

BLUE LINES

Ghana's cliff-hanger elections and another successful transition start Africa's year on a positive note. It left those who had been predicting mayhem puzzling why Ghana failed to follow Kenya's descent last year into chaos after a similarly close-run and disputed election.

The answers, Ghanaians say, are in their political traditions, the credibility of the electoral commission and the local media's vigilance. Yet some senior figures in the main parties still favoured fighting out the election on the streets.

Politicians across Africa are studying Ghana's vote closely ahead of more than 20 elections due in 2009. Doubtless, the defeat of a previously popular governing party reflects the effects of last year's rocketing food and fuel prices and concern about jobs.

These will matter hugely in Southern Africa's six elections this year, particularly in South Africa, where the governing ANC faces a challenge from a party of ANC dissidents. And for the first time, the economic and political chaos in Zimbabwe will be a major issue for voters in the region. That might bolster moves by the ruling ZANU-PF hierarchy finally to edge out President Mugabe.

Further north in Algeria, Congo-Brazzaville, Tunisia, Equatorial Guinea, Niger and Sudan, elections this year are unlikely to be harbingers of change: for those incumbent regimes, the vote will be a masquerade behind which the real politics continues.

SOUTHERN AFRICA

A new landscape unfolds

Changes in South African politics will reverberate across the region in a year of economic tumult

SOUTH AFRICA: With general elections coming up and the world recession pressing down, South Africa faces a new political scene. Firstly, who will lead the governing African National Congress to the polls? Secondly, how well will the new, breakaway Congress of the People do (AC Vol 49 No 25)? COPE's future depends on whether ANC President **Jacob Zuma** survives to lead the campaign for the national presidency and parliamentary dominance.

COPE reckons that, with Zuma at the head of the ANC, its chance of an electoral breakthrough is good. The December meeting of the ANC's National Executive Committee decided not to have Zuma's face on the party's election materials, to focus on the 'brand' rather than on any individual. COPE has unveiled what it calls a 'New Progressive Agenda' (or 'New Way') to reinvigorate political life. With similar ideas, ex-President **Thabo Mbeki** tried, and failed, to modernise the ANC.

On 12 January, the courts will determine whether Zuma must again stand trial on the corruption allegations that were thrown out on a technicality last year. Seeming to anticipate an adverse decision, Zuma has briefed his legal team for an appeal to the Constitutional Court. He wants an election as soon as possible so that he can be installed as president before any court case ends. He could then introduce legislation giving himself immunity from prosecution.

The necessary constitutional amendment requires a two-thirds parliamentary majority, though, so the ANC cannot afford any defections. Allies of the national President, **Kgalema Motlanthe**, want polling postponed as long as possible, to give Zuma enough rope to hang himself.

Zuma's leading backers, **Blade Nzimande** of the South African Communist Party and **Zwelinzima Vavi** of the Congress of South African Trade Unions, are campaigning against Motlanthe. He defends the state's payment of Mbeki's legal fees, praising his leadership, indulging his controversial Zimbabwe policy and sharing public platforms with him. Motlanthe's following could increase if COPE fares well.

South Africa will host the Football World Cup in 2010 and the **British Lions** rugby team will tour the country this June. The peace at these prestigious events is threatened by the violent and out-of-control taxi industry, whose spokesmen oppose the government's investment in public transport ahead of the World Cup. A Bus Rapid Transit programme will be tested in the big cities in June 2009. In December, taxi operators showed they could paralyse public transport, especially in Cape Town. They stoned buses and cars, and shot at bus drivers and commuters: they threaten more of the same next year.

The arms-deal investigation will be carried on by the special investigators of the 'Scorpions' team, which Zuma's side wants to weaken. COPE has promised to reinstate the Scorpions if it wins power. The appointment of a new head of the National Prosecuting Authority is also an explosive issue. Under pressure from the ANC's Zuma-dominated NEC, Motlanthe decided not to reappoint **Vusi Pikoli**, the NPA's suspended boss, although he was cleared of wrongdoing by a public commission of enquiry.

MALAWI: The three main parties are gearing up for presidential and parliamentary elections in May (AC Vol 49 No 24). The leaders of **Bingu wa Mutharika's** governing Democratic Progressive Party (DPP), **John**

ZIMBABWE

4

NORTH AFRICA

5

EAST AFRICA

7

CENTRAL AFRICA

11

WEST AFRICA

14

The end game speeds up

Six different viewpoints on the future for Robert Mugabe's Zimbabwe in 2009.

Whiskey doubles all round

The region's leaders have something to celebrate, even if their people won't.

Courts and killing

There is a new impetus to bring political murderers to account.

Old wounds, new crises

Falling commodity prices and failing politicians will make a dangerous combination this year.

Before and after the voting

Ghana's close-fought but well-run election sets the standard for competitive politics in Africa.

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Tembo's Malawi Congress Party and Bakili Muluzi's United Democratic Front keep a firm grip on their party bureaucracies, so the conventions and primaries are mainly for democratic show.

Muluzi has exempted all his sitting UDF MPs from the uncertainty of primary elections and the DPP, after four years of existence, is still entirely composed of presidential appointees.

The big question is whether the Malawi Electoral Commission will at the last minute declare that Muluzi is constitutionally ineligible to serve a third, non-consecutive term in the presidency. The two opposition parties, if they got together, could have a majority of the nationwide vote.

If Muluzi were out of the race, he might exert his old electoral magic and swing his party behind Tembo (an acolyte of the long-time dictator, **Hastings Kamuzu Banda**), accepting for himself the consolation prize of the vice-presidency or a newly created prime ministry. Tembo could be a winner as the alliance candidate if he can win support from outside his own Central Region but there would be only three months to pull it off.

Mutharika's democratic credentials have been much called into question during his four years of bruising encounters with the parliamentary opposition and with a none-too-friendly judiciary and press. Yet his personal popularity in the country has grown steadily and would be enough to carry him back to the presidency in May, bearing with him the DPP for support, but without a majority in parliament. **NAMIBIA:** President **Hifikepunye Pohamba** has failed to impose his authority on the governing South West African People's Organisation (SWAPO) since he took over from ex-President **Sam Nujoma** as party chief at the end of 2007. He may decide not to stand for a second five-year term in the presidential election due in December.

SWAPO Youth League militants and Central Committee members still faithful to Nujoma will carry on trying to purge the 'sleepers' within SWAPO who back the breakaway Rally for Democracy and Progress, founded in November 2007.

The favourites to take over from Pohamba are the former Prime Minister and current Trade and Industry Minister,

Hage Geingob, and the SWAPO Secretary General and Justice Minister, **Pendukeni Iivula-Ithana**. SWAPO will as usual win the December presidential and National Assembly elections, after much bitterness and with reduced majorities.

The main challenge will be from the RDP and its leader **Hidipo Hamutenya**, the former cabinet minister whom Nujoma sacked on spurious grounds in 2004. SWAPO will try to depict the RDP as tribalist and to hamper its campaign in its northern Oshivambo-speaking heartland. The RDP will replace the Congress of Democrats (CoD) as main opposition in the Assembly; **Ben Ulenga**, re-elected as CoD leader, has not managed to unite it. **BOTSWANA:** President **Ian Khama** will carry on with his top-down leadership style and disinterest in parliamentary procedures. Opposition parties and some in the governing Botswana Democratic Party (BDP) think he constrains the democratic debate of government policies.

The new Directorate of Intelligence and Security Services (DISS), headed by Khama's confidant **Isaac Kgosi**, has wide and largely unaccountable powers to investigate alleged threats to national security. The controversial Media Practitioners Bill has been pushed through Parliament and could curb the outspoken, independent press. Nevertheless, the BDP will easily win the October 2009 general elections, since the opposition parties have failed to forge an electoral pact. The revitalised Botswana Congress Party is likely to replace the Botswana National Front, under its weak leader **Otsweletse Moupou**, as the main opposition party.

De Beers has postponed the move of its sorting operation from London to Gaborone while plans to sell a stake in Air Botswana to Russian billionaire **Alexander Lebedev** have collapsed.

Zimbabwe will remain a key foreign policy issue while President **Robert Mugabe** clings to power; his regime alleges destabilisation activities by Botswana (which would back any regional intervention to topple him, AC Vol 49 No 20). The government may restart a plan to electrify part of the border fence with Zimbabwe – to counter cattle rustling.

MADAGASCAR: President **Marc Ravalomanana** bestrides the political scene, with his *Tiako-i-Madagasikara* (TIM) party dominating Parliament and no elections due this year (AC Vol 46 No 20). Donors back his Madagascar Action Plan for poverty reduction and the island's



relatively diverse economy may help it survive the global downturn. Yet a fresh challenge to the Ravalomanana-TIM hegemony is emerging. Having taken time out to concentrate on the Lutheran Church, former parliamentary Speaker **Jean Lahiniriko** is ready for action. **Roland Ratsiraka**, former Mayor of Toamasina and nephew of exiled President **Didier Ratsiraka**, had been silenced by questionable corruption charges but is toying with politics again. An alliance of Ratsiraka and Lahiniriko with the small Leader Fanilo and AVI parties would offer a credible alternative to Ravalomanana.

The youthful independent **Andry Rajoelina** crushed TIM's candidate in the Antananarivo mayoral election in December 2007, wrecking the President's reliance on the capital as his power base. The government wants to limit his powers and budget but the Mayor has won key bureaucratic battles while steering clear of national politics, where he would need support from regional barons such as Lahiniriko and Ratsiraka. Yet Ravalomanana has the power, the aid money and the chance to improve services and create jobs. His hopes are pinned on Rio Tinto's huge new ilmenite project at Taolagnaro, which is due to start shipments in March 2009.

ANGOLA: Nobody doubts that President **José Eduardo dos Santos** will be reelected in 2009. The National Assembly is to vote by April for a new constitution under which it, not the people, will choose the head of state. The President's *Movimento Popular de Libertação de Angola* took more than 81% of the vote at September's legislative elections and the MPLA Secretary General, **Julião Mateus Paulo 'Dino Matross'**, confirms that Dos Santos will be its candidate.

So Angola will be spared the expense of a full-scale campaign and the electoral authority will be spared the criticisms which plagued its conduct of the messy parliamentary polls. Questions about the MPLA's promises of better management, less corruption and the reduction of

disparities between classes and regions will not arise. Before the vote on the constitution, the Constitutional Tribunal will consider the government's decision to dissolve 22 political parties which took less than 0.5% of the vote at the elections. The opposition, and local and foreign non-governmental organisations see that as a violation of the right to free association.

Angola's new-found wealth will bring it new distinctions. On 1 January, it took the chair of the Organisation of Petroleum Exporting Countries and the World Diamond Summit will be held in Luanda in November. The collapse of oil prices and the scarcity of investment funds will make it harder to maintain foreign investment (AC Vol 49 No 23) for new ports at Luanda, Lobito, Cabinda and Porto Amboim, and for new roads. Yet from Luanda to Huambo, stadiums are being completed for the 2010 27th Africa Cup of Nations. Despite the world recession, Angola and **China** insist they will consolidate their 'strategic partnership': in the first nine months, the value of bilateral trade rose to over 20 billion euros.

MOZAMBIQUE: Elections will dominate this year. Firstly, there is the fallout from the 19 November municipal elections: the opposition *Resistência Nacional de Moçambique* (Renamo) condemned them as fraudulent and its leader **Afonso Dhlakama** has threatened to lead a civil disobedience campaign in protest.

Most independent observers differed with Renamo although the party's nominee on the Constitutional Court, **Manuel Franque**, said the current electoral law was unworkable and unjust and there were legitimate doubts about whether the elections were free and transparent. This is important ahead of next December's parliamentary and presidential elections. President **Armando Guebuza** is seeking a second term and the governing *Frente de Libertação de Moçambique* expects another resounding victory. The problem may be legitimacy: voter turnout in 2004 was just 36% – less than half that of the first multiparty elections in 1994.

Guebuza's government is stepping up the anti-corruption campaign. After complaints by workers, **Orlando Come**, the former general director of the government's data processing centre, his deputy and the financial director were arrested on fraud charges. This follows the arrest of former Interior Minister **Almerino Manhenje**. Guebuza's message is that political loyalty is not enough and he wants higher standards of competence and integrity from his ministers. On top of the strengthening economy, which has grown at over 8% since 1994, the government wants to raise tax revenues from 16.3% to 22% of GDP.

SWAZILAND: There is no prospect in the short term of King **Mswati III** reversing

Swaziland's economic decline or trying to resolve the country's increasingly bitter politics. Even before the effects of the credit crunch hit Africa, the Swazi economy was growing at less than 1% a year. This sluggish performance and Swaziland's dependence on South Africa's slowing economy will further hinder growth this year.

Worsening economic conditions could prompt more protests. Mswati's refusal to allow independent political parties or trades unions rendered the 2008 elections irrelevant to the country's small band of democracy campaigners. They hope that the increasing influence of trades unions in South Africa will pressure the King to reform. But the repression of Swazi dissidents continues. This month, police hauled in former cabinet minister **Mfomfo Nkambule**, now a columnist with the *Times of Swaziland*, for questioning on the grounds that his articles criticising Mswati constituted a security threat.

SEYCHELLES: Tourism-dependent Seychelles faces a difficult year: earnings are forecast to drop, worsening a tough economic prognosis of ballooning public debt and falling state revenue. Prime Minister **James Michel**'s promises of investor-friendly reform and accountability are yet to produce results – apart from some Arab-financed tourist complexes, the biggest of which is to open in 2010.

The better news is that decades of tension between the Seychelles and its neighbour **Mauritius** are easing. Last year, an exclusive economic zone boundary was completed and a joint management committee formed. There was also a joint submission to the United Nations in which both countries asked that the UN recognise their rights to 400,000 square kilometres of additional continental shelf beyond the 200 nautical mile limit. Early exploration indicates there are oil and gas reserves and mineral deposits there.

LESOTHO: The row over the legality of a coalition between the dominant Lesotho Congress for Democracy and the smaller National Independence Party is set to continue in 2009. The leader of the opposition All Basotho Congress, **Tom Thabane**, says the coalition – set up after the disputed 2007 elections – contravenes the constitution. Former Botswanan President **Ketumile Masire** is mediating and if Thabane proves his point, LCD Prime Minister **Pakalithi Mosisili** must dissolve parliament and call fresh elections.

Mosisili's party could lose out. Growth had already slowed, despite new Arab and Chinese investment in dams and telecommunications, before the global slowdown. Lesotho qualified for about \$350 million from the **United States'** Millennium Challenge Account and US-funded projects aim to improve business conditions and tackle HIV/AIDS.

There are likely to be serious food shortages again after last year's sharp price rises. The World Food Programme reports that food security is a 'chronic' problem and that people in low-income employment spend three quarters of their salary on food. Unemployment, now at 35%-40%, is set to rise if more factories and mines close in South Africa.

MAURITIUS: This year, Prime Minister **Navin Ramgoolam** and his Labour Party will prepare for the 2010 elections with a mixture of political brokering and economic strategy to prove that Mauritius, more than most countries in the region, can weather the global credit crunch. His deal-making will be helped by the bad blood between **Paul Berenger** of the *Mouvement Militant Mauricien* and **Pravind Jugnauth** of the *Mouvement Socialiste Mauricien*. Berenger will pick enough dissidents from other parties and independent groups to challenge the Labour Party at the next election.

Much will depend on how the Labour Party's economic strategy fares. Finance Minister **Rama Sithanen** wants an aggressive pro-growth strategy, even at the expense of rising inflation. Many key export markets are in recession and the government's biggest worries are factory closures and worsening unemployment.

ZAMBIA: Caution characterises the political style of new President **Rupiah Banda**. After winning last October's presidential election, he has made just five changes to the late President **Levy Mwanawasa's** last cabinet (AC Vol 49 No 23). Only overt challengers to Banda, such as former Finance Minister **Nga'ndu Peter Magande** and Local Government Minister **Sylvia Masebo**, were fired but their allies have kept their cabinet jobs.

Banda did, though, elevate lawyer **George Kunda** to Vice-President and Justice Minister, and promoted Mwanawasa's Special Economic Assistant **Situmbeko Musokotwane** to Finance Minister.

This reshuffle minimalism may owe more to the parlous state of the governing Movement for Multiparty Democracy's hierarchy than to Banda's final verdict on the best team for the job. He must prepare the MMD for parliamentary and presidential elections in 2011 amid unprecedented levels of party infighting. There is also debate about whether Banda, 71, should stand again or make way for a younger politician to face **Michael Sata**, the populist leader of the Patriotic Front.

Banda may draw some small comfort from Sata's difficulties with his own party, the Patriotic Front, which are set to worsen this year. However, economic realities in 2009 will concentrate everyone's minds. The international copper price has fallen from over \$8,000 last January to under \$4,000 a tonne. ●

The end game speeds up

Six Zimbabweans make diverse predictions about economic and political developments in the year ahead but agree on the main problem

THE CIVIC SOCIETY ACTIVIST

The Movement for Democratic Change (MDC) will reject the agreement brokered by **South African** ex-President **Thabo Mbeki** and no inclusive government will be formed (AC Vol 49 No 25). Constitutional Amendment 19, which provides for a unity government, will not get the necessary two-thirds majority in Parliament on 20 January. President **Robert Mugabe** will try to form a minority government by March but it will have no international recognition or financial support.

If **Jacob Zuma** becomes President of South Africa, he will threaten to close the border if Bob does not step down. Zuma distrusts the MDC but dislikes Mugabe more. Mugabe will be forced out of politics by the end of 2009. His successor from within the Zimbabwe African National Union-Patriotic Front could be **Emmerson Mnangagwa** or **Joyce Mujuru**. **Simba Makoni**, still popular with South Africa, could emerge as a force.

Many members of the army, police and Central Intelligence Organisation will move to neighbouring countries, for jobs and personal security. Middle-ranking army officers could lead a mutiny. Disenchantment with Mugabe within his own party may lead to an attempt on his life by ZANU-PF officers from the CIO or army.

THE INDEPENDENT JOURNALIST

Mugabe, encouraged by **Morgan Tsvangirai's** refusal to join him, is planning a new government. ZANU-PF was worried by the provision for fresh elections after 18 months, during which period the transitional government would produce a new constitution. Mugabe and his cronies now feel they can safely move ahead for five more years. Tsvangirai's boycott has spoiled the chance to create a more democratic framework.

Most of the Southern African Development Community, except **Botswana**, sides with Mugabe. Key members are South Africa, which chairs SADC, and **Swaziland**, which chairs its political organ. **Zambia's** new President **Rupiah Banda** is unlikely to get tough with Mugabe; he is an old friend of Mnangagwa, who grew up in Zambia. Botswana's President **Ian Khama** is strongly anti-Mugabe.

ZANU-PF's supporters in the army have won promotion; in November, at least 13 brigadier generals and lieutenant

colonels were appointed, with similar promotions in the police and prison service. Senior officers should be able to control disgruntled junior ranks, like those who went looting in Harare recently. The government, helped by Reserve Bank Governor **Gideon Gono**, plans a package to placate junior officers and avert an uprising.

The poor will get poorer and the rich, richer. Gono is likely to continue the funding dodges that keep the regime going. Dollarisation of the economy will ruin some banks and force others to merge. Insurance companies are already issuing US-dollar based insurance policies; the Zimbabwe dollar is no longer accepted even in rural areas.

Mugabe hopes to visit **Russia** and find friends. Russia is unlikely to help financially, nor is **China**, despite its praise for ZANU-PF and Mugabe.

THE PROFESSOR

Over the next six months, schisms will appear in ZANU-PF. By May, there will be a unity government of sorts; the MDC will get no traction within the African Union or SADC unless it joins an inclusive government. That government will not work well, for lack of donor cash to stimulate economic recovery. The **United States** has made it clear there will be no development aid while Mugabe is still around. The unity government could break up by the end of 2009.

Ordinary soldiers, who aren't paid enough to survive, will prey on the public. Any attempted takeover by junior and middle-ranking officers will not achieve critical mass while Zimbabweans can leave the country; the migrants are a safety valve. There will be increasing friction between the three security services: the CIO, army and police.

The rivalry for the succession between Mnangagwa and Mujuru is so intense that Makoni could be a compromise. A dark horse is **Dumiso Dabengwa**, an Ndebele with good links to South Africa's African National Congress.

In a unity government, battle will rage between the MDC-controlled Finance Ministry and the Reserve Bank, run by the ZANU-PF sympathiser Gono (whom few like, even within the party). Parliament will become a contested area, with MPs arrested and otherwise frustrated. If the unity government fails, Mugabe will try to form a minority government but there

will be no funds and a serious threat from disgruntled security agents. Mugabe needs the MDC for survival.

THE DISILLUSIONED ZANU-PF ACTIVIST

The unity government is dead. There are serious rumours about Mugabe's health, particularly about prostate cancer; on his break in the East, he will have treatment in **Singapore**. Some saw his claim that cholera was under control as a sign of dementia. He increasingly relies on the security services.

On 20 January, when Amendment 19 is due before Parliament, the MDC could get enough ZANU support to muster the requisite two-thirds majority. That would make Tsvangirai Premier but he is still holed up in Botswana.

THE FINANCIAL ADVISOR

There will be another currency reissue and a *de facto* formalised US dollar economy within two months. Hospitals are already allowed to take foreign exchange. Restrictions on procuring dollars will be relaxed.

The economic decline – hyperinflation, closure of businesses, unemployment, government deficits – will be sharper for three months. Then a slow upturn will begin, after changes in political and monetary policy, and dollarisation, which will stabilise but not eliminate inflation. Gono seems to be stopping the Bank's 'quasi-fiscal' operations. He wants more independence to focus on the Bank's primary targets: fighting inflation and maintaining the value of the Zim dollar.

Zimbabwe's rulers apparently wish not only to retain absolute control but also to live freely enough to enjoy their ill-gotten gains. That must signal economic deregulation and reconciliation with the international community. The government, army and the number of ministries will be downsized.

THE ZIMBABWEAN DIPLOMAT

The Zimbabwe dollar will be worthless by midyear. With the economy dollarised, the regime will lack the hard currency to pay the security forces. The army and the police will rebel and may topple the government.

The United Nations Security Council will adopt a resolution censuring the regime. South Africa, a great supporter of Mugabe, no longer has its seat on the Council. Russia and China, which promised to block such a resolution while any African country opposed it, will now feel free to let it through. The MDC will then demand an internationally run election in 18 months. The UN will agree to send a team to supervise it, Mugabe will reject that and a stronger UN resolution will follow. US President **Barack Obama** will try to persuade Mugabe to step down and Mugabe will demand to meet Obama first. ●

Whiskey doubles all round

All of North Africa's leaders will have something to celebrate in 2009, even if the majority of their populations won't

North Africa's leaders are among the longest-serving in the world and the most immune to democratic impulses. In comparison, Africa south of the Sahara with its multiparty elections and freer press is a hubbub of political pluralism and accountability. It is clear that North Africa's oppressive political systems and gerontocracy are holding back economic development and social change, yet that will not stop its ageing leaders from celebrating their decades-long grips on power.

Chief among the celebrants this year will be **Libya's Colonel Moammar el Gadaffi** who, in 40 years of power, has traded his status as scourge of the **United States** and self-appointed leader of the Arab resistance for a new-found friendship with Western capital (AC Vol 49 No 24) and a role as informer-in-chief for the USA and Europe on *Al Qaida* and other Islamist movements. El Gadaffi has also dropped his plans to unify the Arab nations and to build a nuclear armed state in favour of what he considers to be the more modest project of uniting Africa and selling Libya's oil and gas to Europe, the USA and **Russia**.

Closely following El Gadaffi's political longevity is **Egypt's Mohamed Hosni Mubarak**, in power since 1981, whose pharaonic ambitions extend to establishing a dynasty and ensuring that his banker son, **Gamal Mubarak**, succeeds him. **Tunisia's President Zine el Abidine Ben Ali**, in power since 1987, is assured of a fifth term in office (AC Vol 49 No 1). Even if the opposition is allowed a little more freedom to campaign, Ben Ali will win over 90% of the vote.

In the eyes of their peers, **Morocco's King Mohammed VI** and **Algeria's**

President **Abdelaziz Bouteflika** are neophytes, although to their people they look like political fixtures (AC Vol 49 No 25). King Mohammed is an absolute monarch but paradoxically, he is the region's most reform-minded head of state (AC Vol 48 No 19). Bouteflika's parliamentary allies have changed the constitution to allow him to stand for a third term and he will not face any serious electoral opposition.

Mauritania's military coup-maker and self-appointed leader, General **Mohammed Ould Abdelaziz**, faces a rare political consensus between the African Union and the European Union, which are threatening sanctions against his regime (AC Vol 49 No 17). How far these regional organisations succeed will send a clear message to other coup-makers waiting in the wings as well as those in **Guinea** who seized power in late December.

HOLDING ON TO POWER

LIBYA: Huge investment is promised in housing, transport, power and education to mark the 40th anniversary of Colonel Moammar el Gadaffi's 1 September 1969 coup. It is possible the 'Fatah Revolution' anniversary will see formal political change, with a new constitution separating the roles of Revolutionary Leader – Gadaffi Senior – and head of government. Such an arrangement would echo **Iran's** Islamic Republic, where the *Rahbar* (Supreme Leader) **Ayatollah Ali Hosseini Khamenei** decides policy and makes and breaks political careers, while the President – **Mahmoud Ahmadinejad** – manages the government.

Change in Libya is unlikely but there are signs El Gadaffi is ready to drop former allies in the Revolutionary Committees

but the old guard will not just go away – even if that is what he really wants. Led by veteran intelligence chief **Musa Kusa**, Revolutionary Committees leader **Ahmed Ibrahim** and Gadaffi's cousins in the Gadaffadam clan, the old guard are resilient, even if they are regularly outflanked by Gadaffi's reformist son, **Mohamed Seif el Islam**.

More certain is the continuing centrality of the Gadaffi family. Seif el Islam remains the beacon of reform, much favoured by local liberals and Western governments to take over from his father. Seif has been stronger on rhetoric than on action; hardliners prefer younger son **Muatassim el Gadaffi**, in charge of his father's security.

Most attention focuses on Seif and Muatassim but another even younger military Gadaffi, **Khamis**, is coming up unremarked, taking a lead last year in important military exercises with Algeria. Lawyer daughter **Aisha el Gadaffi** has political and business interests.

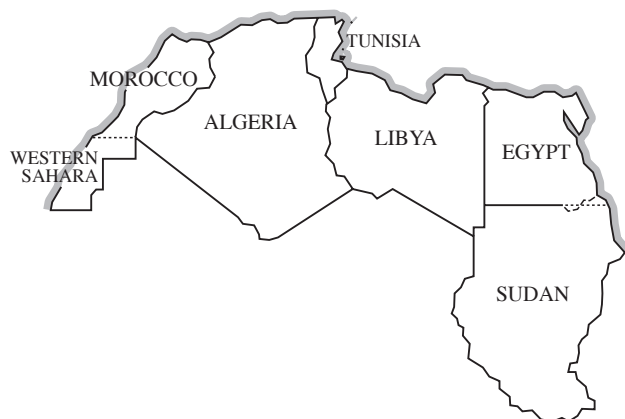
Meanwhile some other siblings behave badly, notably 'football star' **El Saadi el Gadaffi**, who remains in **Italy** having fought with Seif el Islam and others, and **Hannibal**, who left **France** in haste following a police incident and then triggered a diplomatic spat with **Switzerland** (ambassadors were recalled) when Swiss police accused Gadaffi Junior and his wife of beating up Moroccan domestic servants.

The Gadaffis expect to enjoy another generation in power. This is not universally popular, especially among Islamist opponents who remain the most determined threat to Moammar's grip on power: his enthusiasm for crushing those opponents accounts for his recent liaisons with Western intelligence organisations. Neither is the Gadaffi family supremacy popular with the old revolutionary and rival tribal elites. Yet the momentum is with the family: the younger Gadaffis have each developed a power base, backed by oil-generated largesse.

MOROCCO: Mohammed VI will celebrate his first decade as *Al Amir al Mouminin* ('Commander of the Faithful') on 23 July. At 47, 'M6' is more than 20 years younger than the region's other leaders. He has confounded those who argued that he would lose a challenge within the royal family from his US-based cousin **Moulay Hicham** (who enjoyed strong support from Washington and Riyadh), or from the Islamists of Sheikh **Abdessalam Yassine's Al Adl wal Ihsane** (Justice and Charity).

Instead, Moulay Hicham is now sick and marginalised and Mohammed VI is married to the popular **Lalla Selma** (née **Benani**) with a son, Crown Prince **Moulay Hassan** (born 8 May 2003), and daughter, **Lalla Khadija** (28 February 2007), and seems set to see off such challenges. He has pursued a more tolerant political line than his father, the late King **Hassan II**.

Mohammed has strengthened the powers of the elected government, set up a truth and reconciliation commission to distance the Palace from the appalling human rights abuses during the *'années de plomb'* (leaden years) under his father; and, most recently, he set up an anti-



ELECTION RESULTS FORETOLD

The main issues in North Africa's two presidential elections this year will be the margin of the incumbents' victories and the effectiveness of their tactics against their Islamist opponents.

ALGERIA: The financial position is much better in Algeria, which amassed over US\$130 billion in foreign reserves during the oil boom. Despite free-falling prices for crude oil exports, officials say there is plenty to finance President **Abdelaziz Bouteflika's** social and physical infrastructure development plans, including the '*grands projets*' that will provide the 'Boutef' legacy. These include the East-West highway project and a huge mosque along the eastern Algiers Corniche. Much will be heard of this largesse as Bouteflika faces election for a third term in April. A powerful coalition is building behind him, which will secure a heavy victory against any opponent (AC Vol 49 No 25).

Violence is expected to continue involving the *Groupe Salafiste pour la Prédication et le Combat* (GSPC, Salafist Group for Preaching and Combat), now rebranded and internationalised as *Al Qaida* in the Islamic Maghreb (AQIM), despite more operations by security forces and pressure on the jihadists' supply lines.

AQIM carried out fewer attacks in 2008 but its successful operations, such as the bombing of the main government office in central Algiers and a United Nations office in the upmarket Hydra neighbourhood, killed hundreds of people and undermined the government. According to a joint paper by the Combating Terrorism Center at the **United States'** Military Academy at West Point and the **Norwegian** Defence Research Establishment, AQIM's 'area of operations has been significantly reduced inside Algeria, but there is emerging activity in neighbouring countries.'

TUNISIA: Like its western neighbour, Tunisia is a prime target for Islamist fighters. President **Zine el Abidine Ben Ali** (born September 1936) has used the AQIM threat to rationalise his extremely hard line on the Islamist opposition, a policy that has also stifled non-Islamist opposition and media activity.

A former security officer who evicted founding President **Habib Bourguiba** in November 1987, Ben Ali has supported the emergence of an efficient, pro-European economy but has also created a police state, prone to crony capitalism. The presidential clan and its allies will continue exerting control over Tunisian business. On top are relatives of Ben Ali's second wife, **Leïla Trabelsi**.

Assessments of Tunisian politics diverge widely. Supporters point to sustained, export-led growth after the economic crises of the 1980s and early 90s and to the social advances launched by Bourguiba and maintained under Ben Ali. Nearly a quarter of the Chamber of Deputies (parliament) are women; Tunisia and **Jordan** lead the Arab world in female employment, education and health.

For critics, though, Tunisia's economic successes are undermined by Ben Ali's draconian crackdown over nearly two decades on the Islamist *En Nahda* (Renaissance) party and indeed on freedom of political organisations and the media. The country's grim record on human rights has made it a target for lobbyists such as Amnesty International and the European Parliament. Outsiders watch in disbelief but Ben Ali's reduced majority in the 24 October 2004 presidential election – a mere 94.49% of the vote – came as no surprise, given the domination of the President and his *Rassemblement Constitutionnel Démocratique* (RCD) party machine.

Expect the same from Ben Ali in 2009. While there are rumblings of public dissent not seen since the late 1980s, the heavy hand of the police and courts will keep this under control and Ben Ali will get his fifth (elected) mandate. However, he has no recognised successor: his hold on power is not so pervasive as to get a family member elected; potential successors have been marginalised and the government led by veteran technocrat **Mohammed Ghannouchi** is made up of political lightweights. Ben Ali has indicated that this will be his last five-year term. ●

main European markets for manufactured goods, farm products and tourism, as well as remittances from millions of Moroccan migrants.

The *Bourse de Casablanca* (stock exchange) is not delivering big results but the banking sector remains liquid, with Attijariwafa Bank and **Othmane Benjelloun's** BMCE group leading a Moroccan charge to become significant players in West and Central Africa.

Under its most talented Foreign Minister in decades, **Taieb Fassi-Fihri**, Morocco is working hard to keep hold of the disputed Western Sahara (AC Vol 49 No 7). This adds to tensions with Algeria, which has been the main backer of the the Saharawi liberation movement, the Polisario Front, since it was founded in the mid-1970s and strongly supported by Algeria's then Foreign Minister and now President, Bouteflika.

Losing the Sahara could cost the King his throne; so Rabat is set against independence for the 'Saharawi Arab Democratic Republic'. There is little room for compromise: **Netherlands'** diplomat **Peter van Walsum**, United Nations Secretary General **Ban Ki-moon's** former Envoy to the Sahara, lost the support of Polisario and Algeria by declaring that independence was 'not a realistic option'; Fassi-Fihri seems happy with former US Ambassador **Christopher Ross's** appointment as Walsum's replacement.

Polisario's threats to start shooting again – for the first time since the 1991 ceasefire – remain a block to restoring the five-nation *Union du Maghreb Arabe*. Other efforts to build economies and political stability around the Mediterranean, led by the EU's Barcelona Process and French President **Nicolas Sarkozy's** Mediterranean Union, may provide funding for projects and plenty of seminars. Yet Paris and Cairo remain the only real enthusiasts.

MAURITANIA: The ousting of civilian President **Sidi Mohammed Ould Cheikh Abdallahi** in a dawn putsch last August has prompted African, European and American sanctions against the new junta. The new leader, Gen. Ould Abdelaziz, Commander of the *Bataillon de la Sécurité Présidentielle* (Basep), along with the *Gendarmerie Nationale* head, Gen. **Félix Negri**, and other senior officers in the eleven-strong junta, reject outside criticism and insist they need time to restore the country to constitutional rule.

Abdelaziz has long been important in business and politics (like his cousin, former putschist and President Gen. **Ely Ould Mohammed Vall**) and was keen for a stint in the presidential palace.

Mauritania's economic health will remain precarious; oil output is lower than projected and big investors have pulled back from the planned privatisation

corruption commission, whose members expect to exercise effective powers.

There are fewer electoral abuses but older-generation politicians dominate political parties and forward-thinking technocrats have been discouraged. The performance of the coalition government led by Prime Minister **Abbas el Fassi** of the *Istiqlal* (Independence) party depends on individual ministers' qualities and many criticise it for lack of dynamism.

The King's appointees to state corporations, regional government and other state institutions usually lead on

policy. In parliament, the emergence of a bloc loyal to the Sovereign's old *Collège Royal* friend and former Private Secretary, **Fouad Ali el Himma** – the most important independent member of parliament – suggests the growing importance of this group of cautious reformers who owe their positions to the King.

On the streets, radical Islamists remain a challenge, but their popularity has waned since the May 2003 Casablanca bombings and waves of heavy police crackdowns. Social unrest could rise again as the global credit crunch cuts into Morocco's

of the state mining giant, the *Société Nationale Industrielle et Minière* (SNIM). The predecessor regime under Abdallahi had raised US\$2 billion of commitments from the December 2006 Paris donor conference and hosted World Bank Group President **Robert Zoellick** last January; now, Nouakchott is more dependent than ever on Arab donors.

EGYPT: President Mubarak will be working to ensure that his term ends with his son, Gamal, at the helm. The main electoral challenge would come from *Al Ikhwan al Muslimeen* (Muslim Brotherhood) if it were allowed to compete on equal terms with the ruling National Democratic Party, established by **Anwar el Sadat** in 1978 as part of his *infitah* (opening up) policy and now

being cultivated as a fief to back Gamal, who lacks a popular power base. As NDP Deputy Secretary General, Gamal heads the Party's powerful Policies Committee.

Potential opponents from the liberal fringe, such as **Ayman Nour** (who has faced imprisonment and other problems with the authorities since standing in the 2005 presidential election) and **Nomaan Gomaa**, leader of the Wafd party, have no hope of gaining real power. Nor are *Al Ikhwan* given much scope to progress after their 'independent' candidates worried the regime by polling well in 2005.

After Sadat's assassination in 1981, Mubarak Senior came to power by virtue of his military seniority; many in the

military/security establishment believe similar principles apply today. The Gaza crisis will again throw the spotlight on intelligence chief **Omar Suleiman**, who runs the Arab-Israel desk; but even the ageing Suleiman may now lack the muscle of other senior officers, including the veteran Defence Minister, Field Marshal **Mohamed Hussein Tantawi**.

Were Mubarak to become infirm or die, in the short term a military power broker might succeed him. Politics for the Mubarak clan, including presidential wife **Susan**, involves creating an environment in which Gamal could take over. Faction fights are breaking out and business sources report a growth in corruption as military and other elite players look towards an uncertain future. ●

EAST AFRICA

Courts and killing

Regional leaders face a new impetus from Africa and beyond to bring political murderers to account

SUDAN: A tumultuous political year will begin with the International Criminal Court's expected issuing of an arrest warrant for President **Omer Hassan Ahmed el Beshir**. The response of the ruling National Congress (aka National Islamic Front) and then of the once powerful Northern opposition will determine Sudan's medium-term future. Also important will be the response of the Sudan People's Liberation Movement, which in theory shares power with President Omer's NC but in practice, relations are deteriorating fast.

Foreign governments will also count. **Britain** and **France** have sought to delay the warrant at the United Nations Security Council; the **United States'** new Ambassador to the UN, **Susan Rice**, would veto such a move. President **Barack Hussein Obama's** new US government is set to step up pressure on Khartoum's Islamist regime on several levels.

In response to the sword hanging over Lieutenant General Omer's head, Khartoum will play the sovereignty card, at home and abroad. However, the ICC's detailed evidence will point to the NC's overwhelming responsibility for the mass murder in Darfur. This will remind Northern Sudanese parties and public – and the Darfur opposition – of the vulnerability of the Khartoum regime.

The ICC warrant will also remind Western and African governments of the brutality of the Khartoum regime: the continuing atrocities in Darfur, such as aerial bombardment of civilians; Khartoum's near destruction of Abyei town; looming conflict in the South and

Nuba Mountains; and tougher repression of opposition in the North. It will partly undermine Khartoum's argument that the ICC is part of a Western plot to target poor, especially Muslim, countries, but African suspicions about the ICC will remain.

Khartoum will depend increasingly on support from emerging allies like **Turkey** and, particularly, **Iran**, a manifestation of the Islamist international strategy of bridging the Sunni-Shia divide. This was recently underlined by the support for Iranian expansionism and nuclear power of the Muslim Brotherhood's General Guide, **Mohamed Mahdi Akif**.

Egypt (and, more discreetly, **Saudi Arabia**) have supported Khartoum but neither have much affection for Omer and the NC and would prefer a more compliant regime. Cairo's opposition to an independent Southern Sudan still dominates its calculations.

Khartoum cannot count on its neighbours, including **Eritrea**: its sponsorship of terror in the region is well known and deeply resented. The murder and mayhem caused by Khartoum's backing of the Lord's Resistance Army in **Uganda**, Southern Sudan, **Congo-Kinshasa** and **Central African Republic** is continuing proof of its destabilising role. Ostensibly restored relations with **Chad** will collapse: Sudan will try again to overthrow President **Idriss Déby Itno**.

The SPLM will be more assertive in the North and abroad, as signalled by national Vice-President **Salva Kiir Mayardit's** meeting with outgoing US President **George W. Bush** before the Comprehensive Peace Agreement's fourth anniversary

celebrations in Malakal, capital of the oil-rich Upper Nile, on 9 January. The NC knows very well that most Southerners want independence, not national power, and will continue attempts to thwart this, trying to destabilise the South, while undermining Northern parties.

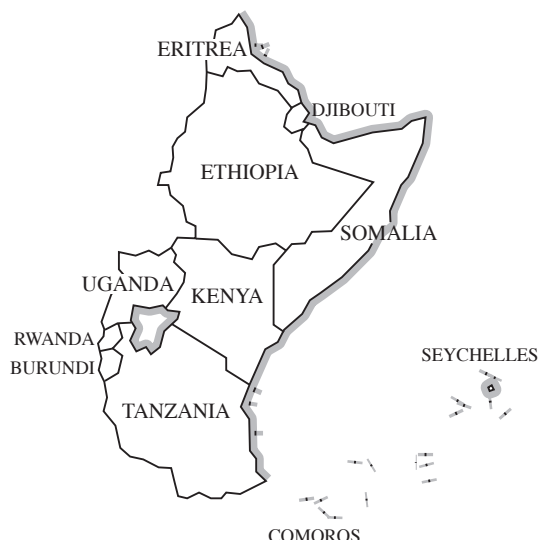
The main opposition parties (*Umma*, Democratic Unionist, Sudan Communist) have kept the same leaders for 40 years, although their policy of accommodation with the NC is coming under fire from younger activists. The SPLM has a year to rally Northern support; elections, due by June under the CPA, will be postponed till the end of the year and perhaps beyond.

The census results, delayed by the NC, will trigger new controversy, amid nationwide complaints by uncounted people. The temporary suspension of parliament also reflected NC anxiety, amid its failure to enact key CPA laws on press and public freedoms and the security apparatus, which is supposed to stop being an enforcement agency (and hence, policy instrument). The SPLM will press harder on these issues.

The North-South boundary area and Abyei will see growing attacks by Khartoum's proxy militias. The NC's desire is for the CPA to fail, while the SPLM wants it to succeed. This will ensure that the gap between the two CPA 'partners' will widen.

The regime's latest cover for its attacks in Darfur, the **Qatar** initiative, will wallow on but won't draw in Darfur insurgent groups – they don't trust Khartoum. **Minni Arkou Minnawi's** Sudan Liberation Movement faction may leave the regime. Khartoum will try to continue its ethnic cleansing but if it visibly attacks the UN-African Union Mission in Darfur, as it threatens, this could trigger US intervention.

ETHIOPIA: Enmity with Eritrea dominates Ethiopia's foreign relations. No international effort can solve their border



dispute, with Eritrea claiming a legal victory and Ethiopia insisting on the need for further dialogue. Eritrea will carry on trying to destabilise Ethiopia, which will in return exploit the regional groupings of the Sana'a Forum (Ethiopia, **Somalia**, Sudan and **Yemen**) and the Inter-Governmental Authority for Development: **Djibouti**, Ethiopia, **Kenya**, Somalia, Sudan and Uganda), of which it holds the chair.

At the end of 2008, Ethiopian forces pulled out of Somalia, claiming to have dealt with the security threats of December 2006. Addis Ababa had hoped that the international community or the AU would take over and was disappointed by the failures both of that and of Somali politicians to produce a realistic administration in the Transitional Federal Government. Prime Minister **Meles Zenawi** who reserves the right to respond again if Ethiopia feels its national security threatened.

The Charities and Societies Bill will damage Ethiopia's relationships with Western powers, though many non-governmental organisations accept that the sector needs regulation. The Bill establishes an oversight agency and tighter regulations for NGOs. Activities in human rights, ethnic conflict, conflict resolution and law enforcement will be limited to local groups that get less than 10% of their funds from abroad. The law's impact is likely to be smaller than claimed.

The government is also taking a tough line on opposition parties. The recent re-arrest of **Birtukan Mideksa**, Chairwoman of the opposition Unity for Democracy and Justice Party, and the arrest two months earlier of leaders of the Oromo Federalist Democratic Movement, make it look as if the ruling Ethiopian People's Revolutionary Democratic Front is getting ready to win the 2010 elections against a disunited opposition.

Production of coffee, the staple export, held up well despite last year's drought. Yet the value of exports (worth US\$525

million in 2007/08) is likely to drop significantly, with falling prices and the global recession. Inflation, largely imported, has begun to drop but many people will need food aid until after the main rains in June-September. Ethiopia's recent double-digit economic growth rate will probably fall to 7% or 8% in 2008/09. An impressive US\$16 mn. of new investment was licensed in 2008, 20% of which began operations during the year. The government thinks it will remain on target for most of the Millennium Development Goals in the next year. Three big hydro-electric schemes (Takazze, Gibe 11 and Belese) will come on stream, boosting electrical capacity by 1,155 megawatts and exporting electricity to Sudan from 2010, when the transmission line is complete.

ERITREA: Eritrea remains determined to force Ethiopia to accept the 'virtual' demarcation of the Eritrea-Ethiopia Boundary Commission and will continue to underpin Ethiopian opposition movements and to oppose Ethiopia's aims in Somalia. In this proxy war, Eritrea has few friends, although it has approached several Arab and Middle Eastern States. To establish anti-US foreign policy credentials it concentrates on links with Sudan, **China**, Iran and **Pakistan**.

Relations with Khartoum will follow their usual cycle, with Asmara arming and training an opposition group, pushing it into a 'power-sharing' agreement with Khartoum, then discovering it offers no leverage with Khartoum's Islamist regime. This happened with the SPLM, then with the Eastern Front and is now extending to Darfur opposition groups.

Renewal of the border conflict is highly unlikely but President **Issayas Afewerki** finds 'no war, no peace' a useful way to keep control. Eritrea maintains the largest armed forces per head in the world and an army nearly thrice the size of Ethiopia's. Most of the 300,000-plus conscripts are deployed in the Warsay-Yikealo development programme, providing cheap labour for state projects and ruling-party and military companies. Eritreans have been fleeing the country at the rate of over 1,000 a month, including several hundred conscripts, and the flow is likely to increase. There is a dire shortage of professionals and skilled workers.

Recent reports of unrest in the armed forces are unconfirmed but severe food shortages will continue. Farmers resent having to sell their grain exclusively to government agencies. Better rains in 2006/07 eased the food situation but the poor rains of 2008 may bring bread queues back to the streets of Asmara soon.

Some two-thirds of the population need regular food aid.

The global economic crisis and unease over Issayas's repressive policies have reduced remittances from Eritreans living abroad. But the efficiency of the security apparatus makes a coup unlikely and this year, the first gold from Nevsum's Bisha project is due to come on stream. Reserves are estimated at over a million ounces, with enough zinc and copper to maintain production for over a decade or more. Issayas has made it clear that the government will control output and profits 'very carefully'.

DJIBOUTI: Djibouti is very poor and unemployment is very high. Its Afar people resent President **Ismail Omar Guelleh's** regime. He won unopposed in April 2005 and still faces no serious opposition. An opposition boycott of last year's parliamentary elections allowed his governing coalition, the *Union pour la Majorité Présidentielle*, to win all 65 seats in the Assembly as it did in 2003, when the opposition won nearly 40% of the vote but no seats.

After the drought of 2008, things are expected to get better this year. The new Food Security Agency, set up in November, is meant to avert the shortages which left 60,000 people 'highly' food insecure and another 330,000 'moderately' insecure. This year is supposed to see a start to the 'Bridge of the Horns' to Yemen across the Bab el Mandeb Straits, 29 kilometres long for an estimated cost of \$200 billion. It remains a chimera.

The presence of US and French troops, other elements of the Combined Joint Task-Force Horn of Africa, and international anti-piracy patrols, keeps terrorists well clear of Djibouti. The US and French forces are likely to stay, although Washington is not pleased by the price of its facilities. Relations will remain close with Ethiopia, although it is irritated by Djibouti's efforts to increase port tariffs. It pays some \$700 mn. annually in port fees and would find any increase a strain.

Eritrea still shows no intention of withdrawing its forces from the area of Djibouti it occupied last June, despite pressure from the AU, Arab League and UN. The incursion was probably motivated by Eritrean anger at Djibouti hosting a conference between Somalia's transitional government and the opposition Alliance for the Re-liberation of Somalia; the ARS representatives had been based in Asmara until they defected to Djibouti and Eritrea regarded this as interference in its struggle against Ethiopia.

SOMALIA: A 'government of national unity' will be set up, with a parliament doubled in size to 550 members. This follows the resignation of President **Abdullahi Yusuf Ahmed** and the Ethiopian withdrawal. A presidential

election should be held within 30 days of Abdullahi's resignation but it is not yet clear whether the voting will be done by the previous parliament or the new one, which has not yet been chosen.

Leading candidates will include Prime Minister **Nur Hassan Hussein 'Adde'** and Sheikh **Sharif Sheikh Aden**, the leader of the Djibouti-based faction of ARS (ARS-D). Both are from the Abgal/Hawiye, the largest clan in Mogadishu. Another possibility is the temporary President, Sheikh **Aden Mohamed Adobe**, Speaker of Parliament, who is from the Raheenweyne. The national unity government, replacing the TFG and providing places for the ARS, is expected to last two years, for which it can expect international backing but not the necessary resources. A national conference for peace and reconciliation will probably be held before elections for parliament and the presidency in 2011.

Ethiopia's pullout leaves the African Union Mission in Somalia (Amisom) in Mogadishu short of troops. It expects three more battalions, from **Burundi**, **Nigeria** and **Uganda**, within weeks but previous commitments to the peacekeeping force have been slow to materialise. The necessary money and equipment is not available and Uganda has said it will withdraw if the risks become too high. Amisom commanders would like a revised mandate, giving them more room for offensive action. Yet the TFG and the ARS between them may be able to resist the Islamist militia *Al Shabaab* and restore stability to Mogadishu.

This, combined with clan support, should halt the violent expansion of *Al Shabaab* and the Salafi enthusiasts, even if Eritrea backs them. After a brief upsurge in fighting, things should calm down, with clan militias again taking control of Mogadishu. Many of the Islamist elements that opposed the TFG seem ready to co-operate with a government including the ARS, which can call on a majority of the Hawiye in Mogadishu, Benadir, Hiraan and in central regions, as well as elements of the Raheenweyne and of the Darod in Puntland and Gedo region.

Any government will face strong opposition in Lower Shebelle, where the *Shabaab*-allied warlord **Yusuf 'Indha Adde'** is based, and in Kismayo, where there is a *Shabaab* administration. *Al Shabaab* certainly intends to carry on fighting for a Salafist regime in Somalia.

Western hopes notwithstanding, there is no indication that the Asmara-based faction of the ARS is interested in peace. Its leader, Sheikh **Hassan Dahir 'Aweys'**, said in January: 'It is not in our plan and we shall never participate in the Djibouti peace process'. Its Eritrean ally will not push it towards peace, either. Yet the Islamic factions may yet turn on each other as *Al Shabaab* and *Ahlu Sunna wal*

Jamma did for a few weeks in December.

Last year, Somali piracy suddenly escalated from opportunist activity by local individuals to sophisticated externally organised operations, part of whose profits go to *Al Shabaab* terrorism. This year's get-tough international approach hopes to end the piracy in a few months, though it is no easy task.

The UN's humanitarian appeal for Somalia this year is seeking more than \$918 mn. dollars, compared to \$662 mn. last year. It becomes clear as security improves that many fewer people fled Mogadishu than was claimed last year. Yet the food supply will remain critical until after the Gu rains (April-June) and deliveries should increase sharply as the threat from piracy diminishes.

The former Puntland President, **Abdullahi Yusuf**, is back home, with most of the 3,000 militiamen he took down to Mogadishu. They will provide Puntland's new President with the means to enforce its claims on Sool and Sanaag. Abdullahi largely created the problem with Somaliland when he brought the Dhulbahanta, one of the three Harti clans, into Puntland politics to shore up his own position within the Majerteen. He will try to do so again if he wants to reenter Puntland politics. He is 76 and in poor health but does not anticipate a peaceful retirement.

Puntland's relations with Somaliland will depend largely on new President **Abdirahman Mohamed Farool** from the Majerteen. He will concentrate more on political and economic problems. Of greater concern is the threat of *Al Shabaab* militancy following the bombings in Bosaso in October.

SOMALILAND: Somaliland will hold a presidential election at the beginning of April. In the 2003 poll, President **Dahir Riyale** beat **Ahmed Silanyo** by just 0.01% of the vote and a similar result is expected this time. Multiparty local government elections will follow later in the year, at which Silanyo's *Kulmiye* party and the Party for Justice and Development (UCID) will probably do better than Riyale's Unity, Democracy and Independence Party.

Peaceful elections will increase Somaliland's prospects for international recognition, already boosted by the failure of the TFG. As the only peaceful, democratic area of the former Somali state, its claim is harder to ignore and settlement of the dispute with Puntland would help. Security will be tricky this year after three *Al Shabaab* bomb explosions in Hargeisa in October. President Riyale may use this as an excuse to crack down on the media and his critics.

KENYA: The governing coalition that emerged from last year's bloody election aftermath will continue its uneasy rule. Prime Minister **Raila Odinga's**

Orange Democratic Movement held a conclave of its cabinet ministers on 5 January and of its National Executive Council two days later. Odinga has distanced his party from the brand-new Communication Amendment Bill (known as the Media Bill) just signed by President **Mwai Kibaki** and complains about Kibaki's habit of behaving as if he had a clear mandate while treating Odinga as merely decorative.

The ODM claims that almost all power is channelled through the Head of the Civil Service and Secretary to the Cabinet, **Francis Muthaura**. It threatens to censure him in parliament when it reconvenes and to demand that he is brought under the Prime Minister's office. This would require renegotiation of the National Accord that delivered the present restless peace and the reaction of Kibaki's Party of National Unity will appear soon.

A full-page advertisement in the Sunday papers headlined 'Op-Ed on Kenya' and signed by the coalition's chief mediator, former UN Secretary General **Kofi Annan**, reminded readers that, in 2009, some of the most delicate elements of the National Accord are due to be implemented. The report of the inquiry into the post-election violence will soon be published and the names of its sponsors, planners and perpetrators, now in a sealed envelope handed to Annan by Judge **Philip Waki**, will be revealed.

Several ministers, assistant ministers, members of parliament, bureaucrats and police officers should be locked up without bail for the duration of the hearings. They include a deputy prime minister, the Minister of Agriculture, a presidential mistress and a top police commander. The fuss will be huge. Ready-made facilities for a long hearing by the International Court are available in Arusha, **Tanzania**, which could hold **Uhuru Kenyatta**, **William Ruto** or **Mary Wambui wa Mwai** in suitable comfort.

In the early 1990s, **Nicholas Biwott** and **Hezekiah Oyugi**, two pillars of the **Daniel arap Moi** regime, were identified as prime suspects in the murder of Foreign Minister **Robert Ouko** and held at the headquarters of the paramilitary police, the General Service Unit (GSU). Both were released for 'lack of evidence'. Oyugi fell ill and died in London of unknown causes; conspiracy theorists insist he was given an untraceable poison while in custody.

Vexed issues will surround the Special Tribunal and the process may have to be removed to a court in the Hague. A cabinet reshuffle was supposed to fill the slots left by the deaths in a plane crash of **Kipkalya Kones** and **Lorna Laboso**; it will not happen until the ministers named by the Tribunal are removed from the cabinet.

Hyslop Ipu, an ineffectual bureaucrat from the Coast Province, has just been

pushed out as Comptroller of State Houses, the equivalent of the US Chief of Staff, and replaced by the Mount Kenya group's Professor **Nick Wanjohi**, formerly Vice-Chancellor of **Jomo Kenyatta** University of Agriculture and one of the President's faithful retainers.

On corruption, the PNU's advocates hint that last year's petroleum and food crises were created by the ODM as a way of minting money. The shortages of petrol and maize meal are blamed jointly on the Prime Minister and on Ruto, the political master of the breadbasket Rift Valley Province, 350,000 of whose Kikuyu smallholders were expelled by Kalenjin in January 2008. Both men stood to make hundreds of millions of shillings for themselves in the rush to resolve the shortages of fuel and grain. Intricate allegations are circulating about their machinations, in association with entrepreneurs of Asian origin.

In 2009, the Commissioner of Police, Major General **Hussein Ali**, is likely to leave office. It is reported that the former Director of the Criminal Investigation Department, **Joseph Kamau**, is now a national security consultant at State House. If Kamau has the President's ear, it is Ali's turn to take a dive. He is at odds with the Director General of the National Security Intelligence Service, Maj. Gen. **Michael Gichangi**, over evidence tabled at the **Kriegler** and Waki commissions of inquiry (AC Vol 49 No 18).

This is also the year of a once-in-a-decade event, the National Census and Housing Survey, whose findings affect constituency shapes and sizes. Moi's regime withheld the results of the 1989 census for five years. Kenya's last non-political census was in 1979; this year's will be a tough test for the country's not-so-new politics.

UGANDA: President **Yoweri Kaguta Museveni** will continue the process he started last year – preparing to run again in 2011. He will do this in three ways: a reshuffle of the cabinet, the diplomatic ranks and the military to reward loyalists; more emphasis on the military offensive against the LRA rebels to try to win a peace dividend in northern Uganda; and rolling out the much delayed Prosperity-for-All microfinance scheme under his brother and junior Finance Minister, Gen. **Caleb Akandwanaho**, alias **Salim Saleh**.

Museveni's cause will be helped by internal wrangles within the opposition. **Kizza Besigye** of the Forum for Democratic Change (FDC) will be thrust into a Catch-22 situation: after twice running against Museveni, he is still the most credible challenger but faces internal accusations that by seeking to stand again in 2011 he is no different from Museveni. The Democratic Party (DP) and the Uganda People's Congress are also facing internal

leadership transitions that could divide the two oldest parties in the country.

Museveni will reshuffle the cabinet to fill three vacant positions and create space for loyalists ready for 2011. The DP and the FDC will hold their annual delegates' conferences and appoint new leaders. Youthful **Norbert Mao** should win the DP slot easily but Besigye will face some opposition from within the FDC.

A controversial land reform bill opposed by the politically influential Buganda Kingdom and others will be forced through Parliament. The newly established anti-corruption court will try more people, including middle-level politicians, but high-profile suspects close to the Presidency will stay out-of-reach.

The clampdown on the media will intensify as the Media Offences Department of the police seeks to stamp out dissent against President Museveni and his government.

Uncertainty from the renewed military offensive against the LRA rebels will slow the resettlement process in northern Uganda in the short term. More promotions are expected in the army as Museveni moves his loyal Young Turks, including his son, Lt. Colonel **Muhoozi Kainerugaba**, into command positions.

Peace talks will start with remnants of the defeated Allied Democratic Front rebels, resulting in a peace deal. The LRA will transform itself into smaller, semiautonomous groups that will continue to commit atrocities in Congo, Southern Sudan and, with time, in parts of northern and north-western Uganda.

TANZANIA: President **Jakaya Kikwete** will reshuffle his cabinet before his re-election campaign in 2010. Victims may include Home Affairs Minister **Lau Masha**, Energy Minister **William Ngeleja** and Natural Resources Minister **Shamsa Mwangunga**; rivalry to Kikwete within the governing *Chama cha Mapinduzi* (CCM) will increase, along with prosecution for corruption of senior members.

Former Prime Ministers **Edward Lowassa** and **Joseph Warioba** are likely to be in court; so are the former ministers **Zakia Meghji**, **Nazir Karamagi** and **Ibrahim Msabaha** (AC Vol 49 Nos 4 & 10). Many MPs may face prosecution or disqualification for failing to disclose their property and bank accounts to the Ethics Commission.

The opposition is likely to win a significant by-election in Mbeya rural constituency. The main opposition challenger for the presidency will probably be **Zitto Kabwe**, the maverick *Chama cha Demokrasia na Maendeleo* MP for Kigoma North. **Hussein Mwinyi**, the Defence Minister, will emerge as front-runner to replace **Amani Abeid Karume** as President of Zanzibar next year.

Kikwete, alongside the Southern Africa Development Community and the African Union, will keep pressing President **Robert Mugabe** and Premier **Morgan Tsvangirai** to agree on a transitional government for **Zimbabwe**. Non-combatant military police may be sent to help in Somalia and the People's Defence Forces say they will try to arrest Somali pirates who stray into their waters. The USA will keep trying to establish a base for its new Africa Command on Tanzania's coast.

CHAD: The prospects for President **Idriss Déby Itno**'s survival this year will depend on three main factors: his considerable cunning and grip on his own military forces; some security support from an increasingly reluctant France; and the weakening of Sudan's Islamist regime in Khartoum by a combination of external sanctions and internal opposition.

For its part, Khartoum is certain to sponsor more military attacks in 2009 by the fractious Chadian opposition groups on Déby and Ndjamen. In turn, Déby is likely back the Darfur-based rebels, especially the Justice & Equality Movement (JEM), in their efforts to topple the Khartoum regime.

JEM's long march across Sudan to attack Omdurman, without facing any opposition from the Sudanese army, indicated the growing fissures in Sudan's security apparatus. That doesn't mean that President Omer's regime will not use its petrodollar and Chinese-supplied armoury to sponsor fresh attacks on Chad. The presence of the EU force on Chad's eastern borders has not deterred either side in this messy proxy war.

Regional battle lines will not diminish Chad's real internal political crisis, caused by a repressive and corrupt government. Déby is using the hostilities with Sudan as an excuse for inaction; the national elections due this year were postponed after last February's Sudanese-backed rebel raid on Khartoum.

COMOROS: The African Union's enthusiasm for intervening in Comoros last March to suppress the secessionist regime led by **Mohammed Bacar** is a rare example of its determined intervention. Its ultimate beneficiary was Comoros' Federal President **Ahmed Abdallah Mohamed Sambi** whose Islamist sympathies have earned him the title of 'the Ayotollah'.

Bacar's rebellion was just the latest of more than 20 coups in the three-island archipelago since Independence from France. After President Sambi's government secured some \$5 million in post-conflict credits from the IMF in December, China offered a further \$1.4 mn. in budgetary support on 6 January. Despite this backing, President Sambi's relations with France remain on a downward trajectory. ●

Old wounds, new crises

Falling commodity prices and failing politicians will make a dangerous combination this year

CONGO-KINSHASA: No ceasefire was arranged at the latest negotiations in December between the Kinshasa government and General **Laurent Nkunda's** rebel *Congrès National pour la Défense du Peuple* (CNDP, AC Vol 49 No 25). A fresh attempt was due on 7 January in Nairobi, when it was hoped Nkunda's people might be more cooperative. In the last round, the CNDP refused to cease firing, although the Kinshasa delegation, led by Minister of International Cooperation **Raymond Tshibanda**, signed a declaration intended to 'promote dialogue' and create confidence.

The CNDP claims that hostile forces – the government's *Forces Armées de la République Démocratique du Congo* (FARDC), it says – have moved into the agreed separation zones between the armies. The mediation team, led by **Nigerian** ex-President **Olusegun Obasanjo**, said there were no government troops there. In fact, the men who have moved in belong to a Mai-Mai group, the Hutu militia now known as the *Patriotes Résistants Congolais* (Pareco), and the **Rwandan** former soldiers of the *Forces Démocratiques pour la Libération du Rwanda* (FDLR).

The CNDP also objected to the junior status of the government delegation. Its head, Tshibanda, is a lightweight and neither President **Joseph Kabila's** office nor the Ministry of Defence were represented. The rebels fear that, if they agree to a period of calm, the government would use it to build up its forces after the CNDP totally defeated them in October. On 23 December, the government army gave warning of an imminent confrontation with the CNDP, which it accuses of infiltrating the Kibati area. Neither side trusts the other.

A formal ceasefire would not bring real peace to North Kivu. For now, the government's forces cannot tackle the CNDP. Nor can they disarm their former allies the FDLR, as agreed on 4 December by the foreign ministers of Congo and Rwanda. For that, they need to cooperate both with the United Nations peacekeeping force, the *Mission des Nations Unies en République Démocratique du Congo* (Monuc), and with intelligence officers of Kigali's *Forces de Défense Rwandaises* (RDF).

Progress was made towards that at a meeting in Goma on 29 December

between the two defence ministers, **Marcel Gatsinzi** of Rwanda and **Charles Mwando Nsimba** of Kinshasa. Kabila's special envoy for the Great Lakes, **Séraphin Ngwej**, has said his government is 'fed up' with the presence in Congo-Kinshasa of the soldiers and *Interahamwe* militiamen of Rwanda's pre-Kagame government.

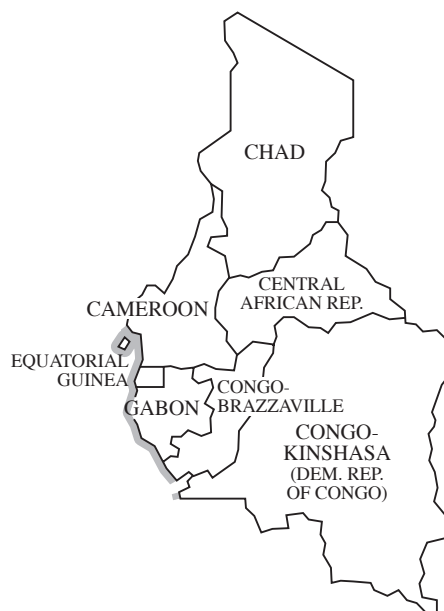
Disarming the FDLR would be slow and tough. They have strong local allies, notably the Mai-Mai Pareco and Mongol militias; they have been well equipped by the Kinshasa government and even have anti-aircraft missiles to see off Monuc's attack helicopters; they control and tax vast areas in Walikale, North Kivu, and Walungu in South Kivu. In the north, they even control mines, alongside the Kinshasa army's 85th Brigade.

Even given an agreement, a big challenge in 2009 and beyond will be the integration into the government army of the CNDP's 3,000-6,000 men, some 7,000 Mai-Mai militiamen in North Kivu and more from 13 other South Kivu groups. Nobody knows what sort of organisation they should be integrated into. It is not clear whether the national army is to be a defence force or a vehicle for social and political integration.

The FARDC desperately needs reform; previous attempts have hitherto failed. Only now are the first biometric identity cards being introduced, so it will be a while before the 'phantom soldiers' whose pay goes into their officers' pockets (AC Vol 49 No 23) can be eliminated. Until the troops are properly paid, it is out of the question to incorporate former rebel units into their ranks.

Army reform may not make much progress in 2009. The number of European Union officers assigned to it under the EU's advisory and assistance mission for security reform (EUSEC RD Congo) will be cut. There are also disagreements about the numbers to be integrated. The EU officers want a professional army of up to 50,000 soldiers, against the present strength of 120,000. The Chairman of the *Amani* (Peace) programme for the Kivus, Father **Apollinaire Malu Malu**, wants more.

