-partyism in 1992.

Family contenders for the leadership include Obiang's two eldest sons, the favoured but unpredictable **Teodorín** and the more astute **Gabriel**, who were promoted to minister of state and minister respectively in a government reshuffle in July. Neither has much support in the ruling *Partido Democrático de Guinea Ecuatorial* (PDGE) nor, more significantly, in the President's Esangui clan, which has been the focus of power since Independence from Spain in 1968. Obiang's closest security advisers include his brother,

Armengol Nguema Mbasogo Ondo, who with his fearsome reputation (his nickname is 'El Mono' - the devil) may want the leadership for himself. Obiang's half-brother, **António Mba Nguema Mikue**, is Chief of Police and a weighty figure. Obiang's uncle, **Manuel Nguema Mba**, nicknamed 'El Nervio' ('the Guiding Spirit') is Deputy Director of National Security, which may be the best place for a move on the presidency.

If the ruling family fails to agree swiftly on its candidate, a challenge might come from the conservatives, with whom Obiang has fallen out since oil was found in 1991. They include former Education Minister **Felipe Ondo Obiang Alogo** and former Planning Minister **Guillermo Nguema Ela Mangue Ndong**, founder of the clandestine *Fuerza Democrática Republicana* (FDR).

Given the present ruler's grip on power, only a prolonged and inconclusive struggle among them could benefit radical opposition groups such as the *Convergencia para la Democracia Social* (CPDS) or the separatist *Movimiento de Autodeterminación de la Isla de Bioko* (MAIB). That uncertain prospect or the possible emergence of a more insular and reactionary government leaves neighbouring states and the oil companies hoping for Obiang's survival, if not until his present term ends in 2003, at least until a more tranquil succession can be arranged.

RWANDA

Advantage, Kigali

The government has won its latest row with the UN over genocide trials

Tracking down the perpetrators of the 1994 genocide continues to dominate Rwandan politics. At home, an anti-corruption drive is running alongside fresh allegations of complicity in the genocide against some senior officials; in the region, peace prospects in **Congo-Kinshasa** are bleaker, with President **Laurent-Désiré Kabila**'s government making no apparent effort to comply with the Lusaka agreements on handing over genocide suspects. Internationally, Kigali's relations with the United Nations remain fractious after a public row with the hapless International Criminal Tribunal for Rwanda (ICTR, AC Vol 40 No 6).

The Kigali government suspended all cooperation with the ICTR on 7 November after the Appeal Chamber in The Hague annulled the indictment and ordered the release of **Jean-Bosco Barayagwiza**, a leading genocide suspect. Kigali initially withheld a visa from the UN Prosecutor, **Carla del Ponte**, who is considered as unsympathetic to Kigali's cause as Secretary General **Kofi Annan** and Human Rights Commissioner **Mary Robinson**. A cabinet meeting on 3 December agreed to lift the visa ban on Del Ponte.

In the meantime, the affair had become a public-relations disaster for the ICTR when the UN Appeal Chamber decided to release Barayagwiza 'with prejudice to the prosecution' (i.e. he could not be tried twice for the same offence) just as a Tribunal mission was in Rwanda, investigating massacres in Kibuye in the west. Three months ago, the ICTR outgoing Prosecutor, **Louise Arbour**, had made a successful valedictory visit to Kigali, asking the government for new pledges of cooperation. Fresh criticism from Kigali has been led by the newly appointed Prosecutor General, **Gerald Gahima**, a longtime scourge of Arusha since the Tribunal began in November 1994. Justice Minister **Jean-de-Dieu Mucyo**, himself

a genocide survivor, has also given warning that apologies from the UN are not enough at this stage.

Tribunal insiders acknowledge its flaws, including a woeful lack of communications, highlighted in February when the demoralised ICTR Prosecutor's Office in Kigali had to explain to the government and journalists why **Bernard Ntuyahaga**, a former logistics chief and key genocide suspect, had been released by the Tribunal Registrar's Office in Arusha. **Tanzania** promptly rearrested him but has not yet handed him over.