One apparent improvement is that relations between Kinshasa and Kigali are growing closer. In December, President **Paul Kagame** showed that he could persuade Nkunda to moderate his claims for nationwide reform. Both Congo-



Kinshasa's National Assembly and North Kivu's Provincial Assembly have, since October, advocated dialogue, a significant move towards a political settlement. The National Assembly's recognition of the need for army reform is a small sign of progress. Yet it will be a while before Congo's politicians stop using ethnic claims to whip up support.

CONGO-BRAZZAVILLE: The all-powerful President **Denis Sassou-Nguesso** will notch up an easy victory in the presidential poll scheduled for July. The opposition to him and his *Parti Congolais du Travail* (PCT) is fragmented and largely neutralised by deals that have brought long-exiled opponents such as **Bernard Kolélas**, **Jacques-Joachim Yhombi-Opango** and **Victor Tamba Tamba** home to a comfortable welcome, in return for accepting the legitimacy of the regime.

Internal political opponents are tolerated but ignored, their demands for an independent electoral commission brushed aside. The government is revising the electoral register, to make sure everything flows smoothly in July. Kolélas' old *Mouvement Congolais pour la Démocratie et le Développement Intégrale* (MCDDI) has been emasculated by his declaration of fealty to Sassou. Some of its disillusioned activists hope to build a new opposition movement from exile.

A significant challenge could come from the *Union Panafricaine pour la Démocratie Sociale* (Upads), led by the ailing and exiled ex-President **Pascal Lissouba**. Its candidate is **Ange-Edouard Pongui**, who was Prime Minister in the 1980s under Sassou and has genuine personal stature. The guerrilla leader **Pasteur Ntumi** (**Frédéric Bitsangou**) remains inactive but wary of the regime and still at large in Pool Region, with a few hundred armed men. The government

hopes to keep his *Conseil National des Républicains* (CNR) from spreading into the north.

The Brazzaville elite, especially those close to the presidency, did well out of the oil windfall of recent years, which also lubricated negotiations with some of those returning from exile (AC Vol 48 No 15). The slump will put a stop to that and this year sees a 50% cut in the budget. In 2008, the government coaxed out of the IMF a new Poverty Reduction and Growth Facility. Yet since Congo has repeatedly failed to keep promises of transparency, its creditors are starting with modest debt relief, to be amplified if all goes well. The government may try harder this time, as the oil price slide undermines its freedom to manoeuvre.

RWANDA: The governing *Front Patriotique Rwandais* (FPR) won the September elections and a period of calm should follow; President Paul Kagame seems sure of reelection in 2010. Yet the aftermath of the 1994 genocide lingers on. The government hopes that the next few months will see the end of the *gacaca* community trials. They have become more contentious since they were asked to try some more serious cases and 14 survivors were murdered in the first half of 2008. Grenade attacks killed two people in Kigali on 28 December, one of them near the Gisozi genocide memorial. In April, a policeman was killed by a grenade during the commemoration of the genocide.

Some senior officials will be unable to travel abroad, because they face arrest warrants issued by **French** and **Spanish** magistrates for their alleged involvement in the 1994 murder of the late President **Juvénal Habyarimana**. The tension has been somewhat eased by the French decision to allow **Rose Kabuye**, the President's Protocol Chief charged in France with killing President Habyarimana in 1994, to go home to spend Christmas with her children in Kigali (AC Vol 49 No 24). The affair interests many African leaders who fear they may one day face international warrants.

BURUNDI: January will provide the first test for the agreement, reached in December, between the government and **Agathon Rwasa's** rebel *Parti pour la Libération du Peuple Hutu-Forces Nationales de Libération* (Palipehutu-FNL, AC Vol 49 No 10). Its aim is to implement the ceasefire signed in September 2006 and to give the rebels 33 senior government posts in exchange for their dropping the ethnic word in the name of Palipehutu; there is a constitutional ban on openly ethnic politics.

By late December, the camps intended for the disarmed rebels were still not ready. Burundi's army does not possess enough tents for the 21,000 fighters the rebels claim to have (although

they had previously claimed only up to 5,000). Palipehutu-FNL also resists the name-change: 'We must explain it to the militants', says their spokesman, **Pasteur Habimana**. The UN Security Council has urged both sides to complete the ceasefire and requested the government to present its plans to disarm and reintegrate the ex-fighters as soon as possible.

Temperatures will be raised by preparations for presidential and legislative elections in 2010. President **Pierre Nkurunziza's** *Conseil National pour la Défense de la Démocratie-Forces de Défense de la Démocratie* (CNDD-FDD) will very likely win again, thanks to some strong-arm behaviour. Opposition meetings have already been disrupted and grenades thrown.

The IMF is particularly worried by Burundi's agricultural problems. Recent poor rains may herald a drought. The 2009 budget is for \$820 mn., with a deficit of \$115 mn. To bridge the gap, the government has imposed new taxes on alcohol, sugar and motor fuel, so people are angry. **Fulgence Bakana**, President of the *Cour des Comptes* (financial court), considers the budget figures 'unrealistic' because they are based on the assumption that donors will contribute a promised half of the cost. Finance Minister **Donatien Bwabo** hopes the dilemma will be solved in January, when Burundi becomes eligible for debt relief of \$1.2 bn. under the IMF's scheme for Highly Indebted Poor Countries.

CENTRAL AFRICAN REPUBLIC: Crucial and unexpected breakthroughs were produced by the *Dialogue Politique Inclusif* (DPI) in Bangui in December (AC Vol 49 No 24). There was an agreement to form a national government including the main rebel groups, civil society and political parties, as well as formal recognition for President **François Bozizé** by the man he overthrew in 2003, **Ange-Félix Patassé**.

Fear of indictment by the International Criminal Court (ICC) has given guerrilla chiefs and several leading politicians powerful motives to pursue the peace game. Security is reinforced by peacekeepers from the *Communauté Economique des Etats d'Afrique Centrale* (CEEAC), whose operation is known as the *Mission de Consolidation de la Paix en Centrafrique* (Micopax), and from Europe (EuFor, also deployed in **Chad**). Donor aid, led by the EU, France, the IMF and the World Bank, remains solid.

All sides are willing to treat Bozizé as the legitimate head of state. Presidential and parliamentary polls are possible in 2010, with an independent electoral commission to ensure that voting is reasonably free and fair. The recent conflicts have been organised by faction leaders rather than arising from communal tensions. Yet the north-west has been

ravaged by both security forces and rebels, so there is little trust in the state.

Only an assured peace will bring home the tens of thousands of civilians in the bush or in refugee camps in Chad and **Cameroun**. Meanwhile, the new government's economic team will have to reconcile donor pressure for sound financial management with the patronage demands of rebel leaders. Diamond-mining excepted, there are few opportunities for new jobs or higher incomes.

GABON: The Libreville talk is all about an economy after oil and a political system after President **El Hadj Omar Bongo Ondimba**. Bongo is managing his *fin de régime* clumsily; journalists acquire broken limbs, civil society activists are intimidated by the security services, corruption allegations are swept under the carpet (AC Vol 49 No 21). The world's longest-reigning President is counting down his last years in office.

Rumours of ill health turned into a surprise hospital visit at the end of 2008, exciting all pretenders to the throne. One of the camps lines up behind presidential son and Defence Minister **Ali Ben Bongo**, the other behind the marital team of Finance Minister **Paul Toungui** and presidential daughter **Pascaline Bongo**.

Ali has been favoured by a trip to Paris with his father to be introduced to President **Nicolas Sarkozy** and has filled more top military posts with his key allies. The regime is constantly embarrassed by articles in the French press which point to decrepit roads and ill-stocked hospitals in the Gabonese countryside, while Bongo maintains a Parisian property empire.

A corruption trial, initiated by non-governmental organisations against three central African heads of state, including Bongo, is on its third round in French courts. The Libreville government has countersued the NGOs and arrested the Gabonese plaintiff.

In a New Year's ritual, Bongo denounced his own government, calling it slow and clumsy. Prime Minister **Jean Eyéghé Ndong** has little to show for three years in office. Although the ruling *Parti Démocratique Gabonais* has coopted the 'opposition' leaders **Pierre Mamboundou** and **Zachérie Myboto**, Bongo called for a fresh government of 'wide opening', suggesting a shuffle is due soon. Having quietened the opposition, he would like to see its leaders signal complete submission by taking insignificant posts in government, as did a radical critic of the 1990s, **Paul Mba Abessole**.

CAMEROON: Speculation about President **Paul Biya's** political staying power will increase in 2009, just two years before the next presidential election. Given that he has already been president for 26 years, the speculation seems misplaced; some insiders, however, now suggest that at

75 years old, with signs of failing health, Biya lacks the grim determination of his counterparts, Bongo of Gabon and **Robert Mugabe** of Zimbabwe, to die in office.

If true, it is bizarre that the ruling clique around Biya should have organised a parliamentary vote to change the constitution last year and indefinitely extend the number of presidential terms. One reason may be that the ruling *Rassemblement Démocratique du Peuple Camerounais* is showing signs of internal ructions and cannot agree on a successor. Many think Biya is preparing his son, **Franck**, to take over. Yet the presidential son is yet to show any interest in the job.

This year, Biya and his close circle will use his anti-corruption campaign – *Opération Epervier* (Sparrowhawk) – to gaol his political opponents and, paradoxically, any officials who might have evidence of presidential corruption. Two former finance ministers, **Polycarpe Abah Abah** and **Akame Mfoumou**, and a former Secretary General to the Presidency, **Jean-Marie Atangana Meara**, have been caught in the net.

Two ruling party politicians, RDPC Secretary General **René-Emmanuel**

Sadi and a younger militant, **Ateba Yene**, appear strong enough to withstand pressure from the presidential clique and seem convinced that Biya's political power is dwindling fast. Should Biya die or leave office suddenly, the stage is set for a messy transition: the ruling party is immersed in internal squabbles and none of the opposition parties are strong enough to take the reins.

There is a growing sense of economic and political drift. Last February, more than 100 people were shot in protests over price rises and dozens more were arrested. This year, Prime Minister **Ephraïm Inoni** is introducing military courts to try armed robbers as the crime rate soars in the centre and north.

The new law, equipping each of the ten regions with a special military tribunal with sole competence in cases of armed robbery, was adopted by parliament on 12 December.

A new decentralisation programme, devolving power to regional councils, might offer a political safety valve if the opposition Social Democratic Front takes over the councils in South-West and North-West provinces and **Bello Bouba Maïgari's**

Union Nationale pour la Démocratie et le Progrès does well in the north.

EQUATORIAL GUINEA: Expect double celebrations in the camp of President **Teodoro Obiang Nguema Mbasogo**: Obiang will win a presidential election and mark 30 years in power in August. Beforehand, the government will be more energetic with more reshuffles and more arrests, on corruption and incompetence charges. The promotion of veteran ruling party hack **Ignacio Milam Tang** to Prime Minister is another sign of closing ranks at the top.

Yet the opposition has no power on the streets or at the ballot box and speculation about another mercenary-backed coup attempt looks far-fetched. The central issue remains the succession and how to resolve it without a major and murderous fallout among the ruling clique.

That may be why the regime was not as angered as it might have been by the circulation of a private video showing Obiang dancing niftily at a lavish party in Libreville. Shown on the internet, it more convincingly dispelled reports of failing presidential health than a hundred state press releases. ●

WEST AFRICA

Before and after the voting

Ghana's close-fought but well-run election will set a new standard for competitive politics in Africa

NIGERIA: The Supreme Court's validation of President **Umaru Musa Yar'Adua's** contentious 2007 election victory will do little to stabilise Nigeria's fractious politics. The battle lines might be sharper still in 2009 as economic prospects deteriorate in line with the free-falling world oil price and as the pool of state largesse recedes (AC Vol 49 No 25).

The more fickle opposition politicians will leave the losing parties – **Abubakar Atiku's** Action Congress and the former military leader **Muhammad Buhari's** All Nigeria People's Party – and seek preferment in the governing People's Democratic Party. This is unlikely to strengthen the PDP, which has its own internal divisions based on regional and ethnic loyalties as well as its elaborate system of 'political godfathers' and patronage networks.

Worries about Yar'Adua's health have led some in Abuja to talk about the 'Guinea factor' – the risk of the political system being unprepared for the sudden exit of a head of state. It was General **Lansana Conté's** demise in late December that plunged Guinea into the chaos of a military coup and international sanctions.

Nigeria's constitution was hastily put together by the outgoing military regime in 1999 and everyone agrees it needs changing. Urgent amendments are required to reform the 799 Local Government Authorities, which get their revenue straight from the centre and are a cesspit of corruption. The constitutional review may propose creating yet more federal states than the current 36. Yar'Adua has called for the removal of the immunity clause, which prohibits the prosecution of state governors and elected officials while in office.

The President has set up a ministry for the Niger Delta, though it took him several months to find a minister to head it. The chosen one, **Ufot Ekaette**, a former Secretary to the Federal Government under President **Olusegun Obasanjo**, is a technocrat; some advocate a radical approach to curb the Delta's violence, which has cut off a quarter of national oil production, about half a million barrels a day. Exploration is on hold and expatriate specialists are hard to recruit. The military Joint Task Force seems to be creating as many problems as solutions, being accused both of atrocities and of colluding

with militants to vandalise pipelines. The Movement for the Emancipation of the Niger Delta (MEND) has threatened fresh hostilities; at Okuntun in Delta State, a pipeline operated by **Italy's** Agip was blown up on New Year's Eve.

Religious intolerance is rising: riots recently claimed over 500 lives in Jos, Plateau State; a local election in Jos North between **Timothy M. Buba** of the PDP and **Aminu Yusuf Baba** of the ANPP threatened an ANPP victory but neither would accept the result and it was set aside. Militant Christian Pentecostalism is growing in the south and sectarian riots in the northern states of Kano, Sokoto and Bauchi, where Christians have been attacked before, are a real risk in 2009.

COTE D'IVOIRE: December came and went without a date set for elections (AC Vol 49 No 22). There will be none until the identification and registration of electors is complete and money is available for the polls. The best guesses (and European and French military plans) say there will be no poll before October or November.

Electoral identification is the key. President **Laurent Gbagbo** and the ex-rebel Prime Minister, **Guillaume Soro**, agreed last summer that enough money was available but that it does not reach the workers on the ground.

The main opposition still comes from **Alassane Dramane Ouattara's** northern *Rassemblement des Républicains* (RDR). 'ADO' supports the identification process, to give his northern voters their voices back. However, unlike Gbagbo's deep-



pocketed *Front Populaire Ivoirien*, he cannot let it drag on. He seems to hope that deeper socio-economic misery will put pressure on the rulers. **Henri Konan Bédié** of the *Parti Démocratique de la Côte d'Ivoire* will be a factor, more as an ally in the event of a run-off than as a contender.

Reunification of the country is due on 15 January, under a supplement to the Ouagadougou Agreement of March 2007. Administrators have been deployed in the north but the government pays them little and late, while the former rebels of the *Forces Nouvelles* (FN) cling to control of fiefdoms which provide tens of millions of dollars in illegal taxes each year.

Soro, although not directly involved in the elections, will struggle to keep the FN in one piece. Clashes during 2008 in Seguela and Vavoua underlined the rivalries among its military factions. Soro's camp fears there are plans to oust him; some think this is why he spent so long in France and Italy in late 2008. Gbagbo too will have factional problems: FPI factions range from his own relatively moderate crowd to the hardline followers of his wife (and party Vice-President) **Simone** and National Assembly Speaker **Mamadou Coulibaly**. **Charles Blé Goudé** and his *Jeunes Patriotes* (Young Patriots) will also want a role in the elections.

GAMBIA: Expect more turbulence in Gambia, despite the present impression of tranquillity. The erratic, dictatorial regime of President **Yahya Jammeh** (AC Vol 48 No 5) is midway between elections, which generates a political lull, and the opposition is feeble. Opposition leader **Omar ('OJ') Jallow** actually apologised in early December for the shortcomings which at the 2006 election ensured Jammeh's win in an odd version of democracy.

Jammeh's grip on his docile country was described in a November report by Amnesty International: 'The Gambia: Fear Rules'. Using information covertly gathered in September-October, it outlined blatant human rights abuses over the 14 years since Jammeh came to power – extra-judicial executions, kidnappings, torture and harassment of the media. It

elicited loud protests from Banjul. With such malpractice and repression, something is likely to snap.

There is a slowly developing international campaign to expose the nastier aspects of Jammeh's misrule. In October, after cautious efforts at diplomacy, Accra took its complaint about the killing of 44 **Ghanaian** fishermen in Gambia

in July 2005 to the Court of Justice of the Economic Community of West African States, with support from Africa Legal Aid and the Delhi-based Commonwealth Human Rights Initiative. In June 2008, the same Court ruled that **Ebrima Manneh**, a journalist on the *Daily Observer*, had been unlawfully detained in July 2006. Nothing has been heard from Manneh since then and he may be dead.

TOGO: In 2008, Togo officially ceased to be a pariah state and the main donors resumed their aid. 2009 is likely to expose the political fudges that permitted that opening. The key decision came in May, when the European Union decided to resume aid by the European Development Fund. After some delays, this unlocked relations with both the World Bank and IMF. France had meanwhile kept the country on a fairly generous drip-feed.

Low-key and mild-mannered, President **Faure Gnassingbé** has the advantage of not being his late father, the brutal dictator **Gnassingbé Eyadéma**. Politically, little has changed. The main opposition, the *Union des Forces de Changement* (UFC), showed its strength in the 2007 parliamentary polls and has refused to join a government of national unity. Various coalitions with small opposition parties offered the opportunity for international *détente* but reality will have to be faced in next year's presidential election. European governments, led by **Germany** and backed by Britain, will try to insist on a level playing field, but Gnassingbé is backed by EU Development Commissioner **Louis Michel**.

Some of the Eyadéma old guard has been sidelined but the ethno-military complex that has ruled for over 40 years is still in place. At the heart of Togo's affairs is the shadowy French lawyer **Charles Debbasch**, the old regime's constitutional fixer, who helped manipulate the transition. A conflict within the Gnassingbé family led Faure to sack his elder brother, **Kpatcha Gnassingbé**, as Defence Minister. Several influential mediators (including **Libya's** Col. **Moammar el Gadafi** last June) have achieved only superficial reconciliation.

The veteran UFC leader, **Gilchrist Olympio**, was prevented by constitutional wheezes from standing in the 2003 and 2007 elections. He is in his 70s and some wonder how long he can go on, but he and his effective party organisation are preparing for battle in 2010.

BENIN: President **Yayi Boni** has succeeded in managing Benin's volatile National Assembly (AC Vol 49 No 22) but will find it harder to manage the economy. He was formerly with the West African Development Bank in Lomé and his reputation for financial management helped him into the top job in 2006. His record over the past two years is encouraging.

SENEGAL: Senegal's politics will be rough and could turn violent around the regional, municipal and rural elections in the first quarter of 2009. Poverty is spreading and people have demonstrated all over the country. On 23 December, at Kédougou in the east, at least two people were killed and others were injured or arrested while security forces searched for the people who had stolen weapons during the protests.

Some human rights activists fear that, if badly managed, the Kédougou incidents could produce an insurgency like the separatist struggle in Casamance in the far south. One entirely new development is that, in Dakar, local imams have emerged as protest leaders. Similar activism is arising elsewhere. Since the riots by market traders in November 2007, some Senegalese are starting to see violence as a useful weapon against the state.

The governing *Parti Démocratique Sénégalais* is itself divided. There was violence as it chose its local leaders before the elections. President **Abdoulaye Wade** is still formally in control of the party but seems baffled by its divisions, at the top and the grassroots. The opposition sees its chance of revival, having lost the presidential election and boycotted the parliamentary polls in June 2007.

MALI: The Tuareg rebellion in the northern desert is spreading, adding to the usual threat from crime and illicit trading of all kinds (AC Vol 49 No 23). The rising, led by **Ibrahim Ag Bahanga**, now extends into the west, near the frontier with **Mauritania** and a few hundred kilometres from its capital, Nouakchott.

President **Amadou Toumani Touré** ('ATT') promised to get tough after recent rebel attacks at Nampala, in Ségou region. He now has to choose whether to continue negotiating with the rebels (which would seem to acknowledge and could strengthen them) or to start a military campaign which could make the Tuareg leaders fight harder. He has already taken the risk of playing the antiterrorism card with the **United States**, which inevitably hardens the rebellion. The USA gives Mali

significant aid for social and economic development, amid warnings about *Al Qaida* in the Sahara.

Democratic institutions are due for reform, with new provisions expected in 2009 if the government accepts the proposals of the **Daba Diawara** Commission. Yet the Commission made no recommendations about the duration and number of mandates a president should serve. People gladly accepted the calm and consensual style of government introduced by ATT but it seems that time is up for a system that leaves all power in the hands of a president, however benign. **NIGER:** President **Mamadou Tandja's** second term in office runs out in December. The constitution says it should be his last but his supporters have launched *Operation Tazartché* ('change' or 'prolongation' in Hausa). So far, the President has said nothing about it but he may well be tempted to follow in the footsteps of so many others on the continent. Niger's army is used to intervening in politics and nobody knows what to expect. Civil society organisations are not well enough established to stand up to the state.

The ruling *Mouvement National pour la Société de Développement* could suffer. Internal rows have already seen ex-Premier **Hama Amadou** gaoled. Accused of embezzlement, many think he was punished for presuming to be Tandja's successor. There is corruption at the top. Lower oil revenue affects officials and institutions (AC Vol 48 No 19).

There is talk of reserves of 300 mn. barrels in the Agadez region and production is due to start in 2009 or 2010. Uranium has done well. Chinese interest has pushed up prices by 50% and empowered local interests to bargain with the French company Areva, which had had the field to itself. Even with the promise of mineral resources, Niger is among the poorest countries in the world. In the north, Tuareg rebels (see Mali) have attacked the army and could win more support if the struggle for the next presidency turns sour.

GUINEA: Junior army officers, led by Captain **Moussa Dadis Camara**, quickly consolidated their power over Guinea's crumbling state machinery after the demise of President **Lansana Conté** on 22 December. The junta used Conté's state funeral on 26 December to open talks with regional leaders and the Chairman of the African Union, Gabon's **Jean Ping**, whose organisation led international condemnation of Camara's coup.

That condemnation bolstered by statements and threats of sanctions from the USA and the EU is likely to stand – despite entreaties by Senegalese President Wade on behalf of Camara's junta. The difficulty with the AU and EU position is that almost everyone agrees that Guinea

TWO AND A HALF CHEERS FOR DEMOCRACY

Ghanaians start the year with a collective sigh of relief that the close-run parliamentary and presidential elections did not descend into political mayhem (AC Vol 49 No 25). The voters' good sense, the feisty and independent local radio stations, diligent poll monitors and the Electoral Commission (EC) and its stalwart Chairman, **Kwadwo Afari-Gyan**, ensured that Ghana achieved another peaceful and democratic transfer of power.

The narrowness of the victory (fewer than 50,000 of over 8,000,000 votes cast) by **John Evans Atta Mills** of the National Democratic Congress over **Nana Addo Dankwa Akufo Addo** of the New Patriotic Party (NPP) reflects sharp national political divisions. It left the NDC the biggest party but with no overall parliamentary majority. This and tough economic conditions will require delicate navigation to pass legislation.

The elections might have easily been a flashpoint: there were worries about the number of fake voters registered; the incumbent NPP and the NDC fought tough and expensive campaigns. The economic stakes, following the discovery of substantial oil reserves, were higher than in previous campaigns. New President John Atta Mills tried to dampen down tension and has appointed some non-NDC members to his team. Yet for hardliners on both sides, the battle still rages. Chief Justice **Georgina Theodora Wood** will face pressure as the NPP and NDC take their electoral disputes to court in 2009.

Outgoing President **John Agyekum Kufuor** tried to shore up his legacy with a conciliatory final address on 5 January, having previously told his more extreme colleagues that they should not try to delay the EC's announcement of the NDC victory.

A last-minute bid by Akufo Addo's lawyers to secure an injunction against the EC to stop a second round run-off on 28 December was piloted by two of his most trusted legal colleagues: **Samuel Atta Akyea** and **Irene Naa Torshie Addo**. The action cannot reverse Professor Atta Mills's presidential victory but could mean a change in the parliamentary balance. Ten constituencies in the Volta region saw questionably high turnouts and Mills has only 114 of 230 seats. The NDC will question the turnout in Ashanti region.

Mills's victory signals the return of ex-President **Jerry John Rawlings**. Prominent among Mills's transition team are: Brigadier General (retired) **Joseph Nunoo-Mensah**, Rawlings's former Chief of Defence Staff; **Paul Victor Obeng**, his Prime Minister in 1982-96, who heads Mills's team; **James Victor Gbeho**, Rawlings's longest-serving Foreign Minister; **Betty Mould-Iddrisu**, who lost the battle for the vice-presidential ticket to **John Dramani Mahama**, despite the backing of Rawlings and his wife, **Nana Konadu Agyeman**; Alhaji **Mahama Iddrisu**, Mould-Iddrisu's husband and Rawlings's long-time Defence Minister; **Ekwow Spio-Garbrah**, former Communications Minister and Rawlings's personal choice to replace Mills at the 2006 NDC party congress.

Although gold and cocoa prices are strong, Mills inherits ballooning budget and current account deficits, threatening his promised fuel and utility price cuts. He will review some of the biggest mining, oil and gas contracts and some of his colleagues plan to arraign some former NPP ministers on charges of grand corruption.

The NDC has pledged to reform the appointment of Supreme Court judges. The former Ghana National Petroleum Corporation head, **Tsatsu Tsikata**, will fight on against his conviction, despite having received a presidential pardon from Kufuor. ●

is not ready for elections; even long-time opposition campaigner **Alpha Condé** spoke to junta leader Camara and agreed that there would have to be a delay if credible elections were to be held.

The dispute is over the nature of the interim regime. Statements by the junta hint that its top members – both military officers and civilians – see it as increasingly less interim. Its name, *Le Comité National pour le Développement et la Démocratie*, also suggests that it wants time to complete a project or two. Its local breakthrough was persuading former Prime Minister **Ahmed Tidiane Souaré** and Conté's parliamentary Speaker **Aboubacar Somparé** to drop their constitutional challenge to the junta. There may be a brief period in which sceptics hold fire as the junta clarifies its political intentions. Alcan, BHP and Rio Tinto and other mining companies nervously await developments.

BURKINA FASO: President **Blaise Compaoré**, whose government receives more EU aid than any other country in the region, faces a presidential election in 2010, which constitutionally should be his last term in power. His government is also due to qualify for about \$500 mn. of funds from the USA's Millennium Challenge Account aid programme.

Buoyed by his success in negotiating a power-sharing deal between Côte d'Ivoire's President Gbagbo and the northern-based FN rebels, Compaoré now styles himself as a regional mediator in Francophone Africa but **Liberians** and **Sierra Leoneans** have less happy memories of his regional operations with Liberian warlord **Charles Taylor**. Officials in Ouagadougou fear that information about Compaoré's role in sponsoring those conflicts in Sierra Leone and Liberia may emerge as Taylor's trial for war crimes enters its final stages at the Hague year.

LIBERIA: The announcement of a US\$1 billion iron ore investment in Liberia by China will give President **Ellen Johnson-Sirleaf's** government a fillip in 2009 amid local rivalries and increasing reports of internal corruption. The President's lack of a majority in the National Assembly is a continuing drag on progress.

A workaholic ambassador for her country, Johnson-Sirleaf has high personal ratings, but her ministers and appointees have come under fire. She may also regret the loss of her effective Finance Minister **Antoinette Sayeh**, who has taken up a post as IMF Africa Director.

The new anti-corruption commission may help allay concerns about government accountability, although its status is not as independent as the new anti-graft body in Sierra Leone. However, economic growth – at around 9% a year since Johnson-Sirleaf took over in 2005 – has been much higher than that of its neighbours and the government has made headway in agricultural and infrastructure projects. **SÃO TOMÉ E PRÍNCIPE:** Politicians know that 2009 offers vital time to position themselves ahead of the 2010 elections, but they – especially Prime Minister **Joaquim Rafael Branco** – also hope it will yield some advancement of the oil exploration that was supposed to start with the award of licences in 2005.

The big question revolves around the future of the governing coalition of Branco's *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* and President **Fradique de Menezes's** *Movimento Democrático das*

Forças da Mudança-Partido Liberal. It was an alliance of convenience and it controls 75% of the seats in parliament. As elections approach, the coalition is harder to manage, especially with state finances in poor condition. If finances do not improve, which is unlikely without some oil sector development, one or other of the two main parties might seek a break.

SIERRA LEONE: Well liked across the political spectrum, President **Ernest Bai Koroma** has failed in his first year in power to deliver the promised investment in power generation, job creation or improvement of the country's appalling social development indicators. This year, Koroma faces a power struggle within the top ranks of his All People's Congress which he is likely to win. He will then reshuffle his cabinet.

The anti-corruption commission with its independent prosecutorial powers will further rile his political enemies who accuse him of wanting to purge the government and civil service. Yet it looks set to win more local and international support and is already investigating a power contract, hurriedly awarded under Koroma's presidency.

Alongside the corruption and the suborning of the police and judiciary, there are concerns that Latin American drug traffickers are using Sierra Leone – as well as Senegal and **Guinea Bissau** – as a transit point. Hit by the after-effects of the global slowdown, Sierra Leoneans will have to cope with GDP growth falling at least 2% in 2009 from about 6.5% in 2007. Given Sierra Leone's dependence

on diamond and rutile exports (the price of both has been tumbling) and the slow progress on agricultural projects, it will prove difficult for Koroma to make good his promises of job creation.

CAPE VERDE: Investment in tourism and increasing visitor numbers drive the economy, while agricultural underdevelopment helps drive the majority of locals abroad. Foreign investment in 2008, mostly in tourism, reached \$3.5 bn., an increase of almost 130% on 2007. UN officials say Cape Verde will be one of the few African countries to meet most Millennium Development Goals.

GUINEA BISSAU: November's elections were supposed to herald a new dawn, but a foiled attack on 23 November on President **João Bernardo 'Nino' Vieira** left two dead. Vieira promptly recruited a 400-man militia to protect him. At midnight on 4 January, the militia, '*Agueantas*', shot at Gen. **Batista Tagme Na Wai**, the armed forces chief; he had asked that the militia be disbanded, saying the President should be protected by the army, not by 'armed individuals who have been recruited outside of all legal procedures'.

More military infighting looms. This suits the Latin American cocaine cartels which use Guinea Bissau as a transshipment point to Europe and pay off the officers and officials who help them, making the country Africa's first narco-state. More strikes, following those late last year by teachers, doctors, nurses and unpaid civil servants, are likely while the drug barons and the military divide the spoils. ●

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Mills' 99-strong Transition Team, chaired by former Prime Minister **P. V. Obeng**, has no legal powers to run the ministries. However, some appointees have already ordered the sacking of perceived NPP elements from the Foreign Affairs Ministry, the Local Government Administration and the Central Bank of Ghana, where the biggest casualty was **Mahamudu Bawumia**. Bawumia has a long-term contract with the Bank, which ends in June 2010, but it has been made clear to him that the NDC is uncomfortable with his continuing as Deputy Governor because he was running-mate to the defeated NPP presidential candidate, **Nana Addo Dankwa Akufo-Addo**.

Despite a generally peaceful election, there have been reports of violence. NPP supporters have been attacked in the northern regional capital, Tamale, an NDC stronghold. Former Minister of Higher Education **Elizabeth Ohene's**

brother **Sammy** was left with a broken arm and retinal bleeding after he tried to represent the NPP at polling stations in NDC strongholds in Volta Region.

There is tension in Sunyani, the Brong-Ahafo regional capital, where a case of alleged vote-rigging is being heard in the High Court. A win for the incumbent member of parliament, **Alhaji Collins Dauda**, would give the NDC exactly half of the 230 seats in parliament.

If it secured the support of **Edward Mahama's** People's National Convention, which has two seats, the NDC would then have a slim majority to push bills through parliament. We hear the PNC has been offered two ministerial and five deputy ministerial posts, along with four ambassadorships, control of five districts (probably in the PNC stronghold in Upper East region) and 15 seats on the boards of public companies.

Mills' relations with Rawlings dominated political gossip in Accra. Rawlings fuelled this with a bizarre attack on Mills, accusing his government of 'poverty of inaction' within a week of its taking power. He complained that Mills should have fired all 170 Metropolitan, Municipal and District Chief Executives appointed by Kufuor. Previously, Mills had ordered them to remain in post, but they were barred from taking any major decisions without clearance from him. Without publicly responding to Rawlings,

Mills has ordered the withdrawal of all political appointees (some 30% of members were appointed by the NPP government) in the District Assemblies, but his supporters insist this will not affect the efficiency of local government.

Critics claim that Rawlings has been able to exert more influence over key security positions. Five of his closest aides from his time as head of state (1981- 2001) have been chosen by Mills to head vital security institutions: Brigadier General (retd.) **Joseph Nunoo-Mensah**, National Security Advisor; Rear Admiral (retd.) **Emmanuel Owusu-Ansah** (who died on 18 January), Defence Minister; **Alhaji Mohammed Mumuni**, Interior Minister in charge of the Ghana Police Service; **Yaw Donkor**, Director of the Bureau of National Investigations (BNI), the national internal security agency.

Mills has appointed former BNI Deputy Director, **Peter Tenganabang Nanfuri**, and Rawlings' General Officer Commanding of the Ghana Armed Forces, Brig. Gen. (retd.) **Arnold Quainoo**, to the Council of State. The Council advises the President on public appointments. Under Rawlings' Provisional National Defence Council, Quainoo threatened an 'inferno' if activists leaders continued to agitate for multiparty democracy.

In September 2008, Nunoo-Mensah, Quainoo and Owusu-Ansah were among seven former security operatives banned from military installations after meeting at Rawlings' home to discuss 'national security issues' before the election.

Lieutenant Colonel (retd.) **Larry Gbevlo-Lartey** has been given the National Security Coordinator's post, putting him above Donkor in the hierarchy. Before the NDC lost power in 2000, Gbevlo-Lartey led 64 Battalion, a special unit attached to the Rawlings presidency, popularly known as the 'Commandos'. Kufuor partly purged 64 Battalion after his election, but the unit survived. Commandos were blamed for the harassment of members of the NPP government who were suspected of having illegally reregistered official cars as their personal property.

Among those whose cars were seized by armed men in broad daylight were former First Lady **Theresa Kufuor**, her first son, 'Chief' **John Addo Kufuor**, and **Benjamin Dabrah**, the new Managing Director of Barclays Bank of Ghana. Rawlings' former Spokesman, **Victor Emmanuel Smith**, led a squad of soldiers to the Castle in Osu – the seat of government – to seize cars and other state property from NPP officials.

Such incidents, which were widely reported in the NPP-friendly media, raise questions about the commitment of the NDC government to stop its supporters pursuing political vendettas. Unless Mills takes a tougher line, his promises of a 'break with the past' will look empty. ●

ECONOMIC FACTS AND FANTASIES

Loyalists of the outgoing National Patriotic Party (NPP) government reacted angrily to World Bank Country Director **Ishac Diwan's** dire warnings about Ghana's economy, which they took as a harsh critique of their economic management.

Estimating the government's budget deficit at 14% of gross domestic product (GDP) and the trade deficit higher still, Diwan wrote to new President **John Atta Mills**: 'Tackling the twin deficits is an urgent priority, both to avoid the occurrence of a socially painful financial crisis, and also, to lay the ground for a period of accelerated growth when oil revenues start flowing, most probably around 2011.'

Diwan said that the NPP government financed last year's deficits from the proceeds of privatisations – like Ghana Telecom (AC Vol 49 No 17) – and from the US\$750 million Eurobond that Ghana floated in late 2007. (The NPP government had pledged it would use the Eurobond proceeds only for capital investments). He said that further foreign borrowing, apart from concessional credits from the World Bank and the International Monetary Fund, would be prohibitively expensive. He added that due to the global slowdown Ghana will earn less from its export commodities and remittances from overseas citizens.

Accordingly, Diwan argued that without radical change the government is heading for a financial crisis with a budget deficit of around 20% and a national debt exceeding 100% of its GDP by 2012. Tough measures would be needed to forestall the crisis, Diwan said: a freeze on all public sector wages for the next three years; the ending of state subsidies on electricity tariffs; and a freeze on capital spending on infrastructure projects. All three would be politically unpalatable for President Mills' new government.

All this raises doubts about outgoing President **John Kufuor's** judgement. During his last days in office, he approved a bill to raise public sector salaries by 16–34% and granted himself a severance package, which includes \$400,000 in cash, two houses and six cars. The provisions were part of a 181-page report and were pushed through parliament in a closed session. Belatedly, members of parliament from both the National Democratic Congress and NPP are complaining about the presidential packages and the civil service pay hike – and President Mills is under pressure to reverse both decisions. ●

A gathering storm

Plummeting oil prices, rising inflation and a chaotic foreign exchange market challenge the new economic team

Oil Minister **Rilwanu Lukman** and Finance Minister **Mansur Mukhtar** are leading Nigeria's management of its worst economic crisis for two decades. The steep fall in world oil prices, from highs of US\$145 a barrel in July 2008 to around \$40 a barrel now, has battered the economy, which depends on oil receipts for 90% of its foreign exchange earnings.

Lukman and Mukhtar, both appointed in President **Umaru Musa Yar'Adua's** reshuffle in December, are experienced and forthright. They have the President's authority to push through urgently needed reforms in the engine room of the economy. Success will depend on their ability to counter civil service inertia and opposition by powerful vested interests within government.

The falling oil receipts are pressuring the naira: some international banks project that it could depreciate to around \$1=N170 by the end of this year, compared to a rate of about \$1=N130 early last year. Currently, the naira trades at \$1=N153. The Central Bank of Nigeria has launched a new set of policies to stabilise the foreign exchange (forex) market.

Finance Minister Mukhtar, who led the technical work on debt restructuring in President **Olusegun Obasanjo's** government, has criticised budgetary and financial management in recent months and argues for more accountability in government. He and the Governor of the Central Bank of Nigeria, **Charles Soludo**, agree that the use of Nigeria's more than \$50 billion of forex reserves to stabilise the naira would be unsustainable.

Last year, the Central Bank was selling as much as \$1 bn. in foreign exchange at each of its biweekly forex auctions. That was possible with an oil price of well over \$100 a barrel and strong flows of portfolio and direct investment into Nigeria. For the last few months, the flows have been reversed. Some officials have proposed floating a \$500 million ten-year bond but, in the short-term, market conditions hardly look propitious.

Lukman wants to forge ahead with a dramatic reorganisation of the oil and gas sector and his case will be helped by the growing financial pressures. He quickly established his authority by sacking **Abubakar Yar'Adua**, Group Managing Director of the state-owned Nigerian National Petroleum Corporation (NNPC) on 13 January. Abubakar Yar'Adua, who

is from Katsina like the President but not related, had fallen from favour in recent months because of his failure to improve transparency in the award of oil trading contracts and to rehabilitate the mismanaged oil refineries.

Previous NNPC managing directors have had a background in engineering but Lukman replaced Yar'Adua with **Mohammed Sanusi Barkindo** who is an administrator. A former Acting Secretary General of the Organisation of Petroleum Exporting Countries, Barkindo was NNPC's Coordinator of Special Projects. Now the president, oil minister and NNPC head are all Muslims from the north. Barkindo, who joined the NNPC in 1986, is a close ally of Lukman's, who is likely to facilitate a major cull in the organisation.

Lukman thinks that senior NNPC executives whose careers have flourished in an environment of corruption and incompetence have no place in the new structure. Relations with such executives are poor: they are understood to have lobbied against his appointment as minister and opposed Barkindo's promotion.

Elections are due in 2011; if President Yar'Adua were to seek a second four-year term despite his health worries, he would want to show some progress on his seven-point agenda, to counter allegations of

inertia. His key priority is the rehabilitation of the power sector, which in turn assumes the adoption of the proposed reforms for the oil and gas industries.

The global slowdown will complicate the prospects for change. Nigeria is to urge international oil companies to scale back investment plans. Officials also recognise new difficulties in sourcing finance for power-related infrastructure projects. 'We thought Gazprom of **Russia** might prove a new partner but it seems they are over stretched,' said one. 'We have also signed an MOU with Dubai World that relates to infrastructure projects but Dubai also is finding the current environment difficult.'

The same external conditions will affect the already difficult security situation in the Niger Delta, source of much of Nigeria's oil and gas. Theft of crude oil – 'illegal bunkering' – became a major industry problem when oil prices were high, and as much as 200,000 barrels a day were lost last year.

Margins have tightened with the fall in oil prices, prompting speculation that militants may shift their tactics from illegal bunkering to abductions. Security sources report that the squeeze on militants' finances has made it easier to co-opt local elements. This month, the Joint Task Force arrested one militant leader, **Sobomabo Jackrich**, and killed another, **Tubotamuno Angolia** aka 'Boy Chiki'. The Movement for the Emancipation of the Niger Delta, which says it coordinates much of the militant activity there, has threatened 'all-out war' in response. Military spokesmen dismiss the threat but their failure to recover two **British** oil workers abducted four months ago reflects the difficulties they face. ●

NEW RULES FOR THE OIL BUSINESS

Oil Minister **Rilwanu Lukman** is preparing to present a 175-page bill to the National Assembly on the restructuring and management of the oil and gas sector. The contents will reflect the recommendations of the findings of the Oil and Gas Sectors Reform Implementation Committee, which he chaired in 2007-08. This provides for the establishment of a new national oil company and separately incorporated joint ventures with international oil companies.

The proposed joint ventures would raise finance on a commercial basis from capital markets rather than from government, as has previously been the case. Supporters of the reforms say the measures will promote efficiency and transparency – and ease systemic difficulties in securing adequate finance.

They acknowledge, however, that the proposals will meet resistance. According to a source close to Lukman: 'If we are to generate any momentum for the reform process, we need to get this bill through the National Assembly quickly. But the National Assembly does nothing in a hurry and has shown its limitations in the conduct of its probe into oil and gas sector management under [**Olusegun Obasanjo** (1999-2007)].' The high-profile House of Representatives' investigation into alleged improprieties in the award of oil contracts under the former government was completed shortly before Christmas.

The report has been criticised in the industry as ill-informed and partisan. 'There are all kinds of stories as to why some companies were singled out while others were not,' said one industry source. 'Evidence of wrongdoing alone appears not to have been the deciding factor. Clearly there will be concerns that vested interests can use elements in the National Assembly at the very least to try to delay the reform process.' ●

A popular putsch, so far

The junta is purging the army, reviewing mining contracts and has been given just six months to organise elections

Guinea's new leader, Captain **Moussa Dadis Camara**, faces formidable difficulties in holding together the junta as rival military factions circle in search of largesse and political influence. Camara's junta seized power within hours of the death of President **Lansana Conté** on 22 December. He must also deal with strong opposition from the international organisations which insist that he should return the country to constitutional rule immediately.

After speaking to delegations from the African Union and the European Union, Camara agreed to hold elections within six months and hand over power – although he initially said he would need at least a year to prepare for this. The regional Economic Community of West African States has added its weight to this demand. Meanwhile, the AU and Ecowas have suspended Guinea as a full member.

Some African leaders, notably **Senegal's Abdoulaye Wade** and **Libya's Colonel Moammar el Gaddafi**, are backing the putschists and have called for them to be given more time.

Camara's coup was popular across the military ranks – junior officers, infantry and armoured cops – who were alienated by the clique of generals and brigadiers

that dominated the regime's patronage system in the final years of President **Lansana Conté's** rule. For now, the generational divide in the army is more important than the ethnic one. Long-time oppositionist **Alpha Condé** has spoken with Camara and urges a more flexible attitude towards the junta. Civic activists and opposition parties say the putsch may have prevented 'the sparking of new tensions in West Africa'.

The junta calls itself *Le Comité National pour le Développement et la Démocratie* (CNDD) and says it has two priorities: the neutralisation of any opposition among old guard officers and politicians around the late President, and the winning of broad support among the younger generation of soldiers as well as credible opposition politicians and civic society activists.

Initially, Camara's putsch was opposed by activists backing Prime Minister **Ahmed Tidiane Souaré** (appointed by the late Conté) as interim head of the government and demanding that the Speaker of the National Assembly, **Aboubacar Somparé**, should become president as stipulated in the constitution. It also stipulates that elections should be held within 60 days.

Others thought this impractical – because there wouldn't be enough time

to organise elections and because other military groups, some linked to South American drug cartels, would intervene to halt the polls. Within four days of the putsch, Camara had persuaded **Souaré** and **Somparé** to drop their opposition and endorse the junta.

So far, the lack of any response – armed or rhetorical – from senior officers, Conté's presidential guard or special units, such as the red berets, suggests support for the junta. Such loyalty has its price. Camara has promised to reform the military's salary, conditions and promotion structure. The military is perhaps Guinea's last national institution with a defined structure, albeit one that has now been dented by a junior officers' coup.

AWKWARD COALITION

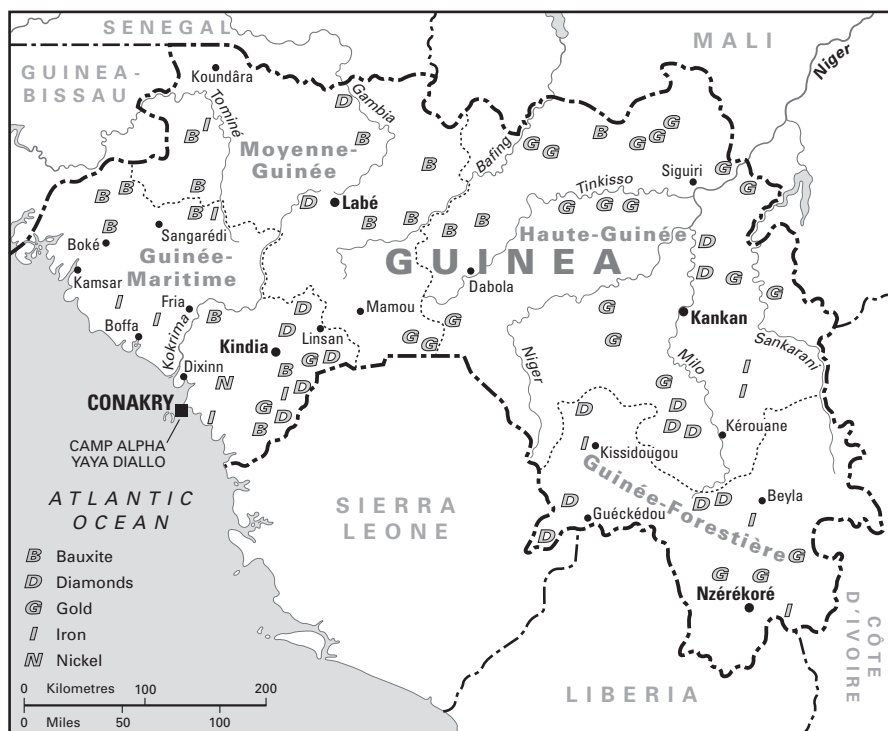
The ruling CNDD is an awkward coalition of competing interests between reformers and old-style military politicians. Some of its leaders are regarded as committed reformers, such as General **Mamadouba Toto Camara**, who took up the cause of the trades unionists and civic activists whose strikes brought the country to a halt in January and February 2007 (AC Vol 48 No 3). They were demanding lower prices for essential commodities; less corruption, crookery and nepotism; higher pay and punishment of the guilty. Other key figures in the junta, like Second Lieutenant **Claude Pivi**, inspire more fear than confidence.

One of the new junta's first decisions was to set up audits of the main state and private businesses, especially those involved in bauxite, of which Guinea is the world's fourth largest exporter and has about 28% of the world's reserves. One of the first contracts likely to come under scrutiny will be **Victor Dahdaleh's** Dadco and its joint holding with Alcoa and Alcan of a 51% stake in the *Compagnie des Bauxites de Guinée*; the remaining 49% is held by the Guinean state.

A Canadian of **Jordanian** origin, Dahdaleh is at the centre of a legal case in the **United States** in which the Gulf state of **Bahrain** accuses him and the US company Alcoa of running a conspiracy involving overcharging, fraud and bribery to the tune of more than US\$1 billion (AC Vol 49 No 6). The state-owned Aluminium Bahrain started the action in Pittsburgh Federal Court on 28 February, claiming it has been overcharged for alumina imports over the last 15 years; much of the bauxite was sourced from Guinea.

Three other international mining companies – Anglo American (gold), BHP Billiton (bauxite) and Rio Tinto (iron ore) – are watching developments closely. They have billions of dollars tied up in Guinea's mining sector as world prices for minerals – except for gold – go into steep decline.

On 28 December, the junta



announced two key appointments: Lt. Colonel **Sékouba Konaté** as Minister of Defence, with the rank of Brigadier General; and Mamadouba Toto Camara as Minister of Security and Civil Protection, also promoted to Major General. Military sources say Konaté is the most influential figure in the CNDD, alongside Pivi.

Captain **Kéléti Faro** is now Secretary General to the Presidency, a key post. He will keep watch for the new leader, with access to all information reaching the President's Office – and the power to say which has priority. On 30 December, Camara named banker **Kabiné Komara** as Prime Minister, with authority over civilian appointments.

Camara has promised to oppose ethnic favouritism but his appointments have been criticised on these grounds. Within hours of seizing power, Capt. Camara sacked Armed Forces Chief of Staff Gen. **Diarra Camara**. His replacement, Col. **Oumar Sano**, comes from Camara's home town of Nzérékoré. The *Gendarmerie* Chief of Staff, **Ibrahima Baldé**, is Fulani from the north and a close friend of Camara, but he knows *Guinée Forestière* (south-east Guinea) well and speaks the local language, Guerze. His deputy, **François Béavogui**, is also from that region.

A senior officer commented that one cannot at the same time deplore favouritism and show it; he added that some of Camara's relatives have been speedily promoted. When one of his relations came to see him in his office at headquarters, he said it was wrong to speak to him in Guerze in front of everybody. 'The official language of Guinea is French, so speak to me in French,' he said.

Both Camara and Konaté move around under heavy escort, with machine guns on show. The junta has promised the sacked generals and officials that they will be left in peace. Yet on 1 January, former Premier **Cellou Dalein Diallo** was visited at his home in Dixinn Port by heavily armed soldiers, under the command of Capt. **Aïdour Bah**, who said they were looking for weapons intended for mercenaries. The CNDD voiced strong disapproval of the raid but Bah is well known to them and some say he is a CNDD member.

On 3 January, several figures from the Conté regime such as Gen. Camara, **Kandet Oumar Touré** and Admiral **Aly Daffé**, former Naval Chief of Staff, were arrested. They were later freed, but the arrest prompted some to doubt the junta's commitment to hold elections and hand over power.

At a meeting with the *Forces Vives de la Nation* civic organisation, Camara strongly criticised the Conté regime's commercial dealings. Later, he promised to set up a commission to review mining contracts. Contracts that 'were in the national interest' would continue but dubious

THE NEW MEN UNDER FIRE

Some of the *Comité National pour le Développement et la Démocratie* junta's appointments have been heavily criticised. Chief among these is military leader **Moussa Dadis Camara's** old friend, **Boubacar Barry**, an architect, as provisional Minister for Construction, Public Works and Public Buildings. Barry was told of the impending coup as soon as President **Lansana Conté's** death became known. He has also worked as an architect for the controversial **Mamadou Sylla**, the late Conté's close friend, who has been linked to fraudulent transactions worth some US\$22 million (AC Vol 48 No 3).

Another controversial appointment was that of **Mohamed Diop** as Governor of Conakry, Guinea's capital. Diop's competence is questioned, but he is popular with the youth in Conakry and a friend of new Defence Minister **Sékouba Konaté**, as well as of Camara. The Deputy Director of Customs, **Aboubacar Bruno Bangoura**, was dismissed and arrested. His provisional replacement is the former Inspector of Customs, **Alpha Yaya Diallo**, another friend of Conté's.

Most criticised was the promotion of **Claude Pivi**, a close friend of Captain **Ousmane Conté**, the late President's son, who has often been linked to the drugs trade, as Minister in charge of Presidential Security. His critics said he could have done the job without being given a ministry and a seat in cabinet. His appointment was not confirmed until 17 January, after Camara had rejected objections from some of his colleagues. Pivi complained that his promotion was delayed compared to those of his fellow soldiers, whose fathers are senior officers.

Pivi, a second lieutenant at 48, is a paratrooper of limited education. He came to prominence in March 2008 during a mutiny, when soldiers demanded pay arrears. In May 2008, Pivi ordered the hostage-taking of several senior officers, including the Deputy Chief of Staff, **Mamadou Sampil Camara** (who is still detained in Camp Alpha Yaya Diallo). A few days later, he arrived for a meeting with the then Chief of Staff, Gen. **Diarra Camara**. His hair wild and wearing cowrie-shell amulets, he apparently made a rude gesture.

In June 2008, Pivi tried to mediate when the army was called in to put down another mutiny, this time by police. However, some policemen fired at his soldiers and, to get even, he sent his men to attack the base of the police anti-riot unit, the *Compagnie Mobile d'Intervention et de Sécurité*. The result was the death of more than 25 police and at least 6 soldiers. Troops then pursued police officers, even breaking into and breaking up their homes. Police sources say that Pivi's soldiers smashed up the headquarters of the anti-drug unit and took away large amounts of drugs which have not been recovered.

The weekly *La Lance* reported on 26 November 2008 that Pivi had savagely tortured some **Cameroonians** he suspected of stealing his rear-view mirror. They turned out to be innocent students, who happened to be wandering around a restaurant where Pivi was eating. The Guinean Organisation for Human Rights has threatened to bring charges against him. He attracted attention again on 17 December. *Les Echos de Guinée* reported that he had spoiled his chance of taking power by his conduct during last year's mutiny. He had copies of the paper destroyed and witnesses say street-sellers were beaten up.

Pivi is Toma, from the same region in southern Guinea as the coup leader, Camara. Trained in **Egypt** and **China**, he has a devoted following of about 300 young soldiers. Before the mutiny in March 2008, Pivi was mainly known for his martial arts skills, breaking a brick with one blow of his hand or head. ●

deals would be 'revised or, if necessary, cancelled outright', said a CNDD member. So far, there are no details.

The first step in an anti-corruption drive was taken on 9 January, with the arrest for embezzlement of former Deputy Customs Director **Aboubacar Bruno Bangoura**. Two days later came the arrest of **Mohamed Dioubaté**, who was described as a drugs baron. Both are held at the army's Camp Alpha Yaya Diallo, which makes the judicial process suspect.

The Independent National Electoral Commission, headed by **Ben Sékou Sylla**, says that of a probable total of 6 million only about 1.5 mn. electors are registered. Sylla, a former civil society leader, was appointed by the previous regime and has been approved by the new one. The plan was that these long-promised elections would reinvigorate parliament and smooth

the way for a presidential election later.

The head of the junta often appears on state television making impenetrable speeches. His random style of speaking causes concern, but his insistence that all should be equal under the law has reassured some Guineans.

On 14 January, Camara announced, 'as proposed by the Prime Minister', the appointment of 29 members of the government. Ten are senior officers and most are technocrats, some of whom held senior posts under the old regime.

The Finance Minister, within the President's Office, is Capt. **Mamadou Sandé**, and the Telecommunications and Minister is Col. **Mathurin Bangoura**. The Governor of the Central Bank of Guinea, **Daouda Bangoura**, has since been sacked and replaced by the Bank's Auditor General, **Alassane Barry**. ●

New politics, new threats

Three new developments will shape Sudan's politics this year: the International Criminal Court's (ICC) issue of an arrest warrant for President Omer Hassan Ahmed el Beshir; the planned elections under the Comprehensive Peace Agreement; and the inauguration of President Barack Obama's government in the United States with a clear commitment to act against Khartoum's mass murder in Darfur.

A NEW ERA IN PROSPECT

The ruling National Congress (NC, aka National Islamic Front) is struggling to adapt to new realities. A dozen years of meticulous planning and patient entryism preceded the June 1989 coup d'état in which it seized power in a roar of Islamist certainty. It was led by **Hassan Abdullah el Turabi**, who on 12 January declared that the man he had put in the Palace, Omer el Beshir, 'should assume responsibility for whatever is happening in Darfur, displacement, burning all the villages, rapes, I mean systematic rapes, continuously, I mean on a wide scale and the killing'.

Choosing his words with care while managing to sound careless, the veteran lawyer and Islamist leader called for Field Marshal Omer to give himself up to the Court: 'Politically he is guilty. No doubt about it.' The expected arrest of El Turabi followed two days later, provoking concern from family and human rights activists about the 76-year-old's health and scepticism from Sudanese who noted that the man who has led Sudan's small but dedicated Islamist movement for over 40 years has a talent for getting himself arrested at critical political moments. 'We are against the system of justice in Sudan', said the man who designed the system.

This has greatly fuelled the desire for change. El Turabi is positioning himself, all agree, but for what? The options are multiple but all related. He seeks to distance his Popular Congress from the sins of the other faction of the former NIF, the ruling NC. The aim may be a palace coup, where the PC replaces the NC. This would give a semblance of renewal and change while maintaining the Islamist movement in power. Many believe that despite genuine rivalries, this has always been the strategy. 'He has always been there, of course; he has never given up power,' commented one Darfur opposition leader. 'In the end they will come together,' said a veteran Northern oppositionist.

El Turabi's championing of Darfur, largely through another NIF offshoot, the Justice and Equality Movement, would give a fig leaf to those foreign governments that chose to believe that El Turabi's apparent departure from power in 1999-2000 marked the end of Islamist government in Khartoum. JEM's visit to Washington this month, which sources say was at its own request, would fit this scenario. JEM was keen to stress its democratic and politically secular credentials, we hear.

An alternative scenario would be to encourage the NC to jettison Omer, an Islamist whom the NIF selected as a politically powerless President whose task was to control the armed forces. The civilians ran the government through the security apparatus, and still do. Yet this would boost the man

long seen as the regime's leader, **Ali Osman Mohamed Taha**, El Turabi's former long-time NIF deputy and, since the split, rival.

Some speculate that the NC's inner core – including **Nafi'e Ali Nafi'e**, **Ghazi Salah el Din Atabani**, **Salah Abdullah 'Gosh'** – would also like to drop Ali Osman. That might well seem a loss too far at a time of anticipated pressure, not only from the ICC but also from a bullish new team in the USA (see Box). Moreover, NC leaders know that if Omer is indicted because he gave the orders for the genocide, those that actually devised the Darfur strategy are next in line.

These are all ways of trying to keep the Islamists in power. The question is: How? The NC is highly skilled at buying time and neutralising opponents, domestic and foreign, partly by offering a lot, promising less and giving very little. There is a pervasive feeling, though, that this will no longer work. 'Every NC statement mentions the ICC,' commented a Sudan People's Liberation Movement official, 'but it's very odd that on the ground, they've done nothing'. Politically, the NC could have taken more steps on Darfur, perhaps charging junior officials and certainly making more visible peace moves. The African Union and Arab League stood behind them on the understanding that they made such moves, he said.

DISTANCING KHARTOUM

Notwithstanding the joint AU-Arab League 'Qatar initiative', there is a sense that governments that have supported Khartoum, if only by their silence, are dropping away. The collaboration of **Uganda**, Southern Sudan, **Congo-Kinshasa** and now **Central African Republic** in armed pursuit of a Lord's Resistance Army (LRA) still viewed as Khartoum's proxy has not gone unnoticed in Africa. **South Africa** may have been friendly to Khartoum but it has also been quietly training Southern troops to protect the South – from the NC.

Khartoum seized on **Israel's** bombardment of Gaza this month to present itself as the vanguard of Arab outrage but it will take more than Omer's frenetic trips to the Gulf and **Mustafa Osman Ismael's** smile to convince Arab leaders who love Hamas no more than Israel does. League chief **Amr Moussa** has made it clear he will not condemn the ICC and his former boss, **Egyptian President Mohamed Hosni Mubarak**, told the NC in Khartoum in November that he would not protect Omer, we hear. **Jordan** and **Saudi Arabia** are reported to have offered him refuge.

Sudanese opposition parties have largely accepted the national sovereignty card the NC dealt them, at least in public. The regime has made the ICC a taboo subject for press or public discussion – unless people attack the Court. Apart from El Turabi, whom Sudanese do not generally consider to be in the opposition, only the elderly **Ali Mahmoud Hassanein** of the Democratic Unionist Party has dared to speak out on Omer's case, also earning himself arrest. Silence has not improved the parties' image as Sudan's future democratic rulers. Many believe, though, that opposition party leaders will not back Omer if a warrant is issued.

It depends what the NC does next. One option many fear is a state of emergency/martial law. In that event, the NC could no longer play the 'engagement' game with other

governments. Meanwhile at home, the SPLM would consider that the rules of the game had changed while Darfur groups might carry their struggle to the capital.

SOUTHERN STATE

Four years into a Comprehensive Peace Agreement that was supposed to transform national politics and two years before the CPA's scheduled Southern referendum on unity, South Sudan already feels like an independent state, albeit one starting from the ground up. With some newly paved roads and near-functioning ministries, Juba is beginning to look more like a capital, though it is still without a functioning water supply, electricity or sewerage. Rapid growth and financial influx are faltering as the global economic crisis bites. The oil-price collapse has halved the Government of Southern Sudan's income. December's 2009 national budget forecast a 44% drop in oil export revenue to US\$3.6 billion in 2009, down from \$6.4 bn. The GOSS budget is not yet agreed but is 90% reliant on its 48% share of the revenue from oil produced in the South, around \$1.5 bn., though Southern officials still complain Khartoum hides the true figures.

Cash-strapped donors don't take up the slack, particularly when around 40% of the GOSS budget goes to the military and an ominous arms build up continues on both sides of the disputed North-South border. There is little confidence that the CPA will last another year.

The chaos at the CPA fourth anniversary celebrations in Malakal on 9 January was not a good start. A peace ceremony rapidly deteriorated into fighting between local Collo (Shilluk) and neighbouring Dinka after Shilluk claimed their cultural groups should perform before the visiting Dinka groups. This graphically indicated the scope for conflict among the South's disparate populations, which Khartoum has always played to its advantage. The perception of Dinka domination was a major factor in both wars and still resonates loudly in the southernmost region, Equatoria, including among Juba's predominantly Bari residents, who complain of being sidelined in the development bonanza.

This is not yet matched by development in the ten states (see Box), divided into over 70 counties, with districts called 'payams': numbers keep changing, as each county theoretically represents an ethnic group. The multiple local government tiers have few trained staff and often virtually no infrastructure. Instead of the planned decentralisation and rural development, there is little growth outside towns, with rapid urbanisation amid a burgeoning dependency culture.

Southern Sudan's skills shortages and lack of a work ethic, both conflict-related, have triggered an inrush of workers from across the region, particularly from Ethiopia, Kenya, Rwanda and Uganda. It is still widely believed that Juba's largely unpaved streets are paved with gold, further contributing to massive inflation, an acute accommodation crisis for locals and visitors alike, and extra strain on a nascent infrastructure. Resentment is growing towards outsiders, who are accused of taking the best paid jobs with non-governmental organisations, the plush new Nileside hotels and the rest of the private sector not already occupied by 'Jellaba' (Northern merchants).

SUDAN-UNITED STATES: NO LONGER AT EASE

In the last months of President **George Walker Bush's** reign, US officials pressed the Khartoum regime over Darfur and Abyei by telling leaders, 'If you think we're tough, wait till the Democrats come in.' It didn't work then but it looks like no idle threat. Though the Republicans have a reputation for military thinking, the National Congress (National Islamic Front) has not forgotten that it was Democrat President **Bill Clinton** who bombed the *El Shifa* factory in 1998 after the Islamist attacks on US embassies in **Kenya** and **Tanzania**.

President **Barack Hussein Obama** will not reach rapidly for military options but it is clear that US Sudan policy will be tougher. With Bill Clinton's wife **Hillary Clinton** as Secretary of State, his Assistant Secretary of State for African Affairs, **Susan E. Rice**, as Ambassador to the United Nations, and several of his Sudan and Horn specialists expected back on board, Khartoum has much to worry about.

Obama talks of 'engaging' with **Iran**, Khartoum's latest best friend. With Sudan, this will not be the engagement favoured by several European governments, constantly claiming they see cracks in Khartoum's hard core. There is debate in DC about how to restructure Sudan policy but it is likely to be tough. 'The military option won't be pushed right away but it's an alternative,' said one insider. Washington will strengthen its role in Darfur, increase support for the South and try to 'weaken the NC through covert ops'.

The intense two-day visit to the US capital by General **Salva Kiir Mayardit** may have been arranged by Bush's outgoing government but it is seen as a sign of things to come. Though it was announced in Khartoum that he was going as national Vice-President, it was essentially as Southern President that he met Bush, Secretary of State **Condoleezza Rice**, Defense Secretary **Robert Gates** (still in post) and a host of officials, Congress people and diplomats. 'He had unprecedented access for an African leader,' said a source, who might have added, 'especially one who's not a head of state – yet'.

Washington has been helping the South with air defence and training and this will increase. Bush's very belated supply of materiel and airlift to **Rwanda** this month for the United Nations-African Union Mission in Darfur might help UNAMID defend itself (and, at last, Darfur people) from the attacks which Khartoum has threatened if the International Criminal Court warrant goes ahead.

Shadow Foreign Minister **Mustafa Osman Ismael**, who had been roundly humiliated on his previous visit, still went along to Washington but was refused access to Salva's crucial meetings. He also talked of engagement, we hear, and looked defeated. ●

Many Southerners also resent the thousands of NGO, United Nations' and other aid workers who have roared in in their four-wheel-drives to assist in 'reconstruction' (frequently resulting in duplication of efforts), particularly as there is often not much progress on the ground. Criminal gangs, ethnic clashes, protection rackets by officials and spreading alcoholism (AC Vol 49 No 25) compound the problem. All of this suits Khartoum's ruling NC and, along with renewed atrocities by Uganda's LRA, is widely believed to be fuelled by the NC.

OMER AND THE ICC

With the expectation of an ICC arrest warrant against President Omer el Beshir and other obstacles, elections are not expected by June, as the CPA requires. This has stimulated whispers about a possible unilateral declaration of independence (UDI), which Southerners widely consider their right if Khartoum dumps the CPA. NC obstruction includes Abyei, the border, the census, oil transparency and articles on the security apparatus and human rights.

Should President Omer declare a state of emergency or were the NC to lose power, Southerners fear the end of the CPA. One of its many faults (AC passim) is that it was signed not between North and South but between two parties, the NC and SPLM, which dominates the GOSS. This explains Southern President Salva's recent public support for Omer, whose deputy he officially is, in that CPA construction, the Government of National Unity.

Few Southerners have much interest in or sympathy for Darfur. Yet there is widespread sentiment that Omer el Beshir should be accountable to international justice and that whatever harms the NC helps the SPLM.

Arrests aside, few in Juba believe the CPA will run to schedule. The next hurdle is the release of the already disputed national census results which, against GOSS wishes, omitted questions on religion and ethnicity. This makes it hard for Juba to know how many Southerners are in the North or assess the true cultural complexion of a country the regime treats as predominantly Muslim and Arab. Like much of the Northern opposition, the SPLM maintains Sudan is multicultural, multiethnic and multireligious and this should be reflected in the composition of federal government, now controlled by the NC. The implication is that Sudan cannot remain both united and an Islamic state. This is impossible unless the Islamist NC is removed. The question is how much this matters to an SPLM focussing on the South.

Like many Northerners, General Salva Kiir had already objected to the conduct of the 2008 census. Now he says the GOSS will not accept any result showing the South comprises less than a third of Sudanese. This means around 12-13 mn. Southerners, rather than the 8 mn. most observers believe to be more realistic. The figure will define the South's share of wealth and power under the CPA.

A split is growing between the incoming generation of foreign-trained technocrats and those who stayed to fight, who complain the best jobs go to the educated; the technocrats in turn complain that top posts are often held by people who are innumerate and don't grasp the size of their tasks.

SPLM leaders still use the CPA rhetoric of working to make national unity attractive, though this is often reformulated as 'unity of the South', a more meaningful issue for most. Many people are uncertain what 'the Movement' really stands for

and whether it is synonymous with the South. Similar doubts reign about the CPA. 'It's like a group of blind men arguing about how to describe an elephant,' said one exasperated insider. 'Everyone has a different perception depending on where they're standing.'

Southerners who've never voted will face five separate votes: for federal president, National Assembly, GOSS president, Juba parliament and state governors. The CPA carves up virtually all power between the NC and SPLM: the NC rules the North, the SPLM rules the South. To change this needs free and fair elections which will not happen, North or South.

FEW FRUITS OF THE PEACE

The CPA gives nothing to other regions: especially Darfur, the East and the 'Three Areas' of Abyei, Blue Nile and Nuba Mountains: they could undermine the entire peace deal. The threat of UDI and the Sudan People's Liberation Army are seen as guarantors for the South but if the CPA fails or the NC wins elections in the North, this leaves SPLM supporters in the North and contested areas in limbo. The SPLM won't abandon Abyei and its Dinka but it has failed to include old allies among the Nuba and other minorities, who complain that its claims to represent the entire country ring hollow.

SPLM Secretary General **Pagan Amum Okiech**, one of few unitarists in the senior leadership, says compromise is needed: 'We didn't actually win the war: this is a negotiated settlement.' Leaders have to dampen down huge expectations of change whilst somehow mobilising their electorate with an ambiguous message. Commander Pagan's national vision

may have been bolstered by December's return of **Nhial Deng Nhial**. Nhial was a confidant of the late SPLM Chairman **John Garang de Mabior** as Minister of SPLA Affairs (Defence) and is the son of one of Garang's heroes, the leading politician **William Deng Nhial**, who was assassinated by the troops of **El Sadig el Mahdi's** government in May 1968. SPLM grantees in the North, such as Deputy Secretary General **Yasir Said Arman** and national Presidential Advisor (and former Foreign Minister) **Mansour Khalid**, strongly back him. Yet most Southerners regard independence as a foregone conclusion and can't understand the need to engage in politics in Khartoum.

Without an oil pipeline or other infrastructure linking the South to Kenya's coast, SPLM pragmatists know they will need working relations with Khartoum to obtain oil revenue; they are mindful of **Ukraine's** problems with **Russia's** gas pipeline to Europe. As things stand, though, there is little prospect of the change required for Colonel John Garang's vision of a 'New Sudan', despite May's SPLM convention deciding to stand in national elections on a unitarist ticket.

Salva now faces a dilemma over contesting the national presidency and risking losing control in the South. There is considerable pressure on the SPLM to stop trying to be all things to all people. However, events in the North, the Hague and Washington may soon change its options. ●

BARGAINING WITH WARLORDS

Southern Sudan is still run like a feudal state, with President **Salva Kiir Mayardit** appointing people from among competing factions and ethnic interest groups in a complex balancing act. Top jobs are handed out on grounds of seniority, military strength and ethnicity, rather than experience or merit, at the expense of efficiency.

Elections could change this. Some thoughtful politicians fear that the failure to improve living conditions, and widespread corruption and mismanagement, could see many SPLM candidates defeated at the polls.

One of General Salva's main predicaments is how to keep maverick Bul Nuer warlord **Paulino Matiep Nhial** on side. Everyone is scared that he could redefect to Khartoum. His political and military strengths are seen as so pivotal that he was made Deputy Commander in Chief of the Southern armed forces, the Sudan People's Liberation Army, in 2006 (AC Vol 47 No 11). Yet his unorthodox business dealings, particularly his attempted sale of oil concessions, causes serious concern. Lieutenant Gen. Paulino recently leased 5,000 square kilometres of agricultural land in Upper Nile to Jarch Capital and his son's **American** associate **Philippe Heilberg**. In an era of land-grabs, it is Africa's biggest ever, in an area which also contains considerable oil reserves, raising questions about the roles of Khartoum and the National Petroleum Commission.

The public was startled last month to hear that **Nhial Deng Nhial** would take over as Defence Minister, replacing **Dominic Dim Deng**, who died last May in yet another of the fatal air crashes that have hit the SPLM/A leadership hard. The surprise was that the day before, former military strongman and current Jonglei State Governor **Kuol Manyang Juk** had publicly accepted the job.

Some saw Kuol, a Dinka, as ideal to supervise SPLA restructuring; this provoked a backlash among the military top brass, many of whom feared for their jobs. Yet his fierce reputation makes him one of few who can keep order in one of the South's most ethnically divided states, with constant feuding between Dinka, Nuer, Murle and Anuak clans.

The choice of Nhial, a Tonj Dinka, is seen as a return of **John Garang de Mabior's** old guard, largely marginalised after the 2005 death of the SPLM's chief proponent of a politically secular, united 'New Sudan'. This is causing confusion among southerners who already take independence for granted. His appointment also came just in time for him to go to Washington this month with Salva: Nhial helped improve relations in the 1990s. US President **Barack Obama's** policy will be crucial if President **Omer Hassan Ahmed el Beshir** is indicted for war crimes and US military aid for the GOSS will increase. ●

A rift among rebels

Some want a ceasefire, others insist on a solution, with personalities as divisive as policies

The main rebel movement in eastern Congo has split, with one faction seeking a ceasefire with the government, the other promising to fight on. The more militant rebel, General **Laurent Nkunda**, hitherto the leader of the Tutsi militia, the *Congrès National pour la Défense du Peuple* (CNDP), may have won his war but lost the peace. President **Joseph Kabila's** invitation to Kigali to send in troops to round up **Rwandan** dissidents in eastern Congo may have dangerous consequences.

Ceasefire negotiations in Nairobi between Nkunda's team and the Congolese government were suspended on 15 January, to start again on 25 January. Neither side was offering further concessions, especially on the question of who is to monitor the peace. The United Nations special envoy, ex-President **Olusegun Obasanjo** of **Nigeria**, has asked the Security Council to set up an effective supervisory team as soon as possible.

The Nairobi talks were short-circuited by other talks in Goma, with no role for the UN, between the Congolese government and representatives of a twelve-member 'provisional political committee' of the CNDP. It was set up in Rutshuru on 13 January, headed by **Désiré Kamanzi**. Its key member is General **Bosco Ntaganda**, hitherto the CNDP's deputy Chief of Staff. Its spokesman, **Jean Munyampenda**, claimed that Nkunda had been dismissed for 'bad leadership', and on 16 January Ntaganda's committee declared a unilateral ceasefire, at a meeting with the Congolese Interior Minister, **Célestin Mbuyu**, and the Chief of General Staff of the Rwanda Defence Force (RDF), **James Kabarebe**. It looks as if Kigali wants to drop Nkunda and get closer to Kinshasa.

It is said that most CNDP commanders signed the statement. Colonel **Esaïe Munyakazi**, also speaking for Ntaganda's group, said the CNDP was ready to integrate within the Congolese government's *Forces Armées de la République Démocratique du Congo*. A few days earlier, the Ntaganda group had said it supported plans by the FARDC and the RDF for joint operations to disarm the Hutu militias of the *Forces Démocratiques pour la Libération du Rwanda* (FDLR) in Kivu.

The rivalry between Nkunda and Ntaganda was described in December in a book by an **American** author, **Stewart Andrew Scott**, *Laurent Nkunda et la*

rébellion du Kivu (Editions Karthala, Paris). Scott points out that in 2005 Nkunda recruited Ntaganda, who then commanded a Hema militia led by **Thomas Lubanga**, who now faces the International Criminal Court (ICC) charged with war crimes in Ituri in 2002 and 2003. Scott says Nkunda had difficulty persuading Ntaganda to comply with the CNDP's code of conduct, and that Ntaganda appeared more 'predatory' and ambitious.

In September 2008, when Nkunda fell ill, Ntaganda took over operational command of the CNDP. In October, he announced, untruthfully, that his boss had died of a heart attack. Scott thought there was no real identity of views within the CNDP, which held as many opportunists as ideologues.

KINSHASA KEEPS THE DOOR AJAR

For once the Congolese authorities seem to have played their cards craftily. They kept the door ajar for the Nairobi talks, even saying they regarded their opposite numbers as 'representative'. Kinshasa's spokesman **Lambert Mendé**, the Communications Minister, said he regarded the CNDP's internal problems as a non-event: 'We are not fighting the CNDP because Nkunda is its head, but because it is breaking the laws of the republic.'

But Nkunda's spokesman **Bertrand Bisimwa** accuses the Kinshasa government of inciting dissension within the CNDP; he claimed on 12 January that Ntaganda had been in touch with some Congolese senators. A deal is suspected under which the government would tell Ntaganda: 'You stop fighting us and we'll forget to arrest you.' Ntaganda (his nickname is Terminator) is subject to an arrest warrant from the ICC. Human Rights Watch claims he recruited soldiers aged under 15 in Ituri. Extra significance was given to his ceasefire when the pro-government MaiMai militia that calls itself the *Patriotes Résistants Congolais* (Pareco) said it was also ceasing fire and placing itself under the command of the FARDC.

Yet the temporary peace leaves many problems unsolved. A substantial part of the CNDP remains loyal to Nkunda and is ready to go on fighting. The political leadership said on 17 January that it would join the disarmament operations against the FDLR; Nkunda's associates, not wanting to admit that they have lost much of their firepower, prefer to maintain a façade of unity. Yet when Nkunda and his

executive met in Jomba on 1 January they had bitter words for Ntaganda, calling him a 'blasphemer' who had brought the CNDP no soldiers, money, arms or ammunition.

Successful integration of Ntaganda's followers and the Pareco fighters into the FARDC will depend largely on whether the Congolese government pays them. FARDC soldiers are often unpaid and live by raiding civilians. Moreover, the CNDP people, mostly Tutsi, will resist being transferred to other parts of Congo since they feel they should stay in their home region to protect their own community.

Pareco or the CNDP-Ntaganda fighters who agree to be reintegrated into civilian life could soon be tempted to take up weapons again. Others who have accepted the government's terms are offered US\$25 a month for a six month period, during which they are supposed to gain job skills. Many are still unemployed.

Nkunda has offered his men a regular livelihood. They are not paid, but are fed and given medical care, while a body called the 'Soldier's Family' runs a welfare system under which the families get some money for food if the harvest fails, and for education if they cannot afford school fees. This system has attracted into the CNDP recruits who are not just Tutsi but Hutu, Nyanga, Shi and Nandé, among others.

The proposed joint operation against the FDLR will not be easy. The remaining Hutu ex-soldiers are the toughest and have the most to lose by going home. The UN mission in Congo estimates there are about 8,000 of them; Kigali has sent the Congolese authorities a list of 6,900 who are suspected of genocide. Some MaiMai fighters, including those in Masisi, Rutshuru and Walikale, did not sign up to the January ceasefire.

Nkunda's movement has political as well as military aims. It demands the return of displaced families, freedom for political prisoners and neutralisation of the former Rwandan soldiers. Issues remain between the mostly pastoral Tutsis and their farmer neighbours, as well as the sharing-out of land between Hutus and other groups, and the reluctance of the Tutsi residents known as Banyarwanda (often more numerous than the locals) to pay dues to local customary chiefs.

President **Nicolas Sarkozy** of **France** has offered to help reconcile Congo and Rwanda, as well as Rwanda and France. *Le Monde* reported on 18 January that Paris proposes joint development of Kivu's resources by Congo and Rwanda – a 'sharing out of space and wealth'. Sarkozy is also said to support a settlement between Kivu's communities and a policy for Congo's minorities. He hopes to discuss that with Kabila during a visit in March. The reaction in Kinshasa is generally hostile: the government daily *L'Avenir* said Sarkozy wanted to open Pandora's box. ●

Zuma versus the law

Assured of nomination as the ANC's presidential candidate, Jacob Zuma plans to block the prosecutors

On 25 January, **Jacob Zuma** will be nominated by all provincial branches of the African National Congress as the party's preferred presidential candidate and the leadership will endorse that decision. Second on the list was the caretaker President, **Kgalema Motlanthe**. With ANC branches paralysed by infighting, Zuma's supporters, especially the ANC Youth League (ANCYL), easily made sure their man came out on top.

Those not getting the message risked being purged. We hear that leading supporters of ex-President **Thabo Mbeki**, such as Finance Minister **Trevor Manuel** and Reserve Bank Governor **Tito Mboweni**, were either deleted from provincial lists or put right at the bottom.

The huge, outstanding issue is that on 12 January, the full bench of South Africa's Supreme Court of Appeal ruled that Zuma must face 18 charges of corruption, racketeering and money-laundering. The Appeal Court dismissed an earlier ruling (AC Vol 49 No 19) by Judge **Chris Nicholson** that the National Prosecuting Authority (NPA) had not followed correct procedures when it laid charges against Zuma. A prosecution is legal if there are valid grounds for it, even if it is brought for an improper purpose, said the Court's Deputy President, **Louis Harms**.

The judgement has emboldened Zuma's few remaining critics within the ANC to push for Motlanthe as the candidate. ANCYL leader **Julius Malema** claims that Motlanthe's supporters are trying to oust Zuma before the elections. ANCYL activists have since confronted several of Motlanthe's supporters, including **Enoch Godongwana**, formerly Eastern Cape provincial Minister of Finance, and before that, General Secretary of the National Union of Metalworkers of South Africa, who vigorously denied being part of a high-level plot to dislodge Zuma.

Some of Zuma's critics in the ANC argue that removing him as candidate would do more damage to the party than retaining him. He insists on his 'right' to become president and his militant supporters threaten to kill and make the country 'ungovernable' if he does not succeed. The NPA has provisionally chosen 5 February for the case to go court; it can continue while a review by the Constitutional Court is pending or awaited.

An appeal to the nation's highest tribunal, the Constitutional Court, is

'Plan A' for Zuma's strategists, who hope it will throw the whole case out. This was agreed on 19 January by the ANC's National Working Committee, which consists entirely of Zuma's supporters. The argument will be that the long delay (partly caused by his own appeals against every decision) has affected his basic rights, that there is a political conspiracy against him and that his continued prosecution will lead to instability and is not in the public interest. Zuma's legal team intends to argue that the relationship between Zuma and his gaoled former financial advisor, **Schabir Shaik**, was not corrupt but based on friendship, so an exchange of gifts and money was devoid of criminal intent.

Plan B is for the ANC to put direct pressure on the NPA to drop the charges. Former Judge **Willem Heath**, who led an investigation into the 1999 arms deal with BAE Systems for Mbeki, and **Hilton Epstein**, a senior counsel, have been roped in to lead this argument.

OUTING THE OPPONENTS

Plan C is to implicate Mbeki and senior leaders of the new Congress of the People (COPE) in the scandal, by releasing damning information on their alleged involvement in wrongdoing. In other words, Zuma threatens to 'out' his opponents. It would be argued that Zuma was small fry and many others were deeply implicated. Neither the ANC nor Zuma try to deny the substance of the charges against him.

Plan D is to go all out to maintain the ANC's two-thirds majority in Parliament, threatened by the formation of COPE. Only such a majority would make the party sure of passing legislation to give a sitting president immunity from prosecution. Since 1999, disillusioned ANC supporters have often not voted, so the ANC is feverishly campaigning to increase its turnout. It has erected giant billboards, distributed pamphlets and aired advertisements in slums, townships, informal settlements and rural areas. The campaign material stresses the collective movement, rather than its presidential candidate, displaying pictures of veterans such as the late **Joe Slovo** rather than current party leaders such as General Secretary **Gwede Mantashe**. Motlanthe is noticeably absent.

The party wants to replace Zuma's ally in the Western Cape, **Mcebisi Skwatsha**,

as lead candidate for the province because he is blamed for infighting (AC Vol 49 No 25) which has seen the ANC's support drop dramatically there, we hear. Reverend **Chris Nissen** has been deployed to head the provincial campaign and is likely to replace Skwatsha as lead candidate. A good showing in the Western Cape, where COPE and the opposition Democratic Alliance have bitten into the ANC's support, is crucial for a two-thirds majority at national level.

Plan E is to ask for a political settlement, which Zuma previously opposed, saying it would imply his guilt. This would involve withdrawing the prosecution on the grounds that it would cause political instability, with Zuma admitting to some but not all wrongdoing, arguing there was no criminal intent. Yet the NPA insists on full disclosure.

Plan F is to take over the prosecuting and judicial authorities from within, by installing Zuma supporters in the NPA and the judiciary, as well as in the public South African Broadcasting Corporation.

Motlanthe fired the NPA Director of Public Prosecutions, **Vusi Pikoli**, late last year and his former deputy, **Mokotedi Mpshe**, is acting head. Previously, Mbeki had suspended Pikoli for seeking to arrest one of his allies, National Police Commissioner **Jackie Selebi**, for alleged corruption. A commission appointed by Mbeki and led by the former Speaker of Parliament, **Frene Ginwala**, cleared Pikoli. He has made many enemies by prosecuting ANC leaders for corruption and some fear his zeal may bring more down and even expose wrongdoing in the party itself.

Pikoli's predecessor, **Bulelani Ngcuka**, opened the case against Zuma. Pikoli's persistence with it has enraged the ANC, which wants him and Mpshe out. Their proposed replacement, **Ngoako Ramatlhodi**, is a former Premier of North West Province whom the NPA is investigating for alleged corruption. On 21 January, Pikoli will make his case to be reinstated before an ad hoc committee of Parliament. The man appointed to keep an eye on the hearing is **Mnyamezeli Booie**, the ANC's Chief Whip, whom the NPA once identified as having defrauded Parliament. The Co-Chairperson of the ANC committee investigating the Pikoli case is **Oupa Monareng**, whom the NPA prosecuted for being in possession of a stolen vehicle and for bribing policemen. The committee's other leading figure is **Beauty Dlulane**, implicated in defrauding Parliament of travel vouchers.

Zuma's strategists are pushing for the 'retirement' of the President of the Constitutional Court, Judge **Pius Langa**, whom they accuse of pursuing a vendetta against Zuma. ANCYL

members have insulted the Judge as a 'drunk' for ruling against the ANC President. As state President, Zuma could nominate his choice of chief justice. His preference is for his ally, Western Cape Judge President **John Hlophe**, who has been accused of improperly trying to influence judges to vote in favour of Zuma. We understand

that Justice Langa, who had planned to retire, will remain until the Zuma case is over. 'Prophecies of my demise have been grossly exaggerated', he said.

The Zuma camp says the judiciary is unrepresentative and involved in a witch-hunt against their leader. The judges have launched a pre-emptive strike. Justice Langa, his deputy Justice

Dikgang Moseneke, and Justice **Albie Sachs** on 19 January publicly defended the judiciary. Langa said that attacking the judiciary 'would destroy a bastion of freedom'. Sachs, a respected ANC veteran and architect of many post-apartheid constitutional laws, said it hurts that the ANC he dedicated his life to 'can just trash [the judiciary] for political advantage'. ●

CAMEROON

Biya rejects the Ghana model

An independent commission to oversee elections turns out not to be independent after all

Ghana's Electoral Commission organised an election in December that made Ghanaians proud. A similar commission for Cameroon has been resisted every step of the way by President **Paul Biya** and his ruling *Rassemblement Démocratique du Peuple Camerounais* (RDPC). In 2006, responding to national and international pressure, Biya created a pseudo-commission called Elections Cameroon (ELECAM). The 30 December appointment of its twelve members has energised Cameroon's weak and disunited opposition ahead of 2011's planned national elections. Crying foul, the opposition accuses the President of disregarding the law and appointing only members of his party to ELECAM.

Biya is less worried by the opposition's anger than by the integrity of the person he appointed to head the commission, **Samuel Fonkam Azu'u**. In mid-January, Azu'u was linked to a racket that is said to have facilitated clandestine emigration of people to the **United States**. Police are investigating and the US Ambassador to Cameroon, **Janet Garvey**, is said to be taking an active interest. Azu'u has denied claims by four young men, arrested while they were about to board a plane for the USA, that they had each paid him 3 million CFA francs (US\$5,900) to sign fake orders which they used to get visas.

All of ELECAM's twelve members are active in – or sympathise with – the ruling party. Azu'u belonged to its decision-

making body, and two others, **Abdoulaye Babale** and **Thomas Ejake Mbonde**, are former RDPC ministers. The law says that all ELECAM members must be appointed 'from the midst of independent personalities', but there are no civil society, opposition or independent members.

The opposition has reacted with typical disunity. The anglophone **John Fru Ndi** of the Social Democratic Front repeated his well-known mantra that to avoid any future war the United Nations should get Biya to include opposition members in ELECAM. (He did not say who would do the fighting.) **Adamu Ndam Njoya** of the Cameroon Democratic Party said that Biya had hijacked the electoral process. **Saidou Yaya Maidadi** of the Alliance of Progressive Forces threatened a court case. Even an RDPC parliamentarian, **Paul Ayah**, described the appointments as 'inconsistent with the law'. From abroad, the appointments were criticised by Lord **Avebury** of Britain's Cameroon Campaign Group, which called on the European Union not to fund ELECAM as it had promised. ●

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Sudan

KHARTOUM'S BANKERS

■ Lloyds TSB, recently bailed out by the British government, has had to pay fines of US\$350 million for breaking United States' sanctions on Sudan, Libya and Iran, following an investigation by the New York County District Attorney and the US Department of Justice and a complex plea bargain deal on 9 January. Lloyds TSB has been doing clandestine business with Sudan for the past decade, according to the regulators.

The clandestine business involved concealing the source of funds to avoid US sanctions against the Khartoum regime: bankers call the practice 'stripping' accounts – the removal of information that would identify the source of the funds. The 'stripping' by Lloyds TSB dates from 1997, shortly after Usama bin Laden quit Al Qaida's Khartoum base for Afghanistan.

Usama left Khartoum following the regime's sponsorship of the 1995 assassination attempt on Egyptian President Hosni Mubarak in Addis Ababa (AC Vol 36 No 14). The attempt on Mubarak triggered United Nations' sanctions against the National Islamic Front regime, then led by Hassan el Turabi (see Feature).

The British taxpayers' £45 billion (\$63 bn.) bailout will cover the \$350 mn. fine that Lloyds TSB pays the US government under a 'deferred prosecution agreement'. Essentially a plea bargain deal, it required Lloyds TSB to disclose all its clandestine activities with countries under sanctions. The deal stipulates that Lloyds TSB must cooperate with authorities as investigations into other stripping operations continue.

Lloyds TSB was 'stripping' information from illicit clients so that transfers to the USA appeared to originate elsewhere. The US investigation began in 2006 after reports about suspicious activities by front companies and charities linked to Iran, the Alavi Foundation and Assa Corporation. It uncovered over \$300 mn. of transactions till 2004, when Lloyds feared 'reputational implications'. Instead of 'stripping' information from the transfers, Lloyds then taught Iranian banks how to do it.

Lloyds TSB's 'stripping' for Sudan continued while the US enquiry was under way, as was the mass killing in Darfur, which provoked new US sanctions. Involved were the National Bank of Khartoum, Al Baraka Bank, Animal Resources Bank and Commercial Real Estate Bank, with business said to total \$20 mn. An equivalent sum was apparently transferred in 2002-04 for Libyan banks. Lloyds TSB is now committed to full cooperation with the US investigation.

Tanzania

GUARDS FOR SALE

■ Young Tanzanians conscripted for their military National Service may find themselves doing commercial security work. The government says it wants to reduce youth unemployment and increase competition in the private security sector. It also hopes to bring in some extra money.

National Service (*Jeshi la Kujenga Taifa*) is a wing of the Tanzanian People's Defence Forces, overseen by the Minister of Defence and National Service, Hussein Ali Mwinyi. Its recruits get military training, after which they remain in the reserve to be called up in times of conflict. Its Production Unit, known as SUMA-JKT, already undertakes commercial activities in, for example, construction and agriculture.

SUMA-JKT Research Director Felix Samilun said last year that the agricultural projects were not bringing in sufficient revenue and that additional initiatives were necessary. The new plan is to diversify into protecting people's homes.

Civic activists worry that the military is slipping into a more commercial role, akin to that of China's People's Liberation Army. Some senior officers say that guarding private residences could damage the army's reputation. The Secretary General of the Tanzania Security Industry Association, Issay Maisel, said the servicemen would not threaten established players in the industry because: 'We believe that only efficiency and quality services will satisfy customers' – which implies that the soldiers' work will be deficient.

SUMA-JKT has a poor reputation for transparency. In 2006, it was investigated by the Controller and Auditor General for failing to report more than US\$500,000 in 'suspicious' transactions.

Gambia/Senegal

YOM ASHURA

■ Forgiveness and tolerance are key to Gambia and Senegal's celebration of the Islamic holy day of Yom Ashura (the tenth day of the Islamic New Year), this year on 8 January. In contrast with the self-flagellation of Middle Eastern Shiite Muslims in remembrance of the martyrdom of Imam Hussein, grandson of the Prophet Mohammed, West African Muslims customarily forgive others and ask forgiveness.

Yom Ashura is also day for temporarily inverting the established order, for pranks and mild subversion. In villages north of the Gambia River, for example, men may dress as women and women as men, and black skins may be painted white. Some say the day also recalls the reuniting of Adam and Eve after their expulsion from Eden.

This year's Yom Ashura coincided with the sentencing of nine men in Senegal to an unprecedented eight years in gaol for 'unnatural acts' and 'criminal

conspiracy'. They include Diadji Diouf, the head of AIDES-Senegal, an organisation providing HIV/AIDS prevention services. Only weeks before, Senegal had played host to an international conference on HIV/AIDS, in which gay, lesbian, bisexual and transgender participants were included.

In both Senegal and Gambia, there has also been a rash of 'kill the battyman' (pejorative Caribbean slang for homosexual) lyrics among local wannabe reggae artists, their homophobia echoing not only their Jamaican idols but also Gambia's President Yahya Jammeh. With a willingness to embrace cross-dressing and gender-swapping (if only for a day a year), some traditional societies show more tolerance than their political leaders.

France/Africa

CREDITS CRUNCHED

■ Africa advisor at the Elysée Bruno Joubert will be awaiting a ruling by Paris's *parquet* on the admissibility of a civil case against Gabon's President Omar Bongo Ondimba, Congo-Brazzaville's President Denis Sassou-Nguesso and Equatorial Guinea's President Teodoro Obiang Nguema for theft of public funds.

The case, brought by William Bourdon, a lawyer and founder of the French non-governmental organisation Sherpa, says that the presidents and their family members amassed a grand French property portfolio and a fleet of luxury cars using stolen state funds. One of the plaintiffs is the Gabonese activist (and taxpayer) Gregory Ngwba Mintsa; he was arrested on charges of inciting rebellion by the Libreville authorities earlier this month, along with two other activists and a journalist, before being released.

The indictment lists 39 of Bongo's family properties, mostly in Paris's chic 16th *arrondissement*, 9 cars (worth about \$2 million), and 70 bank accounts. It was also revealed that Citibank on the Champs Elysées banks for Bongo's cousin Felix; Citibank was censured by the United States Senate Permanent Subcommittee on Investigations in 1999 for transferring over \$120 mn. into one of Bongo's accounts without checking its provenance. Investigators identified 18 properties owned by Sassou-Nguesso, at least one car bought for \$224,492 and 112 bank accounts. Obiang had just one property in his name and a Barclays bank account. His son, also Teodoro, spent \$5.5 mn. on 8 sports cars.

The case was dismissed as inadmissible in December 2007, but a police investigation continued until its suspension last year. Bourdon's appeal is expected to be upheld in February in the light of new evidence. If an investigating magistrate is appointed, relations between President Nicolas Sarkozy and these African oil producers will be tense.

BLUE LINES

Alongside Moammar el Gadaffi's theatrical bid for a United States of Africa, delegates to the African Union summit in Addis Ababa heard grave prognoses of the effects of the global slowdown on Africa after several years of record growth. At the summit, World Bank President Robert Zoellick repeated his call for rich countries to allocate 0.7% of their stimulus packages to a fund for developing countries.

Donald Kaberuka, President of the African Development Bank, said that many energy and transport projects had been delayed or cancelled as international credit lines tightened. The ADB is to triple its lending this year, he added.

In Paris, the new Africa Director of the IMF and former Liberian Finance Minister, Antoinette Sayeh, said the crisis might deepen further in Africa. The IMF now expects average GDP growth of 3.3% across Africa this year, compared to its predictions last year of over 6%. The combination of high food prices and lower export prices is putting heavy pressure on currencies and countries' foreign reserves, she said.

What none of the international bankers want to talk about is how the political storms in some of Africa's biggest economies such as Nigeria, Kenya and South Africa will exacerbate the effects of the downturn. In Addis, it was left to Ethiopia's Prime Minister Meles Zenawi to predict that without tough action, the majority of African countries would become failed or failing states over the next decade.

AFRICAN UNION

Diversions and deviations

Pressing issues on Somalia and Sudan and the global financial crisis were sidelined by a protracted argument about continental government

At least our meetings with Libya's Moammar el Gadaffi as Chairman won't be boring', said one official ruefully at the African Union's 1-4 February summit in Addis Ababa. As if to buttress his point, Colonel Gadaffi then entered the conference hall, resplendent in an orange agbada and red fez and sporting wraparound sunglasses; he was accompanied by a retinue of yet more sumptuously dressed African traditional rulers who had earlier pronounced the Libyan leader to be 'Africa's King of Kings.'

Not everyone took such an indulgent view of Gadaffi's posturing and his awkward election to the chairmanship of the AU. Uganda's President Yoweri Museveni led the charge against his plans for an immediate Union Government and United States of Africa in a heated debate on 3 February, condemning it as impractical and damaging to African security. Museveni insisted the way to forge cooperation in Africa was through bodies such as the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda) which provide economic advantages and incentives to member states.

Museveni reserved his fiercest criticism for Gadaffi's sponsorship of traditional leaders across Africa and accused the Libyan leader of trying to use them as a political force against legitimate governments. Last month, Museveni's government cancelled a traditional leaders' summit in Kampala financed by Gadaffi. Museveni said he would arrest any traditional leader in Uganda claiming to speak for Gadaffi. Bluntly, Museveni said he would not trust Gadaffi to represent Africa at the coming Group of 20 countries summit in London, which

is to discuss ways to counter the economic effects of the United States' credit-crunch. In response to this concern, the AU leaders decided that a troika – of Gadaffi, Museveni and Tanzania's Jakaya Kikwete – should represent Africa at the G-20. After several other African leaders, including Zimbabwe's Robert Mugabe, had supported Museveni's criticism of Gadaffi and his ideas, Senegal's Abdoulaye Wade told Gadaffi that the majority had spoken against his position. Gadaffi laid his head on the table in despair and then stormed out of the conference.

LIBYA'S KING OF KINGS

The Chairman of the AU Commission, Gabon's Jean Ping, had hoped to avoid disruption to the main business of the summit by devoting an entire day to Gadaffi's unity plan. He failed and Gadaffi restarted talks later on 4 February after many heads of state had left. Following more inconclusive discussion, Gadaffi called a press conference claiming absolute victory and that changing the name of the AU Commission to the AU Authority was the first irreversible step to continental government. 'It is a major decision that puts an end to all the deliberations that we have had... this should be applauded and now we must implement this decision.'

That, however, is not the view of many of the foreign ministers due to meet in Madagascar in May to discuss the unity plan. Gadaffi then defended himself against accusations of running a dictatorial one-party state: 'We don't have any political structures [in Africa]. Our structures are social... our parties are tribal parties, this is what has led to bloodshed.' None of the delegates interviewed by *Africa Confidential* gave a

ETHIOPIA/SOMALIA 3

Good-bye, maybe

Ethiopia's troops have gone but the new order is tenuous.

NIGERIA 4

Why Jos burned

A vicious mix of ethnic and religious politics set the capital of the Middle Belt alight and has now caused a row with the presidency.

CONGO-KINSHASA 5

Shotgun wedding

Kabila's improbable deal with Rwanda could unravel and further weaken his authority.

ZIMBABWE 6

Power-sharing for beginners

Opposition leader Morgan Tsvangirai has negotiated responsibility without power.

ZIMBABWE 7

ZAMBIA 8

MADAGASCAR 9

GHANA 10

POINTERS 12

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convincing explanation of how Gadaffi had emerged as AU Chairman, given that most members opposed his policies.

Most said that it was North Africa's turn and Gadaffi was the only available candidate: **Mauritania** is suspended; **Tunisia's** President **Zein el Abidine Ben Ali** never turns up; **Egypt's** President **Hosni Mubarak** has bad memories of the **Sudanese** government-sponsored assassination attempt on him in Addis Ababa in 1995; **Algeria's** President

Abdelaziz Bouteflika was 'indisposed'. Fearing a humiliating rejection by the summit, Gadaffi sent an emissary to Kikwete proposing he stay on for a further year; Kikwete refused and was then asked to back a Libyan candidacy.

In his Chairman's acceptance speech, Gadaffi said that unity was necessary and that he would provoke the other African leaders on unity and liberation. He intended to ask African parliaments to consider the proposals for a Union Government and that unless two-thirds of them registered disagreement, he would take their silence to mean that they accept (this, he said, was an Islamic tradition).

There was nevertheless some serious discussion on Somalia. The new President of **Somalia's** Transitional Federal Government, **Sheikh Sharif Sheikh Ahmed**, attended the opening ceremony of the AU Assembly. Ping and Kikwete welcomed him and he received a round of applause. **Sheikh Sharif** also joined a meeting on 2 February of the Intergovernmental Authority on Development. IGAD comprises **Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan** and **Uganda**; all were represented by presidents except for **Eritrea**, which didn't attend, and **Ethiopia**, represented by Prime Minister **Meles Zenawi**.

Sharif told IGAD his government wanted to tackle the security crisis by building a joint Somali force and working in collaboration with AU peacekeepers, whom **Al Shabaab** had attacked in Mogadishu this week. Styling himself as a moderate Islamist, **Sheikh Sharif** spoke of national reconciliation, better relations with neighbours (including **Ethiopia**, which is watching him closely) and preparing for elections in two years' time.

It seems the unity debate has distracted attention from the implications of the International Criminal Court's issue of a warrant for the arrest of Sudan's President **Omer Hassan Ahmed el Beshir** for war crimes in Darfur. Ping, who is strongly influenced by the close ties of his President, **Omar Bongo Ondimba**, with President **Omer**, is trying to persuade European governments to agree to a one-year suspension of the warrant, while an African court investigates the case.

Ping's proposal for an AU panel on the Sudan case has run into difficulties, though: both the original choices of chair people for the panel, **South Africa's** ex-President **Thabo Mbeki** and **Algeria's** ex-Foreign Minister, Justice **Mohammed Benjawji**, have turned down the job. There seems to be no consensus in the United Nations Security Council on accepting the AU request to defer any ICC warrant for President **Omer** for a year. So one prediction for the next AU summit is that the seat of the President of Sudan will be empty. ●

THE SUMMIT DIVIDES OVER UNITY

Once again, the question of a Union Government of Africa and its leading proponent, **Libya's Moammar el Gadaffi**, have dominated an African Union summit. Again, Colonel Gadaffi's insistence that the AU move towards an immediate declaration of continental union divided delegates, with **Libya** an enthusiastic minority against the gradualists of **Kenya, Nigeria, South Africa and Uganda**.

This latest round of the unity debate began at the AU summit in Accra in July 2007, where Gadaffi tried to assume the mantle of **Ghana's** founding President and ardent pan-Africanist, **Kwame Nkrumah**. Gadaffi's problem is that his sponsorship of militias in **Chad, Liberia** and **Sierra Leone** and other meddling in Africa raise suspicion about his motives. The talks continued in Sharm el Sheikh in July 2008 and were meant to conclude in Addis this week. The main opponents are the Southern African states which favour gradualism. **Namibia's** position was typical: that resolving peace and security issues must precede any notion of continental government and that the regional economic communities are building blocks for integration and should be strengthened first.

On 1 February, the outgoing AU Chairman, **Tanzania's** President **Jakaya Kikwete**, said a United States of Africa was the goal; it would take three phases but he gave no time scale. He spoke cryptically of 'benchmarks', 'capacitors' and 'accelerators' without much detail, then announced that the AU Commission would become the African Union Authority. A draft resolution from **Libya** and an internal Commission report proposed transforming the AUC into the AU Government. The existing Chair and Deputy would become President and Vice-President and the existing Commissioners would form a Cabinet, keep their portfolios and be renamed 'Secretaries'. Kikwete said it made no sense to call the AUC a Union Government because the member states were not ready to cede sovereignty. The AUA would be restructured and he suggested, with a nod to **Libya**, that the job descriptions of the Chair and Deputy Chair would remain but they would be called President and Vice-President; the Commissioners would become Secretaries and their portfolios would change.

The new AUC portfolios would be based on nine areas of shared competence: continent-wide poverty reduction; free movement of people, goods and services; inter-regional and continental infrastructure; climate change, global warming, desertification and coastal erosion; epidemics and pandemics (including HIV/AIDS); research (universities and centres of excellence); international trade negotiations; peace and security; trans-national crime (drugs and arms trafficking, and terrorism); legal positions and frameworks; diplomatic coordination and development of common positions on international issues. Kikwete said the AUA would have a bigger mandate, bigger capacities, bigger definition of its responsibilities and duties, and a bigger budget from increased contributions from member states. He said Gadaffi was 'very supportive' of the decision; our sources said the Libyan leader was furious about the compromise.

An internal report on 'The Outcome of the Special Session' (in Sharm el Sheikh) obtained by *Africa Confidential* goes into detail about the 'accelerators' to 'fast track the transformation process' of the AU. They are: free movement of people across borders; development of transcontinental and inter-regional infrastructures; creation of multinational African firms; establishment of continental financial institutions (African Central Bank, Monetary Fund, Investment Bank) and of an African Standby Force.

The report lists three phases leading towards a United States of Africa. Phase I: Operationalisation of the AUA (Feb. 2009 to Jan. 2010); Phase II: Consolidation of the Authority (Feb. 2010 to Jan. 2012); Phase III: Constitutional Conference to set the basic framework for a United States of Africa. The AU's development would be capital intensive and the 'processes through which five states contribute seventy-five percent of total Union resources would require modification,' says the report. The AU is to prepare a study on alternative sources of funding. Finally, the report proposed establishing 'a sanctions regime to promote and foster compliance of decisions and protocols.' ●

Good-bye, maybe

Ethiopia's troops are gone and another transitional government is installed but the new order is tenuous

On 25 January, the last Ethiopian troops withdrew, only three weeks later than planned, from Somalia. They had originally intervened in Somalia in December 2006, at the request of the Transitional Federal Government (TFG) to defend it against the Islamic Courts Union (ICU) and other armed Islamists.

ICU forces were advancing towards the seat of the TFG at Baidoa when the Ethiopian troops moved in, drove them back with heavy losses and advanced to the outskirts of Mogadishu three days later. The remnants of the ICU then fled down to Kismayo and the Kenyan border.

Despite its claims of popularity, the ICU was ordered out of both Mogadishu and Kismayo by local elders. With its defeat, and that of its most extreme element, *Al Shabaab*, more than half of the 15,000 Ethiopian troops went home. The ICU had declared jihad against Ethiopia, hoping to revive the Somali irredentism which destabilised the Horn of Africa in the 1960s and 1970s.

The ICU had allied itself with Eritrea to support the Ogaden National Liberation Front's armed struggle in Ethiopia's Somali Regional State. It was the threat of Eritrea that finally pushed Ethiopia to intervene. A few months later, ONLF units, armed and trained in Eritrea, attacked a Chinese-run oil exploration site at Odole and slaughtered Chinese workers and more than 70 local civilians (AC Vol 48 No 19).

Despite their quick victory in 2006, the Ethiopian forces did not have it all their own way. Most Somalis were deeply suspicious of Addis Ababa's motives, some recalling landlocked Ethiopia's dream of taking Mogadishu as a deep-water port. Yet many Hawiye people welcomed the Ethiopians to Mogadishu, as a guarantee against revenge by the Darod-dominated TFG for massacres in 1991-92.

The Ethiopian troops were soon up against the urban guerrilla struggle launched by *Al Shabaab* with the support of local sub-clan militias from the Habr Gidir/Hawiye and Ayr/Habr Gidir. There was brief but intense fighting in Mogadishu, in April-May and October-November 2007; several *Al Shabaab* groups were defeated but small-scale operations continued. Yet Ethiopia gradually reduced its forces in 2007-08. In the end, no more than 2,000 troops marched out; in two years, some 800 Ethiopian soldiers had been killed.

It is said that *Al Shabaab* now controls

most of southern Somalia. In fact, it holds only Kismayo, Merca and recently Baidoa, mostly with forces of two or three hundred fighters. Its reputation for targeted murders gives it an influence out of all proportion to its numbers, few more than 2,000 in all Somalia. Recently, *Al Shabaab* has, like its predecessor, *Al Itihaad al Islamiyya*, begun to divide into clan or sub-clan based units of a few dozen fighters.

In Kismayo, there are three such *Al Shabaab* units, in uneasy coalition with other militias. The Ras Kamboni unit is made up of Ogaden/Darod clan members; the Anole are from the Harti, a grouping of three Darod clans – Majerteen, Dholbahunta and Warsengeli – and not to be confused with Harti Abgal; the Khalid bin Walid are from the Marehan/Darod. All have some foreign fighters. In January, Islamic groups in central Somalia seen by Western officials as 'moderate' caused more than 50 *Shabaab* casualties, of whom nine were foreign passport holders, including a Tanzanian and an American.

ISLAMIST COMPETITION

Other *Al Shabaab* units are *Al Itisam*, *Al Mujahideen* and *Jabhat al Islamiyya* (Islamic Front), drawn from the Rahenweyne and Hawiye clans of the Habr Gidir and Abgal. They seldom cooperate. *Al Shabaab* Chairman Sheikh Muktar Abu Zubeir (aka Ahmed Abdi Godane) is Issaq from Somaliland, completely outside the inter-clan disputes of the south.

The main spokesman is Sheikh Muktar Robow 'Ali Mansoor', who is Rahenweyne and also outside the Hawiye and Darod clan rivalries. *Al Shabaab*'s takeover of Baidoa last week, in an attempt to upstage the presidential election, was actually an arrangement between elements of the Leisan/Merifle/Rahenweyne, to which Sheikh Muktar belongs, to establish Leisan control of the city, not something that appeals to other Merifle clans.

Al Shabaab faces serious competition from other Islamic groups, notably *Ahlu Sunna wal Jama'a* in central Somalia, which seems to have been armed by the departing Ethiopian troops. It has defeated *Shabaab* in several recent clashes, causing heavy casualties and seizing several towns and *Al Shabaab* bases.

Other Islamic organisations which did not use violence against the first TFG, such as *Al Islah*, are throwing their weight behind the new TFG President,

Sheikh Sharif Sheikh Ahmed, formerly head of the Alliance for the Re-liberation of Somalia (ARS) and previously head of the ICU, until it was taken over by hard-line followers of Sheikh Hassan Dahir 'Aweys' (AC Vol 49 No 25 and Vol 50 No 1). Aweys remains in Asmara and insists he will go on fighting the TFG.

Sheikh Sharif led his supporters into the Djibouti Agreement with the TFG last June; the outcome was the recent enlargement of the TFG parliament from 275 to 550 members and the election of the new Somali President. The Agreement also called for the withdrawal of Ethiopian forces. Ethiopia was happy with that, as it claimed not only to be protecting its own security but also to be giving the TFG breathing space to create an effective, non-extremist government.

The opportunity was wasted both by President Abdullahi Yusuf Ahmed's government, which became mired in clan conflicts, and by the African Union. The AU's token force, the AU Mission in Somalia (Amisom), had reached 3,500 troops by the end of last year. This is supposed to double by mid-year but observers doubt it will happen. Extra battalions from Burundi (South Africa is doing training) and Uganda are promised and up to three from Nigeria; Algeria and the United States have offered transport. The United Nations Security Council also 'intends' to send a peacekeeping force. With Somali pirates threatening the Red Sea and the Gulf of Aden, the European Union and USA have woken up to the dangers of a security vacuum in Somalia.

With Sheikh Sharif as President of the TFG, Mogadishu is now back in the hands of its own Hawiye clan which may now, as never before, demonstrate unity. Ethiopia trained some security officers (which Mogadishu must find the resources to pay) and left weapons behind for the new government. Army units will stay on the border, if only to stop infiltration into Ethiopia. Military action could come again if an extremist Somali regime, allied with Eritrea, resurrected claims to Ethiopia's Somali region and supported armed struggle.

Last year, Ethiopian Prime Minister Meles Zenawi told *Africa Confidential* that Addis Ababa would remove any *Al Shabaab*-dominated regime that threatened Ethiopia's national interest.

To consolidate power, the new President Sheikh Sharif will have to produce a government that balances clan interests and can negotiate international support. His advantage is that he can claim to have persuaded Ethiopia to leave, thus removing the main alleged cause of violence in the capital. However, *Al Shabaab* and other extremists will go on fighting to establish their brand of Salafi-Wahabi Islamism. ●

Why Jos burned

A vicious mix of ethnic and religious politics set the Middle Belt capital alight and has now caused a row with the presidency.

The first half of December saw the town of Jos burn, as gangs of youths took to the streets for targeted killing, criminal bloodletting and wanton destruction. By the time the authorities regained control, over 500 people were dead and more than 10,000 displaced. Churches and mosques had been razed, schools, homes and businesses set ablaze. Just beforehand, over 170 people had died in the Islamist bombings in Mumbai: **India** rightly made the international headlines; Nigeria didn't.

Jos, the capital of Plateau State in the high country right in the middle of Nigeria, is on the 'fault-line' between north and south. About a million people live in the city and there have long been tensions between 'indigenes' and 'settlers'. About two-thirds of the residents are indigenes, mainly Berom and mostly Christian. Most of the (often long-established) settlers are Hausa or Fulani Muslims, originating from the north. Indigenes have long been irritated by what they see as undue encroachment by northerners who, in turn, have chafed under what they feel is systematic exclusion. As in many parts of Nigeria, those without 'indigene certificates' have restricted access to facilities such as scholarships, school places, bank loans and employment.

The latest violence was sparked by elections, arranged for 27 November in Jos North local government area. The contenders were **Timothy Michael Buba** for the People's Democratic Party, who is a Christian Berom, and **Aminu Yusuf Baba** of the All Nigeria People's Party, a Muslim Hausa. The PDP, headed by President **Umaru Musa Yar'Adua**, a northern Fulani Muslim, is not identified by religion. The ANPP is largely northern and Muslim. The Plateau State Governor, Air Commodore **Jonah David Jang**, is Berom, Christian and a PDP member.

Timothy Buba is the younger brother of **Gyang Buba**, a former Customs boss and a friend of Jang's. He contributed to the Governor's 2007 election campaign and is influential in state politics. The younger Buba was regarded as Jang's preferred candidate. Some Muslims complain that Jang is prejudiced against them. During his election campaign in 2003, he described as 'unreasonable' demands from Hausa settlers for local government areas of their own, saying

that they 'have no claim to any territory of the state'.

The former Council Chairman in Jos North, **Alhaji Usman Ibrahim Abubakar** (Hausa, Muslim and PDP), claims that Jang manipulated the party primary elections to ensure that Buba won; in fact, he says, the rightful winner was **Alhaji Danladi Pasali** (Hausa-Fulani, PDP and leader of the Muslim Forum in Jos North). When the votes for the November 2008 election were being counted, officials of the Plateau State Electoral Commission (Plastec) halted the count for reasons that are still unclear. Seeing this as yet another way to rig the vote in Buba's favour, some young Hausa Muslim ANPP-supporters assembled, more were summoned and the violence soon began. It pitted Hausa Muslim gangs against Christian Berom ones, under nebulous labels.

AVOIDABLE TRAGEDY

Since unofficial hostilities came to an end, official ones have broken out. Several committees are to investigate the disturbances. President Yar'Adua announced one, to be headed by Major General **Emmanuel Abisoye** (Retired). The House of Representatives formed an ad hoc committee to investigate the same events. Jang empanelled his own state committee and filed suit against both the federal government committees.

Presidential Spokesman **Segun Adeniyi** was blistering: 'The sad thing is that right from the time this avoidable tragedy started, the Governor has not demonstrated enough capacity to deal with the situation dispassionately.' He asked what Jang had been waiting for for all these weeks and insisted that 'the President is not interested in the politics of religion or ethnicity as he is being blackmailed.'

On 15 January, Jang introduced his committee, to be headed by Prince **Bola Ajibola**. During the ceremony, the Governor asked that Yar'Adua 'do' what he 'preaches' and respects the law in the matter of which level of government had the power to investigate the riots. Various groups then sided with or against one committee or the other. Christians vowed to testify only in front of Jang's committee, Muslims chose the federal government's. **Alhaji Pasali** of the PDP and Jos Muslim Forum said: 'We will not

attend the panel because Governor Jang wants to chase them [northern Muslims] out of the party and the entire Jos North and he instructed for the killing of our members.'

The public hearings held on 12-17 January by the House of Representatives were just as bitter. The State Secretary of the ANPP, **Alhaji Nazif Mohammed**, blamed the crisis on the PDP and Plastec, maintaining that PDP stalwarts had boasted of victory before the vote was held. 'Even if it [the ANPP] had misgivings about the election, the party should have explored available legal options than resort to violence,' retorted Professor **Dakum Shown**, State Chairman of the PDP.

The religious organisations had their say. Father **Anthony Fom**, Spokesman for the Catholic Archdiocese of Jos, claimed the crisis was more religious than political since Christians and churches were targeted, rather than politicians and party offices. **Atang Izang Atang** of the Afizere Community Development and Cultural Association accused Muslims of being responsible for the violence.

Mohammed Tanko Shitti, an election observer with the Transition Monitoring Committee, blamed the denial of indigene certificates to Hausa-Fulani and alleged ethnic cleansing against them. **Alhaji Asheru Ahmed**, representing *Jama'atu Izalatu Bidi a wa Ikamatu*, accused Jang of hating the Hausa-Fulani community. **Jamar Shehu**, speaking for *Fityamil Islam*, claimed that security personnel had killed some Muslims in their homes. Air Marshal **Paul Dike**, Chief of Defence Staff, set up another committee to review the role played by the military and other security agents. A fifth committee was announced by the Plateau State House of Assembly.

Yar'Adua and Jang are on bad terms. The President and First Lady, **Turair Yar'Adua**, stayed clear of the Governor when they visited the state after the riots; Jang accused them of trying to undermine him and at the end of December announced his intention to swear in the official winners of the disputed polls. Yar'Adua said Jang should shelve the idea. Jang went ahead on 21 January when, with no announcement and amid tight security, he swore in 17 local government chairmen.

Jang is said to have told associates that he would not let Yar'Adua 'toy' with him as ex-President **Olusegun Obasanjo** had with his predecessor, **Joshua Dariye**. On top of this extra trouble, the President – who has differences of other kinds with several state governors – must also worry about a faltering economy, slumping government revenue, a plunging currency, restless citizens and a pack of old dogs sniffing around for his seat. ●

Shotgun wedding

President Kabila's improbable deal with Rwanda could unravel and further weaken his authority in Kinshasa

Kinshasa's sudden embrace of Kigali may cause as many problems as it solves. President **Paul Kagame**'s troops have been spearheading joint operations against the Hutu militiamen of the **Forces Démocratique pour la Libération du Rwanda** (FDLR) in eastern Congo and late last month, they arrested Tutsi rebel leader **Laurent Nkunda** in western Rwanda. In the short term, Rwanda's return to eastern Congo weakens President **Joseph Kabila**'s position in Kinshasa, where the chorus of opposition is growing (AC Vol 50 Nos 1 & 2).

Kabila says the Rwandan troops have until the end of February to complete their roundup of the FDLR fighters. That's an impossible timetable and both sides know it. The FDLR have sold their livestock and sent their wives and children back to Rwanda. They're digging in for a long fight and hope to draw the Rwandan troops deep into Congo-Kinshasa.

Nkunda is living relatively comfortably under house arrest and there seems little possibility of his being returned to Congo, at least alive. In December 2006, Gen. **John Numbi**, a trusted advisor of Kabila's from his home province of Katanga and a former Air Force chief, proposed a deal that would integrate entire battalions of Nkunda's *Congrès National pour la Défense du Peuple* (CNDP) into the national army, the *Forces Armées de la République Démocratique du Congo* (FARDC).

Numbi dismissed the idea of dismantling all rebel units and scattering their soldiers among FARDC units. So Nkunda kept control of his loyal battalions which, once beefed up with FARDC equipment, broke ranks and resumed fighting. He then launched offensives in the Kivu provinces, ostensibly in defence of his fellow Congolese Tutsi and against the FDLR fighters and their allies. In fact, Nkunda's operations killed thousands of civilians and had displaced over a million people by late November.

In December, United Nations' investigators showed that the Rwandan government and its business allies had supported the CNDP's recruitment and finances. Accordingly, Kigali faced growing pressure from Western governments. It could live with symbolic cuts in budget support from **Sweden** and the **Netherlands** but hoped to avoid disapproval from the European Union or the biggest donor of all, **Britain**.

So an agreement was hammered out between emissaries of Kabila and Kagame. Rwanda would engineer a split within the CNDP, replacing Nkunda with his Chief of Staff, **Bosco Ntaganda** (aka 'Terminator') and wanted by the International Criminal Court. Kinshasa would allow Rwandan troops into Congo, to deal with the FDLR and so remove the excuse for future Rwandan incursions. Nkunda would be arrested and perhaps handed over to face charges in Congo.

As joint operations among CNDP, FARDC and the Rwanda Defence Force progressed, parts of the CNDP would be reintegrated into the FARDC and another non-state armed group would disappear. The bargain looks neat and pleases a UN Security Council which is eager to declare Congo 'solved' and get out.

The deal may not resolve eastern Congo's instability. The rogue militias could split into smaller, even more elusive factions. Moreover, it doesn't begin to address two fundamental problems: the weakness and corruption of Congo's armed forces and the record of bad government in the area that has led to a bankrupt economy. At the heart of the joint operation committee with Rwanda sits Numbi, who negotiated the previous failed deal with Nkunda's forces.

THE TERMINATOR TAKES OVER

Human rights defenders rail against the legitimacy the deal accords Ntaganda. He was spotted late last year directing operations at the North Kivu town of Kiwanja: more than 100 civilians were massacred and the CNDP is blamed. International diplomats were invited to a ceremony for CNDP soldiers being reintegrated into the FARDC but stayed away when Ntaganda showed up at the Rumangabo camp, despite the presence of top Congolese and Rwandan officers.

Ntaganda has had personal assurances from Kinshasa and is backed by Rwandan army chief **James Kaberebe**; the CNDP commanders he has brought with him include Colonel **Sultan Makenga**, now CNDP deputy head, and Col. **Innocent Gahizi**, a CNDP logistics officer. UN investigators say Gahizi worked for **Tribert Rujugiro Ayabatwa**, one of Rwanda's richest men, a financial advisor to Kagame's government who faces extradition hearings in London on a **South African** warrant over tax fraud.

The Congo-Rwanda alliance claims to have killed 15 FDLR fighters in North Kivu, including a senior commander, Col. **Kabuyoya Gatsarasi**. UN officials say that about 150 FDLR fighters asked to return formally to Rwanda (with security guarantees) and that a further 2,000 Hutu fighters in Sud-Kivu are also requesting free passage to Rwanda.

However, the FDLR command post at Kibua has melted back into the bush, with the danger that its frustrated troops may increase their attacks on civilians. There may also be a new scramble by underpaid soldiers for control of the tin, coltan and gold mines that the FDLR troops leave behind. Some say the sharing of the spoils has already been agreed, with a higher take for traders in Rwanda, while the FARDC end up controlling or taxing the mining sites. CNDP sources claim that Rwanda is planning large operations in South Kivu, where the FARDC-FDLR control most mineral resources.

Before Nkunda's October offensives, a clique around Kabila tried and failed to push him into discussions with the rebel general. They lost out to hardline advisors led by **Marcelin Tshisambo**, who are now pushing against the alliance with Kigali. A key member of the clique, National Assembly President **Vital Kamerhe**, has his political base in South Kivu and fears that the return of Rwandan troops would prove destabilising.

With Congo and Rwanda working together, the head of the UN's *Mission des Nations Unies en République Démocratique du Congo* (Monuc), **Alan Doss**, has lost the leverage that UN investigators gave him last year. Kabila and Numbi plan to integrate CNDP soldiers into the FARDC during the joint operations. Yet this looks unrealistic, given the FARDC's disastrous management of salaries and the lack of international support.

For Kabila and his government, the joint operations raise many questions: he will lose face and political clout if they do not succeed in seriously damaging the FDLR and dismantling the CNDP. Kabila's leadership is not secure and his popularity has nose-dived as his promises of better public services fail to materialise. Late last year, Kinshasa diplomats heard of a bid to remove him; a senior European diplomat advocated his removal in front of Monuc officials.

The terms of the deal with the CNDP are unclear. Ntaganda and his allies will get a cash reward but nothing has been said about jobs, amnesty or security guarantees. Until the CNDP and its backers are satisfied, it will not be integrated into the FARDC. There is discontent, too, within the CNDP; Makenga, its deputy head, is not happy about Nkunda's arrest or about the deal that Ntaganda negotiated. ●

Power-sharing for bankrupt beginners

Opposition leader Morgan Tsvangirai won 2008's elections then walked naked into the negotiating chamber with President Mugabe's ruling clique. On 30 January, under pressure from South Africa and Angola, he persuaded his colleagues in the MDC to accept a power-sharing deal, although many party and civil society activists remain sceptical. They say it reverses the harlot's prerogative: Tsvangirai will have responsibility without power.

AN ALLIANCE OF ENEMIES

Zimbabwe's new government of national unity is due to be sworn in on 11 February, after more than four months of sporadic negotiation since the original power-sharing deal was agreed in

mid-September. That deal proposed making the Movement for Democratic Change's **Morgan Tsvangirai** prime minister with strictly limited powers while Mugabe kept the presidency with its key executive powers and control of the security forces.

Though slightly amended, the final deal still falls far short of what Tsvangirai and his party wanted. Tsvangirai's MDC critics, including Secretary General **Tendai Biti**, think he has settled for too little. As Premier, he will share responsibility for the economic chaos without the authority to change policy for the better, especially when reforms cut into the privileges of Mugabe's clique (AC Vol 49 No 24 & Vol 50 No 1).

MDC dissidents argue that, within the Southern African Development Community, **Botswana's Ian Khama**, **Tanzania's Jakaya Kikwete** and **Zambia's Rupiah Banda** pressed for more concessions. The dissidents were enraged when **South African President Kgalema Motlanthe** announced a unanimous SADC decision in favour of a power-sharing deal that does not share power over any state security organisations.

More hopeful MDC voices say that in government, the momentum will swing their way. Some want more independent technocrats. They foresee an 18-month, transitional arrangement, producing a new constitution and independent electoral commission, then elections where the opposition would romp home. Yet the national unity government has no agreed time-limit. It could last for over four years, while the police, intelligence and armed forces stay under Mugabe-loyalists.

Tsvangirai's small consolation is that the deal has also split Mugabe's Zimbabwe African National Union-Patriotic Front. Its ambitious succession candidates, Vice-President **Joyce Mujuru** and ex-security chief **Emmerson Mnangagwa**, are furious that 85-year-old Mugabe has a new lease of life. 'With Tsvangirai's help, Mugabe could emerge as a freshly laundered dictator,' said a former party activist.

The MDC gets the Finance, Local Government, Education, Agriculture and Health ministries and shares Home Affairs. ZANU-PF keeps the rest, including Defence, Foreign Affairs, Lands, State Security, Higher Education and Mining. This is unlikely to trigger the hundreds of millions of foreign dollars needed to resurrect the economy. Along with most of the SADC, **Russia** and **China** have endorsed the deal (but will not offer much money). Like the International Monetary Fund and World Bank, most Western countries distrust a bargain that leaves Mugabe as President and his securocrats in place, alongside Reserve Bank Governor **Gideon Gono**.

Tsvangirai has so far done little to convince Western governments that the

HARARE'S NEW RULE BOOK

Under the terms of the 'Global Political Agreement' the power-sharing government will be made up as follows: the Zimbabwe African National Union-Patriotic Front will have 16 ministers, the Movement for Democratic Change-**Morgan Tsvangirai** faction, twelve, and MDC-**Arthur Mutambara**, three. Power is to be distributed in this way:

The President:

- chairs the cabinet and exercises executive authority;
- chairs the National Security Council, comprising security force chiefs;
- allocates ministerial portfolios after consultation with the vice-presidents, prime minister and deputy prime ministers;
- may dissolve parliament, after consulting the prime minister.

The Prime Minister:

- chairs the Council of Ministers and is deputy chairman of the cabinet;
- oversees the cabinet's formulation of government policies;
- ensures that ministers implement policies;
- ensures the legislation necessary for government;
- is a member of the National Security Council;
- exercises executive authority;
- is assisted in the above tasks by the deputy prime ministers;
- must report regularly to President and Parliament.

Monitoring body: A Joint Monitoring and Implementation Committee (Jomic) will be established with representatives of the three signatories. The MDC alleges that sections on power-sharing were altered on the eve of signing to dilute Tsvangirai's powers. **Patrick Chinamasa**, chief negotiator for ZANU-PF, attributed the changes to 'typographical errors'. The MDC claims the original power-sharing document made provisions for the President and Prime Minister to implement policy 'after agreement' and not 'in consultation', as stated in the signed document.

The agreement states: 'The President and Prime Minister will agree on the allocation of ministries.' Mugabe has already allocated key ministries to ZANU-PF, though. He has also appointed a new Attorney General and has refused to rescind the second term he recently awarded to Reserve Bank Governor **Gideon Gono**. Mugabe has reappointed ZANU-PF members as provincial governors, even in those provinces which the MDC won in the March 2008 elections.

Important concomitant agreements include the provision that both Mugabe and Tsvangirai are needed to dissolve Parliament; a new land audit, with **Britain** urged to compensate white farmers; and a demand to end **United States**/European Union sanctions and calls for Mugabe to go. Others include: allowing a free press, ending state-sponsored and other political violence, and freedom of political association. ●

agreement reflects the majority's will. He entered the unity government without guarantees or even offers of international support. European Union and **United States'** sanctions on Mugabe and his allies will continue for another year, although some short-term funds might arrive from the African Development Bank or World Bank.

Zimbabwe's inflation figure is followed by impossible numbers of noughts. Cholera has killed over 3,000 people and infected 60,000 since August. Unemployment is above 90%. The United Nations World Food Programme says seven million of Zimbabwe's twelve million people urgently need food aid.

Tsvangirai's negotiating efforts initially had the backing of **Australia, Britain, Canada, USA, Japan, Germany, France, Sweden, Netherlands and Norway.** He now needs to convince sceptical donors that he has oversight of the government and its spending and can initiate key reforms.

Mugabe's dominance will largely confine external support to emergency food and medical aid, certainly not the hundreds of millions of dollars needed to stabilise the economy. Western governments may even get tougher. European sanctions against Mugabe's business cronies were tightened last week and President **Barack Obama** may harden US policy. He has already spoken to President Motlanthe about the urgency of stabilising Zimbabwe's politics and economics.

KILLING THE DOLLAR

Neither the latest budget nor monetary policy have dared to declare the Zimbabwe dollar dead. Removing zeroes and issuing new notes will not inspire sellers of anything, labour included, to accept local currency. The government might allow foreign currency to take over, although not enough is moving in and out of Zimbabwe. The hope of restoring exports hits the reality of fading world demand. The official exchange rate pretends that 20 reissued dollars equal one US dollar but few will accept Zimbabwe dollars at that rate. So the price of goods sold in Zim dollars will continue soaring. Prices of goods sold for US dollars are almost stable and competition should bring down consumer goods' inflation close to the modest rate in South Africa, whence most goods come. Since Zimbabwe is desperately short of skilled people, the price of services could take longer to settle.

Mugabe has more or less farmed out economic policy-making to Gono (see Box) who has declared the whole country an Export Processing Zone, implying that every incentive will be given to present or potential producers. Yet many laws undermine investor confidence. One big test is business licences. So far, market forces are encouraged only in areas of direct government intervention. As Mugabe shifts from central planning towards free markets, he might move gradually into the background, transferring his functions to MDC ministers without showdown. If he insists on exercising full authority, there will be little help for Zimbabwe.

Tsvangirai must heed MDC divisions. The deal's critics largely come from the MDC's bedrock provinces of Matebeleland and Midlands, where Mugabe's slaughter in the 1980s is well remembered. MDC-supporters from Harare, Mutare, Masvingo and other Mashonaland provinces were frustrated by Tsvangirai's failure to reach a deal and were delighted when the MDC National

HIGH STAKES IN THE GONOPOLY GAME

Basking in President **Robert Mugabe's** approbation, Reserve Bank of Zimbabwe Governor **Gideon Gono** has shrugged off opposition calls for his dismissal for incompetence and corruption and looks forward to a future running economic policy alongside the opposition Movement for Democratic Change. The MDC gets the Finance portfolio in the new power-sharing arrangement.