Barayagwiza's loophole

Barayagwiza, a co-founder of the infamous Hutu hate radio station, *Radio Télévision Libre des Mille Collines* (RTLM) was to have faced a 'media mega-trial' in Arusha, alongside RTLM's leading ideologue, **Ferdinand Nahimana**, and **Hassan Ngeze**, editor of the extremist paper *Kangura*. Barayagwiza, with eleven other suspects, was arrested in **Cameroon** in March 1996 and transferred to Arusha in November 1997. The Appeal Chamber ruled that due procedures had not been followed in Cameroon, where the suspect was not informed of the charges against him; that could apply to other suspects, including Nahimana and the detained military supremo, **Théoneste Bagasora**.

The Appeal Chamber could yet accept new evidence, Del Ponte has said, allowing Barayagwiza's prosecution in Arusha. Meanwhile, Kigali has requested that he be transferred to Rwanda rather than Cameroon, promising he will not be executed if convicted. As the row was raging, President **Pasteur Bizimungu** and the Vice-President, Major General **Paul Kagame**, were reshuffling their ministers and officials again. The 3 December cabinet meeting appointed **Mike Rwigema** as Presidential Advisor for International Cooperation and **Amstel Kibugenza** as Private Secretary to the Minister of Internal Security.

Most other departures and arrivals were in the wake of the government's latest anti-corruption campaign. The departed ministers are **Anastase Gasana**, Minister of Institutional Affairs in the President's Office, and Social Affairs Minister **Charles Ntakirutinka**. In October, the Transitional National Assembly (TNA) voted no confidence in both; a parliamentary commission found they had encouraged a vehicle deal which led to the government paying a million US dollars in compensation to businessman **Jean-de-Dieu Nsengiyunva**. **Marc Rugenera**, Finance Minister at the time, narrowly escaped a no-confidence vote and hung on as Minister of Commerce, Industry and Tourism.

Gasana, who served as Foreign Minister before and after the genocide of 1994, has hinted at a conspiracy against him. He has long opposed his fellow Hutu, Prime Minister **Pierre-Célestin Rwigema**, particularly over the running of the main Hutu party, the *Mouvement Démocratique Rwandais* (MDR). Ntakirutinka and Rugenera are also Hutu moderates who were politically active under the late President **Juvénal Habyarimana**.

TNA Speaker **Joseph Sebarenzi Kabuye** denies that the house (composed of party nominees rather than elected deputies) has shown bias and claims it's finding its teeth. The clean-up appears to have been sanctioned by Kagame, who has been sensitive to corruption allegations since facing citizens' questions at a series of recent televised public meetings in Kigali. Most criticism has been levelled at the old guard but his many foreign friends were surprised to hear that the young and impressive **Patrick Mazimhaka**, Minister in the President's Office and a senior foreign policy advisor, was questioned about the disappearance of funds while he was in charge at the now defunct Ministry of Reintegration and Rehabilitation.

Off-side

Vice-President **Paul Kagame** is said to be seething after four of Rwanda's best footballers, including team Captain **Jean-Paul Nsengiyunva**, absconded while on tour in **Germany**. Kagame had been keen on the trip, a reward for victory in a regional soccer tournament in August. The players were carefully warned to be on their best behaviour during their friendly fixtures in the Rhineland-Palatinate, which is twinned with Rwanda. After a disappointing start, the tour picked up with a 6-0 win over Bitburg, after which the players are said to have disappeared from a party organised by the Rwandan Football Federation. They are now thought to be in **Belgium**, while a Rwandan woman based in Germany is helping the German police with their enquiries.

We are told, however, that Mazimhaka's position isn't in danger.