Perhaps sensing a change of tone was in order, Gono in his latest biannual monetary policy statement on 2 February was less flamboyant than usual: no live broadcasts and no dramatic moral lectures to Zimbabwe's shrinking coterie of legitimate business people. He offered a few sops to tradition, such as the ritual of liquidating twelve noughts from the currency's nominal value and the introduction of new notes (Zimbabwe\$1 now replaces the Z\$1 trillion note). He congratulated himself on taking corrective measures against the global downturn, well before other financial officials.

The US dollarisation of the economy is effectively accepted. Operators in almost every economic sector, on payment of an annual licence fee in US dollars, can sell goods and services for foreign exchange; even hawkers are allowed to hold US\$25. In the case of utilities (electricity, water, telephones) and local authority rates, forex payment is mandatory except for the poorest people.

All retailers must display prices in both forex and Zim dollars; the latter at a rate set periodically by the Reserve Bank based on the market inter-bank exchange rate, starting on 2 Feb at US\$1 to Z\$20. Presumably a retailer cannot refuse to take Zim dollars, which will preserve a niche for the currency and be a means of capping exchange rate fluctuations. This looks unlikely to be acceptable to retailers. To generate the necessary US-dollar liquidity, employees can be paid in forex without prior exchange control approval, provided it is done through the banking system. This will require hundreds of thousands of foreign currency denominated accounts (FCDAs) to be opened and the issuing of credit cards and cheque books.

Wholesalers and retailers are to be encouraged to issue US-dollar denominated vouchers, which could be traded in a similar way to the tradable fuel coupons. These vouchers are meant to address the insufficient US dollar bills in the country. Public sector wages will still be paid in Zim dollars but allowances equivalent to US\$100 will be made in voucher form. In the short term, these initiatives may help the liquidity problem but eventually people must be confident that what says it is worth a US dollar is in fact worth exactly that. Otherwise, the US-dollar vouchers will soon be just as worthless as the old Zim dollars.

Gono has ordered the ending of most restrictions on the control, use and movement of forex. The immediate aim is to encourage forex holders to remit and maintain their balances within Zimbabwe's economy. That confidence may take time to restore, given the historic propensity to raid funds in times of need. A recent example is the \$30 million raid on the platinum mines' foreign currency accounts late last year, which has been followed by a cutback in development expansion of the former major growth export. ●

Council endorsed his decision to join a coalition. Tsvangirai has dropped Secretary General Biti, who led the MDC negotiating team, from the joint monitoring committee that is to oversee power-sharing with co-chairmen from the three parties.

ZANU-PF's representatives would be **Nicholas Goche** (Co-chairman), **Patrick Chinamasa**, Mnangagwa and **Oppah Muchinguri**. The MDC Co-chairman is **Elton Mangoma**, who worked with Biti during the talks, plus **Elias Mudzuri**, **Tabita Khumalo** and **Innocent Chagonda**. Arthur Mutambara's MDC faction has **Welshman Ncube** (Co-chair), **Frank Chamunorwa**, **Edward Mkhosi** and **Priscilla Misihairabwi-Mushonga**.

Acting Finance Minister Chinamasa consulted the MDC about the budget, bringing some changes, mostly towards market reform. The opposition, which wants Gono sacked, is unlikely to back his monetary policy statement. The Zimbabwe Congress of Trade Unions opposes the coalition deal, dismissing Tsvangirai as 'simply an administrator' in Mugabe's government. Most civil society activists see this as an elite pact between Tsvangirai and Mugabe, which does nothing to promote accountability or economic revival.

MDC dissidents, trades unionists and civic activists are talking of forming an alliance to press for substantive change. If the coalition fails to deliver, MDC leaders could find many former comrades lining up against them. ●

Copper slide

Three months after his tiny election win, President Banda finds his country running out of money and jobs

The slide in the world price of Zambia's main export, copper, from US\$8,000 to \$4,000 a tonne over the past year casts a shadow over economic and political prospects (AC Vol 49 No 23 & Vol 50 No 1). Falling state revenue will make governing even tougher for President **Rupiah Banda**, who won October's election by just over 25,000 votes and presides over the fractious Movement for Multiparty Democracy.

New Finance Minister **Situmbeko Musokotwane** reinforced the message with a projection that growth in gross domestic product would fall to 5% this year, after 5.8% in 2008 and 6.2% in 2007. Even this could prove optimistic: some independent forecasters suggest that growth in mineral and oil exporting countries in southern Africa could halve this year as global demand plummets.

Government revenues will be sharply down as well in 2009, although Musokotwane is trying to maintain support for social programmes: of the 15.3 billion kwacha (\$3 million) earmarked for state spending this year, he has allocated 17.2% to education, 11.9% to health and 9.9% to transport.

Enter the mining companies, such as **Canada's** First Quantum, **India's** Vedanta Resources and **Switzerland's** controversial Glencore International, which have successfully lobbied Musokotwane to abolish a windfall tax introduced last year. Musokotwane's predecessor, **Ng'Andu Magande**, raised the tax rate on mining companies last April to 47% from 31% at the height of a global copper boom fuelled by demand from India and **China**.

Before the move, mining houses in Zambia paid some of the lowest tax and royalty rates in the world. Since then, the global financial slowdown has cut demand, leading some mining houses to threaten to close their operations, causing mass unemployment in the politically sensitive Copperbelt. The companies' minimum demand was the abolition of the windfall tax on profits, although Musokotwane is keeping a variable tax rate on profits.

Until now, much of this debate has been academic, as most of the mining houses found ways to set their tax obligations from currently profitable mining operations against the investment costs of starting up new operations. They thus paid far less tax than the government had projected. For example, Musokotwane

reported that tax revenue from the mining companies in 2008 was under ZK319.5 bn. (\$65 million). That is just over one-third of the government's target of ZK917.3 bn. (US\$178 mn.).

Now that the companies face a protracted period of lower demand, they are suspending their expansion plans and so will be liable to pay more tax on ongoing mining operations. The government points out that the price has not yet touched its historic low. Yet investment is slowing down, one mine has already closed, jobs have been lost and more are likely to go.

That would be easier to deal with if Banda, 71, had more political credibility at home. In the 30 October election, triggered by the death of President **Levy Mwanawasa** (AC Vol 49 Nos 17 & 18), he lost in five of the nine provinces, including the crucial ones of Lusaka, the capital, and the Copperbelt mining towns. The undisputed leader of urban Zambia is **Michael Sata**, populist leader of the Patriotic Front (PF). He lost the presidency narrowly and at the last minute, having been in the lead all along.

SATA STILL SMARTING

Still smarting, Sata has heaped criticism on the new government. The third-placed contender for the presidency, **Hakainde Hichilema** of the United Party for National Development (UPND), keeps up the pressure with sharp remarks about initiatives (or the lack of them) to counter the economic downturn. He has considerable business experience and what he says carries weight. Without much evidence, the PF puts its defeat down to electoral fraud. When some PF hot heads started a rumpus in the mining town of Kitwe, it was clumsily handled and Banda was forced to replace his Inspector-General of Police, **Ephraim Mateyo**, in November.

There is plenty more to complain about. On top of job losses in the mines and other vulnerable industries come rising prices for food, especially the staple, maize meal; its price climbed steadily throughout the campaign period to more than ZK50,000 for a 25 kilogramme bag, crippling for the urban poor.

The PF threatened countrywide protests and found its people ready to join in. Ultimately, the party was prevailed upon not to take to the streets but to open a dialogue with the government. The opposition is not letting up, though.

December's abrupt closure of the Luanshya copper mine (jointly owned by International Mineral Resources and the Bein Stein Group) left more than 1,500 miners without jobs, in a town entirely built around the mine; jobs in associated businesses went, too. The President visited Luanshya to meet management and trades unions but the mine stayed shut. Throughout the Copperbelt there is insecurity and a sense of resignation to the inevitable. By a series of subsidies and imports of 100 tonnes of maize, the government has largely halted the upward price spiral. Yet like all previous governments, it is concerned primarily with consumption, not production. The reprieve could be temporary.

As in some larger countries, nationalisation has re-entered the national lexicon. The authorities play it down and prefer to talk about diversification of the economy, a goal as old as Zambia which has still to be achieved. Every time the copper price slumps, diversification becomes the watchword but as copper revives, things carry on as before. The idea now is for the government to work with the mining companies to limit job losses and encourage new investment.

Tackling the price and supply of the staple food, maize meal, is top priority for the new Agriculture Minister **Brian Chituwo**. He announced that Zambia would import non-genetically modified white maize and that the government would release some stocks of maize for sellers to millers from its strategic reserve. The maize price is a critical barometer of well-being in Zambia.

The new push for diversification will include irrigation, to bring into use more of Zambia's potentially fertile land. The Citizens Economic Empowerment Fund will be expanded to provide start-up capital for small- and medium-size enterprises. Some jobs may be generated in Multi-Facility Economic Zones in Lusaka and the Copperbelt, for export processing in conjunction with China.

The Copperbelt Zone is almost up and running. The ground-breaking ceremony for the Lusaka Zone took place in January, with a visit by a high-powered Chinese delegation led by Commerce Minister **Chen Deming**. Yet the zones will thrive only when there is international demand for their products. Tourism infrastructure is to be improved but that too is subject to the economic slowdown.

For the economy to diversify away from dependence on copper, there must be massive investment in power generation. Shortages have arisen, mainly because of the huge recent investment in mining; electricity supplies are rationed and substantial new capacity is not due until about 2015. That is too long to wait for Zambia's frustrated entrepreneurs. ●

Politics curdles for the Yoghurt King

Antananarivo's Mayor challenges the business-friendly President

By proclaiming himself the new national leader at a 31 January rally in Antananarivo, the capital's Mayor, **Andry Rajoelina**, triggered a crisis. 'He's young and he listens to us,' said a demonstrator. Clashes have cost over 100 lives. Rajoelina's nickname is '**Andry TGV**', after **France's** high-speed train. Some predicted that, in a country that sees itself as constitutionally minded, he would rapidly hit the political buffers. President **Marc Ravalomanana** ridicules Rajoelina's claims: 'We have 1,547 mayors in Madagascar; imagine if they all proclaimed themselves President.'

On 3 February, he ordered Rajoelina to be sacked. It looked as though the Mayor had overplayed his hand. Back in 2002, Ravalomanana, then also Mayor of 'Tana', mobilised a peaceful campaign to depose veteran President **Didier Ratsiraka**, the 'Red Admiral'. The difference is Ravalomanana's claim, endorsed later by other African governments, to have won the decisive 50% in the first round of December 2001's presidential election.

The recent protest focused on living conditions and Ravalomanana's high-handed style. The government shut down Rajoelina's Viva TV in December after an interview with the exiled Ratsiraka. Rajoelina says the President breached the constitution by controlling institutions and constraining criticism. He has adopted the orange colours of **Ukrainian** and **Kenyan** campaigners for reform.

Rajoelina wants Parliament to impeach Ravalomanana; this will succeed only if loyalty collapses within the presidential party, *Tiako-i-Madagasikara* (TIM), which dominates the Senate and holds almost all National Assembly seats (AC Vol 50 No 1). Yet it is an ideology-free machine, less than a decade old and run largely by former executives of Ravalomanana's Tiko Group, the largest local private business.

The President's alliances with rural chiefs are shallow. Before the 2007 polls, many parliamentarians defected, so he forced them out by redrawing boundaries and slashing seats from 160 to 127. This catalysed Rajoelina's shock mayoral win in December 2007: he crushed the TIM candidate in the presidential power-base.

Ravalomanana has lost touch, sidelining potential allies such as respected former Prime Minister **Norbert Ratsirahonana**. TIM's sweeping 2007 gains masked dismally low turnouts

and owed much to opposition splits. But Ravalomanana has replaced the six autonomous provinces and their indirectly elected governors with 22 smaller regions whose elected councils are only consultative; power lies with centrally appointed regional leaders.

Western diplomats enthuse about Ravalomanana's managerial decision-making and economic reforms. Only the European Commission asks questions about his authoritarian tone. His keenness to befriend Anglophone countries – joining the Southern African Development Community in 2005 – pleased the **United States** and **Britain**. **France**, fearing loss of influence, seeks his goodwill and last year withdrew the nomination of a new Ambassador with whom he was unhappy.

Western aid has shored up corporate interests. Foreign investors joined the earlier resources rush. Led by ExxonMobil and Sterling Energy, US and British oil companies explore offshore while Total, with help from French President **Nicolas Sarkozy**, bought into the Bemolanga oil-sands project onshore.

Canada's Sherritt International, **Japan's** Sumitomo and **Korea's** Resources are developing the US\$3 billion Ambatovy nickel and cobalt mine. Despite environmental concerns, production has begun at Rio Tinto's ilmenite project at

Taolagnaro. Daewoo Logistics amazed many by seeking to lease half the country's farmland to grow food for South Korea. Madagascar is not self-sufficient even in its staple, rice. But Daewoo quickly abandoned the deal, fearing accusations of economic colonialism. Huge foreign land deals are a growing phenomenon in Africa (AC Vol 50 No 2).

Mauritian and French investors have developed a dynamic textile sector, with tax breaks for export processing, that employs over 100,000 people. Yet the economy was hard hit by last year's global fuel and food price surges, and the world slump, while lowering energy costs, has cut demand for textile exports. Economic woes nourish political discontents.

The President has used the legal system to sideline rivals. In 2003, the courts banned Ratsiraka's allies. Then, in 2006, the authorities persuaded the courts to prevent **Pierrot Rajaonarivelo**, leader of Ratsiraka's *Association pour la Renaissance de Madagascar* (Arema) from returning from exile to enter the presidential race. **Roland Ratsiraka**, the Admiral's nephew and Mayor of Toamasina, was imprisoned for alleged corruption in refuse collection. The case fell apart but prevented his re-election to lead the island's second city.

Ravalomanana, unnerved by an eccentric solo coup attempt by retired General **Andrianafidisoa** ('Fidy'), has developed a siege mentality. Rajoelina ran on a purely municipal agenda and avoided national affairs until the government tried to undermine him. He may link up with regional opposition barons such as Ratsiraka or **Jean Lahiniriko**. The next battle will be in Tana. If Ravalomanana continues to lose support there, his presidency looks doomed. ●

WHO'S WHO IN THE STANDOFF

- **Marc Ravalomanana**, 'the Yoghurt King', built his Tiko business group from a hawker's cart into the country's biggest home-grown company (AC Vol 46 No 20). In 1999, he captured Antananarivo Town Hall, the launch-pad for his 2001-02 bid for the presidency. A highland Merina and a senior figure in the Protestant Church of Jesus Christ in Madagascar, he has more support from rural chiefs than from the coastal populations.
- **Andry Rajoelina** ('**Andry TGV**', for '*train à grande vitesse*', high-speed train) is 34, a professional disc jockey, printing entrepreneur and owner of the Viva TV and radio station. He was elected Mayor of Tana in December 2007, as head of the *Tanora Malagasy Vonona* ('Young Determined Malagasy') movement, with 63.2% of the vote.
- **Roland Ratsiraka**, nephew of ex-President **Didier Ratsiraka**, was a popular Mayor of the port city of Toamasina, his family's base. He created his own party, *Malagasy Tonga Saina*. Driven from the mayoralty by judicial action in 2007, he at first denied having political ambitions but has recently hinted at a comeback.
- **Jean Lahiniriko**, Speaker of the National Assembly, was forced out after expressing sympathy for Iran's nuclear programme. He came second in the 2006 presidential race. He founded the *Parti Socialiste et Démocratique pour l'Union à Madagascar* (PSDUM) with strong regional support in Toliara, in the south-west, and is Treasurer of the Lutheran Church. He may return to politics, perhaps in alliance with Ratsiraka.
- Archbishop **Odon Marie Arsène Razanakolona**, Catholic primate, has angered Ravalomanana by his commitment to political neutrality. His predecessor, Cardinal **Armand Gaétan Razafindratandra**, strongly supported the President. ●

Lining up the Mills team

The economy is the new President's first concern but politics drives many of his appointments

Three weeks after being sworn in as President in succession to **John Agyekum Kufuor**, Professor **John Evans Atta Mills** has completed his cabinet line-up and set about formulating an economic blueprint which he hopes will last throughout his four-year term. Mills won by just 40,000 of some 9 million votes cast. Yet, despite concern about the influence of ex-President **Jerry John Rawlings**, founder of the governing National Democratic Congress (NDC), the new President's appointments suggest a firm grip on the economy and the desire to manage the government's day-to-day business. Confirmation of the appointments depends on parliamentary scrutiny, starting on 6 February.

The new government's first priorities are to stabilise the falling currency, the cedi, cut the ballooning fiscal and current account deficits and curb inflation. Last week, Atta Mills took his economic team – Finance Minister **Kwabena Duffuor**,

formerly Central Bank of Ghana Governor, and Trade and Industry Minister **Hanna S. Tetteh** – along with top civil servants to a retreat at Akosombo. Tetteh promises a new urgency in a hitherto underperforming ministry and says she will review the interim Economic Partnership Agreement with the European Union. She is seeking ways to protect vulnerable local industries, particularly in processed food and beverages, a field in which she specialised as a lawyer. Many rice, poultry and also textile businesses have collapsed in the face of cheap imports from **China** and **Thailand** and subsidised imports from the EU.

BEYOND ITS MEANS OR BROKE Tetteh and Duffuor differ on their diagnosis. After a warning from the World Bank on 3 January (AC Vol 50 No 2), Tetteh described the economy as broke. Amid the uncertainties of the election campaign that began on 7 December, the

currency lost almost a third of its value (AC Vol 49 No 25). The NDC was advised that political uncertainty and the lack of a nominee to the Finance portfolio were undermining the confidence of foreign and local investors. After a two-month run, the cedi seemed to have stabilised at 1.40 to the US dollar at the end of January.

Duffuor says that Ghana is merely 'living beyond its means'. He was Governor of the Bank of Ghana (BOG) when the economy went into free-fall in the dying days of the last NDC government in 1999–2000. The incoming National Patriotic Party (NPP) government then sacked him when inflation was over 40% and interest rates above 45%. He had already noted the need for higher productivity in the public sector and increased food production. In 2008, the value of imports outstripped the value of exports by two to one and the balance of payments deficit was equal to 10% of gross domestic product.

Some NDC cadres have quietly complained about Duffuor, a leading member of the Convention People's Party, getting the top job at Finance. Some allege that he contributed generously to Mills's campaign. Members of his CPP seem to have given the nod to his promotion.

There is talk of a conflict of interest, as well. Duffuor is chairman of a bank and an insurance company; it has been alleged that he used his position as Governor of the Central Bank to start his own and promptly raised the capital requirement to deter would-be competitors. His nomination also appears to contradict the NDC's campaign promise of change, although there are newer, younger faces, too.

Mills may resort to backroom advisors to accommodate his party's different tendencies. Kufuor pardoned several top officials convicted of various crimes, including **Tsatsu Tsikata**, former Chief Executive of the Ghana National Petroleum Corporation, who had been sentenced to five years in gaol for wilfully causing financial loss to the state. Tsikata has angrily rejected the pardon and is fighting to clear his name in the courts. He is now tipped to become 'energy czar', overseeing the work of the Energy Ministry under the technocrat **Joe Oteng-Adjei** and preparing for commercial oil production from 2010.

The economic consultant **Nii Moi Thompson**, a vociferous member of the CPP in the run-up to the December elections and a member of the economy subcommittee of the NDC transition team, may be rewarded with a place on the board of a public corporation. On 28 January, Mills dissolved the boards of all government organisations and parastatals, so he can take full advantage of the patronage invested in the executive

IS RAWLINGS THE BACK-SEAT DRIVER?

The doings and sayings of former President **Jerry John Rawlings** always fascinate the opposition New Patriotic Party (NPP) as well as journalists. Rawlings likes nothing better than to rattle their collective cages using his 'boom' speeches – recently by demanding the sacking of senior military and security officials – to attack abuse by business elements to whom he objects.

President **John Evans Atta Mills** tactfully tries to distance himself from Rawlings' excesses and from his dodgier friends. Yet it is hard to keep a good distance because of his sway in the National Democratic Congress that he founded and because he wins working-class votes, even as he scares more stolid middle-class voters.

So the media portray Mills as a Rawlings poodle. In a radio interview on 26 January, Rawlings called for the sacking of security chiefs whom he described as loyal to ex-President **John Agyekum Kufuor**'s NPP: the Chief of Defence Staff, Lieutenant General **Joseph Boateng Danquah** and the Inspector General of Police, **Patrick Kwarteng Acheampong**. Next day, Mills sacked them both, so case proven. Not quite.

Six months ago, John Atta Mills told *Africa Confidential* in Accra that he had grave concerns about Acheampong's management of the police and its failure to act against drug trafficking. Mills gave a clear indication that, if elected, he would sack Acheampong. Since his election victory (AC Vol 50 No 1), he has replaced Acheampong with his deputy, **Elizabeth Mills-Robertson**, while Danquah is succeeded by the Chief of Naval Staff, Rear Admiral **Arthur Riby Sampa Nuno**, previously a Kufuor-appointee. Rawlings will be pleased that Lt. Gen. (Retired) **J.H. Smith** has been nominated to run the Ministry of Defence. **Hanny Sherry Ayitsey**, a close confidante of one-time First Lady **Nana Konadu Agyeman Rawlings**, has been rewarded with the Environment and Science Ministry.

Others of Rawlings' close colleagues are yet to win preferment. Mills seems to have sidelined the former Deputy Defence Minister **Tony Aidoo**, former Youth and Sports Minister **Enoch Tei ('ET') Mensah** and **Ekwow Spio-Garbrah**, who held the Communications and Education portfolios and was Ambassador to the **United States**. **Benjamin Kumbuor**, a member of Rawlings's personal legal team, has also been overlooked. He lost his parliamentary seat to **Ambrose Dery**, the outgoing NPP's Deputy Justice Minister and Deputy Attorney General. ●

under the 1992 constitution. Appointing new boards will take several months and cause difficulties for the private sector. For example, the state-owned Agricultural Development Bank cannot lend more than GhC100,000 without board approval, leaving some larger businesses stranded and intensifying the economic downturn.

One of Atta Mills's election promises was to award 40% of his appointments to women. He has replaced the widely criticised Inspector General of Police, **Patrick Kwarteng Acheampong**, with his deputy, **Elizabeth Mills-Robertson**, formerly a lawyer and the first woman to hold this post. To tackle the culture of corruption and the suborning of police by foreign drug barons, she will need full presidential backing.

FIRST WOMAN JUDGE, FIRST WOMAN SPEAKER

The new Speaker of Parliament is the former Supreme Court Justice, **Joyce Adeline Bamford-Addo**, who was the first woman to be appointed (by Flight Lieutenant Rawlings) to the Supreme Court. She retired from the bench after being passed over for the top job despite her seniority; the Chief Justice, **Georgina Theodora Wood**, was appointed by John Kufuor.

At 37, the new Minister of Information, **Saba Zita Okai Kwei**, is one of Mills's youngest appointees and looks under-qualified. She stood on the NDC ticket for an Accra parliamentary seat and lost to the man who is now Second Deputy Speaker, Professor **Aaron Mike Oquaye**.

Her lack of a media background could lead to strained relations with the generally pro-NPP press – yet veteran journalist **Elizabeth Akua Ohene** had a rough reception when Kufuor appointed her to head the new Media Relations Ministry in 2001. She had held the top job in the state media, Editor of the *Daily Graphic*, in the late 1970s and held down a demanding job at the BBC for 15 years but local journalists were so hostile that she was eventually reassigned to the Education Ministry and the Media Relations portfolio was scrapped.

Some eyebrows have been raised by the nomination of trades unionist **Mike Hammah** to the Transportation Ministry and that of the economist and former Deputy Finance Minister **Moses Asaga** to Water Resources, Works and Housing. Some residents of the troubled north-eastern town of Bawku, under curfew since December 2007 when there were ethnic clashes between Kusasi and Mamprusi people, object to the nomination of **Cletus Avoka** as Interior Minister-designate, saying he was previously legal counsel to one of the warring factions.

Mills fulfils a popular election pledge by cutting the number of ministries from 27 to 23. He has re-amalgamated the formerly separate portfolios of Aviation, Ports, Harbours and Railways in the Transportation Ministry but kept Roads and Highways on their own, with the Volta Region member of parliament **Joe Gidisu** as Minister-designate. The Roads Ministry was reputedly the source of many kickbacks during Kufuor's

government and is in danger of earning a similar reputation under Mills. Several NDC elder statesmen who held senior ministries under Rawlings expect appointments to suit their political status. They include **P.V. Obeng** (Rawlings's Presidential Advisor on Governmental Affairs), **James Victor Gbeho** (ex-Foreign Affairs), **Kwame Peprah** (ex-Finance and Economic Planning) and Alhaji **Mahama Iddrisu** (ex-Defence).

An influential role is likely for 40-year-old presidential nephew **Kojo Mills**. He is based in Johannesburg, **South Africa**, as Deputy Chief Executive of **Cyril Ramaphosa's Shanduka** ('change' in the Venda language) Group and is a non-executive Director of Investment Solutions, whose parent company is registered in Jersey, Channel Islands. He is a graduate of Georgetown University in Washington, **United States**, and of Harvard Business School and is already a Wall Street veteran. He is believed to have helped his uncle through a medical crisis in 2008, when fellow party leaders such as **Ekwow Spio-Garbrah** raised concerns about his health.

One newspaper report claims that Kojo Mills arranged for South African doctors to treat the President for nasopharyngeal cancer, from which he appears to have made a full recovery after radiation treatment. Yet poor hearing and eyesight can still let him down, as during his swearing-in ceremony on 7 January. Mills seemed unable to hear the Chief Justice or to read his own copy of the oath of office. ●

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South Africa

TOPPING THE CHARTS

■ Supporters of African National Congress President **Jacob Zuma** are disturbed by the grassroots popularity of some of their political opponents, including some residual supporters of sacked President **Thabo Mbeki**.

On 31 January-1 February, a caucus of leading ANC members voted for their choice of candidates on the party list ahead of this year's party and presidential elections, which are run on a proportional representation system. The date of the elections, due between March and July, has not yet been set by South African President **Kgalema Motlanthe**.

The vote was close. Zuma polled 5,868 votes, Motlanthe (who did not even campaign) 5,346. This annoyed Zuma's supporters who see Motlanthe as a beneficiary of Zuma's arraignment on corruption charges. In the unlikely event of legal challenges forcing Zuma to stand down as ANC presidential candidate, Motlanthe is the favourite as replacement. Zuma supporters want to sideline him by appointing him to run a new party policy institute. We hear Zuma has quietly offered to serve one term only, after which Motlanthe could take over.

Finance Minister **Trevor Manuel**, who has criticised the economic policies advocated by Zuma's group, came fourth in the ANC polls, with 4,712 votes. He might be accommodated in a Zuma cabinet; some argue he should become a technocratic deputy president to keep market confidence in the country. But the left wants **Blade Nzimande**, the SA Communist Party's General Secretary, as deputy president; his rival is **Baleka Mbete**, ANC Chairwoman and Deputy President. She took third place with 5,127 votes; Nzimande was ninth with 4,285. The left may concede the deputy presidency to Mbete, if Nzimande heads a proposed 'super-ministry' to control the Treasury and departmental budgets. So if Manuel stayed at Finance in a Zuma government, he would have to report to Nzimande.

Former ANC General Secretary **Cyril Ramaphosa** came 21st, former Gauteng Premier **Tokyo Sexwale**, 28th. Both men will decline nomination. The General Secretary of the Congress of South African Trade Unions, **Zwelinzima Vavi**, who was 24th with 3,083 votes, has also declined and is tipped to head a state-owned company when his term at Cosatu ends. The firebrand **Julius Malema** of the ANC Youth League came 95th and has also declined nomination. Another Zuma-militant, the former head of the National Intelligence

Agency, **Billy Masetlha**, who came 35th, will also decline. Number 20 was former ANC Chief Whip **Tony Yengeni**, convicted of corruption in the controversial arms deal. Number five was the former ANC Women's League President, the perennial **Winnie Madikizela-Mandela**.

Kenya/Britain

SERIOUS FRAUD HUNT

■ Britain's Serious Fraud Office announced on 4 February that it is closing its 'investigation into contracts secured with the Kenyan government by Anglo-Leasing finance and related business'. This coincides with the publication in London of 'It's our turn to eat,' a powerful new biography of Kenya's exiled Anti-corruption Czar, **John Githongo**, by writer and journalist **Michela Wrong**.

SFO investigators raided several offices and private houses in May 2008 (AC Vol 49 15) and have obtained evidence of fraud from **France, Spain and Switzerland**. Yet a successful prosecution of British-based operators in the fraud depended on legal assistance from the Kenyan authorities. This has not been forthcoming.

Githongo's accusations of a cover-up by President **Mwai Kibaki's** government were accepted by the Kenyan Parliament's Public Accounts Committee (PAC) report: 'The Committee finds that there is credible evidence to suggest that Hon. [Kiraitu] **Murungi** gave protection to Anglo-Leasing principals. The Committee further finds that, based on Hon. Murungi's various discussions, the principals behind Anglo-Leasing projects were probably a front for persons within President Kibaki's administration.'

However, the Chairman of the Kenya Anti-Corruption Commission, **Aaron Ringera**, and Attorney General **Amos Wako** advised halting investigations into the Anglo-Leasing contracts on 19 January 2007 and, by refusing to cooperate with the British investigation, have managed to stop those too and blocked the repatriation of stolen funds to Kenya's Treasury. Kibaki reappointed Murungi, who was forced to resign after the PAC report, as Energy Minister last year.

Angola

OIL BALLOT

■ A rapidly deteriorating economy could push President **José Eduardo dos Santos** to delay this year's presidential election until 2010. Oil production cuts, demanded by the Organisation of Petroleum Exporting Countries, combined with oil prices falling from US\$150 to under \$50 a barrel over the past year, have forced the government to revise projections of GDP growth in 2009 down to a still implausible 11.8%.

Last month, the World Bank warned that cuts in government spending and production will mean 'a negative growth

rate for GDP as a whole in 2009.' The Economist Intelligence Unit real GDP forecast says the economy will shrink by 2.3%. Dos Santos had relied on bumper oil earnings and state largesse to yield a massive vote of confidence. The latest plan is to amend the constitution to allow an indirect presidential election via the National Assembly. This would save Angolans the trouble of trooping to the polling stations (AC Vol 50 No 1).

EU/ACP

GHANA'S CHANCE

■ Ghana's Ambassador in Brussels, **Nana Berna Kumi**, is leading in an increasingly hard fought battle there for the post of Secretary General of the African, Caribbean and Pacific Group of countries. It's an important time for the ACP, which has been locked in difficult discussions with the European Union about trade reform, particularly over the controversial Economic Partnership Agreements (EPAs). Ghana's new Trade and Industry Minister, **Hanna S. Tetteh** (see Feature), is committed to negotiating the reform of these new arrangements with the EU.

The term of ACP Secretary General **John Kaputin**, former Foreign Minister of **Papua-New Guinea**, ends on 28 February 2010 and ACP ministers agreed in December that it is West Africa's turn next. Kumi, from an Asante cocoa-planting family, speaks English and French and has degrees in international relations from Aix-Marseille and Paris; she has served in Abuja, Addis Ababa, Copenhagen, Moscow and New York.

The other candidate is the Chairman of the ACP ambassadors' committee, **Kadré Désiré Ouédraogo** of **Burkina Faso**. He headed the *Banque Centrale des Etats de l'Afrique de l'Ouest* and was then Prime Minister in 1996-2000; he then became Ambassador to **Britain** and also speaks English and French.

Ouédraogo's disadvantage would be his holding office in President **Blaise Compaoré's** government, with its record of human right abuses and sponsorship of murderous militias in **Liberia** and **Sierra Leone** (details of which are emerging from the trial of Compaoré's former ally **Charles Taylor** at the Hague). Ouédraogo was Premier at the height of Compaoré's commercial and military involvement in the Liberian and Sierra Leonean wars.

The new ACP Secretary General will have to hold together a group united mainly by postcolonial trade preferences, perpetuated under successive treaties and agreements with the EU. The arrangements have recently fragmented and each ACP region has been negotiating with the EU a tailor-made EPA intended to make trade freer (except, of course, where European farmers might be affected). The Caribbean member-states have already signed up.

KENYA	4	KENYA	5	SIERRA LEONE	6	ECONOMY	8	SOMALIA	10
A mutual security pact		The briefcase tycoon is back		Peace and the looming crisis		Don't shoot the ambulance		SUDAN	
Tales of corruption deepen and coalition partners seem to be protecting each other from the fallout.		The Triton oil saga signals the return of the briefcase tycoon - young, brash and politically protected.		Having promised great change in 2007, President Koroma's results have been less than spectacular.		After a decade of growth, Washington's economists are offering advice again.		12	
								EQ. GUINEA	
								12	
								MALAWI	
								12	
								OBITUARY	
								12	

AFRICA CONFIDENTIAL

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not salute Tsvangirai. They boycotted the ceremony where he was sworn in, alongside his two deputies, **Arthur Mutambara** (leader of the rival MDC-M) and **Thokozani Khupe**. Resignations were vetoed by Mugabe, as they would open vacancies for people acceptable to the coalition partners and risk giving the MDC leverage over security. The boycott offered tacit support for the ZANU faction of retired Gen. **Solomon Mujuru**, which

is barely represented in the inclusive government.

In ZANU-PF, tension grows. Supporters of Mnangagwa, newly appointed Minister of Defence, make up almost half of Mugabe's cabinet appointments: **Joseph Made** (Agriculture), Ignatious Chombo (Local Government), Lt. Colonel (rtd.) Obert Moses Mpofu (Mines), **Webster Shamu** (Information), Patrick Chinamasa (Justice and Legal Affairs), **Simbarashe Mumbengegwi** (Foreign Affairs), **Walter Mzembe** (Tourism), Herbert Murerwa (Lands and Land Resettlement) and **Francis D. Nhema** (Environment). **Saviour Kasukuwere** (Youth Development) and Nicholas Goche (Transport) were allies of Solomon Mujuru but broke ranks to back Mugabe. Sekeramayi, touted as a dark horse to succeed Mugabe by Mujuru's faction, pledged allegiance to Mugabe after the defection of former Finance Minister **Simba Makoni**.

Other cabinet members, such as Kembo Mohadi (co-Home Affairs Minister with MDC-Tsvangirai's **Giles Mutsekwa**) and Stan Mudenge, have worked with Mnangagwa's faction, combining Karanga and Ndebele support from Masvingo, Midlands and Matebeleland provinces.

Tsvangirai now sees ZANU-PF close up and says Mugabe is no longer the main, or the only, problem. To get foreign help, he must downplay Mugabe's influence; for now, Western donors insist they will not provide medium-term aid for any regime in which Mugabe still has influence.

Success in tackling the economy and security will determine the success of Tsvangirai's prime ministership, although he has limited control over both issues. He and his deputy, the more strategically minded **Tendai Biti**, may be able to take advantage of the shift in political momentum towards the MDC, which has the support of many civil servants and professionals, the business class and many outsiders. Tsvangirai will have to be as canny as his opponents and make the occasional short-term compromise to win a longer-term victory. In fact, the MDC remains divided over the merits of the power-sharing deal, which many see as a compromise too far.

Tsvangirai had insisted, for example, that he would not take office until MDC party activists had been released from detention. He was sworn in before they were and visited them in gaol on the following day. One of his right-hand men, party Treasurer and Deputy Agriculture Minister-designate **Roy Bennett**, was arrested hours before the new cabinet was to be sworn in. The ceremony went ahead. **John Makumbe**, a political scientist at the University of Zimbabwe, said a visit to suffering people in Harare had convinced Tsvangirai that he must make the unity government work.

Some say Bennett's arrest is a ploy by Home Affairs Minister Mohadi to keep his co-minister Mutsekwa out of the country. Mutsekwa faces charges similar to those originally aimed at Bennett – attempting to commit terrorism, banditry and sabotage. If he is kept out, ZANU-PF will control Home Affairs, a portfolio that the two major parties haggled over for nearly four months.

Tsvangirai's MDC ministers are a blend of ethnic, tribal, gender, civil society and business representatives. The combative party Secretary General and Finance Minister, Biti, is effectively MDC Deputy President and had deep reservations about the power-sharing arrangement. His immediate problem is how to work with Mugabe's right hand, **Gideon Gono**, the widely distrusted Reserve Bank of Zimbabwe Governor who has been acting like a prime minister. Biti wants an audit of the Reserve Bank, covering a raft of

THE MDC LINE-UP

With control of the Prime Minister's office (**Morgan Tsvangirai**) and Finance Ministry (**Tendai Biti**), the Movement for Democratic Change has been handed the tough issues of food, jobs and land. If his legal obstacles are cleared, **Roy Leslie Bennett**, as Deputy Minister of Agriculture, could help revive farming and give confidence to the white community from which he hails. He would also have a say on the land issue, the official reason why foreign governments have imposed sanctions on **Robert Mugabe's** regime. Moreover, he handles his party's finances.

At the Ministry of Economic Planning and Investment Promotion, **Elton Mangoma** is a key player. He is a chartered accountant and has worked for big corporations, such as Delta, Hunyani and Colgate Palmolive. Mugabe has lost business support (while retaining that of selected business people). Mangoma is close to Tsvangirai and was one of his party's chief negotiators.

The Speaker of Parliament and Party Chairman, **Lovemore Moyo**, controls the Lower House and is a former combatant from Matebeleland, which helps the ethnic balance. He is married to the daughter of **Sithembiso Gile Gladys Nyoni**, former Minister of Small and Medium Enterprises, and is trusted as a founding member of the MDC.

Gorden Moyo, former Director of a non-governmental organisation, Bulawayo Agenda, also represents Matebeleland, especially the young Ndebele academics who talk of reviving the late **Joshua Nkomo's** Zimbabwe African People's Union. As Minister of State in the Prime Minister's office, he becomes Tsvangirai's close advisor.

One big loser is **Eddie Cross**, the MDC policy coordinator, who was strongly tipped for Finance or Economic Planning. Sources say there was strong resistance from the party to his inclusion. He has never run a successful business and was closely linked to the **Ian Smith** regime. There was a feeling that whites would be over-represented with Cross and Bennett in government. Party Vice-President **Thokozani Khupe** is now Deputy Prime Minister but is considered window dressing, to stand up for gender and Matebeleland.

In the MDC-Tsvangirai, Secretary General Tendai Biti, party Spokesman **Nelson Chamisa** and Organising Secretary **Elias Mudzuri** have deep reservations about the power-sharing agreement, although several are in cabinet. Tsvangirai's initial list provoked a revolt by his party's parliamentary members, who said he had snubbed Matebeleland, a bedrock MDC constituency largely opposed to the unity deal.

In response, Tsvangirai pushed out Cross and brought in **Samuel Sipepa Nkomo**, who is Ndebele and brother to the National Chairman of the Zimbabwe African National Union-Patriotic Front, **John Nkomo**. Tsvangirai had wanted **Abdenico Bhebe** to head the Ministry of Water Affairs but dropped him because he belongs to **Arthur Mutambara's** MDC group; Bhebe had rallied parliamentarians from his party to back Tsvangirai's MDC National Chairman Lovemore Moyo as Speaker, resulting in the loss of their own candidate, **Paul Themba Nyathi**.

Sekai Holland of MDC-T and **Gibson Sibanda** of MDC-M were sworn in on 19 February, along with ZANU-PF's **John Nkomo** as a triumvirate to oversee political reconciliation. ●

procurement and foreign exchange deals made under Gono.

Biti has described Gono as an 'economic saboteur'; Tsvangirai says that Gono's fate, and that of Attorney General **Johannes Tomana**, another of Mugabe's ultra-loyalists, will be 'first on the agenda' of the new government. When Mugabe reappointed Gono last November, the MDC wanted him out, but Gono boasted that he would be at the helm of the Reserve Bank 'for a long time'.

Gono could save face by stepping down but he also has extensive knowledge of Mugabe's personal fortune. We hear that Gono's carelessness might have allowed details of Mugabe's US\$6 million Hong Kong property to leak out to the foreign press, as well as details of First Lady **Grace Mugabe's** planned diamond cutting business at Qingdao, on **China's** eastern seaboard. Gono authorised the transfer of some \$100,000 from the Reserve Bank to Grace Mugabe for her January trip to **Malaysia** and Hong Kong. Getting rid of Governor Gono would greatly boost public confidence in Biti and Tsvangirai. Yet as Prime Minister, Tsvangirai has no formal power to dismiss Gono; he can merely 'advise' Mugabe on appointments or publicly withhold his support.

Tsvangirai's economic judgement has been called into question over his promise to pay civil servants in scarce foreign exchange. Acting Chief Executive of the Zimbabwe Teachers' Association **Sifiso Ndlovu** said the Premier had to negotiate better pay before teachers would return to classes. Mugabe's acting Finance Minister, Patrick Chinamasa, said the government had no foreign currency and civil servants would be given grocery hampers. Tsvangirai later admitted he did not know where the payments would come from.

Ataswearing-incelebration, Tsvangirai warned that the power-sharing deal was a small victory and that he had reluctantly agreed to it so that the humanitarian crisis could be addressed and steps be taken to arrest the collapse of the economy. MDC insiders believe Zimbabwe must join the Rand Monetary Area alongside **Namibia, South Africa, Swaziland** and **Lesotho**; they argue that financial discipline can be restored only by surrendering control of the currency, interest and exchange rates to an outside authority. South African President **Kgalema Motlanthe** has indicated that his country would cooperate. That would be a huge economic risk for South Africa and would be anathema to Zimbabwe nationalists: in real terms, Zimbabwe would be on the way to becoming South Africa's tenth province.

Yet again, Mugabe has won time. Hopes are high that he will step down at the party congress in December, to give his successor time to build a base, but nobody is holding their breath. If he leaves

the day-to-day running of government to Tsvangirai and it works, Mugabe could be politically eclipsed. If the coalition does not deliver, it's back to untrammelled power for Mugabe and his clique.

The other opposition leader, Arthur Mutambara is the luckiest politician in Zimbabwe. Compared to Tsvangirai, he is a political novice. He lost the elections, and yet he is now Deputy Prime Minister; With only ten seats, his party has three cabinet posts. He gave Education, the most sensitive ministry, to human rights lawyer David Coltart. Industry and Trade he gave to his party's chief negotiator (and de facto leader) Welshman Ncube. Another negotiator, **Priscilla Misihairabwi-Mushonga**, was given Regional Integration. Mutambara and his faction are the kingmakers because ZANU-PF and the mainstream MDC are tied at 99 seats each, so his ten MPs sway the vote.

The worsening social crisis is the direct result of the economic free-fall. Yet it will take much more than money to

revive Zimbabwe's once proud health and education services. The cholera epidemic shows that the entire health system needs emergency assistance, as well as the medium-term support that international donors are reluctant to hand over. As Minister of Water Resources, the MDC's **Samuel Sipepa Nkomo** must work with ZANU's Local Government Minister, Chombo, to find the funds (and the fuel) to allow local authorities to operate their own water and sewerage systems again.

Getting the teachers back to work will be harder still. Most of them support the MDC but tell parents that the issue is not the unity government but money. The Zimbabwe Teachers' Association represents more than 80% of teachers. Its President, **Tendai Chikowore**, insists that they are not going to deal in promises any more. Tsvangirai met union leaders on 16 February but neither side is talking about the outcome of the first of many sobering meetings between Tsvangirai and his former trades union colleagues. ●

THE ZANU TEAM

Emmerson Mnangagwa, the man credited with keeping **Robert Mugabe** in power when he lost the first round of last year's presidential election, is the clear winner in the new dispensation and once again front-runner to succeed Mugabe. He is on the Joint Monitoring and Implementation Committee, which oversees the implementation of the unity agreement, and has been catapulted from Minister of Rural Housing to Defence; there he can call the shots, because the Joint Operations Command has literally been running the country. The Minister's job will be tricky, since the service chiefs stayed away from the swearing-in ceremonies (see Feature).

Like Mugabe, Mnangagwa is a tactical player and a scheming survivor. He lost favour with Mugabe after the Tsholotsho debacle in 2004, when he was accused of staging a coup against the rise of **Joyce Mujuru** to Vice-President (AC Vol 45 No 24). Now, he is the favourite again. He has been running the government during the impasse since last year's elections. He has outmanoeuvred his opponent, the former army commander, General **Solomon Mujuru**, the Vice-President's husband; one observer said Mujuru has been wiped off the political scene by his diamond dealings. His worst mistake was to go into business with whites who were accused of having siphoned out the country's fortunes while cash was desperately needed (AC Vol 49 No 21). Joyce's name has also been dragged through the mud.

Patrick Chinamasa, chief negotiator and legal draftsman for the Zimbabwe African National Union-Patriotic Front, knows his way around the constitution and international law and is said to make sure that Mugabe does not break it. Chinamasa remains Justice Minister and could save the neck of Attorney General **Johannes Tomana**, so long as he does not step out of line.

Former spy master **Nicholas Goche** has been moved from Public Service to Transport. He was on the negotiating team and has helped to maintain Mugabe in power. The same applies to **Sydney Sekeramayi**, transferred from Defence to State Security, who was once considered a rival of Mnangagwa; they now seem to work closely together, though Sekeramayi is from the same province as Mujuru.

Sworn in on 19 February as part of the triumvirate overseeing political reconciliation was **John Nkomo**, as Minister of State in the President's office (he is the party Chairman and last Speaker of Parliament). Also sworn in on 19 February was former Minister of State for Lands **Flora Buka** as new Minister of State in Vice-President **Joseph Msika's** office and **Sylvester Nguni** as Minister of State in Vice-President Joyce Mujuru's office.

The biggest loser, though still in government, is the ultra-loyal but increasingly unpopular **Didymus Mutasa**, demoted from the powerful post of State Security and Lands Minister to Minister of State for Presidential Affairs.

Two ministers on ZANU-PF's invitation list were not offered jobs: **David Parirenyatwa**, former Minister of Health and **Munyaradzi Paul Mangwana**, acting Minister of Information. ●

A mutual security pact

Tales of corruption deepen and the coalition partners seem to be protecting each other from the fallout

The disgraced former Finance Minister, **Amos Kimunya**, is back in the cabinet, reinstated by President **Mwai Kibaki** in mid-January during a mini-reshuffle. His return went almost unnoticed amid the corruption and intrigue in which the eight-month-old coalition government finds itself immersed.

Last month, someone leaked the report of the **Cockar** Commission, the public inquiry which Kibaki hastily set up last year to probe Kimunya's role in the sale of the Grand Regency Hotel (AC Vol 49 No 15), to the media. Without that, Kimunya's reinstatement would have barely merited a footnote.

The Cockar Commission had been expected to absolve Kimunya. Televised proceedings of its sessions late last year produced no direct evidence that he had personally benefited from the sale of the hotel.

Cynics reckoned that the Commission, headed by the retired Chief Justice Abdul Majid Cockar (who died on 13 October 2008), had been created to diminish the impact of a similar parliamentary investigation perceived as hostile to Kimunya. However, Cockar's team, perhaps emboldened by the example of the **Waki** Commission which investigated last year's post-election violence (AC Vol 49 No 22), proved unexpectedly independent.

Its report accuses Kimunya and his golfing buddy, Central Bank of Kenya Governor **Ndung'u Wainaina**, of misleading Parliament, the public and the Kenya Anti-Corruption Commission (KACC) about the sale of the hotel to a powerful **Libyan** consortium, the Libyan Arab Investment Company (which is also the second shareholder in both **Italy's** UniCredit bank and **Turin's** Juventus Football Club).

The report confirms that this was not a government-to-government transaction; that it was grossly undervalued; and that the secrecy and speed with which the deal was made, while keeping the Attorney General out of the picture, all suggest motives other than public interest.

Kibaki received the report in early December and shelved it. Releasing it then would have made it extremely difficult to reinstate Kimunya, a close ally and, at 46, one in a shallow pool of bright younger men from which Kibaki's elderly Party of National Unity can draw its

future leaders. Kimunya's reappointment indicates that, for political ends, the President will condone corruption. Yet the PNU's coalition partner, the Orange Democratic Movement, is equally implicated in big scams that have recently made headlines.

The ODM controls the Tourism Ministry, which sent in grossly overstated bills for a presidential trip to the **Maasai Mara**, intended to restore tourists' confidence after the post-election violence. **Ochieng Ong'ong'a**, Director of the Kenya Tourism Board, resigned but the Minister, **Najib Balala**, stayed on. At the Health Ministry, also controlled by the ODM, nobody could explain the disappearance of millions of dollars from the Global AIDS Fund.

WHILE PEOPLE GO HUNGRY

This is the pervasive sleaze that allowed Kibaki to bring Kimunya back into government and cemented Kibaki's reputation for condoning corruption. The Agriculture Ministry, run by ODM's **William Ruto**, has shocked and puzzled Kenyans most. During a famine in which an estimated ten million people faced starvation, Ministry officials were accused of allocating tenders to politicians and ministerial cronies, who sold them on to leading maize millers.

This racket, described in parliament, outraged even those donors who have cheered on the coalition. Shortly after Kibaki had declared the famine a national emergency on 16 January, he led his cabinet on a begging mission, asking donors for KSh32 bn. (US\$402 mn.) to import maize. Asked about corruption, he blithely replied that 'there were rogues everywhere, even in your countries'.

A recent opinion poll showed that the coalition government's approval rating had fallen to 43% from over 70% four months before. The poll also found that Prime Minister **Raila Odinga** of the ODM remains the most popular politician. He has stoutly denied all accusations of wrongdoing.

When accused of blocking the licensing of a second grain-handling plant at Mombasa port to speed up maize imports, Odinga responded that, according to experts, the existing plant was working at less than half of its capacity. Members of parliament from

Vice-President **Kalonzo Musyoka's** ODM-Kenya had claimed that his decision had been influenced by his friendship with the owner of Grain Bulk Handlers, **Mohamed Jaffer**. Odinga's personal assistant, Major (retired) **Idris Mohammed**, was linked to the maize scam; he was suspended and an internal investigation ordered.

As Agriculture Minister, Ruto is in charge of maize supplies and is a key member of ODM. When the maize scandal broke, he quickly threw out the directors of the National Cereals and Produce Board of Kenya and invited the KACC to investigate. He fumbled in Parliament in late January, though, furiously denying claims that cronyism had influenced maize tenders. He needed the Speaker's protection when the Chairman of Parliament's Public Accounts Committee, **Bonny Khalwale**, threatened to table details of people who had benefited from the tenders.

Then on 18 February Ruto easily defeated a censure motion in parliament, having produced documents establishing that he had not benefited from the sale of maize and neither had AMACO, an insurance company in which he holds shares. Accordingly, Ruto was able to turn the tables on Khalwale, accusing him of making partisan and unfounded statements. However, the KACC and the CID, who were asked by Ruto to investigate the maize scandal, have yet to present their reports.

To many Kenyans, it seems the truth about the corruption scandals is getting lost amid partisan politics in parliament. During the vote on the Finance Committee's report, which was expected to reprimand Kimunya for his role in the Grand Regency affair, Ruto's ODM allies dramatically switched sides and voted with the PNU to reject the report. There seems to be an exchange of favours, with members of both coalition parties voting to protect the other against censure.

The ODM is damaged by corruption allegations; Odinga, his relations with Ruto already fragile, will have difficulty maintaining party unity when his allies are implicated. The message from his allies – that party unity will henceforth be continuously negotiated – may delay implementation of the Waki Commission's recommendations for action against the perpetrators of last year's violence, which was worst in the predominantly Kalenjin North Rift. Himself, will have questions to answer (AC Vol 50 No 1).

If the ODM coalition fractures, that will damage Odinga. The harder it becomes for him to implement basic campaign promises, the harder he will find it to cobble together an alternative

coalition for the next elections.

The feeling that corruption is now routine on all sides will only strengthen Kibaki's hand and help him to promote his chosen successors among the squabbling 'Mount Kenya' group of politicians.

Feigning outrage in parliament, Energy Minister **Kiraitu Murungi** has ordered investigations into how an estimated 126 million litres of petroleum worth Ksh7.59 billion (\$95.5 mn.) went missing from the Kenya Pipeline Company's Kipevu oil storage facility last Christmas. Murungi quickly fired KPC Managing Director **George Okungu** (who also faces five unrelated counts of abuse of office brought by the KACC) and several senior KPC managers. Public Accounts Committee Chairman **Khalwale** says he will prepare a censure motion against Murungi, once he has finished with a similar motion against Agriculture Minister **Ruto**.

STEMMING THE TIDE

Murungi held back the nationwide outrage by telling Parliament that the Energy Ministry had invited the KACC to investigate. His Permanent Secretary, the long-serving **Patrick Nyoike**, offered to resign if evidence emerged that he was involved. Yet a 2006 audit by Deloitte and Touche, recently splashed all over the Kenyan press, showed that Nyoike and Okungu knew that Triton Petroleum, a fuel-trading firm, was getting preferential treatment at Kipevu.

The report was presented to both of them, but Nyoike has denied knowledge of it. He and Murungi face tough questions. A confidential memo to the Minister in early January suggests collusion between Triton and junior KPC officials, who are accused of lying to Triton's creditors about the firm's stock at Kipevu. Last year Murungi extended Okungu's contract, although he had already passed retirement age.

The seeds of corruption at the KPC were sown in July 2004 with the introduction of the collateral finance agreement, a device to help small and upcoming oil marketers access credit from banks and international suppliers to finance oil imports. This allowed smaller operators like Triton to compete with the multinationals that had controlled the Kenyan petroleum market for many decades. Small companies were also allowed to import oil directly without having to go through the majors. The door to collusion between government officials and briefcase importers was opened.

Triton, barely a decade old and with only eleven outlets countrywide, consistently won rights to import oil which they sold on to Kenyan marketers. It looks as if there was favouritism. Triton is associated with Glencore

Energy UK, an affiliate of the **Swiss**-based international commodities firm whose founder, **Marc Rich**, was gaoled for tax evasion and illegal dealings with **Iran** and controversially pardoned by outgoing **United States** President **Bill Clinton** in 2001.

KPC IN TROUBLE

In 2006, Triton bid to take over British Petroleum's outlets in Kenya, which were then priced at \$50 mn. Many believed that Triton was too ambitious. The bid was supported by the then Finance Minister, **Amos Kimunya**. Rivals complained that Triton had an unfair advantage. The Deloitte audit noted that Triton consistently held more reserves than its entitlement and had flouted rules that required stocks to be moved within a month.

The investigation will probably uncover that the disappearance of petroleum from Kipevu could not have happened without collusion between Triton, KPC staff and bank and oil company managers. Total Kenya is the biggest loser. Kenya Commercial Bank,

one of Triton's underwriters, has sacked two managers for their role in the affair.

Triton's crash was sudden. Inquiries made by Glencore in November confirmed that of their oil stock (held by Triton) at Kipevu, 38 mn. litres was intact. In mid-December, however, **P. K. Kimelu** at KPC wrote to Glencore to say that Kipevu had no record of their stock. As Glencore made desperate inquiries, it turned out that Triton's Chairman, **Yagnesh Devani**, had conspired with KPC managers to release the oil. Other Triton creditors included Fortis Bank, the Kenya Commercial Bank and the Emirates National Oil Company.

Devani had apparently been wrong-footed by the sharp fall in global oil prices and was in serious financial trouble. He bolted (to **India**, it was rumoured). Triton was soon declared bankrupt and its assets were seized.

A warrant for Devani's arrest has been mysteriously dropped. He leaves the KPC with a huge debt, a bunch of angry financiers and a credit rating sinking as fast as the petroleum levels at Kipevu. ●

THE BRIEFCASE TYCOON IS BACK

The Triton saga highlights the resurfacing of the **Daniel arap Moi**-era briefcase tycoon – young, brash and politically protected. Kenyan politicians prefer to work with Asian-origin businessmen: the ideal combination is a small-time player with good financial connections who has kept well away from local politics. Such deals tend to go awry when the small-time player becomes a national business figure and a target for political enemies.

The breed is personified by **Ketan Somaia**, once a glamorous figure who drove rally cars with **Mark Thatcher**, now an ailing alumnus of Kamiti Maximum Security Prison. He began as an obscure Kisumu boy, and his spectacular rise to the top of the food chain preceded an equally precipitous decline when his scam had completed its course. Somaia once successfully bid for the now defunct Bank of Commerce and Credit International (BCCI). Before his arrest by President **Mwai Kibaki**'s government he left a trail of questionable deals and arrest warrants from Kenya to **South Africa**.

Perhaps the most outrageous was **Kamlesh Pattni** of the Goldenberg fictitious gold exports scam, which was estimated to have cost Kenya US\$1 billion. He survived an official inquiry, found religion, changed his name to **Paul**, became chairman of a political party and is now a familiar figure on Kenya's evangelical circuit.

The **Khamani** brothers are said to be at the centre of the Anglo-Leasing security scam. **Deepak Khamani** has, in the confusion of coalition politics, been allowed entry into the country despite the existence of several warrants for his arrest.

Triton's Chairman, **Yagnesh Devani**, is said to have made his name in government circles in the late 1990s by supplying petroleum to the cash-strapped Kenya Railways, whose credit rating deterred less adventurous entrepreneurs. His associations with the likes of former Energy Permanent Secretary **Crispus Mutitu** and Kenya African National Union insiders such as **Samuel Gichuru**, the former boss of the Kenya Power and Lighting Company (a regular KANU cash cow), soon won him lucrative supply contracts. He has recently been the sole fuel provider to the giant Aggreco generators that supplement power supply.

The Kibaki era has been kind to Devani. In 2007, he is said to have thrown a \$2 mn. party in Mombasa for his wife's fortieth birthday, where each guest was presented with a gold Rolex watch. He was a prominent guest at Kibaki's Party of National Unity one-million-shillings-a-plate (US\$12,500) campaign fundraiser in 2007 and is also said to have contributed generously to the Orange Democratic Movement campaign. Last year, one of his launch events was attended by Prime Minister **Raila Odinga** and Vice-President **Kalonzo Musyoka**, as well as eight cabinet ministers. ●

Peace and the looming crisis

The government in Freetown has to tackle growing financial pressures as it struggles to create jobs and to improve health and education services. But time is running out for the small group of reform-minded ministers around President Koroma, if they are not to lose the battle against the criminal and corrupt elements. The growth of drug trafficking and diamond smuggling is as much a threat to stability as the youth militias were a decade and a half ago.

TOO SLOW, TOO STEADY

The star of slow and steady President **Ernest Bai Koroma** shines less brightly 17 months into his presidential term. He won the 2007 election on a promise of sweeping political change, insisting that government would have to be run differently (AC Vol 48 No 21). Reality has proved stubborn. Too many hacks from the governing All People's Congress have been given jobs in government and want to keep things the way they were – corrupt, nepotistic and inefficient. There has also been an undercurrent of political violence between APC supporters and those of the formerly governing Sierra Leone People's Party. SLPP headquarters say APC thugs smashed up the building and beat up its security guards within days of the election. Since then, says the SLPP, violence has escalated and many of its supporters have been kicked out of government jobs in what has effectively been a purge.

Koroma shook things up a bit by introducing performance contracts for his ministers and declaring his personal assets to the Anti-Corruption Commission. The declaration was not made public but Koroma told *Africa Confidential* that the ACC could take action if it caught him making large amounts of unaccounted-for wealth. The President is far more cautious than his dynamic neighbour, President **Ellen Johnson Sirleaf** of **Liberia**. She has negotiated iron-ore mining deals worth more than US\$4 billion with Arcelor Mittal and **China Union**, and hundreds of millions more for agricultural projects. In contrast, conventional investors steer clear of Sierra Leone.

Koroma's party lacks a majority in Parliament and his position as party leader is under threat. His cabinet is an uneasy mix of good eggs, bad eggs and boring eggs. The government lacks the drive to push the lacklustre economy into faster growth and to improve the appalling health and educational systems. Sierra Leone is on the lowest rung of the United Nations' Human Development Index. Young men, most of them unemployed, remember the 1991-2002 civil war, when fighters hacked off victims' limbs with machetes and child soldiers raped and pillaged. The present stability is an improbable blessing.

As West Africa's political organisations rushed to condemn the coup in **Guinea** at the end of 2008 (AC Vol 50 No 1), Koroma was among the neighbours who rushed to meet the coup-maker, Captain **Moussa Dadis Camara**, keen to secure his own borders through quick compromise rather than risk enmity. Borders in the Mano River region are porous, frequented by hungry young men keen for whatever pay they can find.

Koroma was elected in September 2007 after a tense run-off ballot. His northern-based APC ended ten years of rule by the southern-based SLPP. The need for backing from local political bosses in the capital and upcountry imposed compromises in ministerial appointments. The most criticised are Minister of

Justice and Attorney General **Abdul Franklin Serry-Kamal**, Mineral Resources Minister **Alhaji Abubakar Jalloh** and perhaps Vice-President **Samuel Sam-Sumana**.

These election thank-yous could undermine Koroma. Nobody has a bad word to say about him or suspects him of malpractice, but no one feels particularly led, either. He was national squash champion and dresses up imposingly for posters, urging people to change their attitudes. Yet he does not say how they should change and leaves underperforming ministers unchecked.

The President came out well from one recent, potentially destabilising scandal. A record-breaking 700-kilogramme haul of cocaine was bagged at Freetown Airport in the small hours of a Sunday morning last July, when a light aircraft with Red Cross insignia landed and turned out to be packed with wads of cocaine the size and shape of Bibles. Following an overnight car chase through the rural north-west, a handful of South Americans were picked up. In subsequent days, about 70 more people were arrested, several of them **Nigerians** who, according to police, ran trading businesses as drug fronts, plus more South Americans and some Europeans.

DRUGS MENACE

In the resulting crackdown, foreigners were stopped and searched on the streets at random, including lawyers working for the UN-backed Special Court for Sierra Leone and development workers. Scotland Yard officers, invited from **Britain** to help, put airport officials under suspicion; roads around Pademba Road Prison in downtown Freetown are permanently closed to traffic. A new drugs law was rushed through to reinforce prosecutions. The biggest fish implicated so far is Transport Minister **Ibrahim Kemoh Sesay**. As his brother **Ahmed Sesay** was arrested, Koroma relieved Sesay of his duties.

Left unchecked, drug money could outweigh the country's meagre gross domestic product of \$1.5 bn. UN officials say the cocaine trade, controlled by South American cartels, poses the biggest security threat. Nearby **Guinea-Bissau** is already called a 'narco-state', as it languishes under a military dictatorship and many of its brightest people go overseas to find work.

The UN Assistance Mission In Sierra Leone (UNAMSIL), once the continent's largest such operation, with 17,500 peacekeepers, finally wound up last October. A slimmed-down UN team, the UN Integrated Office in Sierra Leone (UNIOSIL), with about 70 staff, now works on governance, development and human rights issues, with core funding of less than \$10 million, down from \$30 mn.

The top political movers largely stay out of sensitive debates, such as that over female genital mutilation/cutting. Women from secret societies, angry that the media had discussed the topic, stripped four local female journalists naked and marched one of them through the eastern diamond town of Kenema at the beginning of February. An estimated 94% of Sierra Leonean girls are mutilated and magical sects are powerful. Business leaders say that entry to politics is open only to those who undergo initiation rites for membership of a secret society. Donor frameworks have no room for this.

Western governments are as keen as ever on Sierra Leone, with Britain still promising to boost aid from £40 mn. (\$56.66 mn.) a year in 2008 to £50 mn. (\$70.87 mn.) in 2010. A new

Peacebuilding Fund from the UN puts \$35 mn. into the country (its other beneficiary is **Burundi**). Some think the government remains too accessible to donors, offering meetings with ministers as soon as a donor suggests one. Donor coordination is poor.

Koroma promised a turnaround within three years but Sierra Leone is still a mess of regulations, unable to attract the private sector investment (which is drying up as rich-world demand fades). The rates of maternal and infant mortality are the world's worst. Donors shore up more than a third of the budget and have developed a health strategy but are slow to release the money. Rising food and fuel prices endanger livelihoods and put a strain on the International Monetary Fund conditions that committed the government to 'prudent policies and structural reforms'. Respected leaders include Foreign Minister **Zainab Bangura** (who stood for the presidency in 2002) and Captain (retired) **Benjamin O. Davies**, a Krio who is Minister of Lands, Country Planning and Environment. In general, though, Koroma's team lacks competence.

The presidency has removed the oversight of oil and gas prospects from the Ministry of Mines and Mineral Resources and now handles it all from State House (see Box). The urbane Finance Minister and one-time partner in financial company KPMG, **David Carew**, sometimes takes over subjects outside his Ministry's remit, such as mining and tourism, to ensure they are handled properly. The Tourism Minister, **Hindolo Sumanguru Trye**, is a political old-timer given to sudden mood swings. Trade and Industry Minister **Alimamy Koroma** managed the President's campaign and is thought to be well out of his depth. Many senior officials are mediocre rather than rogues. It is hard to hear a good word about Vice-President Sam-Sumana, a former diamond dealer from Kono. His timber exploits in the north continually land him in hot water. The Mines Minister is also under pressure.

The impressive **Abdul Tejan-Cole**, who heads the revised and much improved ACC, has investigated Energy and Power Minister **Haja Afsatu Olayinka Kabba** for an energy contract that may have wasted up to \$100 mn. The minister's colleagues find her difficult to work with but she is thought to be very close to the President and oversaw the transition team that was meant to get the government up to speed.

Last year's Anti-Corruption Act increased the number of punishable offences from nine to 28, empowered the ACC to review ministries and gave Tejan-Cole, a human rights lawyer formerly with the New York-based Institute for Transitional Justice, a legal framework for conducting investigations and prosecutions independently of the Attorney General and Justice Minister. This has uncovered abuses, irregularities and evidence of poor management and corruption in the ministries of Education and Health. Tejan-Cole assured *Africa Confidential* that he has the President's backing. He says the Finance and Foreign Ministers are helpful but steers discussion away from less helpful officials.

The ACC lacks computers, internet connections, cameras, recorders, decent premises and the intensive training that Western agencies take for granted. Moreover, the judicial system is creaky and sometimes corrupt; well prepared and researched cases may be, and have been, thrown out on imaginary procedural irregularities. A mixed foreign and Sierra Leonean bench has overruled some bad judgements, only to be overruled in its turn by the Supreme Court. A list of cases due to be heard this year will severely test Tejan-Cole's fight against corruption. He will need heavyweight support from Koroma and the self-declared reformers upon whom the government's credibility depends. ●

RICH RESOURCES, LITTLE INVESTMENT

Sierra Leone's rumour mill is dependably strong and outrageous, but the case of African Minerals is impressive even without its wrapping of gossip. The Chairman of the company, listed on London's Alternative Investment Market (AIM) and formerly known as Sierra Leone Diamond Company, is **Peter Derek Truscott**. Labour's Lord Truscott (author of a biography of **Russian** Premier **Vladimir Putin**) has been pilloried, with others, as a peer-for-hire and last month was accused by the *Sunday Times* of London of accepting cash for services rendered. Their new website presents a brighter side of the company, whose licences give it rights to explore not only for diamonds but also for gold and other precious minerals, such as uranium.

African Minerals has largely failed to deliver on alluvial diamonds and now hopes to reinvigorate the old iron mines at Marampa, in the north. It says it signed a memorandum of understanding with the government to create a US\$300 million railway to export its produce but there seem to be several crossed wires. Not least was London Mining's claim that African Minerals has sold off part of its own land that accounted for 30% of London Mining's acreage. Both companies threatened to take the case through the courts but late last year London Mining dropped its claims.

African Minerals is headed by **Vasile Frank Timis**, a **Romanian** who was convicted for dealing heroin in 1990 and 1994 in **Australia**, has encouraged investment in a **Greek** oil-find that turned out not to exist and has flown the Sierra Leonean Mines Minister to Romania. Frank Timis is well connected. The **Irish** rocker and Africa campaigner Sir **Bob Geldof** flew in on Timis's private jet for a three-day trip, having been encouraged to visit Sierra Leone by **British** former Prime Minister **Tony Blair**. A team of experts from the Blair Foundation is advising President **Ernest Bai Koroma's** government. Blair seems to have fond memories of Sierra Leone as a foreign intervention that most people regard as justified and successful.

Alhaji Abubakar Jalloh, Mines Minister and close to African Minerals, is a geology expert who wears an orange feather in his hat and is part of the country's old guard. There are limits on the trust he enjoys: the President's office has taken charge of new oil and gas arrangements which should normally fall under his Ministry's jurisdiction. At the government's request, Britain pays for international consultants to work in the Ministry, including one as Director General. Consultants say corruption is rife and find the going tough.

The government talks a lot about ridding the mining sector of cowboys and attracting a better sort of investor, but the diamond giant De Beers left years ago. As fragile **Liberia** and **Guinea** nearby negotiate huge mining deals, Sierra Leone gets little attention. Some of it is due to bad luck. Koidu Diamond Mines first had a technological disaster when its kimberlite pipe – the deepest mined vertical pipe in the world – collapsed. It then consistently mishandled community ructions, and complaints by non-governmental organisations were followed by riots in which police shot dead two protestors. The mine closed down. An independent inspection commissioned by the government proposed restrictions that the company found unreasonable and the government came up with an easier ride for it. However, they will produce no more diamonds until 2010, which represents a loss of £3-4 million (\$4.3-5.7 mn.) in government duties as well as hundreds of jobs and a halt to the country's biggest earner.

The Sierra Rutile Mine, a subsidiary of Titanium Resources Group, made only half of its 2008 production target because one of its two dredges collapsed last year. Once the largest employer, it has therefore reduced its workforce by 25%, delayed interest repayments on a European Union-backed loan to the government until June 2010 and halted all further exploration. Fixing the dredge will require \$25 mn. Trading on London's AIM was temporarily suspended. The previous Director of the rutile operation, **John Sisay**, has replaced **Len Comerford** as TRG's Chief Executive. Artisanal diamond mining still keeps two or three hundred thousand workers swilling about in muddy waters, sieving out anything that sparkles. ●

Don't shoot the ambulance

After a decade of growth in Africa, the IMF and World Bank's economists are offering loans and policy advice again

The financial crisis has had one indisputable effect: it has put the World Bank and the International Monetary Fund back in business in Africa. Suddenly there is no more talk about the irrelevance of the Bretton Woods Institutions. Those who chart an African development path relying on commodity demands from Asia and commercial financing from bond markets are told to look at the prices in the terminal markets in Asia, Europe and North America, and to look at the difficulties of **Gabon** and **Ghana**, which both floated Eurobonds in the last two years.

Even the high priests of the anti-aid lobby, such as former IMF economist **William Easterly**, who has been criticising the World Bank's call for more aid because of its lack of clear goals, are being brusquely told that they are out of touch with reality – that is, that the poorest countries face an unprecedented crisis. The Bank's Africa economist, **Shanta Devarajan**, points out that private capital flows, which have been rising faster in Africa than any other region, are drying up. Remittances to Africa, which the Bank estimates at more than US\$20 billion a year, are slowing because Africans abroad face wage cuts if not job cuts, while the continuing fall in commodity prices is sending many African economies into recession.

So World Bank President **Robert Zoellick** and Africa Vice-President **Obi Ezekwesili** have been lobbying the rich-countries Group of Eight and the African Union (AU) to support the Bank's proposed 'vulnerability fund'. Zoellick is calling on rich countries to give 0.7% of their economic stimulation packages to such a fund, which the Bank would manage. Its aim, according to Devarajan, is to reduce the 'deceleration of economic

growth in Africa'. They are stepping up the lobbying ahead of the G-20 summit in London on 2 April, which British Prime Minister **Gordon Brown** is building up into a critical step in the remaking of the global economic and financial order. Brown's friend, **South African** Finance Minister **Trevor Manuel** (see Box), will be the main African representative.

AU delegates were divided over who should represent their organisation, although many argued that it would not be appropriate for newly elected Chairman, **Libyan** leader **Moammar el Gadaffi**, to represent Africa by himself and that **Tanzanian** President **Jakaya Kikwete** and **Ugandan** President **Yoweri Museveni** should buttress the AU delegation.

The IMF Africa Director, **Liberian** former Finance Minister **Antoinette Sayeh**, has also been criss-crossing Europe and Africa in preparation for a high-level meeting on African economic development, to be held in Dar es Salaam on 10-11 March. This will be addressed by IMF chief **Dominique Strauss-Kahn** and President Kikwete.

Sayeh's message was stark: it was unrealistic to expect Western countries, wrestling with domestic crises, to increase aid and many are likely to cut it. So support will have to come from the IMF, World Bank, African Development Bank and European Union.

The money will be vitally needed. Last year's food and fuel price rises prompted governments to protect living standards by cutting taxes on essentials. Yet they were doing that against strong growth in gross domestic product, an average of 5.2% in real terms for sub-Saharan Africa as a whole and 6.8% for its poorest countries.

Now Sayeh says the IMF is projecting average sub-Saharan growth at just 3.7%

this year (see Table). **Kenya**, **Tanzania** and **Zambia** have indefinitely suspended plans to float Eurobonds.

The price of cotton, an export mainstay for economies across the Sahel, will fall by about 20% this year, having already tumbled 60% over the past year. This is a devastating blow for **Mali**, which had been hoping to attract private investors to boost its production.

Congo-Kinshasa and **Zambia** are losing revenues and thousands of jobs from the halving of copper price over the past year. However, **Mozambique**, **Tanzania** and **Uganda** have built up a financial cushion to maintain public spending levels. Ugandan officials were surprised to hear IMF officials suggest there was scope to increase the budget deficit.

More widely, the IMF is taking a more flexible stance in negotiating targets with African governments and the IMF is providing more targeted aid from its Exogenous Shocks Facility. **Comoros**, **Ethiopia**, **Malawi** and **Senegal** have already received help and a package of extra support should soon be agreed for **Congo-Kinshasa**, according to Sayeh and Assistant Director **Roger Nord**.

Even the resolutely optimistic **Razia Khan**, Africa economist at Standard Chartered Bank, forecasts an extremely tough year but argues that the picture will vary immensely: economies such as **Angola**, **Botswana** and **Nigeria** have built up huge foreign reserves, so they will have more budgetary flexibility. Tanzania's tax reforms have achieved some success but Ghana and Uganda could face growing financial pressures this year, says Khan.

Khan argues that Asia's recovery, promoted by big stimulus packages in **China** and **India**, will pull Africa's economies out of recession, probably before there is a significant turnaround in Western economies. Meanwhile, some Chinese mega-projects, such as the \$2.68 billion investment in Liberia and a \$260 mn. new airport in **Mauritius**, are going ahead and other big resource-based projects are being restructured in **Nigeria** and **Congo-Kinshasa** (see this month's *Africa-Asia Confidential*).

However, **Nigeria** has to make painful adjustments elsewhere. Faced with a collapse in the price of oil from last year's peak of \$147 a barrel to just \$34, which slashed government revenue, capital inflows and stock market confidence, Nigeria's policymakers initially tried to defend the naira but concluded they could not afford to.

Bankers worry about Nigeria's tough new measures to ration foreign exchange, believing they signal a return to the days of command economics and state attempts to control the foreign currency market.

Central Bank of Nigeria Governor **Chukwuma Soludo** summoned a meeting

AFRICA'S ECONOMIES: THE PAST AND PROJECTIONS

		1997-2002	2003	2004	2005	2006	2007	2008	2009	2010
REAL GDP GROWTH % change on previous year	Sub-Saharan Africa	4.1	5.1	7.2	6.2	6.3	6.8	5.2	3.3	4.9
	of which:									
	Oil-exporting countries	6.4	8.3	11.2	7.6	7.4	8.9	6.3	3.7	5.4
	Middle-income countries	3.0	3.3	5.0	4.8	5.2	5.0	3.2	1.4	3.6
	Low-income countries	4.1	4.5	6.1	7.1	7.3	7.2	6.8	5.1	5.6
	Fragile countries	0.8	1.2	3.3	3.7	2.9	3.3	4.5	4.2	5.2
CONSUMER PRICES Index, 2000=100	Sub-Saharan Africa	13.3	10.9	7.6	8.9	7.3	7.1	11.4	9.4	6.6
	of which:									
	Oil-exporting countries	25.2	19.8	14.9	15.0	8.2	5.6	10.3	10.6	7.6
	Middle-income countries	6.9	5.9	1.9	3.7	5.1	7.1	11.6	6.1	5.7
	Low-income countries	7.3	8.6	7.6	8.7	8.9	8.6	12.7	12.4	6.6
	Fragile countries	29.0	6.7	4.8	11.7	9.0	8.5	11.7	9.1	6.0
										forecasts

Sources: IMF; World Economic Outlook

of bankers in London on 16 February. He insisted that the measures would be temporary and government had been right to allow the naira to slide against the US dollar.

At first they thought the naira would drop from N116.8 to the dollar, to N130-135. The federal budget was premised on N125, the CBN's budget on N128. The rate has now sunk to N145. Under new rules, Nigerian banks will have to show that business customers really need hard currency. Banking sources told *Africa Confidential* that this should be achievable. Much trade is financed through letters of credit, accompanied by paperwork providing evidence of genuine import transactions. The big banks have an interest in regulatory compliance.

The CBN will continue to channel \$160-180 mn. per week to bureaux de change for smaller customers, but it will have effectively stopped the interbank market in foreign exchange which guaranteed businesses free access to forex. According to disgruntled bankers, introducing restrictions, a sort of forex rationing, is likely to boost the parallel market and perhaps prepare the ground for a speculative attack on the naira, pushing the currency down further.

Soludo's own future is uncertain. He is due to step down in May and the favoured candidate to succeed him is Deputy Governor **Tunde Lemo**, head of financial sector supervision at the CBN since 2003. Meanwhile, the markets are waiting for a clearer policy statements from new Finance Minister **Mansur Mukhtar**.

Soludo insists on the underlying strength of the economy, with foreign reserves of \$50 bn., total foreign debt of \$3.7 bn. and gross domestic product growth of 6.41% in 2008, when the oil sector contracted while the non-oil economy expanded by 9.5% in real terms. Devaluation should help domestic industry against cheap Asian imports.

'The producer of local rice benefits; the producer of yams will benefit. Actually, the exchange rate is a defence for jobs,' Soludo told *Africa Confidential*. Even so, the slide in oil earnings will bite hard. The federal government will relaunch efforts to get the state and local governments, which handle half of all oil revenue, to sign up to a financial responsibility act and tighten their management of spending. This will not be popular.

Another big African oil producer, Angola, also has to tackle a financing crisis this year as its era of oil-fuelled double-digit growth subsides – despite its strong foreign reserve position. In December, President **José Eduardo dos Santos's** government forecast GDP growth to increase by 11.8% (5.9% for the oil sector and 16.3% for non-oil) this year, down from 15.6% in 2008. That was before the

Organisation of Petroleum Exporting Countries agreed on production cuts for Angola of 244,000 barrels per day (b/d) or 13% of production. Now independent economists suggest Angola's economy could shrink this year unless the oil price rebounds.

Oil minister **José Maria Botelho de Vasconcelos** says Angola's quota has been reduced from 1.8 million b/d to 1.5 mn. b/d, the biggest in percentage terms for any OPEC member. Some World Bank economists have been running projections of what this will mean for growth: they forecast cuts in Angola's GDP as severe as 23% if the world oil price stays around \$40 a barrel. At that level, Angola's total revenues for 2009 could decline as much as 50%, compared to 2008.

The oil decline will mean less of the foreign investment which has been rebuilding roads, public utilities and apartment blocks across the country.

The 2009 budget called for \$42 bn. in spending, a 43% increase over the previous year. A third of the money was earmarked for construction of homes, hospitals,

schools and other measures to reduce poverty and raise living standards to meet ambitious targets by 2013. But the budget is based on an oil price of \$55. With less production for lower prices, government spending could be cut by as much as half, one reason why President Dos Santos may choose to defer the presidential election due in September (AC Vol 50 No 3).

In response to falling revenues Dos Santos went to China in December, securing \$1.6 bn. in new credit lines, the previous US\$5 bn. credit having been nearly exhausted. The crisis has already had an effect on the kwanza, whose stability has been a symbol of improved economic management since the long periods of hyperinflation a decade ago.

Last November the Central Bank spent nearly \$1 bn. of its \$19.8 bn. foreign reserves to prop up the kwanza, which is unofficially pegged at Kw75-80 to \$1. Such expenditure helps to curb the cost of imports and contain inflation but is unsustainable in the long term, as Nigerian policymakers were explaining to bankers in London this week. ●

THE INDISPENSABLE MANUEL

South African Finance Minister Trevor Manuel, despised by African National Congress President **Jacob Zuma's** bedrock supporters on the party's left and populist wings, is busy making himself indispensable. In his 13th budget, presented on 11 February, Manuel showed himself as the sane voice of a government plagued by allegations of corruption and mismanagement.

Zuma and his camp need to convince the markets that they are competent to steer South Africa through the global financial crisis. Manuel has the financial grasp, experience and market confidence to do just that, all the more so since Zuma, if elected national president, will start his term in office struggling to clear himself of corruption allegations (AC Vol 50 No 2). Zuma's backers want a change in economic policy the moment he takes office. 'What we need is a discussion, not a shouting match, because if we don't resolve these issues, if we can't talk to each other and have a discussion about these things as South Africans, we are going to lose this moment,' Manuel warned them.

To the fury of Zuma's dominant faction, Manuel defended former President **Thabo Mbeki** and his economic policies (made, of course, mainly by Manuel himself). In public statements before and after his budget speech, he emphasised that Zuma will need good advisors and, in a backhanded compliment, he said Zuma's strength was that 'he knows what he does not know'. He lowered the forecast of economic growth in the current year from the Treasury's initial 3.7% to 3%, projecting revenue collection of 643 billion rand (US\$ 63.1 bn.) in the 2009/10 fiscal year that starts in April, with expenditure of R738.6 bn. That would leave a deficit of R95.6 bn., nearly 4% of gross domestic product.

Meanwhile, Zuma's team faced fresh scandals. The Chief Executive of South African Airways, **Haya Ngqula**, was put on special leave pending an investigation into allegations of corruption, financial mismanagement and conflict of interest. The ANC national Spokesman, **Karl Niehaus**, specifically headhunted for the job, offered to resign after rivals in Zuma's camp leaked allegations that he had committed fraud.

The Zuma camp fears that interim President **Kgalema Motlanthe** wants to grab power from him. They want to steer Motlanthe into a new ANC policy institute or political school which would keep him well away from executive power. He has infuriated Zuma's supporters by declaring himself 'too busy' to join the ANC's electoral campaign; **Nomvula Mokonyane**, Zuma's ally and head of the ANC's Western Cape election campaign team, has formally complained to the party's head office about Motlanthe's 'unavailability'. Mokonyane is said to believe that Motlanthe's advisors schedule his diary to make him unavailable for campaigning. Fingers are pointed at his Political Advisor **Ebrahim Rasool**, a close ally of Mbeki's who was sacked as Premier of Western Cape in a widespread purge immediately after Zuma took the party presidency at the 2007 national conference. ●

The Sheik Sharif show

Goodwill accompanies the new president but few people look at the small print

The outsiders who drive Somalia's uncertain peace process do not always see things as Somalis see them. This became apparent with the election on 31 January of Sheikh **Sharif Sheikh Ahmed** as the new President of the Transitional Federal Government (TFG, AC Vol 50 No 1). **Ethiopian** troops were still pulling out of Somalia when the Transitional Federal Parliament (TFP) endorsed a peace agreement, signed in **Djibouti** on 25 November. This allocates 200 members of parliament to Sheikh Sharif's faction of the Alliance for the Re-liberation of Somalia (ARS-Djibouti) and 75 more to 'civil society' representatives and others.

Despite efforts, Sharif (Hawiye/Abgal) could not immediately find the 200 names needed, even among the Darod. Allegations of corruption promptly spread, notably in the designation of Dir MPs.

Diplomats from the **United States** and **Britain**, plus the United Nations Special Representative, **Ahmadou Ould Abdallah**, had campaigned for **Nur Hassan Hussein 'Adde'** as Prime Minister. Djibouti made a late attempt to increase support for him by appointing an extra 55 MPs, allegedly to represent civil society.

Yet they all got the politics wrong: Sheikh Sharif had the support of most of the 180 MPs he had appointed the week just before his own election and few voted for Nur Adde. Some had scores to settle with him, others endorsed candidates from their own clans. Yet he has been the only Somali politician who actually did what he had promised – to work for reconciliation.

After he had been sworn in, Sheikh Sharif went to Addis Ababa and delivered a well calculated speech to the African

Union summit meeting (AC Vol 50 No 3). He underlined the continuing need for the presence in Somalia of the peacekeepers of the African Union Mission in Somalia (Amisom) and for greater efforts by the international community to support reconciliation.

TALKING TO TURKI

Even his meeting with Ethiopian Prime Minister **Meles Zenawi** was described as warm and positive. He went on to Mogadishu for a few days and rumours spread that he had started negotiating with insurgent leaders, including **Muktar Robow Ali 'Abu Mansoor'**, Spokesman for *Al Shabaab*, which is still pursuing armed jihad. In fact, such talks have not yet happened, though he did talk indirectly to Sheikh **Hassan 'Turki'**, who leads the Ogadeni *Ras Kamboni* group.

Back in Djibouti on 14 February, Sharif appointed his Prime Minister. He is **Omar Abdirashid Ali Sharmarke** (Osman Mahmud/Majerteen/Darod), son of a former President and the Western-educated holder of a **Canadian** passport who had been working for the UN for the last ten years in **Sierra Leone** and in Darfur, **Sudan**. He is close to the branch of *Al Islah* ('Reform', close to the Muslim Brotherhood) that did not endorse the Islamic Courts in 2006. *Islah* is on the up and many supporters work for foreign missions and international organisations.

Aside from the international optimism and euphoria among his fellow Hawiye, who dominate the capital, clouds are gathering above the new President. The UN's Ould Abdallah and his supporters in Washington had feared a power vacuum would follow the withdrawal of Ethiopian forces and wanted to prevent the collapse of the TFG (AC Vol 50 No 3). However, the swift election of Sheikh Sharif may weaken his own legitimacy more than it increases that of the TFP, which nominally has 275 members but now has about 210.

The TFG has lost all the territory it claimed to control a few days before Sheikh Sharif's election. Moreover, while Premier Omar Abdirashid was approved by 414 votes to 9, the transitional charter does not clearly define how power is to be shared between president and prime minister. This may produce conflict and gives the UN and foreign governments extra leverage, with former TFG supporters hoping to raise the price for their endorsement. The incoming members of ARS-Djibouti have diverse demands, some of which conflict with the international agenda.

Sheikh Sharif is widely perceived as a 'moderate Islamist' (this is not defined) but many of his supporters are more insistent on constitutional *Sharia* (Islamic law) than some of the active jihadists. Several of his allies, including the influential

SOMALIA: WHERE IS AL SHABAAB NOW?

Al Shabaab looks weak and divided as the new regime takes hold in Mogadishu. This is only half true, though. The departure of **Ethiopian** troops is a strategic loss for the group. '*Jihad!*' was a good slogan for Somalis who saw their country as occupied by a foreign, 'Christian' force (although most Ethiopian soldiers were in fact Muslim).

Soldiers of the African Union Mission in Somalia (Amisom) – despite recent incidents in which they killed several dozen civilians – are not regarded in the same way as the 'enemy neighbour', while Sheikh **Sharif Sheikh Ahmed** is widely seen as genuinely religious, defusing *Al Shabaab's* jihadist ideology. The new President hopes to mobilise Somali and foreign religious scholars (including **Kuwaiti** Sheikh **Suleiman Awad** and the controversial **Egyptian** Sheikh **Yusuf al Qaradawi**), to produce a *fatwa* to legitimise his position.

Al Shabaab made a costly mistake when some of its members destroyed the tombs of Sufi saints in the Kismayo area, provoking popular hostility and mobilising several groups which began fighting in Galgaduud. They included armed supporters of the main Sufi orders, mostly from Ayr/Hawiye, Sureh/Dir and Marehan/Darod militias, loosely organised in the Sufi confederation of brotherhoods, *Ahlu Sunna wal Jama'a*. They also included business people whose trade in charcoal and the narcotic *qat* had been restricted by *Al Shabaab*, as well as bandits (*moryaan*). Through local brokers, Ethiopia provided weapons and ammunition to this strange coalition. *Al Shabaab* lost its base in that part of Galgaduud (it still has one near El Bur), as well as its chief Commander in Mogadishu, **Saied Timo Jilic**, with over 30 *Shabaab* fighters. Another blow was the attitude of **Muktar Robow**, who saved the lives of members of parliament from the Transitional Federal Government who belonged to his own Digil/Mirifle clan when his forces took Baidoa on 26 January, although he used to say they deserved death, being '*kaafir*' (infidels).

Al Shabaab still controls Kismayo and held on there against **Hassan Turki**, who then joined *Hisbul Islam*. There has also been fighting between *Al Shabaab* and Turki's allies in the Ogaden National Liberation Front. *Al Shabaab* holds large parts of Middle Jubba, Lower Shabelle, Bay and Bakool, and many of its Galgaduud members are back in Mogadishu for the next confrontation. Its record indicates that it is slowly building a central organisation, against strong security constraints and the dire handicap of avoiding telephones, which are constantly monitored by Western security agencies. ●

Sheikh **Abdulqadir Ali Omar**, agree with the insurgents in wanting Amisom to leave the country.

The vast majority of those ARS members selected as MPs have been in the diaspora for years. They tend to be better educated than those who have stayed at home throughout the civil war but their ideological commitment may be greater than their realism and it is often shaped by clan rhetoric, too.

THE MEN AND THE MONEY

President Sharif is buoyed by his successful election and popular support in Mogadishu and by the departure of Ethiopian troops. This will last only if he can improve the daily life of the population and keep his supporters under control. Money is a key issue (as was clear throughout the electoral process) and he is unlikely to get the necessary huge financial support from donors for at least three months, if ever.

The opposition has not disarmed. In early February, several insurgent groups rallied in Afmadow under a new umbrella, the *Hisbul Islam* (Party of Islam) led by **Omar Imam Abubaker** (Badiade/Hawiye), who was Deputy Chairman to **Hassan Dahir 'Aweys'** in the Islamic Courts' *Shura* (Parliament) in mid-2006. The groups include:

- *Jabhat al Islamiyya* (Islamic Front), led by **Abdulqader 'Kumandos'** (Ajuuran) and recruiting mostly among the Garre and Gaal Jecel (all Hawiye groups, with a warrior tradition);

- *Al Muqawama Islamiya* (Islamic

Resistance), all Hawiye, mostly from the Ayr and Duduble, with some Gugundhabe;

- *Ras Kamboni* (named after the headland), led by Hassan Turki, mostly Ogadeni;

- *Mu'askar Anole* (Anole Camp), mostly Majerteen and Lelkase from the Kismayo area.

Their unity may prove fragile but if it lasts, *Hisbul Islam* could take over a large area south of Mogadishu. In talks with the TFG, it would insist on the departure of Amisom and strict implementation of *Sharia*, plus other matters that would worry both former TFG politicians and the international community.

Sheikh Sharif may in the short term manage to weaken *Hisbul Islam* by buying back some of its field commanders. Yet reconciliation is unlikely to go very far, given that Sheikh Sharif is President of an entity that his rivals have always fought against. They may soon try to re-establish their supply routes by winning control of areas south of Mogadishu, while attacking Amisom and troops associated with former TFG President **Abdullahi Yusuf Ahmed**. Fighting in their own defence, those troops could kill civilians and generate bitterness against the TFG.

From the start, the TFG has been badly managed and tainted by corruption. If *Hisbul Islam* can survive the first two months of the new TFG cabinet, it may become a rallying point for those disappointed by Sheikh Sharif. His election raises some quite different issues, as well.

On the day after Sheikh Sharif swore

the oath, Ethiopia launched an incursion into Somalia near Beled Weyne. Meles intends to show that he can do whatever he wants, and in preparation, has invited a number of warlords into Ethiopia, ready to unleash them if necessary.

Meanwhile, Puntland and Somaliland will have to adapt to a new leadership in Mogadishu, which resists secession. In Somaliland, President **Dahir Riyale Kahin** again may try to extend his own mandate, while his Vice-President, **Ahmed Yusuf Yasin**, highlights the need for dialogue with Mogadishu. Politically and financially, the survival of the new TFG depends crucially on international support. If Somali reconciliation fails, there will again be calls for military intervention.

The existing military intervention in the form of about 3,500 **Ugandan** and **Burundian** soldiers with **South African** officers doing the training under the banner of Amisom has proved woefully inadequate. Camped out near Mogadishu airport with only the most rudimentary protection, is likely to bear the brunt of local and nationalist attacks in the wake of the departure of the Ethiopian troops.

With poor equipment and little training, along with a weak mandate, Amisom looks set up to fail. Its strength has never exceeded half of the intended 8,000 soldiers. There is no sign of the **Nigerian** and **Ghanaian** troops, still less of the soldiers from **Turkey**, **Jordan** and **Malaysia**. As security pressures mount, the lack of a credible peacekeeping force will be a serious weakness for Sheikh Sharif's government. ●

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Sudan

NICE ENOUGH

■ Instead of going down in history as the man who prosecuted **Slobodan Milosevic** for genocide, Sir **Geoffrey Nice** may be remembered as the man who tried to save **Omer Hassan Ahmed el Beshir** from the same charges. In January, Sir Geoffrey, once lead prosecutor in the International Criminal Tribunal for former **Yugoslavia**, asked the International Criminal Court not to issue an arrest warrant for President Omer. The submission, made with human rights lawyer **Rodney Dixon**, was on behalf of 'Citizens' Organisations of the Sudan', namely the Sudan Workers Trade Unions Federation and the previously unknown Sudan International Defence Group.

SIDG supplied letters from 'charities', a dozen of which used the same wording to say that arrest warrants could threaten peace in Darfur, the South and neighbouring countries. Taking a sideswipe at veteran campaigner **Eric Reeves**, the submission also attacked both Prosecutor **Luis Moreno Ocampo** and the International Criminal Court itself, along with its presumed evidence. These are the same themes the regime touts.

Nice spoke at a meeting in London last September (as did *Guardian* columnist **Jonathan Steele**) to launch 'Darfur: the Road to Peace', by Khartoum propagandist **David Hoile** (even Nice's submission calls him 'pro-government'), and 'Media War on Darfur: Sudan and the ICC', by **Khalid el Mubarak Mustafa**, author of a book attacking the regime, but now Media Counsellor at Sudan's London Embassy.

On 4 February, the ICC judges ruled that the only concern was 'the interests of justice' and dismissed Nice's documents as irrelevant. An angry appeal followed, saying the Court would bear responsibility for any outcome, that warrants 'could entrench negative perceptions of the ICC and thus contribute to a deterioration of the situation in Sudan' and giving an extraordinary 'hypothetical' example of someone threatening to detonate a nuclear bomb. This is not expected to affect the issuance of any arrest warrant.

Malawi

TWO HORSE RACE

■ President **Bingu wa Mutharika** is confident of victory in May's election under his new, blue Democratic Progressive Party banner; **John Tembo** has a last chance under the Malawi Congress Party's black, red and green, as does **Bakili Muluzi**, under the United Democratic Front's yellow.

Beneath that surface normality, however, lies much unpredictability.

Mutharika, though popular, is not a natural politician. He presides over a disorganised party. His choice of Foreign Minister **Joyce Banda** as running mate annoys DPP heavyweights (because she's a woman and another southerner).

Tembo's MCP is more disciplined than the DPP and he has appointed a southerner, **Brown Mpinganjira**, as running mate, hoping to appeal outside its Central Region heartland. Yet people distrust Tembo, 77, from his time in the **Hastings Kamuzu Banda** dictatorship, while Mpinganjira does not inspire much confidence.

Even the energetic ex-President Muluzi must know he is close to the wire. Mpinganjira has betrayed him. The Malawi Electoral Commission could, at any moment, rule that he is constitutionally ineligible for a third term. The Anti-Corruption Bureau could accuse him of financial irregularities. The UDF's resentment of his autocratic leadership could turn into a party rebellion.

Equatorial Guinea/Nigeria

NEW PUTSCH, NEW PLAYERS

■ The gun battle in the early hours of 17 February between armed groups making a seaborne assault on Malabo and its security forces seems to have been sparked by regional opposition groups. 'A contingent of rebel terrorists from the Niger

Delta arrived in numerous boats,' a Malabo official said, 'and tried to invade...Malabo with the aim of taking and destroying the presidential palace.' One gunman was shot dead and several others drowned when their boat was sunk, he said.

Augustin Nze Nfumu, Equatorial Guinea's Ambassador in London, accused the Movement for the Emancipation of the Niger Delta of organising the attack. MEND denied this, calling the Malabo government paranoid. Nigerian security officers say dissidents from Equatorial Guinea and southern **Cameroon** have been training with groups in the Delta, which is just 70 kilometres from Malabo. They are linked to a bank raid on Bata, Equatorial Guinea and a border post with Cameroon.

When **Henry Okah**, a MEND leader on trial in Nigeria on charges of treason and gunrunning, was arrested in **Angola** in 2007, Nigerian officials said he was plotting against President **Teodoro Obiang Nguema Mbasogo** in Malabo. Okah spent some time in **South Africa** in 2005-07 but there is no indication so far of involvement by South African or **British** mercenaries in this latest attack (AC Vol 50 No 1). South Africa's **Nick du Toit** and Britain's **Simon Mann**, convicted by Equatorial Guinea of planning a previous attack on Obiang's regime, are serving life sentences in Malabo's Black Beach gaol.

OBITUARY: ALISON DES FORGES

Alison Des Forges, who died on 12 February 2009 in a plane crash near Buffalo, New York, combined great compassion, dedicated activism and intellectual rigour in her advocacy for human rights in **Rwanda**. She started work at Human Rights Watch in the early 1990s and sounded the alarm ahead of Rwanda's catastrophe. During the genocide of 1994, she worked determinedly to persuade international organisations and governments to intervene to stop the killing. 'While the massacres were raging outside, I was hiding in the attic of my house. Alison made me believe I'd survive despite the horror surrounding me. That's what saved me,' wrote **Monique Mujawamariya**, who escaped the genocide thanks to Des Forges's intervention.

Des Forges then devoted four years to documenting the genocide in relentless detail, producing the 800-page *Leave None to Tell the Story: Genocide in Rwanda**. The killing of over 800,000 people in 100 days could not be explained by 'age-old tribal hatreds' but were, she wrote, 'the deliberate choice of a modern elite (the **Habyarimana** regime) to foster hatred and fear to keep itself in power'.

After winning a MacArthur Fellowship in 1999, she appeared as an expert witness in genocide trials at the International Criminal Tribunal for Rwanda and at trials in **Belgium**, **Canada**, the **Netherlands** and **Switzerland**. Yet in 2008, President **Paul Kagame**'s government banned Des Forges from entering the Rwanda she so loved. Her lobbying on behalf of the families of the 30,000 civilians, whose deaths during and after the genocide were linked to soldiers of Kagame's *Front Patriotique Rwandais*, infuriated Kigali.

It was also an unpopular message in Washington and London, where politicians assuaged their guilt for ordering the withdrawal of United Nations' peacekeepers at the height of the genocide by offering uncritical support to Kagame's government. Indeed, on the day before she died, Des Forges was robustly critical of the Kagame government's accountability and human rights record at a meeting at the Royal Commonwealth Society in London. A group from *Africa Confidential* attended that meeting and thanked Des Forges for her generous help with advice and analysis. Born in Schenectady, NY in 1942, Des Forges lived much of her adult life in Buffalo. She leaves her husband, **Roger**, two children, three grandchildren, a brother and sister-in-law. And countless Rwandans who will never forget her. ●

* <http://www.hrw.org/en/reports/1999/03/01/leave-none-tell-story>

BLUE LINES

The International Criminal Court's issuing of an arrest warrant for Sudan's President Omer el Beshir for crimes against humanity and war crimes in Darfur poses a profound moral challenge. Officials across Africa, including three Presidents, have told *Africa Confidential* that they have no doubts about Omer's guilt but fear that no one is prepared to address the consequences of the ICC's decision.

Threats by intelligence chief Sallah Abdullah Gosh to mutilate those cooperating with the ICC should be taken seriously. We have credible reports that Sudanese security has tortured relatives of exiles suspected of helping the ICC. Khartoum's expulsion of ten foreign aid agencies, claiming they have cooperated with the ICC, and its closure of two Sudanese human rights groups means that thousands more people will die of disease in the camps housing over two and a half million displaced by the Darfur war.

There needs to be more protection for Sudanese civilians if the ICC warrant is to stand a chance of helping them. Western governments should supply the peacekeepers with the equipment, airlift and surveillance capacity to do their job. The ICC should get the resources it needs to run a comprehensive protection programme for witnesses and their families. Furthermore, the UN Security Council should spell out clear consequences to the Khartoum regime of continued attacks on its own people rather than complying with international law.

ZIMBABWE

Caviar and cholera

Mugabe celebrated his 85th birthday as his allies obstructed Morgan Tsvangirai's team in the new government

It was a grotesque birthday banquet. President **Robert Mugabe's** nephew **Patrick Zhuwawo** organised the celebrations. They were in poor taste from both a political and a culinary point of view. However much the dainty morsels of caviar and lobster with glasses of warm champagne may have tickled palates at the high table, loyalists from the Zimbabwe African National Union-Patriotic Front (ZANU-PF), drawn from the starving countryside, might have preferred a heaped plate of sadza and nyama.

The political fare was more to their liking. Mugabe who, unusually, remained seated, urged the youth to take on Premier **Morgan Tsvangirai's** Movement for Democratic Change in preparation for a coming election. The power-sharing government was a temporary expedient to deal with the economic crisis caused by illegal sanctions, Mugabe reassured the young people.

In a barely concealed exhortation to visit fresh violence on the white farmers who had successfully appealed to a regional judicial tribunal run by the Southern African Development Community, he said that Zimbabwe law prevailed and must be enforced, so the land must be vacated (repeated thrice).

Last week, Commissioner General of Police **Augustine Chiuri** had instructed the provincial police commissioners to stop all murder investigations into last year's election violence. This was not a decision of the new cabinet but of the Joint Operations Command (JOC). Attorney General **Johannes Tomana** is blocking the bail applications of political detainees. Several judges have criticised the state's cases for relying on single witnesses who have a personal interest in the case and lack credibility. Justice **Yunus Omerjee**

granted bail to three applicants. Tomana immediately lodged appeals against all three and invoked the provision that bail should not be granted until the appeal process has been finalised. This procedure of appeal from a single judge to three judges of the Supreme Court and then to five judges of the Appellate Division can take several months if the judicial bureaucracy allows it.

The legal presumption in favour of liberty is being bypassed by a partisan Attorney General. People are being kept in prison in appalling conditions. The daily death rate at Harare's Maximum Security Prison Chikurubi is rising; there has been an outbreak of lice-transmitted trench fever; court orders for emergency medical treatment are obeyed in a dilatory fashion. The Prison Service Commissioner is Gen. **Paradzai Zimondo**, a member of the JOC.

When Tsvangirai appeared in the **Roy Bennet** case (AC Vol 50 No 4) to guarantee bail in his capacity as a citizen and as Prime Minister, Tomana claimed that he was acting unconstitutionally. An avowed ZANU-PF supporter, Tomana was appointed shortly before the unity agreement without consultation between Mugabe and Tsvangirai as stipulated in the agreement. The MDC wants him replaced.

ZANU-PF ministers have quickly worked out how to ensure their views prevail in the new government. They have rearranged their long-established weekly timetables. Previously, the ZANU-PF Politbureau met on a Thursday to decide policies to be implemented by the cabinet, which met on Tuesday. The diffusion of power requires some reorganisation. The cabinet – complete with MDC ministers – continues to meet on a Tuesday to decide policy. So now the ZANU-PF Politbureau meets on

ZIMBABWE	2	ZIMBABWE	3	SUDAN	4	MALAWI/ZAMBIA/ ZIMBABWE	5	BURKINA FASO	6
Next, the mines		Now blood gold		Omer the outlaw		New federation		SOUTH AFRICA	8
Mining companies, claims and assets offer hope of wealth to government cronies.		The mining portfolio remains under the control of President Robert Mugabe and his ZANU-PF colleagues.		The Islamist regime shows its true colours as the ICC issues the arrest warrant for President Omer el Beshir.		Common problems and personal friendships could lead to a revival of the CAF.		FRANCE/AFRICA	9
								SIERRA LEONE	10
								POINTERS	12

AFRICA CONFIDENTIAL

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Wednesdays in case it – or other party-run entities such as the JOC – need to take remedial action.

Over its three decades in power, ZANU-PF has ensured that every public service post has been filled by those it deems worthy. Mugabe's announcement of new ministry permanent secretaries without consulting the MDC shows that little has changed. It has also transferred responsibility for parastatals, which would have fallen under the MDC, to ZANU-PF.

Aside from the detainees, the most conspicuous tension is between Finance Minister **Tendai Biti** and Reserve Bank Governor **Gideon Gono**, who countermand each other's directives. In his first week in office, Biti reversed several of Gono's policies: he changed the Reserve Bank of Zimbabwe's US\$100 monthly voucher system for paying public servants to make the vouchers redeemable for US notes at designated banks. Gono warned of an even worse foreign currency crisis if that much US currency circulated and Biti's initiative was dropped. Retailers now display notices showing their acceptance of RBZ vouchers. Biti fears this means Gono can reassert control of the money printing press. Neither side seems to have a workable solution for the currency.

Next, Biti visited the Zimbabwe Stock Exchange, which had been paralysed by Gono's measures in November. Ringing the trading bell, he declared trading to have recommenced on a US dollar basis and that the fungibility of dual-quoted stocks was fully restored. The ZSE responded hesitantly. There was thin trading, particularly in the dual-quoted counters. Yet prices were at a sharp discount to those in London and Johannesburg: Old Mutual traded at around 40 US cents against a London equivalent of 70 US cents.

Under Biti's more liberal rules, traders started buying on the ZSE and transferring to the Johannesburg Stock Exchange, even though the proceeds would have to be remitted back to Zimbabwe. This was too much for Gono. Within the week, he banned the trade again and the ZSE collapsed back into inertia. Almost everyone agrees that the old Zimbabwe dollar is unacceptable for any commercial transaction but there is still no consensus about what should replace it. ●

ZIMBABWE

Next, the mines

Mining companies, claims and assets offer hope of wealth to the Zimbabwe government's cronies

The barons of the Zimbabwe African National Union-Patriotic Front are jostling for mineral riches as the power-sharing government struggles to make its mark (AC Vol 50 Nos 3 & 4). They are joined by **Chinese** companies, many of them backed (until very lately, at least) by deep-pocketed, Chinese government or quasi-state institutions. It is a 'Look-East' policy, designed to spite the West and counter sanctions by the European Union, **United States**, **Australia** and **New Zealand**. Whether it will survive China's slump is quite another question.

At his 85th birthday celebrations, President **Robert Gabriel Mugabe** repeated ZANU-PF's determination to 'indigenise' the mining sector, insisting that the diamond claim in Marange, for example, expropriated from a **British** firm, would be given to a foreign firm 'from a friendly nation' in partnership with locals: 'We're looking at various offers before us,'

he said. In the same birthday interview, he asserted that he was still in charge of the government in which he is supposed to share power with **Morgan Tsvangirai** of the opposition Movement for Democratic Change.

The take-over of the Marange claim from African Consolidated Resources (ACR) highlighted the government's determination to push out mining houses from 'unfriendly nations'. Omegacorp, which had won a bid to mine uranium in the Kenyemba area, had its licence cancelled before the elections in March 2008, as Mugabe heightened rhetoric about the indigenisation of mining and the political stand-off with the then Australian Prime Minister, **John Howard**. The grab went ahead even though Omegacorp was in partnership with Lowenbrau Mining Services, owned by Mugabe's nephew, former Deputy Science Minister **Patrick Zhuwawo**. Lowenbrau is still entitled to

WORTHLESS CASH

South African Foreign Minister **Nkosazana Dlamini-Zuma** is proud of the Southern African Development Community for its brokering in Zimbabwe. At a meeting of SADC finance ministers in Cape Town last week, she called for the lifting of **United States** and European Union sanctions and claimed 'that we have played a major role in facilitating the political solution to the situation in Zimbabwe'. SADC called for US\$2 billion in aid from South Africa and Western donors to shore up the new unity government. Prime Minister **Morgan Tsvangirai** and the United Nations Development Programme agree that rebuilding the economy will cost \$5 bn.

The donors, strapped for cash, are unlikely to stump up and do not believe in President **Robert Mugabe's** reforms. It is not enough that bail was granted at the beginning of March to eight of the (at least) 30 Movement for Democratic Change activists facing terrorism charges. Mugabe's people have proposed installing Zimbabwe African National Union-Patriotic Front 'permanent secretaries' in several MDC-dominated ministries.

At his 85th birthday bash in Chinhoyi, Mugabe was on vintage form, washing his hands as a precaution against cholera before lambasting his Western enemies, promising white-farm invasions and 'indigenous' quotas on foreign companies. Yet cholera has infected over 82,200 people and will soon have claimed 4,000 lives, according to the UN World Health Organisation. The UN wants \$350 million to feed 7,000,000 Zimbabweans over the next two years.

The national currency has disappeared, with no exchange rate quoted on the parallel markets. Shops cannot operate, banks have stopped lending and people must barter or work for tradeable commodities or food. Local economists busily dream up ways of restoring the currency but they all involve restoring property rights – including rights to farm property – and privatising the crippled parastatal companies. While Mugabe is there, such things will not happen.

Tendai Biti, the MDC Finance Minister, talks of linking the Zimbabwe dollar to a basket of currencies such as the dollar and the rand. That would not require huge foreign reserves but means the government would have to stop borrowing and printing money. Given its record and that of Reserve Bank Governor **Gideon Gono**, there would be little confidence at home or abroad in such a plan. ●

the uranium claim but only with a partner from a so-called 'friendly country'. Sources indicate that **Russian** firms top the list.

Indigenisation of the mining sector is expected to favour Mugabe's cronies and the ZANU-PF elite, as in previous deals. In its biggest Black Economic Empowerment (BEE) deal in Zimbabwe, Anglo American Corporation sold its chrome producer, Zim Alloys, to Benscore Investments, a consortium led by banker **Farai Rwodzi** and tobacco merchant **Adam Molai**. Molai is married to the daughter of Mugabe's late brother, Rwodzi is a business associate of retired General **Solomon Mujuru**, husband of Vice-President **Joyce Mujuru**, and **Ray Kaukonde**, a former Governor of Mashonaland East. Solomon Mujuru's consortium includes a former ZANU-PF member of parliament, **Tirivanhu Mudariki**, and holds a minority stake in the River Ranch diamond firm. Its previous owners, Buby Minerals, a local company owned by **Michael** and **Adele Farquhar**, were pushed out by **Saudi Arabian** billionaire **Adel Aujan** in favour of Mujuru.

The Mujurus are also linked to Ele Resources, which has a joint venture with China Machine-Building International Corporation (CMIC) to start a coal mine and two thermal power plants. Ele's mineral resources would support the deal; the firm holds coal, nickel and chrome claims and its holding firm, Dande Capital, has a deal with China National Construction and Agricultural Machinery Import and Export Corporation (CAMC) to establish a chrome mine in Dande.

In another BEE deal, Anglo American sold its controlling stake in Bindura Nickel Corporation to Mwana Africa Holdings, domiciled in South Africa. Its chief proprietors include **Oliver Chidawu**, a former Mayor of Harare said to be linked to **Emmerson Mnangagwa's** faction of ZANU-PF, who benefitted when Anglo American sold banking assets to his consortium. Again, when Anglo merged with Ashanti Gold, it sold the Freda Rebecca gold mine to Chidawu's consortium.

Some of those who have won mining concessions are failing to develop them. **Edward Raradza**, a ruling party MP and former Chairman of the Zimbabwe Farmers' Union, holds claims to the 19,000 hectare Entuba coalfields, said to have more than 200 million tonnes of coal reserves. His Zamesi Gas shelved plans for a gas plant after failing to raise US\$40 mn. for the project.

Gideon Gono, Governor of the Reserve Bank of Zimbabwe, highlighted the stampede for mining assets when ZANU-PF promoted laws for their forced seizure under the indigenisation programme. A mining industry source told *Africa Confidential* that Gono said he aims to

'leverage his vast wealth and contacts to structure personal deals in the mining industry' and that he attacked potential rivals saying 'a few well-connected cliques' wanted 'to amass wealth to themselves in a starkly greedy but irresponsible manner'. There is potential for a bloodbath among ZANU-PF comrades.

A BEE transaction between Zimbabwe Platinum Mines (Zimplats, a subsidiary of South Africa's Impala Platinum) and its empowerment partner Needgate, led by **McDonald Chapfika**, brother of former Deputy Finance Minister **David Chapfika**, was overturned by the government, which 'requested' Zimplats to negotiate with Nkululeko-Rusununguko Mining Company (NRMC) for the purchase of a

15% empowerment stake in Zimplats.

NRMC's board is chaired by **Priscilla Mupfumira**, a ZANU-PF provincial treasurer in Mugabe's home province, Mashonaland West, and a leading member of the commission that ran Harare after Mugabe's team fired its MDC-dominated council. Jelly Mine, part of the NRMC consortium, includes **Sylvester Nguni**, a Minister of State in Vice-President Mujuru's office, and Mugabe's nephew Patrick Zhuwawo. A rival lobby within ZANU-PF wants the government-owned Zimbabwe Investment Trust to take over the 15% BEE stake in Zimplats. 'There are bound to be fights over mining industry empowerment that could seriously break cohesion in the party,' said a source. ●

NOW BLOOD GOLD

Under Zimbabwe's power-sharing government, the mining portfolio (like the army) remains under the control of President **Robert Mugabe** and his Zimbabwe African National Union-Patriotic Front cronies, all of them subject to asset seizure and travel restrictions in the European Union and **United States**. Their reputation was not enhanced when Vice-President **Joyce Mujuru** threatened the head of a commodities company for blacklisting her daughter **Nyasha** and her **Spanish** husband **Pedro del Campo** for trying to sell gold from under the counter.

Pedro is administrator of a Geneva company, Berline Equities Corporate, which on 31 October last year paid a nominal US\$3 million for 3.7 tonnes of gold from **Paul Ilunga Ngoei** in **Congo-Kinshasa**. Under a deal drawn up by a Nairobi law firm, Miller & Company Advocates, the money was wired from an account at the Bankers Trust Co. in New York. Pedro then offered to sell part of the gold through a Madrid company he administers, Onesafara International. In early December, Nyasha contacted Firstar, a commodity-trading firm based in **Germany** and the USA, offering to sell \$35 mn. worth of gold a month over twelve months, plus more than \$18 mn. of diamonds. Firstar Vice-President **Bernd Hagemann** told *Africa Confidential* that Joyce Mujuru was to pay the \$200,000 cost of moving the gold from Nairobi to Zurich.

Firstar raised concerns over the gold's provenance; one employee called it 'blood gold'. Nyasha offered to change its origin to **Kenya**. Firstar refused. Nyasha, claiming she was 'victimised' for being African, then referred to the vendors of the gold as 'people... registered [sic] with the UN and are serious people otherwise my parents would not have given me the money'. Hagemann told Nyasha that the company would blacklist her and report her to the US Federal Bureau of Investigation. In early January, he got a call from Joyce asking him to remove Nyasha and Pedro from the blacklist. When he refused, Joyce said he would receive 'visitors' in the next few weeks and 'you see what happens then'.

Zimbabwe has been expelled from the London Bullion Market Association, and the government now allows producers to sell gold directly to international buyers; hitherto Fidelity Printer and Refineries, a subsidiary of the ZRB, was the sole authorised buyer. LBMA accreditation certifies the quality of gold sold by members, who must produce a minimum of ten tonnes per annum to maintain membership. In 2006, Zimbabwe produced 10.96 tonnes; in 2007, only 6,798 kilogrammes; and in 2008, 3,072 kg. Production costs were rising, power supply was unreliable and Fidelity had stopped paying 40% of earnings in foreign currency, making it impossible to source necessary inputs. The Mugabe regime had managed to make gold mining unprofitable.

Reserve Bank Governor **Gideon Gono** did not reveal the loss of LBMA membership when, in January, he announced that producers could start selling gold directly to offshore clients. Fidelity would do all the refining, and take 7.5% of all gold produced.

Diamonds are dodgy, too. Smuggling is rampant. The army controls the main diamond fields and has killed dozens of miners. Joyce Mujuru and her husband, General (retired) **Solomon Mujuru**, have a stake in the River Ranch diamond company, which has in the past been investigated on suspicion of breaching the Kimberley Process, the 45-government body that certifies the sources of traded diamonds. On 2 March, Partnership Africa **Canada** (PAC) said that the KP's response to reports of Zimbabwean trading had been 'sluggish, timid and wholly inadequate'. PAC wants a United Nations' embargo on Zimbabwean diamonds, as on blood diamonds from several African countries. ●

Omer the outlaw

The Islamist regime shows its true colours as the ICC issues the arrest warrant for President Omer el Beshir

The arrest warrant for President **Omer Hassan Ahmed el Beshir**, which the International Criminal Court issued on 4 March, is a landmark event (AC Vol 50 Nos 2 & 4). For Sudan, the seven charges of crimes against humanity and war crimes confirm the National Congress Party (aka National Islamic Front) regime's ethnic cleansing policy in Darfur. 'He is suspected of being criminally responsible, as an indirect (co-) perpetrator, for intentionally directing attacks against an important part of the civilian population of Darfur, Sudan, murdering, exterminating, raping, torturing and forcibly transferring large numbers of civilians, and pillaging their property,' said the ICC.

This cuts away the semblance of legitimacy which the NCP has carefully built up and to which other governments – African, Arab, Asian and Western – have been happy to acquiesce. 'There's a reluctance by some in the West to accept that there's a very radical group at the core of the Government of Sudan,' commented one **British** official.

The Islamist regime's statements had shown it was expecting a warrant and, significantly, it never seriously challenges the charges. It rants against 'humiliation' but what it fears more than loss of face (bad enough in the Muslim world) is loss of power. As Sudan warned of instability triggered by the ICC, on 23 February, a usually quiet **Norway**, active in Sudan via the Comprehensive Peace Agreement, reminded the world that the ICC was acting at the United Nations' request because Darfur was, in Security Council language, a 'threat to peace and security'.

Beyond Sudan, this first-ever such indictment of a sitting head of state or government is also the first step towards an international justice system and perhaps towards enforcing the 'Right to Protect' which the UN World Summit endorsed enthusiastically in 2005, then swept under the carpet. 'It's an insult to the victims to delay justice,' said one legal expert. The case was about 'exchanging a world based on power for one based on law,' ICC Prosecutor **Luis Moreno Ocampo** told a meeting at the British Parliament in May 2008. 'The biggest challenge is how to make peace and political agreements and have justice at the same time.'

These are precisely the issues which the ICC's critics have seized upon. Threatened by the notion of losing any power, the world's less democratic regimes have been eager to back Khartoum, which has fed the image of the ICC investigation as a neocolonialist plot. Khartoum's Islamist regime has vacuumed up most African, Arab and Asian governments, if only through their international organisations, notably the African Union, League of Arab States and Organisation of Islamic Conference. Nevertheless, they look unlikely to resign *en bloc* from the ICC, an idea which Khartoum has been energetically spreading. In Khartoum, a previously sympathetic President **Abdoulaye Wade** told Omer **Senegal** could not give him refuge as it was party to the ICC. Paradoxically, the ICC was founded thanks to strong support from African governments in the face of opposition from the **United States**.

THE PROPAGANDA MACHINE

The argument that a warrant for Field Marshal Omer threatens any Darfur peace process has more apparent weight, not only because of the NCP regime's repeated threats against peacekeepers and aid workers but because peace will eventually have to be made by the government. Whether the NCP will do it is another matter. It has constantly manipulated peace talks to its own advantage. The NCP belatedly organised more talks, just as it had in 2002, under considerable US pressure, with the Sudan People's Liberation Movement.

This time, the talks were with the Justice and Equality Movement in Doha hosted by the **Qatari** government, representing the Arab League. Britain is quietly working to make the talks a success but the USA is more sceptical. Also involved is the UN-AU joint mission, led by the **Burkinabè** mediator and veteran Foreign Minister, **Djibril Yipènè Bassolé**. The NCP and JEM signed a goodwill agreement on 17 February, briefly convincing the world that substantive peace talks were under way.

Sudanese are sceptical – and not only those from Darfur. Many recalled the 2006 Darfur Peace Agreement signed in Abuja between the NCP and **Minni Arkou Minnawi's** faction of the Sudan Liberation Movement. The DPA

is widely seen as Khartoum's bid to win foreign approval while further dividing the Darfur rebels. Khartoum emerged as peacemaker (when it was still bombing civilians from the air, as it still is), Minni was neutralised as a powerless 'Presidential Advisor', while the image of other factions as inefficient warmongers was set in stone, then broadcast by interested governments, including Britain's.

Doha may be having something of a reverse effect. There is a widespread fear among Sudanese that the NCP-JEM accord signals the coming together of the Islamist movement in response to growing pressure. JEM chief **Khalil Ibrahim Mohamed** was once an NIF minister, while **Hassan Abdullah el Turabi** has blessed the talks and is close to some Qatari sheikhs. Some other Darfur factions have therefore quietly begun talking to each other again, *Africa Confidential* understands. This is a prerequisite of peace in Darfur but it is not what the regime planned.

As the arrest warrant loomed, Khartoum ratcheted up the angry propaganda, much of it aimed at preventing any *intifadah* or sabotage: the public has not forgotten that it twice overthrew dictatorships by popular uprisings, in 1964 and 1985. In a 1 March speech in Southern Kordofan, Second Vice-President **Ali Osman Mohamed Taha** denounced the ICC as part of a neocolonialist Western plot to seize Africa's resources (in Sudan's case, seized largely by the NCP and **China**) and appealed to the area's African sensibilities. This looked like an attempt to defuse opposition from the Nuba and the Ngok Dinka in Abyei.

More overtly threatening was security supremo **Salah Abdullah Mohamed 'Gosh'**. Addressing, improbably, a 21 February Khartoum meeting of Southerners celebrating his promotion to full general (*fareek awal*), he threatened anyone who gave the ICC a helping hand by saying that 'we will chop off those hands,' plus limbs, heads, everything. 'We were once Islamic extremists (*islamiyin mutatarrafin*) but we became moderates, civilised (*mutahaddir*), who believe in peace and life for everyone'. He went on to fatally damage the idea, popular with Western diplomats, that the NCP had substantially changed: 'We will revert back to how we were if necessary. There is nothing any easier than that.' It may also ensure that, as one opposition politician put it, once the ICC warrant was issued, 'people will celebrate at home, in silence'. This left the streets free for orchestrated demonstrations, including the 'finger-print in blood' for the nation of redemption campaign.

Threats are mixed with

disinformation, an NCP speciality long before its 1989 coup d'état. Darfur rebel groups all enthusiastically welcomed the ICC warrant, including SLM-Unity's head of External Relations and Negotiations, **Sharif Harir**. Soon after, a Sudanese press story claimed that the veteran academic and activist was on his way to the Doha talks, along with **Ahmed Abdel Shafi'e** of SLM-Shafi'e. This was 'absolute bull....', Sharif told AC, adding that he had written on behalf of SLM-U to the Qatari Deputy Foreign Minister involved in the talks on 15 December, with no response to date.

The newspaper had also claimed that **Abdel Wahed Mohamed Ahmed el Nur**, of the SLM-Abdel Wahed faction, would 'lose' by not joining the others at Doha. It looked as if the government had leaked yet another attempt to divide the Darfur armed opposition.

No one is immune to disinformation. On 23 February, the government-linked Sudan Media Centre website quoted Pope **Benedict XVI** as telling visiting UK Premier **Gordon Brown** that the international community must 'focus on peace for Sudan as a priority rather than concentrating on International Criminal

Court proceedings'. **Vatican** officials were 'astounded' by this, we hear, as were top Sudanese Catholic Church officials. A senior Vatican source privately described the statement as 'clearly a manipulation, as the Pope never said such words, least of all in the circumstances indicated'.

Meanwhile, Omer el Beshir returned from inaugurating the controversial Merowe Dam this week threatening to continue to back the *mujahideen* in **Afghanistan** and **Iraq**, while his close ally the Defence Minister Gen. **Abdel Rahim Mohamed Hussein**, threatened to 'attack' the ICC. ●

MALAWI/ZAMBIA/ZIMBABWE

A new federation

In Malawi, the President seems to be blundering towards a new version of the Central African Federation

Back in the 1950s, as independence for its Empire became inevitable, **Britain** tried to unite some smaller units into federations it deemed large enough to stand alone. This never got off the ground in East Africa or the Caribbean. Yet the Central African Federation (which is not even in central Africa) did for a few years uneasily exist. Now there is talk of rebuilding it in a new form, again bringing together Zambia and Zimbabwe (once Northern and Southern Rhodesia) and Malawi (once Nyasaland) as a group within the Southern African Development Community.

Until Zimbabwe's collapse, the three countries' economies seemed increasingly interdependent. Presidents **Rupiah Banda** of Zambia, **Bingu wa Mutharika** of Malawi and **Robert Mugabe** of Zimbabwe have in their different ways criticised European (they mean British) interference in their countries' politics. Zambia's cautious Banda remains a close friend of the man most often tipped to follow Mugabe, the lawyer **Emmerson Mnangagwa**, who lived for many years in Zambia and would probably be pleased if closer ties with Malawi and Zambia lessened Zimbabwe's reliance on **South Africa**, with talk now of joining the rand monetary zone.

All three presidents are sceptical of, if not openly hostile to, what they call Britain's continuing role in the region. They all remember that, half a century ago, the white-supremacist government under Sir **Roy Welensky** tried to build a federation dominated by its richest member, Southern Rhodesia, as a bulwark against independent African rule.

In Malawi, the black-white relationship was always relaxed, partly because very few whites live there. Yet anti-imperialist rhetoric spilled over from Zimbabwe with its white-run farms and Zambia with its

white-run mines. Malawi's first President, **Hastings Kamuzu Banda**, was swept to power as Premier in 1963 on a nationalist ticket which included strong opposition to white domination. The danger was seen as lying in the British-inspired Federation with the similarly landlocked Rhodesian neighbours. Malawi's Banda and Zambia's **Kenneth Kaunda** won the argument and walked out. The Federation was dead and Southern Rhodesia's white rulers rebelled more dramatically against British rule. Ever since, Malawian presidents have enjoyed their sovereign status, which has conferred larger benefits on rulers than on their peoples.

COMMON GROUND

In Zimbabwe, Mugabe has carefully kept the black-white issue alive. The political struggle against a propertied white minority ended with Independence in 1979 but still forms the world view of its leader, as does extreme distrust of Britain, though it had preferred Mugabe to his rival **Joshua Nkomo** as leader.

When Hastings Banda, then **Bakili Muluzi**, ruled Malawi and Kenneth Kaunda, then **Levy Mwanawasa** ruled Zambia, the issue had little significance for domestic politics. Now, Malawian President **Bingu wa Mutharika** enjoys backing Mugabe's denunciations of Britain and of neocolonialism. Mutharika's late wife **Ethel** was from Zimbabwe and he has a large farm there. He also has a personal friendship with Mugabe and (it is said) depends heavily on Zimbabwean security staff and advisors.

While the late Mwanawasa was Zambian President, he was more critical of Mugabe than his regional partners. His successor Banda, who took office in November 2008, was born in Zimbabwe (AC 49 No 23), is married to a

Zimbabwean and has close links with the ruling Zimbabwe African National Union-Patriotic Front though he has been cautious in his public statements on Zimbabwe. On a state visit to Malawi last month, he was warmly welcomed and awarded the freedom of the city of Lilongwe.

Britain is still the main donor of aid and advice to Zambia and Malawi. That is not likely to change just because, when Banda left Lilongwe for home on 11 February, Mutharika publicly rebuked Britain's High Commissioner to Malawi (who was not present). 'The British High Commission is leading a front against me that I am not blaming President Mugabe,' he was reported to have said.

Yet Britain's support cannot be taken for granted. Prime Minister **Gordon Brown**, a friend of Africa in the tradition of the Scottish missionaries who founded Malawi's commercial capital, Blantyre, insists on 'business as usual' but the world financial crisis and the weakening pound are likely to cut US\$41 billion from Britain's aid budget over the next seven years without any assistance from Mugabe or Mutharika. Malawi's \$100 mn. annual budget support is bound to shrink. British businesses have lost interest in Africa and the Malawi government is sending white business people many tiny signals of a less friendly official climate.

Hastings Banda's body is enshrined in a brand-new mausoleum in Lilongwe, where his Zambian namesake has just paid ritual respects. The strengthening Malawian-Zambian connection and the loosening of ties with Britain would have alarmed Malawi's founding father. As a pragmatist, however, he might have seized the opportunity of Zimbabwe's economic collapse to promote a regional block with a newly significant role for its smallest member, Malawi.

Mutharika is prone to angry verbal outbursts and secretive decision-making. Yet, like his neighbouring fellow presidents, he certainly realises that a federation of three nations can have only one head. That would mean two redundant leaders. Nobody is yet applying for early retirement. ●

A brutal family business

As Ouagadougou greets its guests at this year's long-established Pan-African film festival, the 21st *Festival Panafricain du Cinéma (FESPACO)*, President Blaise Compaoré is getting ready for his re-election in November next year (AC Vol 46 No 24), two decades after the murder of Thomas Sankara. Compaoré's *Congrès pour la Démocratie et le Progrès* has already organised several regional conventions to fire up its activists – but they don't expect much of a fight.

TAYLOR'S SHADOW

Western donors think well of Burkinabè President Blaise Compaoré. On 11 February, Carla Bruni-Sarkozy, the wife of the French President, made Ouagadougou her first port of call as an envoy of the Global Fund to Fight AIDS, Tuberculosis and Malaria. A month earlier, Burkina Faso's Regional Co-operation Minister, Minata Samaté-Cessouma, had signed an agreement with the French Immigration Minister, Brice Hortefeux, on 'agreed management of migratory flows', which Mali had refused to sign. A significant share of Burkina's aid from the European Development Fund for 2008-2013 (320 million euros of a total 529 mn. euros or US\$403 mn. of \$667 mn.) comes as budgetary support and is not subject to item-by-item scrutiny. Washington is equally friendly, allocating \$480 mn. from the Millennium Challenge Account for poverty reduction projects.

The government works closely with the United States on military matters. The USA provides support under the Global Peace Operations Initiative, training and equipping troops for peacekeeping. The Trans-Sahara Counter-Terrorism Initiative sends specialists from the US private military company Blackwater, which has a base near Ouagadougou gaol, the 'Maco'; it has trained over 600 soldiers, some of whom are deployed in Darfur, Sudan. Blackwater's helicopters keep watch on Burkina's desert borders with Mali and Niger. Regional military cooperation includes membership of the standby force of the *Communauté Economique des Etats de l'Afrique de l'Ouest*, which is to form part of a continent-wide standby force under the African Union; on 7-15 June CEDEAO troops will conduct a logistics exercise in Burkina Faso.

The shadow over Compaoré is that Liberia's ex-President Charles Taylor may, during his trial at the Sierra Leone Special Court, sitting in the Hague, produce some embarrassing revelations about their cooperation (AC passim). Compaoré collaborated with warlord Taylor from the start of his rebellion in 1990 until around 2004, when they fell out over money. Despite international condemnation (though Paris hardly said a word), Compaoré continued to supply arms to Taylor and the late Sierra Leonean militia leader Colonel Foday Sankoh and his Revolutionary United Front. The Special Court has RUF documents which explicitly refer to the help Compaoré gave Sankoh.

Those bad old days have not quite gone away. Diplomats advise foreign travellers not to travel at night across eastern Burkina, on the roads to Fada-N'Gourma and Benin. Highwaymen ('coupeurs de route') roam, some of them former soldiers returned from Liberia. France is worried and in January gave ten vehicles to the *Gendarmerie* to patrol Burkina's main roads full-time to deter the gangsters.

Compaoré's attempt to mediate in neighbouring Côte d'Ivoire's troubles will not help him electorally if it ends in an impasse. At their last meeting, Ivorian rivals failed to agree on a date for elections. Yet his role could also rehabilitate his reputation as a one-time ally of the warlord Taylor and a champion of Ivorian men of violence, such as former Sergeant Ibrahim Coulibaly ('IB').

Further difficulties with Côte d'Ivoire could result from the article in Burkina's new electoral law which will allow non-resident citizens to vote in November 2010. There will be huge practical difficulties in organising a poll of several million Burkina nationals through an embassy and three consulates in Côte d'Ivoire. Compaoré's ruling party, the *Congrès pour la Démocratie et le Progrès*, will enjoy big advantages. At the last general election in May 2007, the CDP and its ally, the *Alliance pour la Démocratie et la Fédération-Rassemblement Démocratique Africain* (ADF-RDA) picked up every centime of the state's 500 mn CFA franc (\$959,000) contribution to party funds. Moreover, Ivorians, with no right to vote, may be upset to see Burkinabè voters exercising that right when their hosts cannot.