The parliamentary commission is more concerned about the 'schoolgate' scandal. A loan of US\$26.9 million by the World Bank's soft-loan arm, the International Development Association, back in 1993 has never been accounted for and four education ministers have been asked to explain how the money disappeared in abortive construction projects. Among those criticised is Prime Minister Rwigema, who served briefly as Education Minister after 1994 and is accused of using Ministry funds to establish two private schools in his home region, Gitarama. Some of his former MDR colleagues have, moreover, hinted at some political offences. The judicial authorities confirm they have a file on the Premier but refuse to give details.

Another former Education Minister, Colonel **Joseph Karemera**, a stalwart of the ruling *Front Patriotique Rwandais* and now Ambassador to **South Africa**, is also under pressure. Some Assembly members say the 'schoolgate' commission, headed by another FPR veteran, Major **Rose Kabuye**, was far more critical of Rwigema than of Karemera, noting that Kabuye herself faced allegations of corruption, which were subsequently dropped, when she was Prefect of Kigali.

Finance Minister **Donald Kaberuka**'s budget highlighted the anti-corruption campaign and hit hard at 'prestige spending'. He cut second cars for ministers, put their houses up for auction and announced the closure of half of Rwanda's 21 missions abroad. Yet he still rebuffs donors' queries on military expenditure (still officially a mere 3.2 per cent of gross domestic product), saying that national sovereignty and security will not be compromised. There have long been rumours of contributions by parastatal companies to an independent Congo war chest and there are now hints of 'voluntary war contributions', with the TNA ready to take the lead in legislating for these.

Unlike **Uganda** (AC Vol 40 No 18) or **Zimbabwe**, Rwanda has faced little pressure from the Bank and Fund to explain its activities in Congo-K. Yet donors fear Kagame's determination to keep North and South Kivu secure could mean an expensive, indefinite commitment. They could step up the pressure if Rwanda were seen to sabotage the Lusaka peace agreement, which it seems to accept for as long as is convenient, while keeping the military option open. Mazimhaka recently led a delegation to Harare, urging President **Robert Mugabe** to restrain Kabila.

On 9 December, two top **United States**' officials, the Assistant Secretary of State for African Affairs, **Susan Rice**, and the Ambassador to the UN, **Richard Holbrooke**, arrived in Kigali, to help keep the Lusaka process on track. Rice used a live television phone-in from the State Department to ask for more commitment

from the antagonists and an end to 'hostile rhetoric'. Rwanda has generally stayed clear of the propaganda war, leaving its protégé, the Goma-based wing of the *Rassemblement Congolais pour la Démocratie* (RCD), to make endless accusations of ceasefire violations by Kabila and his allies.

The main RCD spokesperson has been **Kin-Kiey Mulumba**, formerly **Mobutu Sese Seko**'s information chief and a Reuters' stringer, whose flood of frontline despatches have failed to convince international opinion of the RCD position. Rwanda has not supported assertions by RCD President **Emile Ilunga** that Uganda has now allied with Kabila or by Vice-President **Jean-Pierre Ondekane** that his forces had preempted an *Interahamwé* offensive on Goma, Gisenyi and Ruhengeri.

There are now hints of a rebel rapprochement; both wings of the RCD and **Jean-Pierre Bemba**'s Uganda-backed *Mouvement de Libération Congolais* (MLC) want **Nelson Mandela** as mediator in Congo's long-awaited national debate. A Uganda-Rwanda summit in Kabale on 8 November supposedly resolved strategic differences and Rwanda has welcomed the removal from operations in Congo of the Ugandan Chief of Staff, Brigadier **James Kazini**, whom Rwanda blamed for the battle between the allies at Kisangani in August. Ousted RCD President **Ernest Wamba dia Wamba** has modified his criticism of former RCD colleagues but is not ready for an alliance. There is little sign of a common agenda.