Of the 111 members of Burkina's current *Assemblée Nationale*, 73 are CDP, 14 AFD-RDA, with 12 from the *Convention des Forces Républicaines* and 11 for the only opposition group, called *Alternance, Démocratie, Justice* (ADJ). Yet the CDP still goes in for intimidating electors. The party's dominance is artificial. Turnout in 2007 was low, at 57% of the 4.5 mn. registered electors. By some estimates, another two million eligible people were not on the electoral register, perhaps because they did not think it worth voting. The President's party may therefore have won the vote of only one elector in three.

President Thomas Sankara was murdered when Compaoré (then also a captain) launched his coup d'état in October 1987 (AC Vol 28 No 4). His memory is still honoured and photographs, posters and DVDs commemorating him are found everywhere in Ouagadougou. People also remember the journalist Norbert Zongo (AC Vol 40 No 20), tortured to death in 1998 after exposing the murder of the driver of the President's younger brother, François Compaoré, who is now a presidential advisor and known as 'le Petit Président'. This helps to explain why in February 2008 the regime cracked down on people who rioted in protest at rising prices and why in June several students were wounded by gunfire while demonstrating for higher grants.

In January, an email, signed by one Compaoré Issoufou Yandé, contained death threats against journalists on *Le Reporter* and their colleague Barry Newton of *L'Événement*. Their offence had been to publicise a report by the *Cour des Comptes* (Audit Court) in late 2006 about apparently illegal loans to prominent figures. The same author claimed to know who had burned a car belonging to a well-known broadcaster on Radio Ouaga FM, Sams'k le Jah.

Le Reporter shone the spotlight on those said to have received the money, including a former Prime Minister, Paramanga Ernest Yonli, now Ambassador to the USA. He was said to have taken a loan in 2002 from the national social security fund, the *Caisse Nationale de Sécurité Sociale*, of FrCFA110 mn., although the CNSS is forbidden by law to make loans. Another of those listed was Philippe Savadogo, who borrowed CFA52.9 mn. in 1999. He is now the government Spokesperson and Minister

of Culture, Tourism, Crafts and Communications, and as such, in charge of FESPACO. A former Justice Minister, **Boureima Badini**, now deeply involved in the Ivorian mediation, took out a similar loan in 1999. These loans, according to *Le Reporter*, paid for the acquisition of 'futuristic villas' in the capital's modern and nearly empty district called Ouaga 2000.

These reports of sleaze are the more embarrassing since Burkina is trying to sell itself as a place to do business and an example of good governance, for which it is rewarded with European aid. A World Bank report entitled 'Doing Business 2009' put Burkina in the top ten countries for business-friendly economic reform.

Potential investors were also alarmed by a murder attempt on **Travaly Bandy**, country representative of **British American Tobacco (BAT)**, on the night of 7-8 October 2008. BAT had just cancelled a distribution deal with Nesko SA, a company headed by **Salif Kossouka Ouédraogo**, who was arrested on 5 January and released on bail on 20 January. Voicing support for Ouédraogo were several businessmen known to back the President's fund-raising group, the *Fédération Associative pour la Paix et le Progrès avec Blaise Compaoré* (Associated Federation for Peace and Progress with Blaise Compaoré, Fedap-BC).

The opposition, such as it is, has so far failed to capitalise on the nostalgia for Sankara. An attempt is under way, led by **Emile Paré** and **Philippe Ouédraogo**, whose 14 February group brings together six small parties, including the *Parti Africain de l'Indépendance* (PAI). Ouédraogo is aligned with the *Union pour la Renaissance/Mouvement Sankariste* (Unir-MS), under the lawyer **Bénéwendé Stanislas Sankara** (no relation), which is part of the parliamentary opposition ADJ group. One of the two is expected to be the opposition's presidential candidate.

ANTI-COMPAORÉ ALLIANCE

It remains to be seen whether, as in 2007, the *Union Nationale pour la Démocratie et le Développement* (UNDD), led by another lawyer, **Hermann Yaméogo**, will boycott the poll. On 21-22 March, a congress in Ouagadougou is due to formalise a merger of the main Sankarist group, the Unir-MS, with the *Convention Panafricaine Sankariste* and other splinter parties. The aim is to form a new *Union pour la Renaissance/Parti Sankariste* (Unir/PS) to get rid of Compaoré.

The ruling CDP is itself divided. One main clan is led by the party President, **Roch Marc Christian Kaboré**, another by its Secretary General, Ouagadougou Mayor **Simon Compaoré**, with former Agriculture Minister **Salif Diallo**. There is rivalry between the veterans and the latecomers. The dismissal of Diallo in 2008 was part of a clear-out of the old guard, to make room for the new Fedap-BC, whose leader **François Compaoré**, the little President, is tipped to take over the national leadership in 2015. Fedap-BC goes in for well-publicised activities such as distributing grain in the hunger gap before harvest.

The one real threat to the regime is the cost of living. There was a record harvest last

year, with 4.21 mn. tonnes of grain, a surplus of 717,000 tn. Yet the United Nations World Food Programme says food supplies are 'worrying' and notes that malnutrition has increased over the past 15 years. The UN Development Programme, reporting on the Millennium Goals, reckons that it will be hard to reduce the country's poverty rate from 42% in 2006 to 30% in 2015.

The good harvest did not bring food prices down. A bag of rice doubled in price between July 2008 (when it was CFA11,000) and the end of the year. Speculators are blamed and more riots are feared. Compaoré and most of his associates live well away from danger, in the exclusive Ouaga 2000 district where, for once, they can rely on the power supply during the present dry season.

Even **Bénéwendé Sankara** admits that opposition unity is vulnerable to what he calls 'political nomadism', meaning that some people can be bought. Others reckon that Zongo's death brought a change in behaviour and that the public will no longer put up with arbitrary rule. Opposition politicians have begun to work together with civil society activists and that could make all the difference. ●

WAITING IN THE WINGS

After President **Blaise Compaoré** and Prime Minister **Tertius Zongo**, Burkina Faso's most senior politician is **Roch Marc Christian Kaboré**, National Assembly Speaker and Chairman of the National Executive of the ruling *Congrès pour la Démocratie et le Progrès*. In early February, he called for party unity while denying what everyone in Ouagadougou knows – that the CDP is at odds with the *Fédération Associative pour la Paix et le Progrès avec Blaise Compaoré*, led by the President's younger brother, **François Compaoré** who is, like Kaboré, in his 50s. Fedap-BC's members include the *Mogho Naba* (King of the Mossi, the main ethnic group) and the king of construction, **Oumarou Kanazé**.

François Compaoré is called 'le Petit Président' but looks more like the next president. With economics degrees from the universities of Niamey and Abidjan, he is an economic advisor at the presidency and a television broadcaster. He took the lead when Fedap-BC was launched in April 2008 and is suspected of having engineered the firing of a rival, **Salif Diallo**, from the Agriculture Ministry in March 2008. He is neither charismatic nor popular, deficiencies he tries to remedy by sponsoring the Shooting Stars of Ouagadougou football team.

Another Compaoré in his 50s is **Simon**, Mayor of Ouagadougou since 1995, unrelated to the President but his close ally and once head of his private office. In Parliament since 1997, he is the CDP Assistant Secretary General.

Any aspiring President would want to be on good terms with Colonel **Gilbert Diendéré**, chief of the President's military staff and commander of his security troops. He and Blaise Compaoré were close long before the bloody coup of October 1987, when Captain **Thomas Sankara** was brutally killed.

The main figure of the feeble opposition is **Bénéwendé Stanislas Sankara**, 50, a lawyer not related to the late President but claiming to be his political heir. He came second in the presidential elections of November 2005 but took only 4.88% of the vote. In Parliament, he sits (with two colleagues) for the *Union pour la Renaissance/Mouvement Sankariste* (Unir-MS) and chairs the opposition parliamentary group, *Alternance, Démocratie, Justice* (ADJ).

Hermann Yaméogo, 61, Chairman of the *Union Nationale pour la Démocratie et le Développement* (UNDD) and son of the first President, **Maurice Yaméogo**, took just 0.76% of the vote in 2005. **Emile Paré**, also in his 50s and leader of the *Mouvement pour le Peuple et le Socialisme-Parti Fédéral* (MPS-PF) is from the south-west and claims friendship with ex-minister Diallo but is viewed as a CDP Trojan horse. He enjoys mocking Premier Zongo and may hope to replace him.

An outsider is **Zéphirin Diabré**, Chairman of the Middle East and Africa Regions for the French nuclear giant Areva and International Affairs Advisor to its President, **Anne Lauvergeon**. He is a former Assistant Director General of the United Nations Development Programme and has good contacts everywhere, including in Ouagadougou's *Institut Afrique Moderne* think tank, which he founded with two French former premiers, **Alain Juppé** and **Michel Rocard**. He was also a faculty member of Harvard University, specialising in international relations. In January, he founded a 'citizens' forum' which, some think, could launch a bid for the presidency. ●

A morality contest

Jacob Zuma's legal problems are the new opposition's strongest card

The presidential election will make or break the careers of many South African political leaders. A new one has unexpectedly appeared. The new Congress of the People (COPE), formed mainly by dissidents from the governing African National Congress, has selected as its candidate Reverend **Mvume Dandala**. He was formerly Presiding Bishop of the Methodist Church of Southern Africa and is a close ally of ex-President **Thabo Mbeki** (AC Vol 50 No 3).

Dandala began with a promise 'to build a government founded on honesty, integrity and justice', saying that in COPE he 'found people who share these values'. Said the ANC's **Jacob Zuma**, in an interview with journalist **David Frost** on *Al Jazeera* television: 'I'm not necessarily worried about fighting the man of God. That's the least of my worries, really.'

We hear that COPE's President and one of its founders, (**Patrick**) **Mosiuaa 'Terror' Lekota**, initially refused to accept Dandala's nomination; he had fancied himself slogging it out with his old rival, Zuma. Lekota admitted that some COPE members had resigned in protest. We also understand that the party's Deputy President **Mbhazima 'Sam' Shilowa** got more votes than Lekota but withdrew to avoid a potentially bruising electoral contest. The pair failed to agree on who should stand down for the other and Shilowa then backed Dandala. Many supporters believe Dandala is unsuited for the electoral rough and tumble and he lacks Zuma's popular profile.

After many denials, **Phumzile Mlambo-Ngcuka** has finally joined COPE. She was Mbeki's favourite to succeed him and resigned as national Deputy President after the ANC sacked Mbeki last September. The ANC quickly dismissed the significance of her move and, to keep the spotlight on Dandala, she made no public statement. Other Mbeki-allies, such as former ministers **Geraldine Fraser-Moleketi** and her husband, **Jabulani ('Jabu') Moleketi**, along with **Thokozile Angela ('Thoko') Didiza**, **Essop** and **Aziz Pahad** and **Sydney Mufamadi** are keeping their cards close to their chests and Mbeki has not said whether he will publicly back COPE.

A storm has raged within the ANC and the Mandela family since Zuma paraded former President **Nelson Mandela** at an election rally in the Eastern Cape. The Nelson Mandela Foundation criticised Zuma and his allies for undermining Mandela's health and security for political purposes; through the Foundation, Mandela had a few months ago said that he would not get involved in party campaigning. In its first election TV advertisement, which cost 10 million rand (US\$964,000), the ANC used Mandela as a prominent face for its campaign.

Having spent most of Mbeki's presidency in the political wilderness, **Winnie Madikizela-Mandela** is on the march again. She is on the ANC's list of parliamentary candidates, although a criminal conviction (for fraud, six years ago) may block her. Her sentence was

suspended and ANC Secretary General **Gwede Mantashe** claims it should therefore be no bar; legal opinions differ.

Zuma's team sees President **Kgalema Motlanthe** as an interim President whose job will finish after the elections. He seems to have fought off attempts to sideline him, despite smears from the Zuma camp, which fears he might grab the national presidency if Zuma stumbles over his legal obstacles. Motlanthe came second to Zuma in the party poll to select candidates and it would be hard to sideline him. Zuma is said to be considering having two deputy presidents, Motlanthe and either ANC national Chairwoman **Baleka Mbete** or **Blade Nzimande**, General Secretary of the South African Communist Party.

Allies of Finance Minister **Trevor Manuel** tell us that he sees himself as a dark horse for a senior post (AC Vol 50 No 4): as a deputy president if Zuma's team continues to sideline Motlanthe or as a new 'super-minister' or planning minister. Nzimande, too, would like either of those jobs. Although opposed from the Left, Manuel came high on the ANC's parliamentary candidates' list and he can claim to be the party's one clear-headed economic thinker, with the market credibility to steer the country through the global financial crisis and win the trust to pursue more expansive policies in the downturn.

The former anti-apartheid cleric **Allan Boesak** will re-enter politics as COPE's candidate for the premiership of the Western Cape. He was the ANC's candidate in 1994, when he lost narrowly to the National Party (NP). COPE's first choice, Professor **Russel Botman**, the first black principal of the University of Stellenbosch, chose to remain in academia. The old warhorse of Zulu politics, Chief **Mangosuthu Gatsha Buthelezi** of the Inkatha Freedom Party (IFP), will be fighting his last political battle. Fellow veteran **Bantu Holomisa** joined the ANC, fell out with Mbeki and formed his own United Democratic Movement with former NP star **Roelf Meyer**. The UDM's only support comes from Xhosa in the Eastern Cape. If COPE does well there, it could finish off the UDM.

In the Western Cape, both **Helen Zille** of the Democratic Alliance (DA) and **Patricia de Lille** of the Independent Democrats have declined to contest the national presidency and opted to fight for the provincial premiership against COPE's Boesak. Zille said: 'It is a project of national significance. We want to run the city and the province in cooperative governance and demonstrate what is possible under those circumstances.'

The ANC has offered its candidacy for the Western Cape provincial premiership to Rev. **Chris Nissen**, a former provincial leader of the party, ahead of **Lynne**

CLAIMS AND COUNTER-CLAIMS

- The fiercest contests will be in Western Cape, Eastern Cape and Northern Cape, and to a lesser extent, Gauteng.
- All opposition parties claim the moral high ground; they defend the Scorpions, the elite crime-fighting unit that the African National Congress closed down after it investigated party leaders.
- All parties claim to be more democratic than the others.
- There has been much talk of violence, including threats to 'kill'.
- The parties' ability to provide government services and jobs provoke claims and counterclaims.
- Little has been said about the global financial crisis or detailed economic policies. All parties claim to be more pro-poor than the others.
- ANC and Congress of the People (COPE) leaders leak dirt on each other but the controversial arms deal is off limits.
- All opposition parties call for direct election of president, premiers and mayors; the ANC wants to keep the electoral system as it is.
- The ANC launched the television campaign on 27 February. ●

Brown, the current ANC Premier, and **Mcebisi Skwatsha**, its present, ineffective, Provincial Chairman. To avoid infighting, the ANC won't release the names of its candidates for provincial premierships until the polls.

COPE has been claiming that the ANC is leaking members to it. The ANC replies that many of them have realised their folly and are returning in droves. On the day that COPE proudly announced that it had won over Mlambo-Ngcuka and **Sakumzi 'Saki' Macozoma**, a Black Economic Empowerment (BEE) tycoon who was once on the ANC's National Executive Committee, the ANC retorted that '300 former ANC members' in North West Province had returned. COPE's spokesman **Victor Kheswa** then claimed that only six people had left to rejoin the ANC and all had been expelled for 'misconduct'. The ANC is said to be promising jobs to those who stay aboard and threatening to cut off the livelihoods of those who join COPE.

The ANC concentrates on defending its record, its rivals claim they would do things better. They all present themselves as more pro-poor than the others and all are determined to eradicate poverty, improve education, fight HIV/AIDS and tackle corruption. DA deputy leader **Joe Seremane** claimed that the number of houses provided had doubled and crime had been reduced by 90% since his party took over Cape Town: 'We don't just talk, we deliver,' he said.

Equally, all the opposition parties claim to be more democratic than the ANC, whose leaders make much of the fact that Dandala was 'appointed', not elected, as COPE's presidential candidate. 'There is no democracy in the election of the very leadership of COPE,' said Zuma. All opposition parties call for direct election of the president, premiers and mayors, while the ANC stands by the present electoral system.

So far, policies have taken second

place to personalities. **Julius Malema**, the firebrand ANC Youth League leader and ally of Zuma's, called Helen Zille colonialist, racist and imperialist. She came right back and called Malema 'inkwenkwe', a demeaning Xhosa term for a boy or an uninitiated man. Malema also described the choice of COPE's presidential candidate as 'an arrangement of leadership for hire'. The violence has been verbal so far. When ANC supporters in a Limpopo village sang 'We are going to kill Terror' (Mosiua Lekota), Provincial Secretary **Joe Maswanganyi** claimed the singers were 'creative'.

Buthelezi has accused the ANC of intentionally provoking his supporters and has said that if tensions lead to conflict, 'at the end, fingers will be pointed at the IFP'. Among the ANC's senior leaders, so far only President Motlanthe has regularly criticised members for disrupting other parties' campaigns. ANC militants have themselves criticised him for that. ●

FRANCE/AFRICA

Unfinished business

President Sarkozy faces awkward questions about his stopovers in Brazzaville, Kinshasa and Niamey this month

The legacy of *Françafrique* – the opaque network of commercial and political ties between Paris and its African allies – continues to haunt French President **Nicolas Sarkozy's** government, despite his promise of a 'rupture' with the past. Sarkozy's itinerary and mission for his coming African trip later this month are clear. In **Niger**, he wants to challenge **China's** recent gains in the uranium business with offers of more attractive financial terms and technological assistance. The mission to **Congo-Kinshasa** is more complex.

Paris takes much of the credit for the accord between Kinshasa and Kigali (AC Vol 50 No 3) which resulted in the arrest of Congolese rebel leader **Laurent Nkunda** and a *laissez-passer* for **Rwandan** troops to hunt down the scattered fighters of the *Forces Démocratiques pour la Libération du Rwanda* militia there. As the peace talks progressed, Sarkozy laid out an ambitious plan for Congo and Rwanda to cooperate in exploiting the region's mineral and agricultural resources.

Those efforts improved relations between Paris and Kigali, whose President, **Paul Kagame**, had broken diplomatic relations with France in November 2006 (AC Vol 47 No 24). Since then, Sarkozy and Foreign Minister **Bernard Kouchner**

have been trying to heal the rift. Paris's initiative may have succeeded, shoring up personal ties between Kagame and Congolese President **Joseph Kabila**, but Congo's politicians doubt its value.

Sarkozy's trip to Brazzaville, where President **Denis Sassou-Nguesso** faces accusations of grand corruption and extra-judicial killings, will be made more difficult by a wave of documents detailing links between his regime and senior French officials. A new book by **Pierre Péan**, *Le Monde selon K* (The World according to K) investigates Kouchner's well paid work for Sassou-Nguesso and **Omar Bongo Ondimba** of **Gabon**, prior to his joining the French government in May 2007.

In September and November 2003, says Péan, Kouchner helped to write a 107-page report on Gabon's disastrous health system, followed by a shorter report in August 2004. Neither report, covered by confidentiality clauses, was published. They were compiled by the Paris-based International Medical Association (Imeda), to which Kouchner was contracted as a consultant through his own firm, BK Consultants. Péan claims that 2.6 million euros (US\$3.28 mn.) was paid for the Gabon report, with another E1.3 mn. for a similar report on **Congo-Brazzaville**. Imeda President **Eric Danon** says the Gabon contract was E1.3 mn., with E1.2

mn for Congo's. These would be high prices even by the generous standards for European consultants in Africa.

Kouchner disputes most of Péan's contentions, certainly any notion that the contracts bought Bongo or Sassou political favours. Although his defence has been lacklustre, there seems to be little prospect that Sarkozy will sack him, despite their serious policy differences. Doubts about Péan's motives might also help Kouchner: the book and Péan's public utterances are laced with anti-Semitic innuendo. Last September, SOS sued him for racial hate-speech against the Tutsi people, after he wrote that their culture was based on 'lies and deceit'.

Later this month, a French judge will rule on the admissibility of a corruption case brought by lawyer **William Bourdon**, founder of Sherpa, French non-governmental organisation *Survie* and the *Fédération des Congolais de la Diaspora* (AC 50 No 2), against Bongo, Sassou and **Equatorial Guinean** President **Teodoro Obiang Nguema Mbasogo**.

Bourdon is likely to obtain a ruling in his favour (AC Vol 50 No 2). This would see a *juge d'instruction* appointed to investigate thoroughly the presidents' voluminous French-based assets. The *parquet*, the public prosecutor's office, is likely to appeal because of political sensitivity. It had already dismissed the case once, citing lack of proof, despite copious evidence from a police investigation into the assets, bought with state funds, of Bongo, Sassou-Nguesso, Obiang, **Burkina Faso's** President **Blaise Compaoré** and **Angola's** **José Eduardo dos Santos**, which was abruptly closed down last year. ●

See you in the court

Some kind of justice has been done but the Special Court has not set a good precedent for international justice

The Special Court for Sierra Leone completed its last trial on 25 February, convicting the three most senior leaders of the reviled Revolutionary United Front (RUF) of a series of war crimes and crimes against humanity between 1991 and 2002. They will be sentenced this month. International observers were keen to emphasise that justice had been done in Sierra Leone, which is still recovering at

snail's pace from its civil war. They say the verdicts – guilty on 16 of 18 counts in the cases of interim leader **Issa Hassan Sesay** and Commander **Morris Kallon** (aka **Bilal Karim**), and guilty on 14 of 18 counts in the case of security chief **Augustine Gbao** – are vital to the civil war's victims and to the establishment of humanitarian law.

In the brutal conflict more than 50,000 people were killed, thousands

had limbs amputated by machetes, and child soldiers armed with Kalashnikovs terrorised their own families. It is estimated that one in three women in Sierra Leone have been raped.

Since the Court began business in 2004, three members of the Armed Forces Revolutionary Council (AFRC) junta that took power in 1997 have been convicted and sentenced – **Alex Tamba Brima** (50 years), **Ibrahim Bazy Kamara** and **Santigie Borbor Kanu** (45 years each). Two members of the Civil Defence Forces (CDF), which mostly made up of Kamajors (traditional hunters) fighting against the RUF rebel attackers and – **Moinina Fofana** and **Allieu Kondewa** – were sentenced to 15 and 20 years. The trial of the RUF's main sponsor, **Liberian** ex-President **Charles Ghankay Taylor**, is under way in the Hague for security reasons and is expected to end in 2010.

Supporters claim that hefty penalties will deter others around the world from such heinous acts. They say also that the Court has helped to bring lasting stability to Sierra Leone through outreach programmes which explain its work and how it has brought the killers and thugs to justice. Civic activists give talks to local people about the Court and how evidence is gathered, and the Court proceedings are televised.

The Court was a new departure for international justice: a 'hybrid court', based in Sierra Leone, backed by the United Nations and run according to international humanitarian law. Sierra Leonean ex-President **Ahmed Tejan Kabbah** invited the UN to set it up, with judges drawn from Sierra Leone and other jurisdictions (AC Vol 47 No 8). The funds come from voluntary contributions by governments and run to hundreds of millions of dollars.

Recommendations by a separate Truth and Reconciliation Commission may begin to bear fruit, very belatedly, when reparations for 100,000 victims of the war start being handed out this year. The initiative is largely supported by the new UN Peacebuilding Fund and carried out by the country's new Human Rights Commission, headed by the dedicated **Jamesina King**.

The Court has helped to establish a truer history of the war. Too many popular accounts identified the RUF as the war's only real villain, overlooking the role of the AFRC, a rabble of soldiers and young men who emerged from a low-ranking army coup in 1996. Yet the Court determined that it was the AFRC who led the invasion of Freetown on 6 January 1999, when some 6,000 people died. The Court decided that the RUF was not responsible for that invasion and its atrocities.

The Court also said that the RUF was

SHAKE-UP IN FREETOWN

President **Ernest Bai Koroma** has finally shaken up his government, before a vote to determine if he will continue to lead the All People's Congress (APC). In all, nine of 20 posts were changed on 27 February, including four sackings. Several side-steps for well regarded characters look more like demotions.

The most significant loser is the Mines and Mineral Resources Minister, **Abubakar Jalloh**, a geologist whose behaviour dismayed many would-be investors. His Ministry retained its corrupt image, maintained civil servants long used to its ways and drew ever closer to one company, African Minerals; its review of existing contracts failed. Among other things, Jalloh was keen to exploit iron ore deposits under rainforest that the President had promised to protect.

His replacement is the smooth-talking, unflappable, politics-loving **Alpha Kanu**, a returnee from the **United States** who was Koroma's close aide and mouthpiece during the 2007 election campaign. He astutely analysed voting shifts and predicted the parliamentary victory almost to the last seat.

Alimamy Koroma, the President's effective campaign manager, moves to Works, Housing and Infrastructure. He was not thought up to his task at his former post, Trade and Industry, which is taken over by the former Finance Minister and former partner in accountants KPMG, **David Carew** – a surprising demotion that may spur on a sector whose potential is unrealised. Carew's replacement at Finance, **Samura Kamara**, originally flew back from the USA to become Governor of the Central Bank of Sierra Leone.

Afsatu Kabba, smeared by the Anti-Corruption Commission in a report about a dubious energy contract, has been shifted from Energy (replaced by engineering Professor **Ogunlade R. Davidson**) to Marine Resources and Fisheries, regarded by Koroma as one of four pillars for growth.

Ex-Transport Minister **Ibrahim Kemoh Sesay**, who had resigned in a welter of suspicion concerning a record 700 kilogramme cocaine haul at the airport in July 2008, is replaced by Captain **Allieu Pat Sowe**. **Benjamin O. Davies**, liked by donors, lost his Lands post to **Dennis Sandi**.

The respected **Zainab Bangura**, who ran for the presidency [how can it be against Koroma? It must have been against someone who won] against Koroma in 2002 (they both lost), keeps the Foreign Ministry. **Abdul Serry-Kamal** of the APC old guard stays on as Attorney General and Justice Minister; the jobs are expected to be split into separate roles. Newspaper Editor **Ibrahim Kargbo** stays at Information and Communications, including a parcel of mobile telephone contracts and visits to **China**, as well as managing the state's press information. Tourism Minister **Hindolo Trye** survives, having done little [meaning unclear] to work with the professional tourist board or grasp the potential of the tourism business. **Jospeh Sam Sesay** retains Agriculture.

The least well regarded person to stay put is Vice-President **Samuel Sam-Sumana**, a diamond dealer and timber merchant. He was elected to his post, having stood as Koroma's running-mate in 2007 to win votes in the diamond-heavy east, where the Sierra Leone People's Party (SLPP) has a strong following among the Mende people. ●

not responsible for crimes committed in three districts in Freetown's Western Area. It explained that the war's horrors involved the AFRC and army dissidents as well as the RUF. It also defined five new violations of international humanitarian law: forced marriage, sexual slavery, enlisting child soldiers under 15, attacks on peacekeepers and acts of terrorism against civilians.

The proceedings have lasted much longer than anticipated and cost a great deal more. The budget runs to US\$68.4 million for 2008-10, with nine judges paid a combined \$2.1mn, this year. Critics say the wrong people stood trial. It was not the judges' fault that four of the most important indictees have died: the RUF's top two leaders, founder **Foday Sankoh** and **Sam 'Mosquito' Bockarie**; AFRC leader **Johnny Paul Koroma**; and CDF leader Chief **Samuel Hinga Norman**.

However, the judges were responsible for selecting the 13 people (nine of whom survived) who were indicted. In a hectic war, fought by men who switched sides as opportunity offered, the idea of holding 13 'most responsible' is itself a rewriting of history.

As early as the end of 1993, the RUF was divided into two regions with little communication between them. More than 70,000 fighters were demobilised when the war ended in 2002. Tens of thousands of atrocities were committed. To punish 13 people for all this was a tricky proposition. Human rights movement Amnesty International and other groups want hundreds more investigated.

Critics also say that some of the most brutal leaders escaped the Court's jurisdiction by a series of bargains. Mid-ranking fighters were recruited as key prosecution witnesses despite their own perhaps more heinous acts. Issa Sesay, the most senior convicted RUF leader, was said by the defence to have always tried to limit attacks on civilians and could well have served as a witness against Sankoh and Bockarie. The critics say some witnesses were offered amnesty, money and relocation in exchange for dubious testimony about events for which they were themselves responsible. The Court tried people only for crimes committed after 30 November 1996, thus letting thousands of perpetrators off the hook.

Setting up the Court did Kabbah a favour, since it was most unlikely to indict its founder. Yet his Defence Minister, Norman, with whom he worked closely, was indicted, making him look like a fall guy. President **Ernest Bai Koroma** has not made the Special Court part of his strategy to secure stability in his country.

There has been much concern about court procedures and approaches that seemed to disadvantage the defence team. The prosecution flew round the world raising money for the Court but the registry that runs the Court did not permit the defence to do the same, allotting money to both sides from a limited central budget. Office space, vehicles, staff salaries and privileges were weighted in favour of the prosecution. Some say the Court was mandated to convict the accused – UN ex-Secretary General **Kofi**

Annan called them criminals before their trials had started.

Money raised on a voluntary basis is bound to be vulnerable to the donors' worries. **Britain** and the **Netherlands**, where Taylor is being tried, are the longest standing, largest donors. The **United States** has been open-handed but its expected \$9 mn. will not arrive until September. A gap has emerged, as cash dries up in May and several smaller donors have yet to pay or will pay less than expected. The funding gap could be as high as \$7 mn. Amid the world's financial disasters, contributions from **France**, **Germany** and **Ireland** hang in the balance and Britain's contribution is devalued along with the pound sterling.

Above all, for those who seek equal international justice for all, the Special Court undermines the credentials of the International Criminal Court in The Hague. So long as justice is meted out country by country, international law is not carried through in the fullest sense. A Special Court for one country looks a little like picking and choosing the atrocities that are worth worrying about. ●

AC wishes to clarify its reference (AC Vol 50 No 4) to political violence in Sierra Leone over the past 18 months. Although there has been an increase of political violence linked to the governing APC, we understand that our specific reference to an attack on the SLPP headquarters in Freetown on 17 September 2007 was incorrect. Although widely presented as a victory attack on the SLPP's downtown HQ, then and subsequently, diplomatic and other sources on the ground at the time say it was SLPP youth, including ex-fighters, deployed as body guards and as an energetic campaign presence. Aware that no spoils would come their way, given the SLPP's defeat, it was they who looted and destroyed the offices in a move tagged 'Operation Pay Yourself'.

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Nigeria/United States/Britain TESLER TRAPPED

■ Officers from Britain's Serious Fraud Office arrested lawyer **Jeffrey Tesler**, 60, at his offices in Tottenham, London, on 5 March, in a move that will widen the international investigation into corrupt payments in Nigeria's US\$6 billion liquefied natural gas project (AC Vol 49 No 10).

Tesler, who has already implicated several senior Nigerian, **Japanese** and United States' officials in interviews with **French** Judge **Renaud van Ruymbeke**, will be extradited to the USA to face Department of Justice (DOJ) questioning.

Investigators targeted Tesler, who worked as an agent for the USA's Halliburton in Nigeria, after discovering over \$180 million in accounts in his name in **Luxembourg** and **Monaco**. Arrested with him was **Wojciech Chodan**, who also worked as a Halliburton agent and wrote detailed diaries describing meetings with the bribery consortium and representatives of international oil companies.

We hear that the SFO decided to arrest Tesler when they learned he was planning to travel to **Israel**; he has dual British/Israeli citizenship. His lawyer applied for bail. The arrest follows a deal last September with the DOJ by Halliburton executive **Albert Jack Stanley**, who confessed to coordinating a corrupt payments fund on behalf of Halliburton to secure the Nigerian contract. Stanley, who was number three in Halliburton, also admitted stealing \$11 mn. for himself from the bribe fund.

Stanley's guilty plea says many bribes on behalf of Halliburton were paid when US former Vice-President **Dick Cheney** was its head in 1995-2000. Stanley said three Nigerian heads of state were bribed, plus several senior officials, including former Oil Minister **Dan Etete**, wanted in France for money laundering.

On 11 February, former Halliburton subsidiary Kellogg Brown & Root pleaded guilty in the US courts to five corruption charges on the Nigerian project, paying a \$402 mn. fine, with a further \$177mn. to the Securities & Exchange Commission for violating company law.

The DOJ says these fines don't rule out further prosecution of officials from any companies in the corrupt payment network. A spokesman for Nigerian Attorney General **Michael Aondoakaa** said there were no plans for prosecutions linked to the gas scandal that has cost Nigeria several billion dollars.

Guinea Bissau

MUTUALLY ASSURED DESTRUCTION

■ The main threat to peace in Bissau is a coup d'état following the fatal bombing of the Army Chief of Staff, General **Batista Tagme Na Waie**, on 1 March and the retaliatory killing of President **João Bernardo Vieira** a few hours later. For now, the chances of further military intervention have receded (AC Vol 49 No 18). A planeload of regional diplomats descended on Bissau the day after Vieira's death and have encouraged politicians and senior officers to chart a constitutional path to elections.

National Assembly Speaker **Raimundo Pereira**, 50, a lawyer, has been sworn in as interim President and has 60 days to hold elections. The army has set up a commission of military chiefs led by Commander **José Zamora Induta**, the deputy Navy chief, to investigate the weekend's killings.

With 4,000 soldiers and top-heavy with officers, the army is the dominant institution in Guinea Bissau. Much interest centres on Zamora's former commanding officer, Rear Admiral **José Américo Bubo Na Tchuto**, who was accused of plotting a coup last year and fled to **Gambia**. His host, President **Yahya Jammeh**, whose regime has profitable links with the region's drug trafficking and arms trading networks, has long meddled in the politics of Guinea Bissau and **Senegal's** Casamance Region.

A top figure in the drug smuggling networks that dominate Bissau, Tchuto had the security and business connections to orchestrate the killing of both Tagme Na Waie and Vieira.

The sophistication of the timed bomb that blew up army headquarters and killed Tagme Na Waie suggests it was supplied by the Latin American drug cartels which have suborned several senior officers and politicians in Bissau. That bombing gave some officers the pretext to take out Vieira.

Optimists in Bissau suggest that with Tagme Na Waie and Vieira out of the way – their rivalry dates back to the 1980s – a more stable political system could be established. It would take a lot of regional and international support to counter the commercial and political influence of the drug barons. United Nations' investigators say that over 800 kilogrammes of cocaine arrive in Bissau each week from **Columbia** and **Venezuela** en route to Europe.

A smaller but still unexplained mystery is why **British** thriller writer **Frederick Forsyth** flew into Bissau just hours after the killing of Tagme Na Waie. This latest drama could provide an excellent sequel to 'The Dogs of War', a novel about a mercenary-backed coup in **Equatorial Guinea** based on a real plot in which Forsyth had a minor role. Forsyth is also a great supporter of and investor in private military companies.

Kenya

PUSHING WAKO

■ Kenya's long-serving Attorney General, **Amos Shitswila Wako**, has been targeted for special censure by United Nations Special Rapporteur on Extra-Judicial, Summary or Arbitrary Executions **Philip Alston**, who has been investigating the extra-judicial killing of 900 members of the Sabot Land Defence Forces (SLDF) and 300 members of the banned Mungiki sect. The Rapporteur blames the police for the killings, and Wako and the judiciary for covering them up.

Alston accused Wako of blocking the prosecution of police officers involved in the murders: 'He has presided for a great many years over a system that is clearly bankrupt in relation to dealing with police killings and has done nothing to ensure that the system is reformed. Mr. Wako is the embodiment in Kenya of the phenomenon of impunity.'

Wako has ignored most of the censure but a stinging attack by former Attorney General **Charles Njonjo**, in which he called for Wako's resignation, forced him to make a rare public defence. He would not resign, he said, as he had prosecuted his duties to the extent the law allowed him.

This is not the first time in his 18-year tenure as Attorney General that Wako faces calls for his resignation. He was recruited in 1991 from Nairobi law firm Kaplan and Stratton, from which he had earlier – with a twist of irony – taken leave of absence to serve as UN Special Rapporteur on Extra-Judicial killings. His government appointment was meant to help address growing criticism of President **Daniel arap Moi's** human rights record.

Wako's first major achievement for Moi's regime was his discovery of an obscure electoral statute which enabled the government to close electoral registration early and disenfranchise hundreds of thousands of opposition voters in the 1992 multiparty elections.

Later in the 1990s, Wako took over various attempts to prosecute senior government members for their role in the Goldenberg scandal, an export compensation racket which cost the country some US\$2 billion. By the time Moi left power in 2003, not a single Goldenberg case had been successfully prosecuted.

Wako managed to avoid the purge of judges and other legal officials by **Mwai Kibaki's** incoming government in 2003. He then quickly proved himself as useful to Kibaki as he had been to Moi. When former anti-corruption czar **John Githongo** gathered evidence implicating ministers in the Anglo-Leasing scandals, Wako assisted them; he has also blocked Kenyan cooperation with an investigation launched into the same scandals by **Britain's** Serious Fraud Office. Wako may be too useful to the government to be sacked.

BLUE LINES

A month before South Africa's national elections, it has emerged that the National Prosecuting Authority is considering abandoning its anti-corruption case against Jacob Zuma, the African National Congress leader.

Leader of the opposition Democratic Alliance Helen Zille has suggested that Zuma may be pressuring the prosecutors' office to drop the charges in exchange for an undertaking that he would refrain from purging the office after he is elected national president.

Of all the options open to Zuma – appealing to the constitutional court, fighting the charges in the lower courts, passing an Italian-style immunity law or sacking the prosecutors when he is president – persuading the prosecutors to drop the charges before the election is the neatest solution for him. Without such a deal, he would face multiple corruption charges and have to pack his first cabinet with ultra-loyalists to protect him. If the deal works, he could draw his ministers from wider pool of talent. He may also feel less pressure to appoint allies such as former Limpopo Premier Ngoako Ramathlodi or Durban lawyer, Muzi Mkhize as the new director of the prosecutor's office.

However, Inkatha Freedom Party leader Mangosuthu Buthelezi, no stranger to legal controversy himself, said Zuma should prove his innocence in court because of perceptions that 'political exigencies may have overtaken the rule of law'. And for once many South Africans will agree with him.

SUDAN

New battles for Darfur

As other opposition factions regroup, the Justice and Equality Movement tries to position itself for a new order

The political crisis in Khartoum after the International Criminal Court's arrest warrant for President **Omer Hassan Ahmed el Beshir** has fostered new hopes among the opposition, not least in Darfur. Some factions of the Sudan Liberation Movement/Army are talking to each other for the first time in years (AC Vol 50 No 5). Enter the strengthening Justice and Equality Movement, which complicates everyone's calculations about the Darfur opposition. In the **United States**, meanwhile, President **Barack Obama** has appointed Air Force Major General **J. Scott Gration**, who speaks Swahili, as his Special Envoy to Sudan.

JEM leader **Khalil Ibrahim Mohamed** and his allies have been waiting for the ICC decision, while positioning themselves as willing to talk peace and to work with the United Nations and Western aid agencies. As the only armed opposition movement that never seems to lack money or weapons, JEM capitalised on its advantages. It presents itself as a credible alternative to the SLM/A factions, internationally seen as divided and politically undeveloped. The SLM/A's three main factions include SLM/A-Unity, SLM/A-Abdel Wahed and SLM/A-Minni.

JEM presents itself as a national alternative to the National Congress Party (NCP, the rebranded National Islamic Front). JEM reminds everyone of its attack on Omdurman in May 2008 (AC Vol 49 No 11) but not of its Islamist origins or how Khalil Ibrahim, a former NIF minister, who had worked in security in Darfur, recruiting for and leading 'jihad' in the South. This is crucial in Darfur because one motivation for Khartoum's ethnic cleansing policy there was its opposition to the region's liberal interpretation of Islam, which runs counter to its own militant Islamism. JEM's

fighters and supporters in Darfur, though, are overwhelmingly non-Islamist; the JEM leadership has accordingly adapted its strategy. While the regime was bombing the Fur heartland around Jebel Marra (ongoing) and JEM positions in Muhajeriya (starting on 14 January), JEM was talking of 'protecting civilians' and 'human rights'.

CONFLICTING SIGNALS

Yet at the same time, both JEM and officials from Khartoum were holding 'goodwill' talks in **Qatar**, convincing many Sudanese that the Islamist movement was coming together again; **Hassan Abdullah el Turabi**, Sudan's Islamist *éminence grise* and politically close to the JEM leadership, called for unity among Islamists when he emerged from gaol on 9 March (he had been detained for calling for President Omer to be handed over the ICC). Many Sudanese call JEM 'El Turabi's armed wing'.

JEM has been changing on the ground. The image is no longer that of a group led by Islamists from the cross border Koba clan of the Zaghawa tribe, with strong links with **Chad**, but more 'the rebel group for the people', fighting to defeat the government, prepared to take on Khartoum and win. More people are placing their hopes on JEM as the government and allied militia slaughter families, burn homes and drive people into the camps, which are now deprived of even basic services from the aid agencies.

While the SLA fighters of Abdel Wahed Mohamed Ahmed el Nur's faction were locked in the Jebel Marra Massif and being challenged in the displaced camps for their inaction; while SLM/A-Unity argued over political and strategic differences among **Sharif Harir**, **Suleiman Jamous** and its

SUDAN	2	KENYA	3	SOUTH AFRICA	4	AFRICA'S FINANCES	5	SOMALIA	8
Khartoum fights back		An African 'war on terror'		BEE hits the credit crunch		After the crash, the fallout		SOMALIA MAP	8
Aid agencies – and those who rely on them – are casualties of the new battle for Darfur.		The murder of an activist reveals another dark side of Kenyan politics.		The transfer of wealth to black owners slows as the wealth fades.		Unforeseen consequences as Africa deals with the downturn.		MADAGASCAR	10
								SIERRA LEONE	11
								POINTERS	12

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young leader, **Abdullah Yahia**; and while the SLM/A of Minni Arkou Minnawi (now 'Presidential Advisor') sought personal gain, JEM saw the opportunity and took it.

Or did it? The critical moment for this new strategy was perhaps the

capture of Muhajeriya, a Zaghawa town then of some 40,000 souls about 85 kilometres due east of Nyala. JEM commanders have suggested they did not plan to take the town, in early January. They have been gaining recruits not, as usual, from border towns with Chad, but from deep inside Darfur. These include previous commanders and members of the Legislative Council of SLM/A-Minni, including the influential **Bakhit Karima**.

Late last year, Bakhit and his SLM/A-Minni supporters, mostly from the Ghali Gharbi clan of the Zaghawa, joined JEM, despite significant clan differences with the Kobe Zaghawa. These men, along with support from long-time JEM commanders and officials, moved northwards until, south of Tawila in

Northern Darfur, the government started bombing them from the air. Fleeing south amid a trail of bombing, they found themselves near Karima's home town of Muhajeriya. Extremely mobile, JEM troops usually move towards Kordofan when threatened. These were not the usual Kobe JEM troops, though.

Local residents and SLA fighters worry that JEM's presence provokes government attacks. So in Muhajeriya, commanders still with SLM-Minni asked the newcomers to move away. (SLM/A-Minni rhetorically favours a unity government with Khartoum but in reality, attacks Khartoum's people when it can). However, the interests of the JEM commanders, themselves former Minni people, prevailed. Among them was the former Muhajeriya area commander, **Ashim Haroun**, later killed in eastern Jebel Marra. Tensions between SLM/A-Minni and JEM rose and led to clashes. JEM soon found itself in control of a major location a short drive from the Southern Darfur capital, Nyala.

After the JEM takeover, arguments between the groups continued, with SLA-Unity local commanders mediating to prevent further hostilities. These lasted for days and while JEM's Secretary General for Humanitarian Aid, Dr. **El Wathik**, treated the wounded from both sides, both groups saw the need to stop the infighting and instead fight the common enemy.

BLOODSHED AT MUHAJERIYA

The SLM/A-Abdel Wahed sent senior commanders to Muhajeriya, including its number three commander, **Abdel Rahman Terrada**, to help settle the tensions. Yet the damage had been done. Minni had been undermined by reckless ground command and control and JEM was now in a position in which Muhajeriya had to remain under its control, since it was strategically essential to appear as a well-organised front. JEM does not usually hold territory.

JEM was on unfamiliar ground, politically and geographically. Almost immediately, the government organised a mixed *Janjaweed*/Sudanese army assault on the town. JEM not only fended this off, it obliterated the attackers, killing some 150 men and shooting down one or possibly two attack helicopters, which crashed on a column of *Janjaweed*. JEM was becoming a group seen as fighting for the people of Darfur, a group that could fight a major government offensive and win, something not seen for a long time. In addition, JEM could state it was protecting civilians, as the government had been targeting the Zaghawa community of Muhajeriya for years with repeated *Janjaweed* attacks.

The pressure became too much. JEM

KHARTOUM FIGHTS BACK

President **Omer Hassan Ahmed el Beshir** made a long and inflammatory speech at a 16 March ceremony in Khartoum's Green Square. The Sudan Armed Forces, security, militia and police swore an oath of allegiance to him as 'Commander of the *mujahideen* and the protector of the religious standard'. No foreign aid agency would, 'God willing', be working in Sudan 'in one year's time', he declared. They could leave their relief aid 'at the ports'. Western aid agencies will hesitate to return.

State Humanitarian Affairs Minister **Ahmed Mohamed Haroun**, himself the object of an International Criminal Court arrest warrant for crimes against humanity, was chosen to lead the offensive. Straight after meeting the United Nations Secretary General's Special Representative, **Ashraf Qazi**, and his deputy, **Amira Haq**, he accused the agencies of recruiting prostitutes to be filmed 'in theatricals' claiming they had been raped by government militia. The UN representatives had 'no right to object' to the expulsion of the agencies, he said, and an 'escalation' by taking the issue to the UN Security Council would 'not make us retreat'. Foreigners are hunkering down in Khartoum.

The regime accuses the relief agencies of supplying information to the ICC and fabricating evidence, and a contradictory motley of crimes, from theft of most aid money and abducting children, to evangelisation, espionage and weapons training. Their destruction of computer records as Sudanese security officers loomed was depicted as proof of spying; their failure to sort out local staff contracts as they departed at 24 hours' notice was touted as theft of aid money. Agencies have either left staff in place to sort out local wages or been told to return to Darfur to do so, a journey that after the kidnapping of five *Médecins Sans Frontières* staff on 11 March is seen as inadvisable. Many assumed the kidnapping was organised by the government, which arranged the release with remarkable ease.

Khartoum said 'more than 2,000' local aid agencies were waiting in the wings to take over the NGOs' work. Internally displaced people in some camps were soon refusing help from the newcomers. They know that the regime, which drove them into camps in the first place, has always used some 'charities' as front organisations for security operations and also for missionary work. The NIF already used 'aid workers' for these ends during Darfur's 1983-85 famine, long before it came to power, and after its 1989 coup in the South and Nuba Mountain war zones.

The Khartoum regime's current publicly Islamist stance reinforces these fears among the 2.5 million displaced people. The speech to the armed forces was a signal to both the home and foreign fronts. Including many non-Muslims, especially in the ranks, the forces were made to swear the *Bayah*, an Islamic oath. In a warning to the army, which the National Congress Party did not fully trust when the Justice and Equality Movement attacked the capital in May 2008 (AC Vol 49 No 11), the oath included the words, 'We swear not to betray you and neither will we surrender you. We will not waver in our defence of you'. Reminding the world that 'we did sever the head of **Gordon**', a reference to **British** General Charles Gordon, killed by the Mahdists in 1885, Omer reiterated a foreign policy at odds with DC, Paris and Whitehall: 'We are with the *mujahideen* in Palestine. We are with *mujahideen* in **Iraq**. We are with *mujahideen* in **Afghanistan** until these countries are liberated from extortionists, colonisers and those greedy people who are after our resources and our land'. ●

leaders told people to leave, though key members are reported to have refused, Muhajeriya-born Bakhit being one of them. JEM left on the eve of a huge government offensive and the next morning their departing forces were bombed en route to the north.

After spending time in Northern Darfur, many moved on to their rear bases in Chad. JEM said it was leaving in order to protect the people of Muhajeriya and on condition that the government did not move in.

JEM clearly communicated with the UN-African Union Mission in Darfur on this, at a time when the government had told UNAMID to leave. With unusual stubbornness, UNAMID decided to stay but only after a decision at the highest level, we hear. Inevitably, the government did move in and almost all the inhabitants fled to camps in North or South Darfur. When UN Secretary General **Ban Ki-moon** telephoned Field Marshal Omer el Beshir, we understand the President told him he would 'wipe out' Muhajeriya and the UN would be responsible. One bomb landed only 500 metres from UNAMID's base.

The work done by JEM had been largely undone. It had abandoned the population and left them with nothing. It had removed the weak but politically relevant SLM/A-Minni and left a vacuum. It had undermined Minni himself, to the point where the regime took over all but a few of his positions, including the significant Gereida, 90 km. south of Nyala, where perhaps 150,000 displaced people camp. After that, locals saw JEM as the JEM of old: reckless, self-interested, politically-motivated and dangerous.

Yet JEM had achieved something: it was no longer seen as simply the Islamist movement of old. Its roots were now hidden by new actions and new faces on the ground, the former Minni-followers whom people knew not to be Islamist. JEM's national rhetoric of Khartoum as the military target was still in place but the emphasis has shifted somewhat from politics and to the people.

JEM has long understood the power of the international media and the importance of reflecting the rhetoric of the UN and international community, especially if it is to win international support. ●

CORRECTION: In AC Vol 50 No 5, we unintentionally misquoted the International Criminal Court's arrest warrant for **Sudan's President Omer Hassan Ahmed el Beshir** as accusing him of 'internationally directing attacks against an important part of the civilian population of Darfur'. It should of course have read '...intentionally directing attacks... against the civilian population...'.

KENYA

An African 'war on terror'

The murder of an activist and the police reaction to a criminal conspiracy reveal another dark side of Kenyan politics

Oscar King'ara was murdered a day after he had pointed to a cabinet minister and the Kenyan police as being directly responsible for a two-year wave of extrajudicial killings and disappearances of young Kikuyu men in Nairobi, Central and Rift Valley provinces. Hours before his death, the government spokesman, **Alfred Mutua** (said to have been briefed by intelligence sources) had threatened King'ara's Oscar Foundation with deregistration, calling it a key financier of the outlawed Mungiki sect.

King'ara was shot three times in the head in what the non-governmental organisation Independent Medico-Legal Unit has described as an assassination. The killing took place down the road from State House, close to the University of Nairobi halls of residence. Eyewitnesses, mostly students, reported that the killers emerged from a van a few cars down from King'ara, shot him and his colleague **Paul Oulu**, and drove off. They seemed in no hurry and took care to seize the duo's telephones and extract their SIM cards. Unconfirmed reports say their getaway vehicle was driven by a uniformed policeman.

The murders bring into sharp focus the issues of state impunity and the government's so-called war against the Mungiki (AC Vol 48 No 12). Shortly after he took office in December 2002, President **Mwai Kibaki** attempted to stamp out the Mungiki gangs. In January 2003, police launched a huge operation, first in Nairobi's Eastlands, where the Mungiki had established a vigilante force with a thriving racket in the *matatu* (minibus) business. The Mungiki seemed to quieten down, but in March 2007 it re-emerged and was blamed for a wave of symbolic killings – beheadings of policemen and *matatu* touts – that shocked the nation. In response, police raided Mathare, the biggest slum in Eastlands, leaving 30 people dead. Hundreds of young men were arrested. The killings shifted to rural Central Province. *Matatu* touts and policemen were abducted and beheaded as the sect widened its terror campaign.

In June 2007, Kibaki declared all-out war on the Mungiki. His then Internal Security Minister, **John Michuki** (now Environment Minister), said its members 'would not be taken to court. Instead, you will be reading about their funerals.' There followed a systematic series of murders and disappearances of young,

mostly Kikuyu men, documented by the Oscar Foundation and the Kenya National Commission on Human Rights. By the end of 2007, the KNCHR reported that 300-500 young men had been found brutally murdered in forests on the outskirts of Nairobi or had disappeared while in police custody. A KNCHR report, 'The Cry of Blood', listed the dead and missing, with graphic accounts of their murders. The police dismissed it as propaganda, deliberately angled to improve the publishers' standing among donors.

The Oscar Foundation, a legal-aid clinic for poor people, had reportedly built a database of the murdered and disappeared and was helping victims' families to push for compensation. The Foundation claimed that about 8,000 men had been murdered or were still missing since 2003. Other human rights groups thought the number too high. Possibly, the figures were exaggerated to draw attention to the issue. Through its work with the victims, the Foundation had built a relationship with the Mungiki, with access to its workings and its leaders, many of them in hiding from the police. The database and King'ara's personal rapport with the Mungiki leadership made him a target for its enemies.

TESTIMONIES THWARTED

In mid-2008, police raided the Foundation's offices on Nairobi's Ngong Road and confiscated much of its data. By then, it had released a report on its website and aimed to testify before the **Waki** Commission on post-election violence (AC Vol 49 No 22). Several press reports during the post-election crisis had suggested that the Mungiki had been hired by the Presidency to conduct reprisal killings against ordinary Kikuyu in the Rift Valley. The government has repeatedly denied this but took no action when the BBC's Nairobi correspondent **Karen Allen** reported the claim in February last year.

Key members of Kibaki's inner circle had something to hide about their association with the Mungiki. The sect's leader, **Maina Njenga**, gaol'd in 2007 for possession of marijuana and guns, had declared from his Kamiti Prison cell that the Mungiki had supported Prime Minister **Raila Odinga's** Orange Democratic Movement during the last election and had not participated in the post-poll violence. That claim went

unchallenged but Njenga's cousin and former associate, **Ndura Waruinge**, had campaigned for Kibaki's re-election and it was rumoured that he had been seen in Nakuru a day before violence broke out there. Many suppose that Waruinge acted independently, hiring armed thugs disguised as Mungiki at the instigation of ruling-party politicians and moving them into the Rift Valley, where they conducted reprisal attacks against perceived ODM supporters in late January 2008.

The police have presented the war against Mungiki as a war against crime, but it is impossible to tell the difference between ordinary crime and Mungiki-inspired operations. The Mungiki are reputed to have amassed hundreds of millions of shillings through racketeering, slum vigilante operations, illegal electricity connections and many legitimate businesses whose links with the sect are invisible. The police have not managed to prosecute the sect for a single racketeering case and have justified the execution of Mungiki suspects as part of a war against a bloodthirsty terrorist group.

The United Nations Special Rapporteur on Extrajudicial Killings, **Philip Alston**, visited Kenya in January. In mid-February, he accused the Police Commissioner, the Attorney General and the judiciary of perpetrating, aiding and abetting impunity in Kenya through, among other things, the government's dirty war against Mungiki. It seemed a strange coincidence that King'ara was murdered a day after naming Michuki as having personally directed the operation. The police paraded a group of suspects within days of the murders but the modus operandi of the killings resembled that of the Kwekwe Squad, the police 'death squad' mentioned in Alston's report.

A new fissure opened in the ruling coalition. Odinga promptly disowned Mutua's denunciation of the Oscar Foundation; Mutua, he said, did not speak for the government. Odinga's call for an independent, preferably foreign, investigation into the killings set the cat among the pigeons. He invited the **United States** Federal Bureau of Investigation to examine the case and was accused of undermining Kenya's sovereignty. Pro-Kibaki stalwarts, notably new Finance Minister **Uhuru Kenyatta**, have urged caution. Kenyatta and others in Kibaki's circle accuse Odinga of unnecessarily politicising the investigation and back the police to follow it through. Like much else over the past year of coalition government, the murders have quietly been subsumed into party politics.

The Mungiki are recruiting among the estimated 20 million Kenyans who earn less than a dollar per day and the five million young unemployed. Kenya sits on a ticking time-bomb. ●

SOUTH AFRICA

BEE hits the credit crunch

The transfer of wealth to black owners is slowing as the wealth fades, leaving a deep political hole behind it

The collapse of the world economy, and of demand for raw materials, has brought down the Johannesburg Stock Exchange, rocked South Africa's carefully regulated financial sector and endangered the big mining firms on which the country's relative prosperity was built. Next, it threatens the strategy of Black Economic Empowerment (BEE) which was designed to transfer economic power into the hands of the majority. The African National Congress, preparing for elections on 22 April, faces a new and intractable challenge, both economic and political.

Some of the ANC's biggest business backers are in financial trouble. Rival business figures had hoped that the patronage of the probable next president, **Jacob Zuma**, would bring them lavish rewards, but now many once profitable companies have stopped paying dividends and started firing workers. Should the state nationalise companies that fail, and run them until business picks up? Or should foreign investors be summoned to the rescue, scooping up (if they can afford it) a cornucopia of bargain assets, and forgetting the promise of empowerment?

BEE is intended to increase black ownership, control and management of state, parastatal and private economic activity in the formal sector. It has so far mainly involved transfers by existing companies of 10% to 25.1% of their equity to a racially suitable investor. Some companies have donated shares to new black owners, some BEE investors have managed to borrow enough to finance a straight purchase. Thousands of such deals have been completed over the past decade, peaking in 2008, as firms in mining, banking and other sectors faced deadlines imposed by law.

Stuart Theobald, the lead researcher at Intellidex in Johannesburg, explained: 'Usually bank finance is used in these deals, serviced by dividend flows to the empowerment investor. The company often issues a guarantee to the bank over finance, so its own balance sheet underpins the transaction.' In other words, firms have paid BEE investors to take the obligatory stake. Many deals were done at very high valuations, at the peak of the world commodity boom which ended last year when, as Theobald notes, company values in South Africa hit

record highs before they collapsed.

South Africa is the world's second biggest producer of gold and platinum (after **China**), the second biggest of palladium, ninth in nickel and tenth in aluminum. Only gold has held its value, as the others fell flat. As commodity prices sank, so did the prices of shares in publicly traded companies and in the banks that handle the money. This has halved the valuation of many empowerment deals and put a strain on some companies' cash flows. Dividends have been cut, and companies have had difficulty servicing their debts. Two banks have suggested that the government should intervene to support struggling deals. The distribution of risk is hard to determine, but all South African businesses are exposed to it.

BEE'S NOT WORKING

Extra dangers beset companies that have financed BEE deals using their own balance sheets as security for borrowing. According to **Iraj Abedian**, Chief Executive of Pan-African Investment & Research Services in Johannesburg, the threat to BEE 'may lead to systemic panic' in the banking system, but he cautions that the balance sheet risk is unknown and could be negligible. Theobald says that 'the intention of such empowerment deals, to develop meaningful black capital, is not being realised. A potential banking crisis has been created instead'.

As far as risks to the banks, most commentators accept the assurances that South Africa's banking system has been relatively well and conservatively regulated. Their main fear is that a crisis in the real economy with factories and mines closing and companies defaulting on loans could trigger its own crisis in South Africa's financial system.

Moreover, a potential political crisis arises, because BEE was regarded as a political priority rather than as a normal investment programme. It seemed to have created a narrow but prosperous black middle-class founded on patronage. Combined with the Employment Equity policy, which moved many black people rapidly up the management hierarchy, it has fostered a booming black middle class, commonly referred to as the Black Diamonds, and was seen by its beneficiaries as a great success for the otherwise conventional economic policies of ex-President **Thabo Mbeki**.

PROMINENT EMPOWERMENT DEALS

Year	Parties	Asset	Estimated deal value	Date announced	Deal share price	Current share price	% gain/loss
2004	Standard Bank to Tutuwa Consortium (Safika, Shanduka), black management and the community trust	100.5 mn. Standard Bank shares	R 4.3 bn.	15 Jun 2004	R 43.75	R 67.00	+53.14%
2005	Old Mutual PLC to black business partners (non-executive directors, Wiphold and Brimstone Consortiums), employee & management schemes	11.5% of Nedcor (2.42%:2.64%:6.44%)	R 3.1 bn.	20 Apr 2005	R 14.60	R 7.01	-51.99%
2005	Public Investment Corporation to Elephant Consortium	6.73% of Telkorn SA	R 3.5 bn.	25 May 2005	not disclosed: off market transaction		
2006	Tonga-Hulett to Sangena Investments Consortium (including the cane growers communities), the Ayavuna Women's Investments Consortium	25% (8%:10%:7%) of Tonga-Hulett	R 2.1 bn.	14 Dec 2006	R 113.70	R 69.30	-38.61%
2007	Anglo Platinum to Anglo Platinum staff (ESOP)	1.5% of Anglo Platinum	R 3.3 bn.	4 Sep 2007	R 1,020.00	R 440.20	-56.84%
2007	Sasol to BEE Consortium	10% of Sasol	R 17.9 bn.	11 Sep 2007	R 294.50	R 258.46	-12.24%
2008	Barloworld to BEE Consortium (strategic black partners 5.88%, employees 2.39%, educational trust 0.78% and community service organisations 2.00%)	10% stake in Barloworld	R 1.8 bn.	12 Jun 2008	R 86.90	R 34.19	-60.66%
2008	Pretoria Portland Cement to BEE Consortium (community service groups, employees, education and industry associations trusts)	15.29% stake in Pretoria Portland Cement	R 2.7 bn.	28 Aug 2008	R 33.90	R 30.00	-11.50%

Source: Intellidex

The spending power of the black middle class is estimated at 250 billion rand (US\$25.2 bn., even at today's diminished exchange rate). A recent study by the University of Cape Town found that the black middle class grew by 15% between 2007 and 2008. Nobody knows how much of its new spending is financed by borrowing, but the UCT study found that almost half of the black middle class have a debt ratio of less than 50%, which is good news so far. But when the black middle class starts to suffer, there will be a political swing against the present model of empowerment. Any new government, which probably means a government led by Zuma, will need both to navigate South Africa through the world economic storm and to reinvent BEE in order to retain the support of the new moneyed class.

Most BEE deals are clear-cut, but some have benefitted from political protection and preference. Inevitably there are charges of cronyism, influence-peddling and the creation of a black aristocracy amid poverty. The newly rich include such prominent figures as **Patrice Motsepe**, **Mzi Khumalo**, **Saki Macozoma**, **Tokyo Sexwale**, **Wendy Luhabe**, **Phumzile Mlambo-Ngquka** and others, aligned with Mbeki and his orthodox economic policies.

Since the ANC pushed Mbeki out of the national presidency last September, many of these BEE beneficiaries left the ruling party to join the new breakaway Congress of the People. Last week, Saki Macozoma and Phumzile Mlambo-Ngquka said they would be joining it. COPE is starting to look as if it represents the black oligarchs who made their money in Mbeki's time, and risk losing it under Zuma.

Some BEE moguls, including Sexwale, have joined Zuma's inner circle. Other ambitious people in Zuma's camp will expect to do at least as well as their forerunners in Mbeki's circle. With BEE under threat and share prices at rock-bottom, a Zuma government would need

to invent new techniques for making its favourites rich. 'There will be a political backlash', said **Adam Habib**, political analyst and Deputy Vice Chancellor at the University of Johannesburg. He fears a crisis like that of 1988. It arose because, when BEE began, some companies promised to transfer ownership to black investors because they favoured the idea, without legislation in place.

These early transactions included Sanlam's sale of Metropolitan to Nail, and Anglo American's sale of Johnnic to the National Empowerment Consortium (NEC); by the market's peak in 1998 Nail was worth R6 billion. In the subsequent market crash, several deals and empowerment vehicles unravelled, including Nail and the NEC. By the end of 1998, the first wave of BEE was dead. It took eleven years and a wave of legislation to scramble back to the present level of empowerment. If BEE collapses again it will be hard to persuade the corporate sector that it is worth working for. 'This is likely to lead companies to increase their view of the "cost of BEE", with consequent general corporate resistance to further engage with it,' said Theobald.

GOING DOWN

Since the global recession began to bite, with the collapse of Lehman Brothers on 15 September 2008, it is estimated that between 2% and 5% of the value of corporate South Africa has been lost through the plummeting value of empowerment transactions. At the end of February, Mvelaphanda Resources, the mining arm of Mvelaphanda Holdings, announced that it will dispose of its assets and wind up. In February, MTN's R23-billion empowerment deal collapsed because of the falling equity markets. Abedian says 'Government cannot afford to see the structure go under because the private sector has bought into empowerment as a result of laws that the government pushed'.

The government could facilitate the

restructuring of the deals by extending the terms or re-pricing them. It could also use state development-finance institutions, such as the Industrial Development Corporation, Public Investment Corporation and the National Empowerment Fund to fund some of the failing deals. But the banking system would remain at risk, although nobody knows how much so.

Theobald notes that South African banks have generally been more cautious than their international counterparts and would have used a variety of mechanisms to reduce their risk; he thinks it highly unlikely that BEE fallout 'would raise a systemic issue for the banks'. He also points out that the BEE problems come as the banks are battling with a general economic slowdown, which has caused consumer and corporate distress, and increased the number of bank provisions and write-offs.

Abedian says there is a case for government and the banking system to make an arrangement to collateralise assets and thus to avoid a political-economic debate about the role of the state in the economy. The BEE codes contain a 'once empowered, always empowered' provision, so that companies sold by black investors do not lose their empowerment status. Theobald expects a big debate over whether companies can call themselves empowered if their deals never actually reach maturity. For example, mining companies must maintain their empowerment ownership to keep their mining rights. 'Will government strip mines of their rights, forcing them to cease production?' he wonders.

To ease pressure on the industry, the government has already said it will postpone the introduction of a royalty on all mining revenue until 2010. That will help, but the government that takes office at the end of April will still have to find a way through a political and economic minefield, as BEE deals begin to fall apart. ●

After the economic crash, the political fallout

Bankers in Dar es Salaam last week predicted a catastrophic downturn in African economies unless serious measures were implemented. These would have to include substantial packages for Africa's economies. Nancy Birdsall of the Center for Global Development estimates that developing countries would require a trillion dollars to avoid economic damage; Justin Lin, the World Bank's Chief Economist, estimates that twice that amount is needed.

STRAIGHT TALKING ON THE CRISIS

Our economies are jumping off a cliff,' was the frank but private assessment of one African finance minister, in Dar es Salaam on 10-11 March for a high-level conference organised by Tanzania and the International Monetary Fund on Africa's 'growth challenges'. Even the more diplomatic public statements from African politicians made clear that events have completely overtaken the optimistic forecasts for Africa's economic trajectory on which the conference had been premised a year ago.

One of the strongest voices for a more realistic approach to Africa's latest economic woes comes from African Development Bank President **Donald Kaberuka** who argues that the effects on Africa of the global crisis have been greatly underestimated and that the gains of a decade of much stronger economic growth are at risk. Kaberuka reported that some commercial banks, hit by their problems in the West, were withdrawing from joint venture operations with the AfDB. Long-established, credible African financial institutions have had their credit lines cancelled, while African governments can no longer raise funds from the international capital markets at reasonable cost, Kaberuka said. Accordingly, the AfDB is to increase its lending to US\$11 billion this year and launch new financing facilities to fill some of the gap left by the exit of Western lenders.

The AfDB's new facilities include a \$1.5 bn. emergency liquidity facility to provide shorter-term credits and a \$1 bn. trade finance initiative to boost export levels and trade between African economies. Kaberuka explained that if the AfDB is to continue this role, it will have to look for more capital: 'We currently estimate that this lending programme will consume about 90% of its [the AfDB's] risk capital by 2012. However, the new demand created by the crisis, to which the bank is responding, implies that the bank's risk capital will need to be boosted by the end of 2011'.

Just as hopes that Africa's strengthening commercial links with **China** and **India** would provide some insulation from the effects of the West's financial downturn have proved wrong, the idea that better governance standards might shield Africa from political troubles also looks misplaced. Over the last three months, there has been a return to military intervention – in **Guinea**, **Guinea-Bissau** and **Madagascar** – and political crises loom in the biggest economies: a succession crisis in **Egypt**; the fast-weakening grand coalition in **Kenya**; political vultures circling the wounded presidency in **Nigeria**; and growing dissension within **South Africa's** governing African National Congress.

All these political contests are likely to sharpen as economies shrink and the battle for resources intensifies. If rumblings are being heard across some of Africa's more robust polities, such as **Ghana**, **Senegal** and **Zambia**, the pressures in post-war states such as **Burundi**, **Congo-Kinshasa** and **Liberia** are fiercer still.

Yet the departure from office of South African President **Thabo Mbeki** and Nigeria's **Olusegun Obasanjo**, who pushed for the formation of the African Union, the New Partnership for African Development and the peer review of African governance standards, has meant that the project for a more coordinated and continental approach to economic and political strategy has been largely abandoned. For now, the emphasis at the AU is on political firefighting and *ad hoc* crisis management in **Somalia** and **Sudan**. The AU's demand for a deferment of the International Criminal Court's arrest warrant for Sudan's President **Omer el Beshir** won a sympathetic ear in several countries – despite Africa's initial enthusiasm for the ICC. The AU has been less successful in persuading rich countries to live up to their pledged commitments to fund and equip an effective contingent of peacekeepers to protect civilians in Darfur.

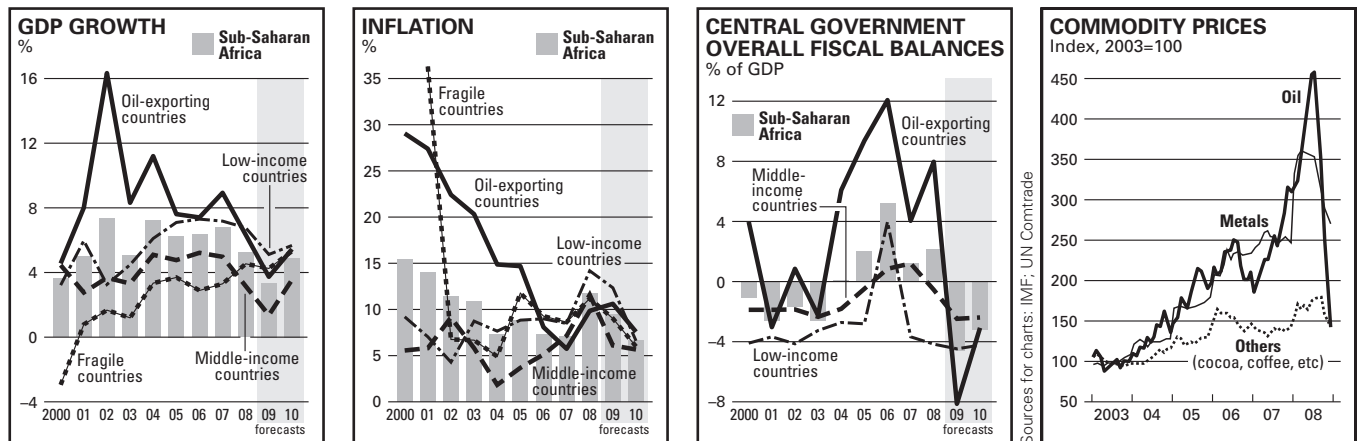
Mbeki and Obasanjo established the precedent of a contingent of African leaders attending each summit of the Group of Eight rich countries to press their case on trade, aid and investment, but much of the African lobbying is ignored by Western treasuries, which face their own crises. Aid lobbyists in Dar es Salaam, such as economist **Jeffrey Sachs** and musician-activist **Bob Geldof**, pointed out that the rich countries which at the 2005 G8 summit pledged another \$30 bn. a year in aid for the poorest countries by 2010 are now \$20 bn. behind schedule. 'People say how can we do \$30 bn. [in contributions to foreign aid]?' Sachs told *Africa Confidential*, 'but we do \$300 bn. every week right now. So helping to save hundreds of millions of people should be put on a par with bailing out the **American** International Group or Citibank.' Despite the billions of dollars poured in to prop up Western financial institutions, Sachs said rich countries were pulling back from helping to resolve the world's worst crises: 'there are famines underway that need the most immediate response...these days even UN emergency appeals raise only 30-40% of their target figures.'

SKATING WITH KIKWETE

Both Tanzania's President **Jakaya Kikwete** and IMF Managing Director **Dominique Strauss-Kahn** skated over some of these unpalatable realities, perhaps to boost the morale of the conference-goers and of Africa's fair-weather investors. Kikwete told the gathering that while he was determined to keep to the original plan of charting a new growth path for Africa's economies, it would be 'hard to ignore the current global financial crisis and economic downturn'. Kikwete then listed the local consequences of the global downturn: a halving of the export price of cotton to 45 US cents a pound and export prices for coffee falling by a third to \$104 for a 50-kilogramme bag. He added that plans for a \$3.5 bn. aluminium smelting plant had been put on hold, as had a \$165 million nickel mining project.

Strauss-Kahn announced that the global economy might shrink by over 0.5% this year and appealed for a doubling of resources for the IMF. However, he insisted that Africa was not 'heading for a strong recession', partly because its economies have been better managed. Although many African governments have greatly improved macroeconomic management (cutting budget deficits and inflation, stabilising currencies and bringing in new investment capital), almost all the economies remain chronically dependent on global commodity prices, which now face their worst downturn for more than two decades. With

SUB-SAHARAN AFRICA'S ECONOMIC OUTLOOK: THE CRISIS DEEPENS



export prices down by more than 70%, oil-producing economies such as **Algeria, Angola, Nigeria** and **Sudan** are losing billions of dollars; and metal exporters such as **Congo-Kinshasa, Mozambique, South Africa** and **Zambia** face cuts of more than 50% in their export earnings. The IMF's latest downward revision of its African gross domestic product growth forecast to 3.25% still looks understated. Just a year ago, the IMF was forecasting growth rates of double that. The IMF's own analysis seems to indicate that there is worse to come: 'In the past, a one percentage point slowdown in global growth has led to an estimated half percentage point slowdown in sub-Saharan African economies.'

For Africa, the two big differences between this crisis and the commodity crash of the early 1980s are the much higher levels of foreign reserves held by most governments and the much lower levels of foreign debt. Africa's official foreign (government to government) debt fell to \$144.5 bn. in 2007 from \$205.7 bn. in 1999, according to the UN's Department of Economic and Social Affairs. Africa's bigger economies have impressive levels of foreign reserves: Nigeria's are still at around \$50 bn., down from \$55 bn. last year, while South Africa has paid off the massive foreign debt obligations built up under the apartheid regime's complex accounting system and rebuilt reserves to about \$30 bn. Even these levels provide only limited protection. Nigeria spent about \$5 bn. trying to shore up the naira against the dollar before switching policies. (**Russia** lost \$40 bn. of its reserves in shoring up the rouble.)

Alongside the tumbling commodity prices (with the exception of gold and cocoa), the rapid fall in capital inflows is also wreaking economic havoc. After an unprecedented rise in inward investment levels, reaching \$53 bn. in 2007, up from \$17-18 bn. in 2003-04, there have already been significant reversals. More than \$50 bn. of short-term money has left the capital markets in Nigeria, South Africa and Kenya and some \$10 bn. of projects have been indefinitely suspended in Congo-K and Tanzania.

Nigeria's former Finance Minister and now World Bank Managing Director **Ngozi Okonjo-Iweala** argues that it is the synchronicity of different economic pressures converging that is exacerbating the effects of the crisis in Africa. Remittances from workers overseas exceeded \$19 bn. in 2007 but have fallen sharply over the past six months: Kenyan workers are going home after being made redundant in the Gulf States; expatriate Nigerian and Ghanaian workers are finding their wages and working hours under pressure in Western Europe and North America. 'Usually remittances are counter-cyclical,' Okonjo-Iweala said, 'If a country is having problems, remittances keep coming and they really help but this time the sending countries are having problems.' Remittances to Kenya have fallen by 40% in the last quarter, she said. The combination of falling export earnings and remittances with the severing of trade finance facilities is putting massive pressure on African treasuries. 'This is coming on the back of

very difficult budgetary and fiscal situations for many of these countries after last year's food crisis,' Okonjo-Iweala continued. 'Many of them had to remove tariffs and taxes on food imports to be able to weather the storm and we did try to help them with budget support from the World Bank.'

GHANA'S REVERSAL OF FORTUNE

These pressures are already reflected in the deteriorating fiscal position in many economies. The IMF forecasts that Africa's average balance of payments deficit will widen by 4% to almost 7% this year; the highest levels for a decade. Previously well-run economies such as Ghana face a rapidly worsening combination of galloping inflation (touching 20%), a growing budget deficit (over 15%) and a depreciating currency – even though its exports of gold and cocoa are among the best performing in the world. Last week, the World Bank offered Ghana concessional financing worth more than \$1 bn. but it does not have the resources to offer such credits for many other African economies.

As the 'financial plumbing inspectors', the IMF urges great caution on those African governments planning their own financial stimulus packages. It argues that there is little room for 'spending out of the slump' because lower export earnings mean less tax revenue and investments in big infrastructure projects are likely to consume capital and foreign exchange, further weakening the fiscal position. After backing several debt reduction programmes in the last decade, the IMF warns countries against higher borrowing. Rather, its message is that countries should broaden their tax bases and increase the efficiency of their tax collection while improving cash and debt management.

The more resilient optimists in Dar es Salaam called on Africa's economic managers to capitalise on the opportunities presented by the crisis by launching a massive expansion of food production, along the lines of the African 'green revolution' proposed by Sachs and backed by UN Secretary General **Ban Ki-moon** and **Spanish** Prime Minister **José Luis Rodríguez Zapatero**. Other strategic thinkers argue that the World Bank President **Robert Zoellick's** attempts to link the West's financial self-help with the crisis in poor countries might help to mobilise more funds: Zoellick and the Bank will be stepping up the pressure at the G-20 meeting, starting on 2 April in London, for the richer economies to direct 0.7% of their own economic stimulus packages into aid programmes (to be run by the Bank) for poor countries.

Given Africa's monumental demand for power stations, water supply systems and new roads, both bankers and politicians argue that Western and Asian economies could include these infrastructure projects in Africa as part of their own stimulus strategies. After a decade of growth, African governments are in no mood to postpone or cancel their development projects. Tough budgetary battles are ahead – both within African governments and between them and the Fund and the Bank. ●

Anti-pirate alliance

Expensive naval alliances have formed to deter the sea raiders who prey on ships off the Horn

Millions of dollars, hundreds of troops and over two dozen ships from around the world chase pirates off the Somali coast (AC Vol 49 No 24). Yet the rate of pirate attacks remains as high as at the end of 2008. Somalis and others ask if all this activity is proportionate to the size of the problem. Fewer than one in a hundred of the merchant vessels that pass through the Gulf of Aden each year are attacked, and many attacks are not successful. The cost to the shipping business since January 2008 may be around US\$200 million for a multi-billion dollar industry, certainly less than the cost of keeping 20-30 warships on patrol.

Spain will be in operational command of the European Union mission (EU NavFor, codenamed Operation Atalanta) during the peak spring fishing season. Spanish fishermen are accused of being among the main poachers of fish in Somali waters. Somalis say they and other European, Asian and African fleets are destroying the

fishing industries of Somalia and Yemen, and that the Spanish vessels would be better employed on fishery protection. Spain, and the EU NAVFOR headquarters at Northwood, near London, maintain that the scheduling is a coincidence and that Spanish ships will be chasing pirates, not protecting illegal activity by Spanish trawlers. Illegal fishing is a major problem, but the collapse of Somalia's industry probably owes more to the destruction of freezing and treatment plants, and the lack of power, during the war.

The pirates' spokesmen claim they are simply extracting financial benefit while the world turns a blind eye to the theft of their fish and the poisoning of the sea and coast by toxic waste from the developed world. In fact, with payoffs of around \$10-20,000 per successful hijack, the pirates need no other motivation and talk about illegal fishing is mainly a domestic public-relations ploy by their financiers, who are not simple fisherfolk.

Even if Spain and the soon-to-arrive South Korean naval ships do look after their nations' fishing vessels, what are the other countries up to? Most ships are either part of EU NAVFOR or the United States-led Combined Task-force 151 (CTF151), part of the 'coalition of the willing'. The North Atlantic Treaty Organisation (NATO) briefly had a mission in the Gulf before the EU force arrived and will soon despatch another flotilla.

Initially, governments sent warships mainly to protect their own countries' merchant mariners. This is the EU's first joint naval operation and an chance to try out the Common Foreign and Security Policy. The EU has tested its military cooperation in Africa with missions to Chad and Congo-Kinshasa; sending ships to Somalia is similarly a way to test how navies can work together in a politically and militarily safe environment.

FRENCH RETURN

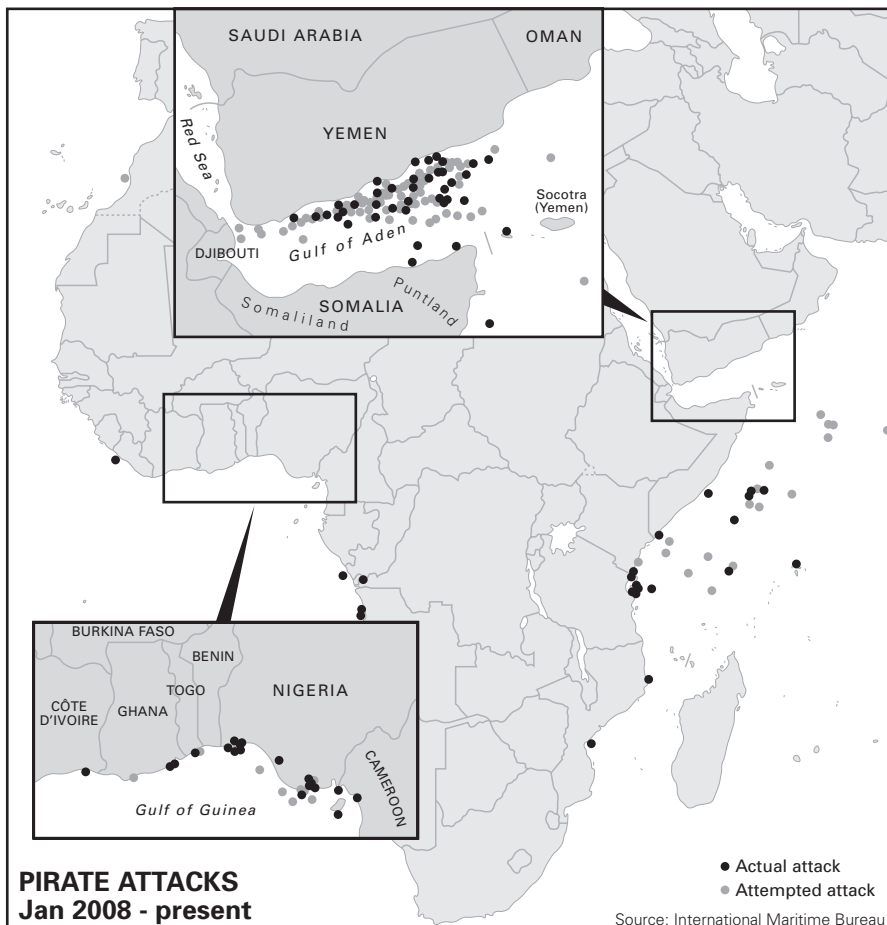
Keen to reestablish French military alliances (Paris rejoined NATO's command structure last week) and without the spare naval capacity to go it alone off Somalia, President Nicolas Sarkozy has been a driving force behind EU involvement in anti-piracy operations. From their base in Djibouti French commandos seized some of the pirates who had held the huge luxury yacht *Le Ponant* and a few months later, shot one pirate as they rescued the yacht *Carré d'As*. French ships established the close-protection escort system through the Gulf of Aden.

Russia sent a warship to the Somali coast after the capture of the *MV Faina*, carrying Russian-made tanks and weapons for South Sudan (officially, Kenya). Prime Minister Vladimir Putin demonstrated Russia's ability to project power around the world, while Russian ships were at the same time conducting joint operations with the Venezuelan Navy.

China has sent two warships and a supply vessel. Even landlocked Switzerland is sending armed guards to assist the EU force. An Indian warship, the *Tabar*, sank a pirate ship that turned out to have been a recently hijacked fishing vessel with the crew still on board. The British navy had earlier spotted this vessel but decided to do nothing for fear of harming the hostages. It is not clear whether the Indian officers knew this, which points to deficiencies in communication among warships from different states.

Malaysia has had three ships in the Gulf of Aden providing escort services for its own vessels since last year. It is well used to combatting piracy in the Malacca Straits, in cooperation with other regional governments. The special difficulty off Somalia is that there is no effective government with which to deal.

All this activity has not deterred



pirates from launching dozens of attacks in the first three months of 2009, at a rate that promise to meet last year's total. Yet they have been relatively unsuccessful, capturing only four vessels so far; the International Maritime Bureau says that success rates have dropped from one in three to one in seven. Naval forces can claim some credit but bad weather in January and February made the pirates' work much tougher.

Once they have captured pirates, navies need to know what to do with them. France has around a dozen pirates awaiting trial in Paris and legal experts say there is a high chance their cases will be dismissed. **Germany** hopes to prove a link between piracy and terrorism, as its armed forces are constitutionally forbidden to do police work.

Their captors have problems handing pirates to one of their main bases, Puntland, the break-away region of Somalia whose government no one formally recognises. The captives' human rights are unlikely to be respected there and many don't stay locked up for long, as they pay bribes or exploit family ties.

Britain and the USA have signed memoranda of understanding with Kenyan Foreign Minister **Moses Wetangula**, whose government has agreed to prosecute those handed over. Kenya's courts and prisons are not equipped to handle an influx of Somali pirates and action against them could upset sensitive relations with Kenyan Somalis. Several countries simply let their captives go. **Denmark** has no jurisdiction to arrest them unless one of them is a Dane or they are attacking a Danish crew or ship. Others, including Britain, have released pirates to avoid messy legal arguments.

The presence of foreign ships is mandated by several United Nations Security Council resolutions (1816, 1838, 1846 and 1851), which give permission to take necessary action against pirates at sea, after agreement with Somalia's Transitional Federal Government (TFG). The most recent one, R.1851, gives authority to pursue pirates on land. So far, nobody has done so, perhaps because it is hard to identify pirates and such action would put soldiers at risk. In fact, the anti-piracy missions are less concerned with prosecuting pirates than with protecting shipping. The limitations of naval action are recognised and some hope for effective action by the new government of Sheikh **Sharif Sheikh Ahmed** (who has just imposed *Sharia*, Islamic law). This would still leave the Puntland harbours open.

Somalia is certainly the world's piracy hot-spot. A new focus has developed in **Nigeria**, where the culprits often claim political motives but act like plain criminals. Nigerian piracy is aimed at the oil industry and pirates there are more

THE PIRACY MENACE

It is not always clear how many foreign ships are available to fight piracy off Somalia. Crews must be rotated, vessels must be refuelled and maintained. On average, 20-30 are in theatre at any time.

● European Union Naval Force (EU NavFor): Three to eight ships, contributed by **Britain, Denmark, France, Germany, Netherlands, Spain, Sweden and Greece**.

● Combined Task Force 151 (CTF151): Two **United States** and one British ship, with others expected to join. CTF151 was formed when piracy began to divert too many resources from task-force CTF150, which has an antiterrorist mission.

● Other countries: **Japan** (en route), **China** (two warships, one supply vessel), **Iran, Malaysia** (up to two warships, one supply ship), **Russia, Switzerland** (troops), **Turkey, Ukraine, Yemen** (coastguard), **Norway, South Korea, Taiwan, India, South Africa** (likely deployment).

● North Atlantic Treaty Organisation (NATO), future deployment: **Canada**, Germany, Netherlands, **Portugal**, Spain and USA.

Ransom payments range from US\$500,000 to \$3 million. The total since January 2008 is about \$50-80 mn. Legal fees for a typical case are around \$300,000, plus \$100,000 for a ransom negotiator. Delivering a payment costs \$1 mn. for ex-military guards and their boat. Revenue lost by late delivery, extra crew pay and compensation brings the total cost to the shipping industry to around \$200 mn. since the start of last year. ●

likely to shoot sailors than their Somali counterparts. There are worries that West African criminals will see the massive profits Somali pirates make from hostage-taking and follow that example. Other African coasts could also become vulnerable. Somali pirates have shown they can operate as far from home as the entrance to the **Mozambique** Channel and geography could encourage piracy elsewhere. Somalia's lack of government, however, makes it especially vulnerable.

A report by **Bruno Schiems** for *Jane's Intelligence Review* alleges growing links between pirates operating off the south of Somalia and the ultra-radical *Al Shabaab* group, which controls Kismayo and Merca. He says that pirates have cooperated with *Shabaab* to bring in guns and are training a naval force for what many regard as a terrorist organisation. Pirates certainly pay bribes and protection money to *Shabaab*, more so if they operate further south, but there is no strong evidence of military links.

Kidnapping is as endemic in Somalia on shore as at sea. On 18 February, two **Italian** nuns, **Maria Teresa Olivero** and **Caterina Giraudo**, were released after being kidnapped in northern Kenya and held in Somalia since November. **Colin Freeman**, a British journalist, and **Jose Cendon**, a Spanish cameraman, were released after forty days in the mountains of Puntland at the beginning of January. They were victims of a massive criminal industry that affects foreign aid workers and journalists, as well as Somalis.

The revenue from kidnapping and piracy far exceeds the budgets of the TFG or the Puntland government. Puntland's annual budget is around \$20 mn. and modest estimates say the pirates took at least \$30 mn. last year, perhaps \$50-80

mn. This disparity could undermine the Puntland authorities, heavily weakened by the despatch of 3,000 troops to Mogadishu to protect the then Somali President, **Abdullahi Yusuf Ahmed**. New Puntland President **Abdirahman Mohamud Farole** came to office on an anti-corruption ticket and will need to combat the corrosive effect of pirate money.

Piracy will not be defeated at sea, as admitted by Admiral **Philip Jones**, head of the EU mission. The new Somali President, Sheikh Sharif (AC Vol 50 No 4), was head of the Islamic Courts Union, which stamped out piracy during the six months in which it ran most of southern Somalia. Then, though, there were only a few hundred pirates and now there are likely to be several thousand.

Private security firms, seeing business slow in **Iraq** and elsewhere, are looking towards Somalia as a new growth area. Aegis, Control Risks, Blackwater (now called Xe), Templar Titan and others are doing the rounds of shipping firms to sell training and protection teams. Some are already making a tidy sum from ransom negotiations and for delivery of money, for which a usual charge is a million dollars. It seems unlikely that they will be making huge sums. The big oil and gas shippers are clear that carrying armed guards is far too dangerous to contemplate and smaller firms cannot afford private protection.

Clever techniques for deterring pirates don't always work. The 'sonic cannon', intended to blast boarders' eardrums with sound, nose-dived. Ships are now trying to project streams of water to flood pirates' engines. Mainly, though, they take care to maintain full crews and full speeds, to provide the longest possible time to call for help from warships and helicopters in the wide Somali sea. ●

'Andry TGV' takes over

After the crisis that led to 135 deaths and the resignation of President Ravalomanana, the new young chief will have to meet many aspirations

Andry Rajoelina swept into power on the shoulders of rebellious soldiers and his own rhetoric. The High Constitutional Court confirmed him as head of the *Haute Autorité de la Transition* (High Transitional Authority) on the morning of 18 March. His first task is to forge a broad consensus of political, military and civil society interests around an agenda for the restoration of normality, after a tumultuous seven days during which rank-and-file troops forced the army high command to abandon loyalty to the elected, and now deposed, President **Marc Ravalomanana**.

The ousted President and business tycoon had himself been brought to power by a mass uprising in 2002. He offered his resignation on the morning of 17 March, after the gradual disintegration of his authority and a military revolt that culminated in the soldiers seizing the Anbohisorohitra Palace in central Antananarivo the previous evening. Isolated in the suburban Iavolaha Palace with a few loyal guards, Ravalomanana tried to regain the initiative by offering a referendum. Rajoelina turned it down flat. Even when resignation became inevitable, Ravalomanana transferred his powers to a 'military directorate', rather than hand over to his rival.

The officers promptly passed those powers straight to Rajoelina rather than incur the fury of the junior ranks who supported the challenger. Rajoelina is 34 (the constitution says the head of state must be at least 40) and has held office only as Mayor of the capital. Having secured control of the state machine, he and his new Prime Minister, **Monja Roindefo**, have the support of key figures in the military and political establishment.

Ravalomanana's first Premier and latterly the Speaker of the National Assembly, **Jacques Sylla**, endorsed Rajoelina last week. The respected elder statesman **Norbert Lala Ratsirahonana**, also a former Premier and founder of the centrist party *Asa Vita no Ifampitsarana* (Judged by your Work), presided over the military's transfer of authority to the new transitional leader.

Rajoelina and Roindefo must now win international recognition. The African Union, whose rules condemn the seizure of power by military putsch, had warned the Malagasy military against handing power to Rajoelina. Western donors, despite their

public condemnation of Ravalomanana's governance abuses, were discomfited by a change of power that looked as much like a coup as a popular uprising.

Some sources in Antananarivo claim that **United States** Ambassador **R. Niels Marquardt** came up with the idea of a military directorate to oversee a period of transition. The military commanders earmarked for this role – Vice-Admiral **Hippolyte Rarison Ramaroson**, General **Ranto Anjoanina Rabarisoa** and Gen. **Rivo Hanitra Razafindralambo** – were said to have refused it in the presence of a Kalashnikov-wielding junior officer. At one heated moment, he seemed to be about to mow down the dignitaries gathered for the handover ceremony at the offices of the capital's Archbishop, Monsignor **Odon Marie Arsène Razanakolona**. Fortunately, the tension lifted.

Rajoelina will hope that the Constitutional Court's endorsement of his new role and his promise of elections within 24 months can eventually convince the AU and donors to treat his government as legitimate. The island relies on foreign aid and the global economic crisis is slowing the pace of mining development, while depressing tourist numbers and demand for textile and agricultural exports. The recent disruption to economic activity has further reduced domestic tax revenue.

LOOKING FOR A LIFELINE

The peaceful if unorthodox resolution of the confrontation has averted a repeat of the blockades that brought the formal economy to an almost total halt during the six-month political crisis of 2002, with devastating consequences for living standards, business and government revenue. Then international donors rapidly recognised Ravalomanana and pledged US\$2.3 billion for economic recovery AC Vol 43 No 16). After two months of riots, strikes and political confrontation, Rajoelina must get donors back on side as soon as possible.

In domestic political terms, he has a lot to do. His campaign against Ravalomanana was based on the one hand, on the vocal support of a section, but by no means all, of the population of 'Tana', where he was the shock victor in the December 2007 mayoral race, and on the other, on a substantial slice of the army, particularly at the key Capsat (*Corps d'Administration des Personnels et Services de l'Armée de*

Terre) base in the Soanierana suburb. Expectations are high and the government has little cash with which to meet them. Civil rights activists and church leaders were dismayed by Ravalomanana's use of court action to force opponents out of politics and his refusal to establish an independent electoral commission. Ordinary workers and soldiers were more angered by high energy prices and low public-sector pay.

Rajoelina will have to reach an understanding with the opposition political barons, who sat mute on the sidelines during recent events but dominate the major regional centres. **Roland Ratsiraka**, ex-Mayor of the port city of Toamasina and nephew of former President **Didier Ratsiraka**, could shape attitudes among the east coast lowland population towards a new President who, like Ravalomanana, is a highland Merina with his political base in the capital. Other key figures are former Speaker **Jean Lahiniriko**, from Toliara in the south-west, and **Pierre Tsiranana**, son of the first postcolonial President, **Philibert Tsiranana**, in Mahajunga in the north-east. Alienating these regional barons left Ravalomanana heavily exposed to popular opinion in the capital.

There are striking similarities between Rajoelina and the man he drove from office. Both are self-made entrepreneurs, whose dynamic populism swept aside traditional party and regional political networks to seize the imagination of the capital. This style of politics carries dangers. Poverty is widespread and urban people feel the strain of job insecurity and high prices. The spreading tentacles of Ravalomanana's Tiko business empire fuelled resentment, as did his disregard for alternative interests and voices. When Rajoelina challenged, the then President found that he had no friends and his *Tiako-y-Madagasikara* party, staffed largely by Tiko executives, lacked spirit and durability.

On 18 March, Rajoelina told a rally in the capital's 13 May Square: 'We are going to assure a return to normality, the re-establishment of security and, above all, national reconciliation, which is at the very heart of democracy'. He must now position himself to win legitimacy through the ballot box in a year or two. By then, he will have to build alliances and win much wider popular support, avoiding the intense personalisation of power that destroyed his predecessor. ●

CORRECTION: In AC Vol 50 No 5, we inadvertently wrote that journalist **Norbert Zongo** had been tortured to death in 1998. In fact, he was shot in his car, beside his brother and two colleagues, when investigating the death, apparently from torture, of **David Ouédraogo**, driver for presidential brother François **Campaoré**.

Paying off the grudges

Riots and old resentments bring fighting back to Freetown

The worst political violence to hit Sierra Leone since the 2007 election left dozens wounded this week, when supporters of the governing All People's Congress and the opposition Sierra Leone People's Party clashed for five days in Freetown. Stones and firebombs were hurled, and people were slashed with machetes outside the SLPP headquarters, close to the central police station. The purported reason for the outbreak was the unveiling of new tiles on an iconic clock-tower in the poor eastern part of Freetown. The APC-run city council said it was a provocation, and the Mayor, **Herbert George-Williams**, led supporters to the council building, near the office of the SLPP, whose members became targets.

Thousands of youths gathered. The SLPP headquarters was ransacked and cars were burned, including those of its national Secretary General, **Jacob Jusu Saffa**, and its newly elected Chairman **John Oponjo Benjamin**. SLPP members say three women were raped in the party's canteen by thugs, including police. On the previous day a district council by-election in Pujehun, an SLPP stronghold, had been

postponed after violence broke out.

During the civil war, the 17,000-strong United Nations peacekeeping force was the world's largest. In the latest trouble the UN, although much reduced in force, played a robust role. **Michael von der Schulenburg**, head of the UN Integrated Peacebuilding Office in Sierra Leone (UNIPSIL, AC Vol 50 No 5), came to the rescue of more than 20 people stranded on top of the SLPP building, as a crowd of over 2,000 bayed below. Police parted the crowd with tear gas to allow him through. The APC says its own people committed no violence and blames it on 'unemployed miscreants'.

President **Ernest Bai Koroma**, too, said the problem was not about party politics but 'a confrontation between criminals and the forces of law and order'. Yet his Security Attaché, **Idrissa Kamara**, a police officer known as 'Leatherboots' for his role as a fighter with the Armed Forces Revolutionary Council (AFRC) during the war, was said to have been involved. He is also said to have saved Koroma's life during an alleged assassination attempt in Bo during the election campaign, which is why the

President relies on him. Several witnesses said the police aided APC supporters in their attacks, including the alleged rapes; the police and the APC deny it.

Since the election, all the parties have fostered youth protection squads, many of whose members are ex-fighters. The APC is upset by the re-emergence among the SLPP leadership of members of the National Provisional Ruling Council junta that ousted the party in 1992. Benjamin, the new party Chairman, was Secretary General under the NPRC. Retired Brigadier **Julius Maada Bio**, who led the coup and joined the NPRC junta, is now an SLPP leader. **Tom Nyuma**, who commanded the Eastern Province under the NPRC, is SLPP Chairman of Kailahun district. Some in the APC want to go after the NPRC leaders who are now in the SLPP.

The UN, with diplomatic missions from **Ghana, Britain, the European Union, Nigeria, China and France**, met party leaders in turn as soon as the violence subsided, saying tensions were too high for a joint meeting. The UN proposes to mediate in future at regular meetings with both parties present. Koroma's words of calm came later than hoped but he addressed the nation and insisted that the violence was criminal, not political. APC officials say the President is sure to be re-elected as national leader and party Chairman at the party convention on 16-18 April in its northern stronghold of Makeni. He will have to take the old guard with him and the grudges will persist. ●

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Zimbabwe

ANCESTRAL SPIRITS

■ The death in a freak car crash of **Susan Tsvangirai**, the wife of Prime Minister **Morgan Tsvangirai**, will have both political and religious consequences. Traditional Shona etiquette required that President **Robert Mugabe** and his wife **Grace** attend the obsequies; Mugabe's respectful peroration and punctilious observance of custom accorded with Shona belief and tradition.

The rest of Mugabe's clique, except the Central Intelligence Organisation Director **Happyton Bonyongwe**, ostentatiously absented themselves from Susan Tsvangirai's funeral. Grace Mugabe (née **Marufu**) and Susan Tsvangirai were cousins and thus came under the same family ancestral spirits; so it was important for the First Lady to attend the funeral, especially after refusing to shake hands with the Tsvangirais at the swearing-in ceremony last month.

In the war and after Independence, Mugabe successfully portrayed himself as the chosen vehicle for the ancestral spirits. He used this to cow his Shona ministers and political rivals. However, Morgan Tsvangirai's escape from death in a crash that killed his wife could reinforce the notion that Mugabe's power is waning (AC Vol 50 No 5).

The traditional belief is that the spirit lives on after death and that the ancestral spirits retain a relationship with their descendants and can protect, guide or punish them. In this context, the notion of an accident scarcely exists – either one has offended the ancestral spirits or they are unable to protect one against a more powerful force (such as sorcery). The spirit hierarchy is the family **Vadzimu** and then the **Mhondoro** (lion spirits of the clan's founding ancestors of which the **Kaguvu** and **Nehanda** spirits and their mediums are especially identified with the First Chimurenga freedom struggle).

For traditionalists, the aberrant nature of the car crash (there are very few vehicles on the road currently) would suggest a deadly force capable of killing his wife but not Tsvangirai himself. In this scenario, it matters little whether it was an unsuccessful assassination attempt or not. The fact that the accident occurred near to the Mhondoro tribal lands where the Kaguvu medium **Goremboreshumba**, of First Chimurenga fame, had a base will heighten the mystique, as will another fatal accident at the same spot a few days later.

Although Mugabe decreed that the funeral expenses should be met by the state, the hierarchy of the Zimbabwe

African National Union-Patriotic Front balked at declaring Susan Tsvangirai a National Hero. Formally, that is a presidential prerogative but in practice, the ZANU-PF Politburo makes the decisions. This was clear a few days later, when the former Army Commander, General **Vitalis Zvinvashe**, who died on 9 March, was swiftly declared a National Hero.

Gabon

FAREWELL, LADY BONGO

■ The death of First Lady **Edith Lucie Bongo Ondimba** née **Sassou-Nguesso** and her subsequent grand funeral in Libreville on 19 March has prompted a wave of sympathy and political manoeuvring from Africa's Francophone elite and **French** officials. Some see it as marking the fading of President **Omar Bongo Ondimba**'s supremacy. Edith died, aged 45, in Rabat, **Morocco**, on 14 March after years of chronic illness.

Bongo's attentiveness to the ailing Edith delayed his reaction to a wave of public sector strikes and deteriorating relations with Paris. Privately, he accused French officials of failing to protect him in the corruption case under *Juge d'Instruction* **Françoise Desset** (AC Vol 50 No 5); the ruling *Parti Démocratique Gabonais* recently demanded a reconfiguration of relations with Paris. Nevertheless, French President **Nicolas Sarkozy** wrote to Bongo saying that 'as a friend more than as a head of state,' he was 'stricken' by Edith's passing. Sarkozy was sending a delegation that included the Secretary General of the Elysée Palace, **Claude Guéant** (author of the infamous Dakar speech (AC Vol 48 No 16), Africa Advisor **Bruno Joubert**, Interior Minister **Michèle Alliot-Marie** and Cooperation Minister **Alain Joyandet** to Edith's funeral.

The leader of the opposition *Union du Peuple Gabonais*, **Pierre Mamboundou**, said that 'faced with death, we all have to put our personal political disputes aside.' Like many in Libreville, he has heard reports that the septuagenarian President is also ailing. Bongo has been handing more responsibility to his son and Defence Minister, **Ali Ben Bongo**.

As daughter of **Congo-Brazzaville** President **Denis Sassou-Nguesso**, Edith provided a vital regional link. A doctor, she was the first President of the Organisation of African First Ladies Against AIDS. She is to be buried in the Sassou-Nguesso ancestral village of Edu.

Congo-Kinshasa/Rwanda

TROUBLE IN KINSHASA

■ President **Joseph Kabila**'s worsening rivalry with the Speaker of the National Assembly, **Vital Kamerhe**, is dividing the ruling *Parti du Peuple pour la Reconstruction et le Développement* (PPRD), to which they both belong. Kamerhe's latest offence is

to have condemned the joint Congolese-Rwandan military operation against the Rwandan Hutu rebels of the *Forces Démocratiques pour la Libération du Rwanda*. Kamerhe, a Hutu from South Kivu who distrusts President **Paul Kagame**'s government in Kigali, says Kabila should have consulted Parliament before signing an accord with Kagame (AC Vol 50 No 3).

Kabila has demanded that Kamerhe resign; he has already forced out **Christophe Lutundula** (AC Vol 47 No 8), the National Assembly Vice-President. Kabila has fallen out with his former ally Kamerhe not only because of his stand on Rwanda but also because he is taken seriously by Western diplomats. Clinging to the constitutional rules, Kamerhe declined to go until the Assembly had reassembled and set out his arguments on 16 March to a session that most of the PPRD boycotted, which suggests that Kabila is winning the battle. The police kept out the public, the press and the diplomatic corps.

Kabila knows that fighting alongside the Rwanda Defence Force is unpopular and did not want publicity for Kamerhe's criticism. In his speech to the diminished Assembly, Kamerhe said he would offer his resignation in due time, called for the release of detained human-rights activists and deplored the intrusion of party rivalries into the running of the Assembly.

The row has been simmering since November, when Kabila evicted the Speaker from his office in the *Palais du Peuple* and moved himself in, a clear violation of the separation of powers. On 16 March, Senate President **Léon Kengo wa Dondo** appealed for parliamentary business to be left undisturbed.

Western diplomats have not spoken out about these encroachments on the constitution; Kabila's hardliners regard the silence as demonstrating a lack of political will. They may be right. After spending some US\$500 million on the 2006 election, which Kabila won, Western governments are reluctant to take sides in the sharpening local political disputes. They have also endorsed the Kabila-Kagame deal as the best way to stabilise North Kivu, even if the results on the ground are unimpressive.

The former **Irish** President and United Nations High Commissioner for Human Rights, **Mary Robinson**, and the General Secretary of the World Young Women's Christian Association, **Nyaradzai Gumbonzvanda**, have been lobbying European governments to strengthen UN efforts to protect civilians in the Kivus.

Robinson told *Africa Confidential* that they had been assured by **French** officials that 3,000 **Egyptian** and **Bangladeshi** peacekeepers would be sent to eastern Congo shortly but there is a lack of airlift capacity and logistics to support the operation.

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of the violence, and they have been widely referred to in other investigations. Alongside these potential presidential candidates and alliances of candidates, there are tentative moves by Foreign Minister **Moses Wetangula** and Deputy Prime Minister **Musalia Mudavadi**.

The success of last year's mediation process – a joint venture between Kenyan diplomats such as **Bethuel Kiplagat** (known for his work in Mozambique), General **Lazarus Sumbeiywo** and foreign mediators such as Annan – emphasised Kenyans' lack of trust in

their own institutions. But the main weakness of the accord was its failure to secure commitments from all sides on dealing with impunity and the lack of accountability. This has pushed proposals for referring the perpetrators of political violence to the International Criminal Court (ICC) or to local tribunals into a highly politicised arena. When Parliament rejected proposals for a local tribunal (albeit with international judges) to try perpetrators, some opposition came from MPs who were hoping for jobs in a future government led by someone vulnerable to prosecution. It now appears that this year's scandal (AC Vol 50 No 4) over the distribution of state-subsidised maize was linked to attempts to buy votes for those politicians vulnerable to prosecution.

The best chance of success seems to be a truth and reconciliation commission, but one lacking the **South African** Commission's powers to grant immunity from prosecution. Civic activists in Geneva were sceptical that a local tribunal would be able to cut through the political protection

rackets, although such a tribunal may be allowed to operate under constraints – in preference to troublesome referrals to the ICC. 'Kenya is not **El Beshir's Sudan**,' one politician remarked, exasperated at the idea of a referral to the ICC. Few politicians in Geneva or Nairobi seem willing to face the reality that this is one of Kenya's most unpopular governments. Many of the MPs and ministers, whose tax-free annual emoluments exceed those of US Congress, came to power on the back of chaos.

The view from the grassroots is damning. The Grand Coalition is neither keeping to its commitments on political reform nor does it seem motivated to promote employment and cut poverty, or to improve food distribution and healthcare. Across the ethnic battle lines, activists and aid workers hear bitter complaints about wealthy politicians supplying guns and *pangas* (machetes) and disappearing when the bullets start to fly.

Civic activists such as **Gladwell Otieno** and **John Githongo** speak of a wider mobilisation beyond the urban centres. So did Annan in his concluding remarks and proposals for a national conference-style dialogue on a new constitution to drive broader reforms of the judicial system, the electoral commission, security services and prison system, and representivity across the government services.

To stand any chance of success, it would need the broadest social backing – including the churches, trades unions, student groups, professionals and women's associations. Those who feel threatened by the reform of the police service, public service and judiciary will fight back hard. On top of the popular pressure, regional organisations and outside mediators may need to talk to Kibaki and Odinga to show commitment to the reforms.

Parliament has adopted the reports of the special commissions under last year's accord but is delaying the establishment of an independent and efficient electoral commission. That blocks a long line of reforms: without a credible commission, there can be no constitutional referendum, no national census, voters' register and redrawing of electoral boundaries. The same sort of sectional politicking that is holding back reform of the electoral commission is slowing down progress on picking members for the Truth, Justice and Reconciliation Commission.

Several activists are calling for the sacking of three public officers who are blocking reform – Police Chief **Hussein Ali**, Chief Justice **Evan Gicheru** and Head of Public Service **Francis Muthaura**. So far, Prime Minister Odinga has warded off such calls, but the targeted assassinations and the growing crisis over the obstruction of reform means he may have to act against these officials if he wants to hold together his own support base. ●

INSIDE THE SEALED ENVELOPE

A sealed envelope with the names of ten people judged by Justice **Philip Waki's** Commission to be the most important financiers and organisers of last year's post-election violence (AC Vol 49 No 22) is one of the few forms of pressure that former UN Secretary General **Kofi Annan** can still exert as a mediator in Kenya's political crisis. A year after Kenya's leading politicians signed a power-sharing accord, mediated by Annan on behalf of the African Union, there are signs that a dangerous inertia is developing.

Justice Waki handed his report with its 4,500 pages of transcripts, affidavits and testimony on the violence which killed more than 1,200 people and displaced over 300,000 to Annan on 15 October last year. He then asked Annan to present the sealed envelope together with the evidence to the International Criminal Court in the event that Kenya's Parliament failed to pass a law to allow the establishment of an independent special tribunal, which would include international jurists, within 60 days. In fact, Parliament rejected a bill to establish a special tribunal and public opinion seems divided about which is the better route: a tribunal in Nairobi or a referral to the ICC.

In Geneva on 30-31 March, at a conference organised by the Kofi Annan Foundation on the anniversary of the power-sharing deal, Annan told *Africa Confidential* that he prefers the option of a Kenya-based tribunal. 'The best for them is to have a local tribunal, try the people who committed the crimes in the community in which the crimes were committed.' Many Kenyan politicians share this view but for different reasons. Vice-President **Kalonzo Musyoka** argues that referring the cases of post-election violence to the ICC implies that Kenya is a failed state and its judiciary is beyond repair. On the new deadline, Annan told AC that Kenya's politicians say they need another two months to set up the tribunal. 'Parliament has been out of session, I understand they are coming back on 21 April. What I have insisted on is a reasonable period.'

Responsibility for getting the local tribunal established rested on all parliamentarians and not just on the two principals, President **Mwai Kibaki** and Prime Minister **Raila Odinga**, Annan said. 'If by this summer [mid-year] they haven't done it or even sooner, if it is clear they are not going to do it, the ICC will have to move in.' Annan added that some Kenyans linked to the violence had not taken the ICC referral seriously. 'Those who felt the ICC would take five to ten years, felt that this was no threat, that they may be either presidents, or be out of office or dead, so they will never be held to account.' Yet, ICC officials say the Court's investigators started collecting information almost as soon as the violence started, and hearings could begin within a year.

Beyond the tribunals, civil society activists worry that last year's deal is slowly unravelling and that the country could go into the next elections in 2012 provoking an even worse crisis. 'I share the view,' said Annan, 'that unless we undertake the reforms agreed to and strengthen Kenyan institutions and enact serious security forces' reform and with the judiciary, we could face a worse situation in 2012 than we did last year.' ●

In office, but not in power

Raila Odinga's office is not running smoothly: his small staff are at odds and are holding up the reforms

The 14th Floor of the Treasury Building that Prime Minister **Raila Odinga** and his modest staff occupy has been the office of Kenya's finance minister since the 1980s and has seen some important moments in recent history. For now, the office is at the centre of Kenya's experiment with power-sharing. Odinga and his staff have failed to push forward the constitutional, judicial, electoral and security reforms and this is undermining the Grand Coalition (AC Vol 49 No 11).

In the early 1990s, Raila Odinga sued a former occupant of the office, Finance Minister **George Saitoti**, for his role in the Goldenberg scandal. Odinga's case was initiated as a private prosecution, which Attorney General **Amos Wako** quashed, using the constitutional powers which allow him to discontinue or take over such cases. It was also on the Treasury's 14th Floor that former anti-corruption czar **John Githongo** heard government ministers admit they and other senior officials were responsible for the Anglo-Leasing deal (AC Vol 47 No 3). Odinga seized on public outrage about these deals to mobilise support for his campaign for constitutional change in the 2005 referendum.

These days, activists accuse Odinga of being soft on corruption and, more generally, of making little impact on policy and practice despite being the titular head of government. This is partly because Odinga has decided to reduce confrontations with President **Mwai Kibaki** and his officials. However, the main reason is that the Prime Minister's office is underfunded and lacks enough qualified staff to do the analysis, develop policy and ensure its effective implementation.

At present, there are only six people working in the Office of the Prime Minister. There are many more waiting for their appointment letters – and to get on the government's payroll – but that will take a long time. No one is sure whether these delays are deliberate attempts to sabotage Odinga's work or just examples of the slow-grinding wheels of state bureaucracy.

Heading the PM's office is Permanent Secretary **Mohamed Isahakia**, who made a comeback to the top echelons of government when he was appointed in April 2008. Isahakia was the head of the Orange Democratic Movement's (ODM) 2007 presidential campaign. Earlier, he was Director General of the National

Museums of Kenya, a position he took over from **Richard Leakey** in 1993. His tenure was tarnished by the theft of some 2.5 million Kenya shillings, a crime which was investigated by the Kenya Anti-Corruption Commission. The case was withdrawn by Attorney General Wako because three of the main witnesses had left the country and Isahakia had offered to pay back the money stolen from National Museums.

In a second case, which is ongoing, Isahakia has offered to surrender land that the Commission says was wrongfully allocated to him. Despite these legal problems, he has not felt constrained from exercising his authority.

In mid-March, Isahakia suspended **Tony Gachoka**, the Director of Protocol in the Prime Minister's Office, for unprofessional conduct such as attending the office while drunk and committing the office to unauthorised spending. It seemed that Isahakia was responding to criticism from Gachoka that the Permanent Secretary was handling government business inefficiently. Gachoka also asked why Isahakia had not tried to exonerate himself of allegations that he had benefited from corrupt allocations of state-subsidised maize. Yet a week later, Gachoka resigned his post, handing Isahakia a temporary victory in the power struggle.

SHOVING AND PUNCHING

The Administration Secretary in Odinga's office, **Caroli Omondi**, is also at loggerheads with Isahakia. Indeed, a day after Gachoka resigned, there were reports of a shouting match and then a physical fight between two senior officials in Odinga's office. Isahakia, a traditional-style civil servant, regards himself as the chief executive of the PM's office; he frequently finds himself in conflict with Omondi, whose background in civic activism and political mobilisation is at odds with civil service protocol.

Omondi, a former banker and lawyer, was an intermediary between Odinga's ODM, Kibaki's Party of National Unity and the negotiating team last year. Omondi's counterpart during those talks was **Gichira Kibara**, the Legal Affairs Director in the Justice Ministry. Omondi is said to have the confidence of key senior ODM figures who prefer to deal with him rather than Isahakia.

Yet the biggest problem in Odinga's office doesn't even work there: the

head of the civil service and Secretary to the Cabinet in the President's office, **Francis Muthaura**, has consistently obstructed Odinga's work over the past year. Although the grand coalition accord mandated the Prime Minister to supervise and coordinate government operations, Muthaura is accused of usurping those powers and of controlling the government from his own well-resourced office in State House, alongside President Kibaki. Muthaura seems to delight in offending Prime Minister Odinga. Last September, he issued a statement insisting that the Vice-President's office would have more executive authority than the Prime Minister's. Then Muthaura opened the door, again without consulting Odinga, to allow 38 suspended officials at the Electoral Commission to return to work.

This constant wrangling with Muthaura frustrates the work of technocrats in Odinga's office such as two former Permanent Secretaries, **James Ongwae** (who works on strategic planning) and **Nehemiah Ng'eno** (an advisor on governance). Another important technocrat in the office is **Hiroyuki Hino**, who had served previously on International Monetary Fund missions to **Nigeria** and Kenya; financing for Hino's post comes from **Japan's** International Cooperation Agency. And because of the lack of approved funding for Odinga's office, there is a shortage of support staff.

Odinga's Personal Assistant, **Mohammed Idris**, is a retired major. Idris has worked as Odinga's PA since the start of his presidential campaign in 2007. Then there is the PM's Spokesman, **Dennis Onyango**. Until his appointment late last year, Onyango was an Associate Editor with *The Standard*. Onyango took over the role after **Salim Lone**, a former Spokesman for the United Nations Assistance Mission in **Iraq**, left in August without being put on the government payroll.

To help prepare responses for Kenya's first ever Prime Minister's Question Time, Odinga has **Kipkemai arap Kirui** as his Parliamentary Secretary, based at the National Assembly. Kirui is the man who said on live television that he had witnessed election officials altering presidential results at the national tallying center in Nairobi in December 2007.

At the time, Kirui had been seconded to the now defunct Electoral Commission of Kenya from the National Assembly where he worked in the Clerk's office. The Clerk to the National Assembly is the person who runs the Assembly's day-to-day affairs and keeps the records of parliamentary deliberations and related matters. Some time during the bloodshed of January and February last year, Kirui went into self-imposed exile and returned in August to work with Odinga. ●

Inevitable victory

As the challenges to the governing ANC fizzle out, people are asking what Jacob Zuma wants to do with power

There remains one main unanswered question about the elections due on 22 April: the size of the African National Congress's vote. Most estimates put it at 55-65% and predict the ANC will win eight of the nine provinces, with the opposition taking Western Cape. The much bigger political questions concern the type of policies that the pragmatic ANC President, **Jacob Zuma**, will pursue and how he will balance his strong leftist support from the South African Communist Party (SACP) and the trades unions against the need to shore up the economy against the ravages of a worsening global economic crisis.

Six months ago, the elections were heralded as the most fiercely contested since the first post-apartheid vote in

1994, but the campaigns have faltered and relapsed into name-calling and finger-pointing. Last year's formation of the Congress of the People by dissident ANC members briefly energised politics. Yet COPE and other opposition parties, such as the Democratic Alliance (DA), Independent Democrats (ID) and the Inkatha Freedom Party, have failed to exploit the ANC's vulnerabilities, such as corruption and divisions.

A record 23 million people registered to vote, with a huge increase in electors under 30. On the campaign trail, there is little talk of policy, strategy or delivery. Opposition speeches are dominated by speculation about whether the National Prosecuting Authority (NPA) will drop its

corruption charges against Zuma and the circumstances surrounding the release on parole (on medical grounds) of his financial advisor, **Schabir Shaik**. Such issues obsess the middle class, black and white, but have little impact on ANC support in the townships and countryside.

There, focusing on the electors' immediate needs, Zuma draws big crowds. The ANC has narrowed its campaign platform to pledge improvements in five main areas: education, healthcare, rural development, fighting crime and creating sustainable jobs. In Langa Township, Cape Town, on 28 March, Zuma promised – without a hint of irony – to stamp out corruption and sack lazy state officials. He also promises to set up a committee to monitor government performance. 'The President, ministers, mayors and councillors all need to set an example and show a proper work ethic,' he said. At the rallies, veterans of the ANC's former armed wing, *Umkhonto we Sizwe*, in military fatigues, form a guard of honour for Zuma.

Lawyers acting for Zuma have sent papers to the NPA alleging that ex-President **Thabo Mbeki** colluded with senior NPA officials over Zuma's corruption charges and that therefore the case should be dropped. The new claims target Mbeki, his political allies, the NPA's Scorpions (the investigative unit that laid the charges against Zuma), along with former Scorpions Director **Leonard McCarthy** and former NPA head **Bulelani Ngcuka**.

Zuma's lawyers say that they have an intercept of a telephone call in which McCarthy pledged loyalty to then President Mbeki, which raises the awkward question of how Zuma's lawyers obtained the phone taps. The DA demanded an urgent investigation into the tapping of Mbeki's, Ngcuka's and the NPA's phones and why the records of these calls were handed to Zuma's team. On 30 March, the Director of the Office of the Inspector General of Intelligence, **Imtiaz Fazel**, dismissed calls for a probe. Opposition parties want the NPA to continue with the case against Zuma and also to charge Mbeki, who is said to have interfered with the case against Zuma.

The DA has made representations to the NPA, arguing that it should stay the course. 'If there was any interference by Mbeki, he must be charged. It has nothing to do with Zuma's case,' said ID leader **Patricia de Lille**. The NPA met on 30 March to debate dropping the charges against Zuma but said it needed more time to examine the evidence.

COPE has not fulfilled expectations that it would challenge the governing ANC. While the ANC and Zuma focus on five main issues, COPE's policies appear vague. In the Bishop of the Methodist Church of Southern Africa, **Mvume**

THE ELECTORS: A CHANGING LANDSCAPE

- **Born-frees:** This is the generation that has grown up in the 19 years since **Nelson Mandela** walked out of gaol and the African National Congress was unbanned – and the 15 years since South Africa's first post-apartheid elections. Almost six million South Africans under the age of 29 are registered to vote. There are two groups of 'born-frees': the 'mall generation' of the more educated and the better off, who often support **Mvume Dandala** and the Congress of the People (COPE), and the unemployed – those in the townships and squatter camps are more likely to vote for **Jacob Zuma** and the ANC.

- **The black middle class:** this is the bedrock of support for COPE, which by itself cannot win the election. The ANC is successfully wooing back many middle class dissidents with promises of a bigger role for them after the elections.

- **The white middle class:** most will remain loyal to the Democratic Alliance, which has been unable to shake off its image as an essentially white liberal party. Some white electors have therefore been attracted to COPE, with its black support base.

- **The working class and smallholder farmers:** This group – who form the vast majority – will vote overwhelmingly for Zuma and the ANC. Many do not read newspapers or have access to television, so the ANC is targeting them at the grassroots and organising huge rallies. They have little interest in the policy and personality battles between Zuma and **Thabo Mbeki** and will be sceptical about COPE's ability to improve economic conditions.

- **The stayaways:** In the 1994 elections, turnout was over 85%. Since then, the number of eligible voters has shot up while voters rolls have barely grown. For Zuma and the ANC, combating electoral apathy is as important as beating the small and divided opposition.

- **No-Go Zones:** In KwaZulu-Natal, the ANC wants the army posted to areas where clashes between it and the Inkatha Freedom Party are expected: each side claims there are 'no-go' zones where its supporters are excluded. The ANC and COPE claim the same is happening in the Eastern Cape. The Independent Electoral Commission has been flooded with complaints of intimidation during this campaign. Tensions have been particularly fierce between the ANC and COPE, and the ANC and Inkatha. In mid-March, all the parties signed an electoral Code of Conduct, committing themselves to an election that is fair, and without violence and intimidation.

- **The former apartheid Homelands and Bantustans:** These straddle the provinces of Mpumalanga, Eastern Cape, Northwest and KwaZulu-Natal. They are good areas for COPE and the opposition to get votes. There are fewer supporters of the ANC here, where some apartheid-era Bantustan leaders have built followings. Yet apart from **Bantu Holomisa** and **Mangosuthu Buthelezi**, most of these black Bantustan leaders have faded, leaving their supporters without political homes. The battle for these votes is fiercest in the Eastern Cape and in KwaZulu-Natal. ●

Dandala, COPE has picked a novice as its presidential candidate; a better choice might have been **Mhabizima 'Sam' Shilowa**, the former Congress of South African Trade Unions (Cosatu) leader.

We hear Shilowa emerged as more popular in COPE's internal elections than **Mosiuoa 'Terror' Lekota**, the party President. The elections were later cancelled, however, in favour of a complex selection process which produced Dandala as candidate. The Bishop's rise seems to have discouraged many of Shilowa's and Lekota's supporters. COPE's campaign management has been shambolic. The party was about to fire its election chief, **Mlungisi Hlongwane** (ex-President of the South African National Civic Organisation) before he walked back to the ANC last week. Shilowa has now been chosen to rescue COPE's floundering campaign.

Choosing Dandala was an attempt to offer a clear alternative to the corruption allegations around Zuma and other ANC figures. COPE portrays the ANC and its President as corrupt but it has been unable to counter the ANC's portrayal of COPE as the defender of the rich and the oligarchs of black economic empowerment. Both COPE and the ANC oppose an independent inquiry into South Africa's US\$6 billion arms procurement scandal (AC Vol 49 No 16). As many of the allegations of high-level corruption in the ANC are linked to the deal, this undermines COPE's position and suggests some of its leaders may have something to hide from such an inquiry. All other parties want one.

The ANC is the only party running a truly national campaign. COPE focuses on just three provinces: Western Cape, Eastern Cape and Northern Cape, leaving KwaZulu-Natal (KZN) to the ANC and Inkatha. DA leader Zille and ID leader De Lille are not challenging Zuma for the presidency but both are competing for the Western Cape premiership; their parties concentrate on the Western and Northern Cape. Inkatha cannot move far beyond its KZN base; its leader, **Mangosuthu Gatsha Buthelezi**, is near the end of his career and without him the party looks set to collapse or fragment. COPE has failed to articulate a clear policy agenda. Outside the Cape, it has focused on the black middle class and students. At best, these groups form 10% of the electorate. Its presence in the townships and rural constituencies is marginal.

Zuma's supporters, along with Cosatu and the SACP, ANC Youth League (ANCYL) and Communist Youth, are everywhere in the townships and rural areas, projecting their candidate as a true man of the people. Cosatu has around half a million shop stewards who go door-to-door canvassing for Zuma.

Amid the opposition confusion, the ANC is assured of a comfortable victory:

voter apathy is the biggest threat. Zuma told supporters in Mokopane, Limpopo, last week: 'We are big. We'll win the elections, there's no doubt about it'. The polls bear that out, even if there are many undecided electors. A survey by the Human Sciences Research Council indicated that the ANC has 47% support, the DA 7%, COPE 3%, Inkatha 2% and the ID 1%. This was based on mid-December data and released in mid-March. A more recent poll by the Plus94 group published on 29 March put ANC support at 61%, the DA's at 16% and COPE's at 15%.

Zuma benefits from the ANC's bedrock support; the carefully choreographed appearance of former President **Nelson Mandela** at an ANC rally (although he did not speak) reinforced the message that Zuma is the embodiment and heir of the liberation struggle – and that those who have left the ANC, such as Lekota and Shilowa, have betrayed the cause.

The ANC's strategy of portraying the opposition as 'anti-poor' is working; now Zuma is working on the black intellectuals. Those still critical of him are being purged. Two members of the South African Broadcasting Corporation's board have been pushed out; **Christine Qunta** and **Peter Vundla**, both close to Mbeki, have resigned after pressure from the Zuma camp. The head of SABC News, **Snuki Zikalala**, who is close to Mbeki, has been told that his contract will not be renewed, *Africa Confidential* understands.

Although South Africa faces its biggest economic crisis since the last days of apartheid, there is almost no debate on

policy. The DA's relaunch offered a new party banner but few new policies. The ANC's expensive campaign has included South Africa's first televised election advert; the party focuses on its liberation history, rather than its record in power, and now uses photos of smiling professionals on election posters and pamphlets to counter claims that the middle class is abandoning it. COPE struggles with marketing and branding, and lacks the common touch. The DA complained to the Independent Electoral Commission that the ANC hands out food parcels to swell its rallies. In KZN, three people were trampled to death this week after Inkatha bussed supporters to a rally promising free food.

None of the parties offer a clear approach to the global financial crisis. The ANC's economic gurus, such as Finance Minister **Trevor Manuel** and Reserve Bank Governor **Tito Mboweni**, have been given little time to spell out the consequences of the crisis for South Africa, a difficult message in an election campaign. Manuel remains popular within the ANC and looks set to continue with a leading role after the election. Instead, the parties trade insults. ANC leaders accuse COPE of treachery, of being snakes, dogs and cockroaches, while they laugh at Zille for spending money on a face lift. COPE leaders suggest that ANCYL's firebrand leader, **Julius Malema**, go for therapy. Malema called Zille a 'colonialist' and an 'imperialist'. She retorted that Malema was an *inkwenkwe*, which in Xhosa means 'not man enough'. ●

THE BATTLE IN THE PROVINCES

- Western Cape: The opposition parties – probably in a coalition of the Democratic Alliance, Independent Democrats and Congress of the People – will win.
- Northern Cape: This is the next best chance for the opposition parties to beat the African National Congress in provincial elections.
- Eastern Cape: The initial enthusiasm for COPE in the ANC's heartland has dimmed. The ANC has won a series of by-elections here, which has left it buoyant and convinced that it will retain the Province. The United Democratic Movement of former ANC and Homeland leader, **Bantu Holomisa** – which has pockets of support here – will be sidelined in the battle between COPE and the ANC.
- KwaZulu-Natal: This will see a two-party race between the ANC and Inkatha Freedom Party. Other parties are hardly campaigning here. Should Inkatha lose, it means the end of the career of Chief **Mangosuthu Buthelezi** and perhaps of his party, too.
- Gauteng: Although the DA built up its support here in the last elections, its concentration of effort in the Western Cape leaves the ANC almost a free run. Although COPE's Deputy President, **Sam Shilowa**, was formerly Gauteng Premier, the party has not put much effort into the Province. COPE's election campaign manager, **Mlungisi Hlongwane**, defected to the ANC partly because he did not secure the nomination as COPE's candidate for provincial premier.
- Free State Province: This is the home base of **Mosiuoa 'Terror' Lekota**, a former Premier, although he also has a following in KwaZulu-Natal dating back to the anti-apartheid struggle in the 1980s. His failure to win nomination as COPE's presidential candidate has discouraged his supporters in the Province.
- Limpopo Province: The ANC dominates the campaign here, but COPE may benefit from support for its candidate for the premiership, **Sello Moloto**, formerly the ANC provincial Premier. He joined just before the parties had to submit their candidates' list. ●

Words like freedom

Telling the public the truth is getting more dangerous and expensive, as rulers and militias resist the development of a free press. The rate of targeted killings of journalists in Africa is rising fast. Governments and corrupt businesses are resorting to launching defamation cases or backing draconian media laws to crack down on independent journalism.

SHOOTING THE MESSENGERS

On the first day of 2009, **Hassan Mayow**, a journalist working for **Somalia's Radio Shabelle**, was shot dead by government troops in Afgoye, 30 kilometres outside the capital. The soldiers accused him of favouring the insurgents by biased reporting. One month later, some of those insurgents aligned to **Al Shabaab** militia killed **Said Tahlil**, formerly Director of Somalia's other leading media house, **HornAfrik**. Militants from organisations such as **Al Shabaab** and **Hisbul Islam** suspect the Somali media of harbouring Western influences. **Radio Shabelle** and **HornAfrik** were founded and sponsored by Somali exiles in **Britain** and **Canada**. **HornAfrik's** founder, **Ali Shamarke**, was killed by a car bomb in August 2007.

The Committee to Protect Journalists, a non-governmental organisation, considers Somalia the most dangerous place for journalists in Africa. The rest of sub-Saharan Africa is less threatening and mortality rates for journalists working there over the past decade have been consistently lower than in other regions. **Iraq** and **Mexico** top the list. The CPJ cited six cases of journalists killed in Africa in 2008, when eleven journalists and media workers were killed in Iraq. This year, five African journalists have been killed in direct relation to their work. Political leaders who resist the rise of pluralism have targeted journalists in Somalia and eastern **Congo-Kinshasa**. Old-guard African leaders, facing negligible opposition forces, cling to power by censoring the budding, critical private press and now use more subtle measures to stem the flow of news. Online publications and blogs are also increasingly targeted.