Despite denials from Bujumbura and Kigali, Rwanda's army may be busy elsewhere. There are continuing reports that Rwandan troops have joined their **Burundian** colleagues in operations against *Interahamwé* guerrillas (now sponsored by Kinshasa, it seems) said to have been active in the western province of Bujumbura Rurale. President **Pierre Buyoya**'s government claims to have proof of cooperation between Rwandan Hutu rebels and their Burundian counterparts, particularly the *Forces pour la Défense de la Démocratie* (FDD) and the *Parti pour la Libération du Peuple Hutu* (Palipéhutu). Survivors of recent attacks have talked of rebels speaking Kinyarwanda.

Rwanda has not publicly defended Burundi's much criticised policy of herding thousands of Hutu peasants into 'regroupment camps'. In north-west Rwanda last year, a drive to remove the *Interahamwé* from the hills was accompanied by similar mass concentrations and Rwanda has since embarked on a large-scale village-building programme there. This might increase food production and help restore security for now but many of the villages are likely to prove unviable in the medium term. Yet like so much else in Rwanda, medium-term development plans are several rungs down the ladder from security interests.

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SOUTH AFRICA/ ZIMBABWE

Busting Billy

The South African police investigation into Zimbabwean entrepreneur **Billy Rautenbach** risks escalating into a diplomatic clash between Pretoria and Harare. Rautenbach is a close associate of Zimbabwe's Justice Minister **Emmerson Mnangagwa** and is held up as a key commercial ally for Harare's strategy in the **Congo-Kinshasa** war (Vol 40 No 22). Rautenbach's Ridgepointe company has also taken over some of Congo's richest mineral assets in an opaque deal negotiated with President **Laurent-Désiré Kabila's** Minister of State **Pierre-Victor Moyo**.

A South African police raid on Rautenbach's house, office and four aircraft on 18 November was followed by a statement from Pretoria's Director of Public Prosecutions, **Bulelani Ngcuka**, that Rautenbach was on a list of 20 businesses linked to organised crime that the government was targeting. And then on 14 December, court documents submitted by Ngcuka's office showed that as well as a series of alleged tax frauds, police were investigating Rautenbach in connection with the illegal supply of weaponry across South Africa's borders and his alleged involvement in the murder of a **South Korean, Yong Koo Kwon**, the Daewoo Motor Corporation's President in Southern Africa. One of Rautenbach's business interests is Hyundai Motor Distributors, which is licensed to produce vehicles for that South Korean manufacturer.

Rautenbach, who is currently in Zimbabwe, vehemently denies all the charges according to his spokesman. Ngcuka's statement about the investigation into the murder of the Daewoo chief came in the midst of Rautenbach's legal attempts to get the return of documents seized by Ngcuka's department in the 18 November raid. A judgement on that and whether the police investigation into Rautenbach will continue is expected next week.

Although Rautenbach has lost popularity with Kabila's ministers, he is still influential in the Zimbabwean cabinet or at least the Mnangagwa faction of it. When Congolese ministers wanted to sack Rautenbach, who was appointed Chairman and Chief Executive of the state mining house Gécamines last December, Mnangagwa interceded on his behalf. In the event, Rautenbach was replaced as Chairman by **Belgian George Forrest** but retained the Chief Executive's post. We hear that at the start of Rautenbach's troubles in South Africa, Mnangagwa tried to intercede on his behalf but to no avail. Mnangagwa's group now faces some awkward choices. It could press its case for Rautenbach against South Africa, some officials argue that the matter could affect the

Lusaka peace accord in the DRC. Or Harare could drop Rautenbach quickly and, along with Kabila's ministers, start to unravel the complex web of interests and equity stakes that link the Rautenbach empire with Congo's principal mining houses via a number of secret entities in the **British Virgin Islands** and discretionary trusts on the Channel Island of Jersey.

ANGOLA

Readjusted

The loss of six zeros from the *kwana* reajustado this month will sharply reduce the number of millionaires in Angola. The appreciation of the exchange rate from KZR5.5 million to 5.5 new kwanzas to the dollar isn't likely to improve living conditions: inflation has been running at 20 per cent a month this year and Central Bank Governor **Aguinaldo Jaime** insisted the new currency will bring down prices. It is the latest in a series of economic reforms which Luanda is showcasing to prove to the West that it's serious about improving economic management. Washington has signed a military cooperation agreement with Luanda and **Britain** has pledged to seek out and close down any bank accounts connected to the UNITA rebels. Britain and the **United States** are the main investors in Angola's oil industry, one of the fastest growing in the world despite the devastating civil war.

Hence Luanda's fury at the London-based Global Witness organisation's critique of the oil business which it argues is fuelling the war and fostering corruption. President **José Eduardo dos Santos'** office is threatening to sue Global Witness for 'criminal and civil libel'. Global Witness' last report partly prompted De Beers to ban the purchase of Angola's gems.

UGANDA

Muddy

Allegations of Ugandan complicity in supplying arms to the *União Nacional para a Independência Total de Angola* rebels are always met with flat denials from President **Yoweri Museveni's** government. Yet a series of recent incidents show, at least, an alarming laxity by the Ugandan authorities.

Britain's Minister of State for Africa, **Peter Hain**, told parliament on 7 December that **Ukrainian** pilots were flying supplies to UNITA with the connivance of regional states; he mentioned Uganda and **Zambia**. New York-based Human Rights Watch, in a report launched in Luanda on 16 December, has published details of Ugandan involvement with UNITA sanctions-busters. The 11-76 aeroplane of Azov-Avia impounded in Lusaka since 14 August had been inside UNITA areas. Airport officials in Lusaka were doubtful that the crew's story that they had flown from **Gambia** was true since the wheels

of the plane were caked in thick mud, indicating the plane had been on a dirt strip. It has since emerged that senior Ugandan officials were linked to this plane, which had been hired through Meridian Air in **Kenya**.

HRW also noted that a plane on a United Nations' list of Angolan sanctions-busters, InterOcean Airways, run by a **South African, Andrew Smullan**, was leased to the Ugandan Airforce in 1998. Kampala has been downplaying such reports. In November, Uganda's respected military intelligence chief, Lieutenant Colonel **Noble Mayombo**, led a delegation to Luanda to explain why such sanctions-busting planes had Ugandan connections. *Africa Confidential* understands that Luanda was told there would no longer be such flights from Uganda but Angola still suspects UNITA may be getting **Rwandan** help.

EUROPEAN UNION/ACP

Brussels dawn

It was dawn in Brussels on 9 December when ministers from the European Union and the African, Caribbean, Pacific (ACP) nations wearily ended their negotiations. They had failed to agree on a text to replace the latest Lomé Convention, which expires at the end of February. They must meet again, probably in January, to wind everything up. The European Commission (especially its newer members) has grown less keen on favouring former colonies; new Development Commissioner **Poul Nielsen (Denmark)** seemed confused by journalists' detailed questions. At the previous negotiating session in Santo Domingo, **Dominican Republic**, in November, **Finnish** Development Minister **Hatu Hassi** went home without an explanation, leaving his speech to be read by a **Portuguese** diplomat; Finnish sources tell us Hassi left because proceedings were running late, not unusual at the ACP.

The EU wanted agreements compatible with the free-trading rules of the World Trade Organisation but had apparently not asked the WTO for a waiver allowing temporary preferences for the ACP. The ACP wasted time by failing to agree whether the next Convention should be signed in Lomé, **Togo** or Suva, **Fiji**. The sticking point was the bill the EU would pay for the five years of the agreement.

The ACP ministers were disappointed by a proposal that the European Development Fund be allocated only Euro 13.5 billion (US\$13.7 bn.), E.500 million less than the Commission's proposed sum. Some European ministers pointed out that E.9 bn. of that had gone unspent in the last round of the ACP agreement which started a year late in 1997. The EU had wanted to insist that ACP status should depend on 'good governance'. On ACP insistence, co-operation will be suspended only if there is 'serious corruption': the next meeting may clarify whether that means honesty in ACP matters or in government generally.