In February in **Congo-Brazzaville**, **Bruno Ossébi**, a columnist for the online publication **Mvinda**, died with his girlfriend and her two children when a fire destroyed his home in the capital. There was another fire on the same evening at the home near Orléans in **France** of Congolese exiled dissident **Benjamin Toungamani**. Three days earlier, **Mvinda** had published an interview with Toungamani, who accused President **Denis Sassou-Nguesso** of corruption. Ossébi and Toungamani were planning to join an international legal complaint against Sassou-Nguesso – he is expected to run for re-election in July after a non-consecutive 24 years in power – and the presidents of neighbouring **Equatorial Guinea** and **Gabon**, **Teodoro Obiang Nguema Mbasogo** and **Omar Bongo Ondimba**.

Gabon's privately owned bimonthly **Tendance Gabon** was suspended for three months last year for reprinting an article from the respected Paris daily **Le Monde** about Omar Bongo's private wealth in France. Last December its Editor, **Léon-Dieudonné Koungou**, was detained by military intelligence and charged with possessing an open letter critical of Bongo's financial management of Gabon since 1967. French papers gave

wide coverage to the news that a judge in France had frozen bank accounts worth 4.2 million euros (US\$5.47 mn.), as a result of a court case between Bongo and a French businessman. In Libreville, the story became known only through **Radio France Internationale** (RFI). Little media attention was given to the untimely death of Ossébi, despite his prominence in Brazzaville. The seeming indifference of outsiders to the risks run by African journalists gives corrupt leaders impunity, behind which they silence their critics. A full inquiry into the suspicious fire appears unlikely; more than a month has passed since the national police spokesman, Colonel **Jean Aive Alakoua**, announced that an investigation was under way.

Scant Western media coverage was given in March to the killing of at least 25 protesters during anti-government demonstrations in **Madagascar's** capital. The dead included **Ando Ratovonirina**, a young reporter for the private **Radio Télévision Analamanga**, after the power struggle between former President **Marc Ravalomanana** and new President **Andry Rajoelina** (AC Vol 50 No 4). The opposition **Viva Radio and TV** was raided by soldiers and shut down later in March, while radio signals to the independent **Radio Antsiva** and **TV Plus** were jammed.

In **Kenya**, where the press had been considered robust, the story of a murdered journalist was not even adequately covered in the national press. **Francis Nyariru**, working for the private **Weekly Citizen** in the west, was abducted and brutally murdered in February by individuals suspected of links to the Nyanza police department. A United Nations' inquiry in February accused the Kenya police of being a law unto itself and called for the resignation of Police Commissioner **Hussein Ali** and Attorney General **Amos Wako**. Ever since the government hastily ordered a month-long ban on live coverage following the post-election violence in December 2007, Kenya's mainstream media has censored itself. The ban, issued by Information Minister **Samuel Poghishio**, was understandable; a survey sponsored by the UN claimed that many local radio stations incited political and ethnic tension. Nonetheless, journalists received a flood of mobile telephone messages and e-mail threats throughout this period.

JOURNALISTS JOIN THE ACTIVISTS

Kenya's coalition government has quelled effective political opposition, leaving civil society as the lone critic of the regime. **Clifford Derrick**, an award-winning journalist for the private TV station KTN, had to flee the country in early 2008. He had been severely beaten, receiving permanent injuries from a government-sponsored militia for investigating election-rigging in Prime Minister **Raila Odinga's** former parliamentary constituency in Nairobi's Langata suburb. Neither KTN nor its sister publication, **The Standard**, dared to cover Derrick's story.

Ugandan opposition leader **Kizza Besigye** has little chance at the 2011 election of unseating President **Yoweri Museveni**, who has held power for 22 years, ignoring a constitutional limit on presidential terms. The private **Daily Monitor** has softened its stance, because Museveni's team uses repressive legislation to silence critics without losing support from Western allies. At a February public meeting, Museveni informed party members that they would 'sort out the media' now that sufficient time had passed since Uganda hosted the November 2007 Commonwealth Heads of Government Meeting (AC Vol 48 No 24).

Andrew Mwenda, Museveni's staunchest critic and founder

of the private weekly *The Independent*, won the CPJ International Press Freedom Award in 2008. In April, his offices were raided and he was detained; he faces more than 20 charges, including sedition, libel and 'annoying the person of the President'. His publication had printed articles accusing the Ugandan People's Defence Forces of human rights abuses. Museveni has implemented the 2002 Suppression of Terrorism Act which criminalises news 'likely to promote terrorism' and compels journalists to reveal their sources in court. No journalist dared report on the slaughter of Karamojong people by helicopter gunships last year. Uganda's parliament recently approved a draft proposal to gag radio stations and newspapers deemed critical of the government. One measure would legalise raids on media houses, as does Section 88 of the Kenyan Communications Amendment Bill that was signed into law by President Mwai Kibaki in January.

Another recipient of Western aid, Ethiopia's Premier Meles Zenawi, has subdued the main opposition and views the private press as the next target. Federal police have re-arrested Birtukan Mideksa, of the now defunct opposition Coalition for Unity and Democracy, a year after she received a pardon following her arrest during the disputed 2005 elections. Then, the incumbent Ethiopia People's Revolutionary Democratic Front (EPRDF), fearing electoral defeat, imprisoned 13 journalists. Meles now uses more subtle measures. Anti-terrorism police have called on several private publications, warning them not to report on Mideksa's arrest and to follow official statements.

VIRTUAL CENSORSHIP

Last December, Meles updated the 1992 media law with a new Mass Media and Freedom of Information Proclamation. It bans censorship and pre-trial detention of journalists. It also maintains criminal libel statutes and vague national security restrictions, increases fines for defamation to 100,000 birr (\$8,920) and grants prosecutors discretion to impound any publication deemed a threat to public order or national security. The EPRDF has its own way of blocking online news sites and bloggers ahead of next year's parliamentary elections.

At the Ethiopian Telecommunications Corporation, four people in the Internet Service Division help individuals to register domain names, while 18 are in charge of filtering websites. Since 2005, increasing numbers of sites containing blogs and politics or human rights reports have been blocked (but several were suddenly allowed access in March). Government spokesman Bereket Simon denied any blocking despite evidence gathered by OpenNet Initiative, an academic partnership that studies internet censorship.

African journalists are becoming technically proficient and so are government censors. Hacking into political websites has become common. Nigerian exiles have set up online news sites. Last year, when three Nigerian-American editors of online publications separately visited home, they were promptly arrested and interrogated by the State Security Services (SSS). Jonathan Elendu, Emmanuel Asiwe and Abubakar Gwarzo were detained and eventually released. The government is said to use its allies in the diaspora to silence its overseas critics. The *Sahara Reporters* website accused an Nigerian-American doctor, Paul Orhii, of engaging in corruption involving the Attorney General and the pharmaceutical company Pfizer; Orhii is suing *Sahara Reporters*. Less than a month after he filed his suit, the government

DON'T FORGET YOUR SIM CARD

Sub-Saharan Africa is not famous for technological innovation but a report from the Massachusetts Institute of Technology indicates that mobile telephone use has grown twice as quickly there as anywhere else in the world. Even in tiny Rwanda, the government estimates that revenue from mobile phones will reach US\$1 billion by 2012. For journalists, mobiles are a boon, overcoming physical obstacles – poor land-lines, roads, rail, internet access – and government censorship, too.

The London-based *SW Radio*, run by exiled Zimbabwean journalists, broadcasts to Zimbabwe via short-wave, found in 2007 that the government was sporadically blocking its signal. During the run-off presidential election last year, the station sent SMS (Short Message Service)-based news alerts to nearly 30,000 subscribers in Zimbabwe. They in turn passed news on, spreading it at home and abroad. In Kenya, after live broadcasts were banned during the post-election violence in January 2008, journalists posted live reports and blogs via SMS. Two Kenyans, Ory Okolloh and Eric Hersman, launched a website that mapped the violence, with updates to help people avoid dangerous areas.

There are drawbacks. Other Kenyans used text messages and e-mails to incite violence and threaten journalists. Journalists from the main dailies, *The Nation* and *The Standard*, received daily text and e-mail threats accusing them of political affiliation to one party or the other. Some Kenyan bloggers incited violence against other ethnic groups. In Somalia, militant groups such as *Al Shabaab* threaten journalists via text message, driving staff of the popular *Radio HornAfrik* and *Radio Shabelle* to take refuge in their offices. Reports of the current political civil strife in Madagascar are posted by young journalists using mobiles and the networking and social messaging utility 'Twitter'. Although soldiers closed down Antananarivo's *Viva Radio* and *Viva TV*, 'tweets' (messages of up to 140 characters) from their reporters have kept people informed. ●

offered him the prestigious position of Director General of the National Agency for Food and Drug Administration and Control.

President Umaru Musa Yar'Adua knows that the public is aware that the 2007 elections were rigged and he will attempt to quell public criticism of the 2011 elections. In November, an article in the national daily *Leadership* alleged that Yar'Adua had been too ill to attend a Friday prayer service and an official engagement with the German-Africa Forum. In fact, he had attended both functions and the newspaper published an apology. Yet all reports about Yar'Adua's health are met with lawsuits and harassment by the SSS.

The President's special advisor on media and publicity, Olusegun Adeniyi, described the *Leadership* article as a 'wicked and malicious falsehood'; its publisher, Sam Ndah Isaiah and three editors, Abdulrazek Bello Barkindo, Lara Olugbemi and Simon Imobo-Swan, were accused of 'conspiracy, joint illegal acts, defamation of character, injurious falsehood and printing, engraving and distributing matter known to be defamatory, contrary to the Penal Code'. The SSS and police forces repeatedly raided *Leadership's* Abuja office, confiscated equipment, questioned and detained several staff members. The newspaper is fighting the defamation case in the Abuja Court of Appeal, and its Counsel, Bassey Adeyemi, has questioned the constitutional ruling that allows the President to allege defamation without having to appear in court.

Despite the challenges, African journalists find ways to continue reporting critically. Online publications and blogs are growing, and professional journalists win national and sometimes international recognition. After an outcry last year by supporters of RFI's reporter Moussa Kaka in Niger and of the founder of Burundi's *Radio Publique Africaine*, Alexis Sindhujie; their respective governments released them. In Burkina Faso's capital, Ouagadougou, a public commemoration takes place every December for the journalist Norbert Zongo who was killed while investigating criminal allegations against President Blaise Compaoré's brother. Supporters placed 'Norbert Zongo Avenue' stickers on street signs along a main boulevard and called for renewed investigations. Compaoré has acknowledged that justice failed in this case. 'With the public, we have this thirst for justice, and for the truth, which has not yet been established', he said in a 4 December interview published in three local newspapers. ●

Aller-retour

Huge numbers of West Africans hope to make a living abroad but find barriers in neighbouring countries and the rich West

The loss of more than 200 lives on 30 March, when a ship carrying African migrants to Europe sank off the coast of **Libya**, prompted calls for rich countries to ease their strictures on migration. The United Nations High Commissioner for Refugees, **Portuguese** former Premier **António Guterres**, said anti-migrant laws were fuelling desperation: 'This is a tragedy that is multiplying itself, in the Mediterranean, in the Gulf of Aden, in south-east Asia. More and more people are trying desperately to move.'

European states are adopting ever more draconian visa regimes for visitors from Africa and are expelling many more of those judged to have broken the rules. As the global financial crisis hits Africa, some of its richer countries are expelling workers who have migrated from neighbouring countries. The first offenders have been oil-rich **Equatorial Guinea** and **Gabon**.

Indignation is mounting in **Burkina Faso** over the expulsion from **Equatorial Guinea** in February, first to Cotonou then to Burkina itself, of 21 **Burkinabès**, ten **Maliens**, a **Guinean**, an **Ivorian** and a **Senegalese**. The Ouagadougou press claims that the **Beninese** police treated the men roughly. Almost all of the countries

concerned are members of the *Union Economique et Monétaire Ouest-Africaine*, within which workers are in theory free to move across borders. Moreover, **Benin** and **Burkina** signed the Economic Community of West African States treaty of 1979 which grant their citizens rights of residence.

As jobs grow scarcer, expulsions are set to become more common, whatever the treaties say. Some 4,000 **Burkinabès**, alongside many from other West African countries, live and work in the Equatorial Guinean cities of Bata and Malabo. Burkina is opening a consulate in Malabo soon and in November, President **Blaise Compaoré** visited his colleague **Teodoro Obiang Nguema Mbasogo** and tried to persuade him to grant short-term visas to migrant workers. It was a wasted trip.

Obiang's government, under political pressure, allows foreigners to fill only 10% of jobs in the two largest non-oil sectors, farming and timber. In 2004, it reckoned that the actual proportion of foreign workers in those two sectors was 30%. To get the balance right, several thousand immigrants would have to be expelled.

In 2007, other West Africans were banned from owning grocer's shops and other retail outlets. This meant closing dozens of shops run by **Maliens** and

Senegalese, some of whom were deported, while others went to try their luck in **Angola**. **Angola** and **Burundi** are now sending people back towards the transit territories of **Congo-Brazzaville** and **Congo-Kinshasa**, though **Guinea-Bissau** has stopped trying to control migration.

Some 11,000 **Burkinabès** live in **Gabon**. The *Conseil Supérieur des Burkinabès de l'Étranger* (CSBE, Supreme Council of **Burkinabès** Abroad) says that 60 were expelled in late November. **Libya**, which regularly expels foreigners, threw out 42 in June plus 420 **Maliens** in November. For both **Burkina** and **Mali**, the diaspora is a crucial part of the economy.

About half of **Burkina's** exiles live in unstable countries. In **Côte d'Ivoire**, migrants from **Burkina**, **Mali** and **Guinea** were targeted during the pogroms at the start of the civil war in 2002 and **Burkinabès** flowed back en masse to the Ivorian cocoa plantations when a peace accord was signed in late 2008.

They hear bad news from **Abidjan**, of foreigners robbed at roadblocks and difficulties in reclaiming property that was left behind. Professor **Albert Ouédraogo**, Chairman of a support group for those expelled, *Le Tocsin* (the Alarm), thinks the worsening Ivorian situation may drive yet more **Burkinabès** home. Born and raised in **Côte d'Ivoire**, he does not have great hope for the situation there. The authorities now talk of reconciliation, but until recently they favoured their own citizens, to the point of banning former Premier **Alassane Dramane Ouattara** from standing for President in previous, claiming he was **Burkinabè**. Ouédraogo tells us he has difficulty distinguishing sincerity from opportunism.

The CSBE reckons that there are 1.5 million **Burkinabès** in **Ghana** and as many in **Niger**, with 600,000 each in **Senegal** and **Mali**, and about 15,000 in **Sudan**. There are fewer in Europe, with some 4,000 in **France**. **Mali's** government takes emigration so seriously that it has created a Ministry of **Maliens** Abroad. There are probably some 4 mn. **Maliens** in other West African countries and some 200,000 in Europe, 120,000 of them in **France**. **Malian émigrés** annually send home 120 billion CFA francs (US\$240 mn.), a crucial contribution to the economy which is, of course, vulnerable to the world recession.

Mali and **Burkina** also receive large numbers of return migrants, most of whom are expelled from **Côte d'Ivoire** and recently, from **Central African Republic**. **Algeria** expels migrants southwards across the Sahara. In **Gao**, frustrated travellers have formed the *Association des Refoulés d'Afrique Centrale au Mali* (Association of Central African Deported), which supports migrants and increases awareness about the difficulty of their plight. ●

LIBYA AND ITS AFRICAN BROTHERS

The row in Africa over migration weakens progress towards the African Union's aims of the free movement of people, goods and services across the continent, says **Albert Ouédraogo**, Chairman of *Le Tocsin* (the Alarm) a support group for expelled migrants. Almost all African governments have at some time expelled migrants from other African countries, say Ouédraogo and other activists.

The countries with the worst records for expulsions are **Angola**, **Equatorial Guinea**, **Gabon** and, paradoxically, **Libya**, whose leader, Colonel **Moammar el Gadaffi**, wants the AU to transform into a African government with a common currency, a continental military and unrestricted migration. A mammoth wall poster in Tripoli features a benevolent-looking Gadaffi resplendent in a West African gown, the sun rising behind his head, surrounded by eager Africans stretching out their hands in friendship.

Inside **Libya**, the story is very different. African migrants there complain they face widespread racism and official indifference, if not outright hostility. With a population of some 5.5 million people and the third biggest oil revenue after **Nigeria** and **Angola**, **Libya** has attracted an estimated 1.5 million immigrants from poorer countries in the region. Some look for work in the service economy, others use the country as a jumping off point for an illegal passage to Southern Europe.

Libyan officials regularly round up African migrants and deport them. The government tells rich European countries that, if it did not do this, they would be flooded with African immigrants. The swoops on illegal immigrants have become so frequent that Africans in Tripoli have formed an informal group to organise their own repatriations; over the past two years, they have helped more than 3,000 people to leave voluntarily but many more than that are forced out each year. ●

Air strikes and silence

Why was Khartoum so reluctant to admit that its arms transshipments had been hit by Israeli air strikes?

Khartoum said nothing about Israel's air strikes on north-east Sudan in January and February until the news leaked out through an Egyptian newspaper last week. It then blamed them on the United States though, we hear, it knew Israel was responsible. In all three raids, the targets were shipments of weapons to Gaza's ruling Islamist party, Hamas – two road convoys in Sudan, one still at sea. Khartoum's reluctance to admit that it had been hit by Israel contrasts sharply with its regular and ritual denunciations of the 'Zionist regime', which it increasingly says it blames for the Darfur crisis. As *Africa Confidential* went to press, we heard that another arms convoy was moving north near the Red Sea coast and Egyptian forces were moving to the Sudan border to block it.

The nearest Israel got to admitting to the strikes was a statement from outgoing Premier **Ehud Olmert**: 'Those who need to know are aware that there is no place that Israel can't reach.' His message is similar to the one sent by the US cruise missile attack on *El Shifa* pharmaceutical plant in August 1998 (AC Vol 39 No 17), straight after the Islamist truck-bombing of the US Embassies in **Kenya** and **Tanzania**.

On 27 March, *El Shifa's* owner **Salah el Din Ahmed Mohamed Idriss**, former aide to **Saudi Arabian** banker **Khalid bin Mahfouz**, lost his US\$50 million appeal against the 2004 dismissal of his case against the US government. This was constitutionally 'immune from judicial review', ruled the court, because 'President **Clinton**, in his capacity as commander in chief, fired missiles at a target of his choosing to pursue a military objective he had determined was in the national interest'. That bombing helped to force the National Islamic Front (now National Congress Party, NCP) to the table over its war in the South and Nuba Mountains with the Sudan People's Liberation Movement/Army in 2000.

The recent strikes, the first on 12 or 13 January, put even greater pressure on a regime faced with the International Criminal Court's 4 March arrest warrant for President **Omer Hassan Ahmed el Beshir** (AC Vol 50 No 6). On 16 January, Israel and the USA signed a memorandum of understanding on cooperation, including intelligence-sharing, to block arms supplies to Gaza; on the next day, Israel stopped its bombardment of Gaza.

Yet it is not only Israel and the US which are working hard to interdict weapon supplies to Gaza. Several North Atlantic Treaty Organisation members, including **Britain, Canada, Denmark, France, Germany, Italy, the Netherlands and Norway**, have backed the US-Israeli MoU and are helping to prevent materiel from reaching Gaza, especially by sea. This implicit backing for the Israeli operations puts unprecedented pressure on Khartoum – a great deal more than Western governments have thought it necessary to exert over the regime's ethnic cleansing in Darfur and before that, in the Nuba Mountains and South.

The Sudanese regime's mistake was not just to back Hamas, an old friend of the NCP's which officially denies Israel's right to exist, but to move beyond the borders within which Western (and indeed many African and Arab) governments thought they had more or less confined it. Since the NIF's involvement in the attempted assassination of Egyptian President **Hosni Mubarak** during the Organisation of African Union summit in **Ethiopia** in 1995, the implicit *quid pro quo* for international non-intervention in Sudan has been the regime's cessation – or at least reduction – of its operations to destabilise its neighbours while mounting attacks as far away as **Yemen** and **New York**.

A 'FANTASTIC MILITARY FEAT'

News of the Israeli strikes emerged on 24 March. The second strike, AC understands, took place on 20 February while a third sank a boat laden with weapons bound for Port Sudan from Yemen. The strikes, described by a Western expert as 'a fantastic military feat', used the latest technology, with Israeli avionics, and was planned in days. The 'platforms' were probably F-161 fighter jets, of which Israel has bought 102 from the USA with US aid, and which means it can reach much of **Iran** without refuelling.

The first raid killed 39 people travelling in 17 trucks, said reports from different (including military) sources. Reports from Sudan said the vehicles had been shipped fully loaded to Port Sudan, suggesting that this was no ordinary AK-smuggling operation, as Transport Minister **Mabrouk Mubarek Saleem** suggested. The source of the weaponry, apparently including long-range missiles, is believed to be Iran, probably via Yemen: there is

considerable shipping between Sudan and Yemen, much of it legal, and this would make the transfer less conspicuous. Israel, which sees Iran as its biggest threat, fears Iranian-manufactured missiles such as the '*Fajr*' raining on Tel Aviv. Foreign Minister **Deng Alor Kuol**, an SPLM appointee, acknowledged that the weapons could have been bound for Gaza.

Khartoum's extensive and growing military cooperation with Tehran, including assembling of unmanned aerial vehicles (drones), has not gone unnoticed (AC Vol 49 No 18). Iran has simultaneously mounted a major diplomatic push in Africa, with high-level visits this year to countries ranging from **Burundi** to **Mauritania**, from **Senegal** to **Djibouti**, from **Ghana** to **Kenya** and Islamist-led **Comoros**. Iran has also led the challenge of the 'Global South' to the ICC warrant for Field Marshal **Omer**, championing South-South solidarity and loudly making light of Sunni-Shia differences.

This has put its old rival Egypt in a difficult position, since Cairo sees itself as guardian of Sudan. The old slogan of 'strategic depth' has resurfaced and while weapons headed to Egypt from Sudan, top Egyptians have headed to Khartoum for urgent consultations. Cairo has been its usual study in ambiguity.

When Mubarak visited in November, he left Khartoum with embarrassing speed for the South, the first Egyptian President to visit an area which it publicly says should not have independence, as the 2011 referendum allows. He told Southern President **Salva Kiir Mayardit** that **Omer el Beshir** should cooperate with the ICC. Yet publicly, Egypt plays the Arab card and defends **Omer**. It has turned a blind eye to arms smuggling to Gaza, with which its border is only 14 kilometres long, yet it may well have helped with intelligence on arms smuggling, say Western sources.

Egypt is also being upstaged by **Qatar**, which heads the latest Darfur peace initiative – blessed by the United Nations and African Union, though not by major Darfur rebels. With Mubarak absent, Doha also held the 29-30 March Arab League summit. Sudan's combative State Foreign Minister, **Ali Kurti Ahmed**, former head of the People's Defence Force, unsuccessfully demanded participants refuse to recognise the ICC or UN Security Council, rather than ask the Council to defer its warrant, as they did. **Comoros**, **Djibouti** and **Jordan** did not renounce ICC membership, **Jordan** refused to vote against the Court and **Kuwait** talked of obligations to international institutions.

Saudi still welcomed **Omer** for the *Umra* pilgrimage on 1 April. Ignoring a Sudanese *fatwa* on him not to travel for his own safety, he visited **Eritrea**, **Libya**, **Egypt** and **Qatar** in March. A trip to **Addis Ababa**, though, was quietly cancelled. ●

Homemade toxic assets

After some stellar years of expansion, the financial sector faces a deepening crisis

The uncertainty about the future of Central Bank Governor **Charles Chukwuma Soludo** reflects the drift in Nigeria's policy over the past 18 months. Soludo, who was appointed in May 2004 by former President **Olusegun Obasanjo**, is nearing the end of his five-year tenure as Governor. His relations with President **Umaru Musa Yar'Adua** have been poor and initially it seemed that his tenure at the CBN would not be extended. Now, as the global financial crisis creates more problems for Nigeria's policymakers, there is a growing lobby advising President Yar'Adua that Soludo's encyclopaedic knowledge of the banking sector would be a huge asset amid the turbulence. We hear the President's powerful wife, **Turai**, is now among those persuaded of the virtues of a second term for Soludo.

Other voices for another Soludo term

argue that he has built strong personal relationships in the international financial system at a time when Nigeria may need to call in some favours. Even some doomsayers suggest that as Soludo has helped lead the country into the financial crisis, he is best placed to navigate a way out.

Nigeria's problems are twofold. The global crisis hit its capital markets last year, prompting substantial selling and a foreign exchange crisis. For a few months, Soludo tried to prop up the naira using Nigeria's foreign reserves, then running at about US\$55 billion. He quickly concluded that would not work and imposed a new set of restrictions on capital transfers. The measures have proved unpopular and have resulted in the re-emergence of the parallel foreign exchange market. Despite his insistence to the contrary, the new controls have deterred portfolio investors,

who fear they will have problems withdrawing their money, and reduced the banks' access to cross-border finance.

The second set of problems revolves around the local banking sector, which is set to contract sharply this year after five years of unprecedented growth. Although Nigeria's banks are cushioned from the international financial system, they are undergoing the same problems as their much larger foreign counterparts: profits are dwindling, credit lines are tightening and debtors are beginning to default.

All this is hitting earnings. For example, United Bank of Africa's (UBA) profits for the last quarter of 2008 were 17%, compared to 60-90% in recent years. Nigerian banks have lost around 70% of their market value on the Nigerian Stock Exchange in 2008 – and this year's first quarter looks worse still. According to Bloomberg News, which tracks the NSE, the worst performer was Wema Bank, whose shares lost 67% of their market value, while Stanbic IBTC (the Nigerian affiliate of **South Africa's** Standard Bank) shares lost 51%, as did those of Intercontinental Bank, Nigeria's third biggest lender. The shares of Zenith Bank, which has embarked on an aggressive regional expansion programme, lost 47% of their market value over the past year.

Viewed over the last year, the banks' deteriorating performances have made the biggest contribution to the falls in the NSE. Banks, representing over 65% of the capitalisation of the NSE, have seen their own market capitalisation fall by over 70% in the past year: Union Bank's fell by 74.7%, Guaranty Trust Bank's by 72.9%, UBA's by 82.8% and Intercontinental Bank's by 87.5%.

Nigerian bankers say that many of these problems are due to weak regulation and supervision: 'The poor level of disclosure requirement is one of the factors that have contributed to the current crises. Most of the banks have over-leveraged their balance sheets during the boom cycle and are stuck with trillions of naira's worth of bad debts without disclosing it to investors,' one said.

Bad as the position is, few predict a full-blown run on the banks. Foreign reserves, now down to around \$48 bn., are strong enough to shore up the banks. The bigger question is how policy will adapt: most expect a further consolidation. From 2004, Soludo oversaw a winnowing down of the banks from 89 to 23 so-called 'mega-banks'. Nigerian financiers reckon the next consolidation could reduce that further, to ten banks. The speed and determination of this strategy will depend in part on Soludo's survival. In his favour are his good relations with the highly regarded new Finance Minister **Mansur Mukhtar**, who oversaw Nigeria's debt reduction strategy over the past five years. ●

LEADING CANDIDATES FOR CBN GOVERNOR

- **Isa Yuguda**, Governor of Bauchi State, recently married President **Umaru Musa Yar'Adua's** 23-year-old daughter **Nafisat** – his fourth wife – in an elaborate ceremony.
- **Ngozi Okonjo-Iweala**, Managing Director of the World Bank, is said to be a presidential favourite for the job although she is unlikely to negotiate a second sabbatical from the World Bank, which faces its own radical restructuring programme.
- **Tosa Ogbomo**, Managing Director of Mergers and Acquisitions at Goldman Sachs in New York, has an MBA from Harvard and a master's degree in finance.
- **Shamsudeen Usman**, Minister for National Planning and former Minister of Finance.
- **Tanimu Yakubu**, as Yar'Adua's leading economic advisor, may be reluctant to move to the Central Bank of Nigeria from his current influential and powerful job at Aso Rock.

NIGERIAN BANKS UNDER PRESSURE

- First Bank, founded in 1898, is very well capitalised. According to 2007 figures by CBN and the Nigeria Deposit Insurance Corporation (NDIC), First Bank has shareholders' funds of 307 billion naira, the largest of such in the country. Its Chief Executive Officer is **Sanusi Lamido Sanusi**, a former risk-control officer.
- Oceanic Bank: Owned by the **Ibru** Family, owners of the Lagos Sheraton and Towers, AeroContractor (with **Canada's** Bombardier Jets) and *The Guardian* newspaper. **Cecilia Ibru**, 63, is the CEO and her shareholders' funds were N210 bn. in 2007.
- Intercontinental Bank: With the shareholders' funds at N172 bn., it ranked third in the CBN/NDIC list. CEO **Erastus Akingbola**, the President of the Nigerian Institute of Bankers, is an astute banker with over four decades in the business.
- United Bank for Africa: With its colourful CEO, **Anthony Elumelu**, and its shareholders' funds at N154 bn. in 2007, the bank has offices in **Ghana**, **Gambia**, **Sierra Leone** and is opening a **Guinea** branch in May this year.
- Guaranty Trust Bank: One of the highest-ranked Nigerian banks because of the quality of its management and its shareholders' funds of N142.98 bn. Its Chairman is **Owelle Gilbert P. Chikelu** and its Managing Director is **Olutayo Aderinokun**.
- Zenith Bank: CEO **Jim Ovia** is on the Board of the Nigerian Investment Promotion Council. With shareholders' funds at N116.4 bn. in 2007, it has lately lost its sheen. Some executives are being questioned by the Economic and Financial Crimes Commission over the handling of funds from Rivers State when **Peter Odili** was Governor. ●

Sanctions and finance

South Africa's Trevor Manuel and the AfDB's Donald Kaberuka call for a substantial finance package to support Harare's new government

In London for the G-20 summit on 2 April, African Development Bank President **Donald Kaberuka** told *Africa Confidential* that Zimbabwe's Finance Minister **Tendai Biti** was making headway: 'Since this global political accord, things are much better than they were six months ago.' The AfDB has a team in Zimbabwe talking to officials and businesses. 'What we have to decide in the international community is at what point we come in,' he said. 'The first steps taken look very encouraging'. Clearly supporting more energetic backing for the new power-sharing government, Kaberuka insisted there was no division among creditor countries: 'The international community is at one on Zimbabwe... the political agreement that was signed is the best they could get, we are agreed. What we are saying is get it working... and then the international community will come in.'

South Africa's Finance Minister **Trevor Manuel**, who is close to British Prime Minister **Gordon Brown**, goes further, arguing that creditor countries have an obligation to back the new government. 'There is a fundamental set of issues that needs to be addressed. But they [the government] have to be afforded

the opportunity to make a difference,' Manuel said in London last week. Both British and **United States'** officials insisted that there were no plans to lift sanctions against Zimbabwean officials and their business allies in the near future and equally, no plans to resume programme aid to Zimbabwe soon. Britain and the US have an effective veto on World Bank and International Monetary Fund aid because of their combined shareholdings.

This is the context in which the Southern African Development Community announced on 31 March that it would help Zimbabwe to raise the US\$8.3 billion it requested to fund its Short-Term Economic Recovery Programme. The effective US dollarisation of Zimbabwe's economy has stabilised prices and inflation. Without the necessary foreign capital, SADC's backing will mean little.

Commodities such as milk, sugar, mealie-meal and beef are back in supermarkets, but few people can afford them. Biti has restored some order to the economy and shut down some of the illicit financing mechanisms, but there is not nearly enough money in the formal economy. Local industries reckon they need at least US\$1 bn. in new capital to

raise capacity from 10% to over 50%.

Biti says the government urgently needs funds to start paying off arrears and to pay civil servants. South Africa pledged a 500 million rand (\$55 mn.) line of credit. Another R300 mn., in R100 mn. tranches, will be provided for budget support. Biti has already slashed the national budget, delivered two weeks ago, to US\$1 bn. from US\$1.9 bn.

He has been trying to sideline Reserve Bank of Zimbabwe Governor **Gideon Gono** and reduce the RBZ's monopoly over foreign currency flows. For example, Biti abolished the stipulation that forced businesses to render 7.5% of their foreign exchange earnings to the RBZ, as well as Gono's powers over the banks' foreign flows. Thus Biti wants to assure outsiders that Gono (and his ally, President **Robert Mugabe**) will have no direct control over aid flows.

Civil servants will be paid their full salaries in foreign currency instead of the US\$100 allowances made in February and March. Popular anger is stirring, particularly over government 'perks', such as new Mercedes-Benz cars; the Movement for Democratic Change's **David Coltart** is the only minister to refuse his car. Despite the cholera epidemic having peaked, there are fears of a new outbreak in Harare's western suburbs, where some areas have not had piped water for over two weeks. If discontent mounts, a general strike will test the new government's commitment to political freedom and could tarnish the MDC's standing much more than that of the Zimbabwe African National Union-Patriotic Front. ●

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Madagascar

ONE NATION, TWO CONFERENCES

■ The opening of a national conference in Antananarivo on 2 April, led by **Andry Rajoelina**, head of the *Haute Autorité de la Transition*, is likely to worsen political divisions. Its goal is to draw up plans to return the country to constitutional rule and hold fresh elections, as well as to persuade international donors not to impose sanctions or cut financial support.

Yet ousted President **Marc Ravalomanana** and his *Tiako-y-Madagasikara* party said they would organise their own national conference and that it would draw a wider attendance than Rajoelina's. This resembles the fierce rivalry between Ravalomanana and his then opponent, President **Didier Ratsiraka**, who refused to accept his rival's election victory, seven years ago.

This time, Rajoelina's plan is unlikely to work. The two-day conference was attended by 1,000 military officers, some religious leaders and street supporters of Rajoelina, but it did not meet the standards required by the African Union and the United Nations. They wanted the conference to be organised independently of Rajoelina's *Haute Autorité* and to include members of all political parties and a wide range of civic organisations. A senior diplomat involved in the negotiations described Rajoelina, a 34-year old rapper and disc jockey, as a 'student politician' who knew 'what he was against but not what he was for'.

Rajoelina's grip on power will come under growing pressure after the Southern African Development Community's suspension of Madagascar, after a similar 20 March move by the AU. Yet Rajoelina's biggest problems are internal (AC Vol 50 No 6). He has no organised movement other than the protesters who demonstrated against Ravalomanana's abuse of power. More worrying still are the divisions in the military that could undermine his position. Colonel **Noël Rakotonandrasana**, leader of the mutiny that brought Rajoelina to power, has swept aside many of the military old guard and could play a key role in the event of any popular backlash against Rajoelina's inexperienced government.

Malawi

THEN THERE WERE TWO

■ The Malawi Electoral Commission's barring of former President **Bakili Muluzi** from May's presidential election has sparked a crisis after the dissolution of Parliament and the start of campaigning. The MEC said it had to bar Muluzi as he had served the maximum number of terms permitted under the constitution.

Although Muluzi has vowed to continue his presidential campaign as the official United Democratic Front candidate and his lawyers are lining up to fight it out with the MEC in the courts, it is likely that he will have to withdraw in favour of the Malawi Congress Party team of **John Tembo** and **Brown Mpinganjira**. Muluzi's UDF would then compete only for parliamentary seats, leaving incumbent President **Bingu wa Mutharika** and Tembo to compete for the presidency. A straight contest between Mutharika's Democratic Progressive Party and Tembo's MCP (in alliance with the UDF) is less predictable than a three-cornered battle between the DPP, MCP and UDF, which would probably have divided the opposition vote in favour of the DPP. Yet Mutharika's presidency is still likely to survive 19 May.

Many disgruntled UDF supporters will feel disenfranchised by Muluzi's removal from the race. Many more of the six million electors will feel that the presidential poll has been made duller by the removal of its most youthful and colourful candidate. The main beneficiaries of the ban are Mutharika himself, who fears Muluzi's populist style; MCP supporters who believe they now have a better chance against Mutharika; and constitutional lawyers paid to argue it out in court. Mpinganjira, ever the opportunist, may feel that he jumped Muluzi's foundering ship just in time.

Sudan

SECURITY IN DISGUISE

■ Khartoum's expulsion of 13 international non-governmental organisations has provided an opportunity for asset stripping (AC Vol 50 No 6). Instead of handing over premises, equipment and data to other INGOs to maintain the humanitarian pipeline before the rains, we hear security agents drive four-wheel drives still bearing INGO logos. The Nyala office of one charity is now state headquarters of the National Security and Intelligence Service.

Many displaced people are refusing to deal with the NGOs that have sprung up, accusing them of being government fronts with hidden agendas. An emergency United Nations assessment, which the regime said showed there were no problems, in fact warned that the gaps cannot possibly all be filled in time. International Criminal Court Prosecutor **Luis Moreno Ocampo** is considering filing additional charges relating to the deliberate denial of relief access to civilians.

Congo-Kinshasa

CONTROLLING PARLIAMENT

■ The crisis is over and that is official. President **Joseph Kabila**'s attempts to remove National Assembly Speaker **Vital Kamerhe** resulted in his resignation on 25 March. Kamerhe's crime was to have criticised Kabila's launching of a joint

military operation with **Rwanda** in North Kivu against the rebels of the *Forces Démocratiques pour la Libération du Rwanda* without a debate in Parliament. The Assembly has been under enormous pressure. Its US\$1.5 million budget for January and February was held back. After Kamerhe resigned, Finance Minister **Athanase Matenda** announced that the money would be disbursed.

Members of Parliament from the ruling *Alliance de la Majorité Présidentielle* (AMP) received text messages warning that Parliament would be dissolved if they backed the Speaker. Three human rights leaders who planned a demonstration to 'safeguard Congo's young democracy', were arrested on 15 March. They were **Floribert Chebeya** and **Dolly Inefo** from *Voix des Sans Voix* (Voice of the Voiceless) and **Donat Tshikaya** from the civil society organisation *Renadhoc*. Three private television stations' broadcasts of the Assembly session were interrupted.

The next step is finding a new Speaker. The trick is to avoid a split in the AMP: this led to oppositionist **Léon Kengo wa Dondo** being elected Senate Speaker in 2007. The AMP consists of the *Parti du Peuple pour la Reconstruction Nationale et la Démocratie* of Kabila (and Kamerhe), the *Parti Lumumbiste Unifié* under **Antoine Gizenga** and the *Union des Démocrates Mobutistes* led by **François Nzanga Mobutu**.

Zimbabwe

BREDENKAMP BITES BACK

■ Some of the businessmen targeted for sanctions by the European Union and **United States** are fighting back. **John Bredenkamp**, named as a collaborator of **Robert Mugabe**'s regime by the EU and the USA, has won an interim injunction in Johannesburg preventing Standard Bank from closing his account. Bredenkamp has wide-ranging business interests in **Britain** and **South Africa**, as well as Zimbabwe.

Last December, Standard Bank wrote to Bredenkamp telling him it was closing his accounts because of the sanctions. According to the US Treasury, Bredenkamp's links with the Mugabe regime include 'tobacco trading, arms trafficking, oil distribution and diamond extraction'. Standard Bank's decision follows concerns in Whitehall that Standard Chartered and Barclays were providing loans and accounts to Mugabe's business and political allies (see AC Vol 49 No 12).

Initially, the banks' Zimbabwe subsidiaries argued they were outside the jurisdiction of the EU/US sanctions regimes – although their parent companies were incorporated in Britain. Now Standard's efforts against Bredenkamp may prompt closer scrutiny of Barclays' lending practices. The latest 2008 accounts confirm substantial financing from Barclays in Britain and its Zimbabwe subsidiary.

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which backed him so as to eject Mbeki, will bias him towards a more restrictive, interventionist model of government. Yet there are strikingly few left-leaners in the top hundred of the ANC list. Prominent are the SACP General Secretary, **Blade Nzimande**, and his deputy, **Jeremy Cronin**. Nzimande will get a top cabinet position, which will constrain him.

On 6-7 May, Zuma will announce his cabinet. Its membership will indicate whether the factionalism in the ANC will continue. Business people will be watching Finance Minister Manuel. Most observers assume he will remain for up to two years but he could be edged out by horse-trading between the party militants, led by Nzimande, and the economic centrists, led by **Mathews Phosa**.

The suggested alternatives to Manuel are Eastern Cape political stalwart **Mcebisi Jonas**, Deputy Finance Minister **Nhlanhla Nene**, and South African Revenue Service head **Pravin Gordhan**. **Winnie Madikizela-Mandela** is tipped for the cabinet. The firebrand **Fikile Mbalula**

could get Minerals and Energy. **Tokyo Sexwale** is a possible Foreign Minister.

Nzimande, **Tony Yengeni** and **Siphiwe Nyanda** are emerging as Zuma's key political allies, while the centrists **Cyril Ramaphosa**, **Kgalema Motlanthe** and **Phosa** are likely to be sidelined, ready to move on should the Zuma project fail.

One innovation will be a new overarching development and planning ministry in the presidency. Nobody is yet clear what it will do. The head of the ANC's transition team, **Collins Chabane**, says that it will focus on long-term planning, asking what South Africa should look like in 20 years' time and how to achieve it.

The new advisors and ministers will inherit a largely sclerotic and inefficient public service, impoverished by an exodus of experienced civil servants perceived as loyal to Mbeki. The contract of the Treasury Director-General, **Lesetja Kganyago**, comes up for renewal in January 2010. South African Reserve Bank Governor **Tito Mboweni**'s contract ends in August 2009 but he is tipped to stay on.

The top of the public service is still affected by the extremely difficult changing of the guard in 1994; in its first four years in office the public service failed to spend an average of 11 billion rand a year. Even after rationalisation, underperformance and underspending are rife. The presidency has reported that unauthorised expenditure increased from R30 mn. in 2004 to R103 mn. in 2006, when the accounts of a third of the departments were qualified by their

auditors. The coming change could make this worse. An overview of capital expenditure in November 2008 found that government departments should have spent nearly 75% of their allocation by this time. The Education Department had already overspent its revised capital budget. The departments of Housing and Health had not yet spent 54% and 42% of their budgets respectively, while Social Development had used up nearly 75% of its capital budget.

Corruption at local and provincial level has escalated sharply in the past four years, exacerbated by poor law enforcement and the deterioration in the private sector, where banks lent huge sums in the final stages of the global debt boom. The Director for Priority Crimes Investigation (DPCI) will replace the investigating Scorpions, not as an independent body but within the South African Police Service and is seen as toothless. Over the past year, 67 investigators have left the NPA as the Scorpions disbanded. A source in the Zuma camp said he believed that corruption would begin 'to look like Kenya, with shades of Nigeria'.

Zuma's regime is expected to gun for the oligarchs associated with Mbeki, starting with **Bulelani Ngcuka**, who is likely to be removed from his job at Transnet. His wife, **Phumzile Mlambo-Ngcuka**, is likely to be targeted, as are the businessmen **Mzi Khumalo** and **Saki Macozoma**. Black economic empowerment will be overhauled; as markets collapse, Ramaphosa, Chairman of Shanduka Group, said recently that BEE would need to 'go back to the drawing board'. A revised scheme will put less emphasis on high-profile oligarchs, more on middle- and lower-level contracting, mainly with government tenders. The NPA's dropping of the Zuma charges involved a clear disregard of the Supreme Court of Appeal's judgement in January, which established that political manoeuvring around a case or a political motive for bringing a case are irrelevant if the case is bona fide. This, following the unorthodox release of Zuma's business ally **Schabir Shaik** in March, looks dangerously like a constitutional *coup d'état*.

Fears that Zuma will gun for the judiciary (and the independent media) were strengthened when he said that the Judicial Service Commission should review the status of the Constitutional Court. Some of this may be pre-election posturing but people close to Zuma would like to tame the independent press and increase political control of the courts. An oversight body to monitor the media could seriously limit freedom of expression. ● See www.africa-confidential.com for details of our special South Africa Briefing.

IT'S THE POLITICAL ECONOMY, STUPID!

The economy contracted in the first quarter of 2009 and South Africa is entering its first recession in 17 years. The South African Reserve Bank has cut its repo rate (the rate at which banks can borrow money from a central bank) by 250 basis points to 9.5% since December, in response to slowing inflation and economic strain. Analysts believe that rates will fall by another 2.5 percentage points this year.

The new presidency is likely to assume, at most, Keynesian overtones, emphasising reconstruction and development. Nationalisation is unlikely, but a more aggressive industrial stimulation programme to create jobs is probable.

The African National Congress's election manifesto promises a minimum of 60% free schools, a sustainable early childhood education system and the extension of the school meals scheme. Education spending increased from 12.4 billion rand in 2005/06 to R19.7 bn. in 2008/09, with an annual average rate of growth of around 12.6% over the medium term. On health, the ANC proposes to introduce a national health insurance system within the next five years, with hospital improvements, higher pay for health officials and an emphasis on disease prevention. Health spending makes up more than a fifth of consolidated government expenditure on social services in 2009/10 and the health budget is set to increase by 10.3% a year over the medium term.

Unrest is tangible and increasing; over the past two years, there have been an estimated 2,000 public protests, some of them violent. The Statistics South Africa Income and Expenditure Survey 2005/06 found that 48% of people live on a monthly income of below R462 (US\$50.7). Inequality has worsened, unemployment is rising; in 2007, the narrow unemployment rate was 25.5% and the broad rate, which includes discouraged job-seekers, was 37.1%. The global financial crisis is said to have lost the country 100,000 jobs in the last quarter of 2008, plus 165,000 jobs in the informal sector. ●

The Mills grind slowly

Under attack from his own party as well as the opposition, the President strives to shape his government

To mark his hundredth day in office on 17 April President **John Evans Atta Mills** gave his government eight out of ten for trying to fight corruption, protect citizens from armed robbers, cut the costs of government and fuel prices (AC Vol 50 Nos 2 & 3). Yet he faces friendly fire from members of his own party, cheered on by his former mentor, ex-President **Jerry John Rawlings**. Rawlings believes Mills's presidency has been hijacked by lukewarm supporters of the National Democratic Congress that he founded in 1992. He describes Mills as 'slow' and surrounded by 'mediocrities'. Other targets are Vice-President **John Dramani Mahama**; **Paul Victor ('PV') Obeng**, who headed Mills's political transition team; the brothers **Kwamena, Kwesi** and **Ato Ahwoi**; former Finance Minister **Kwame Peprah**; and the NDC's one-time *éminence grise*, former security chief **Kojo Tsikata**.

Tsikata's successor as National Security Advisor, **Kofi Totobi Quakyi**, is a Fante like Mills and the Ahwoi brothers; he is believed to wield considerable behind-the-scenes influence. They all held senior positions during Flight Lieutenant (Retired) Rawlings's 1981–2001 military-cum-civilian government, in which John Atta Mills served as Vice-President; PV Obeng was effectively Prime Minister (until he resigned over corruption allegations in 1996); Tsikata ran security (until he was forced out in a squabble over control of the party); and Kwamena Ahwoi was Local Government Minister.

Rawlings and his wife, **Nana Konadu Agyeman Rawlings**, opposed the choice of John Mahama as Atta Mills's running mate, preferring **Betty Mould-Idrissu**, who is now Minister of Justice and Attorney General. Rawlings complains that the new government acts as if it were still in opposition and is too slow in prosecuting leaders of the opposition New Patriotic Party (NPP) for corruption. He wants an investigation by the ministers and the metropolitan, municipal and district chief executives (MMDCEs) that he appointed between 1993 and 2001.

A series of 'boom speeches' by Rawlings, notably on 30 March and 6 April, accused Vice-President Mahama's advisors of lukewarm loyalty, provoking Mahama to contradict his former boss. Mills, too, reminded reporters that he is the President whom Ghanaians voted into power and warned his detractors not to

mistake his quiet approach for weakness, promising that those guilty of corruption would be punished according to law, not by a witchhunt.

Presidential Spokesman **Mahama Ayariga** said the target of his boss's anger was the defeated flagbearer of the opposition NPP, **Nana Addo Dankwa Akufo-Addo**. Communications chief **Koku Anyidoho** said the target was the opposition in general, especially ex-President **John Agyekum Kufuor**, who is holding out for a resettlement package (controversially agreed by the last Parliament) which includes two houses, six cars, a US\$450,000 payoff, a life pension, a fully staffed office and 60 days' free foreign travel a year, all at public expense. Mills has ordered a review of such benefits, and the state security apparatus under Colonel (Retd.) **Larry Gbevlo-Lartey** and Protocol Director **Victor Smith** has seized in piecemeal fashion other property held

by the ex-President. One vehicle was returned to Akufo-Addo with an apology after it proved to be private, not state, property.

Rawlings has had two public confrontations with Mahama in the last month. On 30 March, he angered grassroots party members by saying that while he could live with mediocre ministerial appointments, the same mistakes must not be repeated in the appointment of MMDCEs. The list of new chief executives announced on 7 April led to protests by NDC footsoldiers in several parts of the country and a party office was set on fire.

The intra-party conflicts have been greatest in heavily populated, ethnically mixed urban areas, where there has been an eruption of ethnic intolerance, stoked up for political reasons, since the NDC took power. South-eastern Ga-Dangme youths led protests against Kufuor's use of a state-owned property as his office, claiming that the house was on Ga land. Kufuor was later ejected from the building on the orders of Gbevlo-Lartey. The Ga-Dangme claim may be legitimate, although laws whose roots lie in the British colonial era allow the authorities to acquire some land by force and in perpetuity, subject to compensation. Some Ahanta and Nzema people have made similar claims to a special share of the oil revenue anticipated

SUMS THAT DON'T ADD UP

Perhaps the toughest job in President **John Atta Mills**'s government is the Finance and Economic Planning portfolio, held by **Kwabena Duffuor**. Having, by reducing duties and levies, brought petrol prices down by 5% to fulfil Mills's campaign pledge, the government has been forced to raise them by 10% to match world market prices.

The currency's value has been falling fast in the first quarter of this year. The slide began in May 2008, when the cedi was at 0.98 to one US dollar. It was at 1.14 to the dollar when Mills was sworn in on 7 January and is now at 1.40 at the official rate and 1.50 at foreign exchange bureaux. Inflation seems stuck at around 20%.

On 3 April, Duffuor agreed to a new daily minimum wage of 2.65 cedis, a rise of 18%; his budget on 5 March had provided for only a 12% increase in public sector pay. Teachers and doctors are now agitating for the implementation of the long-awaited Single Spine Salary Structure, designed to iron out differentials in the public sector. This implies further pay rises, which the World Bank and International Monetary Fund will not welcome. The government is believed to be on the verge of re-engaging with the Fund and the Bank, which has pledged to provide around US\$1 billion over the next three years for priority sectors of the economy.

Despite emergency adjustments behind the scenes, Duffuor refuses to acknowledge the need for a stimulus package to take up the predicted economic slack. He says that donor governments have not indicated any intention to withhold financial support and Ghana's banks are sound, unlike those in the West. Improved revenue collection will plug funding gaps, if any.

Investment banker **Andrew Kwame Asare Pianim** disagrees, as does **Paa Kwesi Nduom**, the flagbearer of the Nkrumahist Convention People's Party in 2008 and a former partner in Deloitte and Touche. He has suggested a \$5 bn. fund, half of it from the reserves of the Central Bank of Ghana, to guarantee concessional interest rates to small- and medium-sized businesses. Commercial lending rates are at 30% and above.

Pianim, the Chairman of New World Renaissance Investments, sees the global economic crisis as an opportunity to swallow painful economic medicine. Insecurity, and party political squabbles damage the investment climate. He wants tough decisions to be taken now to take the politics out of the pricing of fuel, power and water. For a government struggling to find its feet, this advice must sound like a suicide note. ●

from the deepwater offshore Jubilee Field, where 1.8 billion barrels (so far) of crude reserves were discovered in 2007. Critics respond that Ghana, as a unitary rather than, like **Nigeria**, a federal state, makes no provision for the special treatment of particular tribes.

On 28 March, Mills ventured outside Accra for only the second time, to Cape Coast, the Central regional capital. There, he was honoured by the Fante people as the first President from the region (although the Fante chiefs are privately aggrieved that their group did not receive more senior government posts). It looks as if Mills is being controlled – or at least being kept in the dark on some issues – by the Fante-dominated clique around him. Kwamena Ahwoi was a key member of a committee which vetted applicants for 170 local government posts in the President's gift. Grassroot NDC members complain about the nomination of people not on the short-lists presented to the President, suggesting that in some districts, the highest bidder won the contest or that there was discrimination against candidates from the Rawlings faction of the party.

The lack of internal democracy within the party benefitted Mills, whom Rawlings had chosen as his successor in August 2000 without a vote or consultation with leading party members. Several parliamentary candidates were imposed on disgruntled constituencies. The NPP made the same mistake in the run-up to last year's elections and paid the price by losing 21 seats and its parliamentary majority.

Obeng's influence is growing. His transition team's final report provided ample ammunition to start prosecuting corrupt former officials. Yet Obeng acknowledged in a memorandum to Mills and Mahama on 24 March that the NDC government would seem indecisive in bringing 'perceived rogues' to account and slow in handing out public appointments to the party faithful. He argued that government policy was not being adequately explained, leaving the opposition media to shape the political agenda. The main recommendation of his memo was to regain the media ground 'from the enemy', a phrase which suggested a return to the censorship which prevailed under military rule.

Public sector management boards are slowly being reshaped to reflect the NDC's new dominance. The latest casualties included 'voluntary' resignations from the board of Anglogold Ashanti of the two Ghana government nominees, NPP veterans **Joseph Henry Mensah** and **Reginald Bannerman**, with effect from 15 May. Their **South African** fellow Director, **Wiseman Nkhulu**, has also resigned, to go into full-time politics. ●

ZIMBABWE

From retreat to turnaround

Foreign investors but not their governments are beginning to take Harare's new order more seriously

Warm words emerged from Prime Minister **Morgan Tsvangirai's** ministerial retreat in Victoria Falls on 3-6 April and are encouraging foreign business to look at profitable turnarounds. Yet Western governments remain sceptical. The idea of the retreat was to bring the former sworn opponents together in Zimbabwe's most expensive and picturesque hotel to consider proposals from the new Finance Minister, **Tendai Biti**. Flanked by President **Robert Mugabe** and Deputy Prime Minister **Arthur Mutambara**, his former rivals who are now colleagues in government, Tsvangirai called for unity of purpose and reaffirmed the 'global political agreement' of last September.

Involving Mugabe in the launch of Biti's Short Term Economic Recovery Programme (STERP) looked odd, given that his supporters were still evicting commercial farmers and arresting opposition supporters and civic activists. Tsvangirai wants to tie the coalition together with symbols. Recently he upbraided a journalist for referring to 'Mugabe': 'It's PRESIDENT Mugabe,' Tsvangirai insisted. He may have warmed to Mugabe's public sympathy following the death of his wife, **Susan Tsvangirai**, in a car crash in March (AC Vol 50 No 6).

The absence of Defence Minister **Emmerson Mnangagwa**, Mugabe's heir apparent, suggests a half-hearted commitment. Tsvangirai referred tactfully to Mnangagwa's absence:

'Working together may not seem natural after so many years on opposite sides of the political divide but there can be no viable alternative.'

The MDC's Economic Development and Planning Minister, **Elton Mangoma**, condemned the latest farm seizures: 'We are not going to allow people to grab land without following the procedures that we have laid out'. The 2007/8 harvests were poor, despite heavy rains. Seven million people now qualify for some form of food aid. Despite concessional lending by the Reserve Bank, farm exports declined by 14.1% to US\$464 mn. in 2008. Tobacco output for 2007/8 was 45,000 tons, worth \$156.6 mn., when the target was 75,000 tons; farmers want to liberalise the tobacco market and deal directly with buyers. Given critical shortages of seeds and fertiliser, 2009/10 looks no better, with planting beginning soon.

Another imperative is international financial assistance. Mugabe accepts that the position is desperate and has urged support for STERP. He told the meeting that the 'country greatly appreciates the offers of much-needed financial assistance that are beginning to flow in, first from the region and also beyond', which he sees as complementary to the mobilisation of Zimbabwe's own resources. The Victoria Falls 100-day work plan matched Biti's STERP document and budget estimates that prioritised health and education.

Foreign companies are looking at returning to Zimbabwe, provided that the

GOOD-BYE TO ZIMBABWE'S DOLLAR

'There will be no immediate plans to [re]introduce the money because there is nothing to support and hold its value,' said Economic Planning and Development Minister **Elton Mangoma**. In reality, the Zimbabwe dollar ceased to be a currency months ago, as its buying power shrank by 50% each day. By eliminating it, the government also hoped to eliminate illegal operators, such as the money changers who charge extortionate rates.

The decision to drop the Zimbabwe dollar was taken by Finance Minister **Tendai Biti** and Reserve Bank of Zimbabwe Governor **Gideon Gono**, then confirmed by the Council of Ministers. Some think this was the latest episode in Biti's war against Gono, one of whose advisors told *Africa Confidential*: 'The RBZ will try to function as a normal central bank, concentrating on monetary policy to fight inflation and overseeing the banking sector. I don't see this as Biti trying to marginalise the RBZ.' The advisor accepted that the RBZ could do little in the short term to fight inflation, given the paucity of foreign exchange reserves, though it has received lines of credit from Comesa (Common Market for East and Southern Africa) Trade and Development Bank and the African Development Bank. The RBZ intends to reform export policy to increase forex flows.

The currency has been suspended for a year but could be out until late 2010. They hope a new constitution and new elections will reopen lines of credit from abroad. ●

power-sharing deal holds. Consultants in Harare and Bulawayo are doing due diligence for investors, particularly in mining but also in manufacturing, especially of primary products. Amid the uncertainty, potentially valuable assets are ridiculously cheap, interesting speculative foreign companies. Caledonia Mining Corporation (of **Canada**) has said it wants to double gold production from its Zimbabwean mines. The government is considering how to recapitalise the potentially profitable parastatal businesses, perhaps by inviting in external investors.

SANCTIONS AND THE USA

There are signs of more humanitarian aid but development aid will be slower. At the end of 2008, the total external debt stood at \$4.6 billion. Half is bilateral and 44% (\$2.02 bn.) is owed to multilateral agencies, chiefly the International Monetary Fund and the African Development Bank. The lifting of sanctions depends on repeal of the **United States'** Zimbabwe Democracy Act, which compels the US government to veto access to IMF balance-of-payments funds. Zimbabwe lacks the resources to reschedule its arrears with the IMF, which must be done before lending can resume.

So far, Western governments insist they will not lift sanctions, although **South African** Finance Minister **Trevor Manuel** and ADB President **Donald Kaberuka** urge stronger support for the power-sharing government (AC Vol 50 No 6).

Consumer prices fell for the third month in March (down 3% from February), after the junking of the worthless currency (see Box). Food has reappeared on city supermarket shelves but purchasing power is pitiful. The Falls meeting promised the liberalisation of media laws and prisoners' rights, just after images were shown on South African television of people starving in Zimbabwe's gaoles.

Justice Minister **Patrick Chinamasa** said it was time to spruce up the country's battered image and to reverse the Mugabe government's closure of four independent newspapers, as the price of regaining 'our space in the family of nations'.

The publishers of the *Financial Gazette*, in which the Reserve Bank of Zimbabwe Governor, **Gideon Gono**, has a stake, said they would launch a *Daily Evening Gazette*; South Africa-based publisher **Trevor Ncube** has announced plans for a daily, to be called *Newsday*.

The request for \$8.3 bn. in development aid looks optimistic. Estimates, including one by Standard Bank, put the cost of raising activity to the levels of the 1990s at \$10 bn. Biti's 2009 budget (AC Vol 50 No 7) liberalised foreign-exchange controls, abolished price controls and promised to end the government's 'quasi-fiscal' activities. There is a sense of shared purpose among politicians who detested

each other two months ago. Local camaraderie will not open aid taps nor entice investors. During the 1990s, foreign direct investment accounted for a fifth of gross domestic product. After a quick visit to Harare by South African business leaders, the head of Business Unity SA, **Jerry Vilakazi**, said success would be judged on whether the unity government lived up to its promises in the next three to six months.

It will be hard to reinstate respect for private property rights, strengthen and depoliticise the civil service, and adopt a macroeconomic stabilisation programme whose heavy costs must be shared between government, business, labour and civil society.

Meanwhile, the downward spiral continues, while the budget projects growth of 2%. Biti has revised budget expenditure down by \$900 million to \$1 bn., with no projected deficit. The narrower revenue base means that much of the necessary funds would have to

come from abroad. The budget represents the bare minimum the government needs to function until next year.

Public wages make up nearly a third of spending (\$299 mn.), just below expenditure on health and education combined. The teachers' unions indicate that they are willing to strike over pay. The Zimbabwe Congress of Trade Unions has demanded a minimum wage of \$454 per month by June. Some civil servants said the government's plan would fail if their salary concerns were not addressed.

The government has started paying the civil service in foreign currency but the recipients say that allowances of \$100 are too small. Public Works Minister **Theresa Makone** said the government was trying hard to address salary discrepancies: 'Our 100-day action plan will not work unless we pay our employees what they deserve,' she said. 'If we get the money, we will review their salaries at the end of this month.' That is a big if. Continued poverty could bring social upheaval. ●

TENDAI BITI HAS A PLAN

Finance Minister **Tendai Biti** has emerged as the key figure in Zimbabwe's economic recovery, walking the uneasy path between securing external finance from sceptical outsiders and dealing with his crafty colleagues from President **Robert Mugabe's** Zimbabwe African National Union-Patriotic Front.

Biti's 118-page short-term economic recovery programme mixes the political clichés of building a 'developmental state' under 'the rule of law' with an unvarnished appraisal of Zimbabwe's economic decline. Gross domestic product has fallen by 40% since 2000; manufacturing output fell by 75% in 2008; the target of 100,000 tonnes of wheat this year leaves 400,000 tn. to be imported. Estimates of maize production (most comes from small farmers) are less bleak, with 1.6 mn. tn., 80% of the requirement, in 2009/10.

In his budget, Biti slashed projected expenditure for 2009 to US\$1 billion from \$1.9 bn. and cut the revenue projection to \$1 bn. from \$1.67 bn. Yet he calculates that the Treasury will need more than \$2 bn. to run the country this year. Revenue is around \$30 mn. a month, not enough to pay the civil service wage bill. Nobody knows where the money will come from in a hostile international climate.

More than half of state revenue is meant to come from customs duties and value added tax; allowances on income tax are cut. External financial support is vital. To get it, Biti must show that Mugabe and his henchmen, such as Reserve Bank of Zimbabwe Governor **Gideon Gono**, no longer call the shots. Biti tries to render Gono irrelevant. Shutting down the Zimbabwe dollar sharply reduces the RBZ's role; Gono no longer controls government borrowing and spending, the exchange rate or the currency printing presses. Among comments in an interview with *Africa Confidential*, Biti told us:

- 'This unity government is inheriting an empty shell and we are left with no choice but to open our begging bowl.'
- 'This government is against haphazard land grabs and we are going to make sure that anyone who occupies land without following proper procedures should be arrested.'
- 'Continuous exploration, as well as beneficiation and value addition of minerals will benefit from joint venture strategic partners who have the necessary technology and foreign currency back-up.'
- 'We are saying that what we are paying teachers is not enough...Our health workers need to be paid salaries that are commensurate with their work...Everyone is aware that our education system is just as good as dead, our health delivery system has almost collapsed and production is very low in agriculture...We also need to look at the humanitarian aspect as citizens are starving, so I will also prioritise that area.'
- 'We face other emergency financial requirements to end of the year amounting to over \$2 bn.; it is imperative we engage the international community for financial support.'
- 'What we have done as a new government so far has been well received by the people. However, the people expect better and more from us.' ●

Museveni – from grand reformer to simply surviving

With his eyes on another five-year presidential term in 2011, President Yoweri Museveni has shaken up his cabinet, touted Uganda's future as an oil exporter and pressed for a military resolution to the conflict with the LRA. The only thing that could stop him from extending his 23 years of rule is infighting between the factions of the ruling National Resistance Movement. Museveni's long-term allies benefit from his grip on power, but a new generation in the ruling party wants changes to policies and leadership.

THE LEVERS OF POWER

President Yoweri Museveni has two main power centres. Firstly, the National Resistance Movement which still enjoys popular support across Uganda, especially in the vote-rich rural areas. The NRM mobilises support during elections, then suffocates it to stop it from building structures that would withstand manipulation. After removing constitutional term limits to allow himself to run in 2006, Museveni, 65, is free to stand again in 2011 and 2016. Some NRM insiders speak of removing the age limit, now at 75.

The second and most important power centre is the military. The lack of political ambition from Museveni's two most senior officers, General **Salim Saleh** and Gen. **Elly Tumwine**, has ensured stability in the forces and allowed him to promote younger loyalists. More promotions are expected in the Army as Museveni moves his well-trained, loyal young Turks, including his son Lieutenant Colonel **Muhoozi Kainerugaba**, into command positions. The Chief of Defence Forces Gen. **Aronda Nyakairima**, commander of the Air Force Colonel **Moses Rwakitarate** and the chief of Military Intelligence Col. **James Mugira** (who replaced another loyalist, Col. **Noble Mayombo**) are all staunch Museveni supporters. Army officers who have shown ambition or dissent have been isolated and crushed.

After 23 years in power, strains are showing. Museveni's most credible challenger remains **Kizza Besigye**, whom he defeated controversially in 2001 and 2006. Besigye, a retired colonel, beat former Army commander Major Gen. **Gregory Mugisha Muntu** to retain the leadership of the Forum for Democratic Change in mid-February. Besigye is favoured – but not guaranteed – to win the FDC ticket for 2011. He is likely to face competition from Gen. Muntu, a representative to the East African Legislative Assembly, as well as retired Col. **Nuwe Amanya Mushega**, once a cabinet minister and former Secretary General of the East African Community. After quitting the NRM and sitting on the fence for three years, Mushega finally joined the FDC and was elected Vice-President for western Uganda. Mushega is a man to watch. He is one of many ex-Museveni allies from western Uganda who can punch holes in the President's fief. He comes from Bushenyi, once a hotbed of support for former President **Milton Obote**.

A momentarily united opposition has also begun its campaign for 2011 by discrediting the Electoral Commission. On 7 April, FDC lawyers decided to challenge the EC, seeking to delay local by-elections by convincing the courts that it is unable to organise free and fair elections. Besigye and the opposition insist that they want to 'dismantle' the 'partisan' EC before the 2011 polls.

Backed by intelligence and training from the **United States** and with the support of soldiers from **Congo-Kinshasa** and Southern **Sudan**, Uganda launched Operation Lightning Thunder against the Lord's Resistance Army on 14 December in Congo's Garamba

National Park. Poor weather, presidential micro-management and the lack of fallback strategies resulted in a costly failure after LRA leader **Joseph Kony** escaped. Ugandan soldiers were left to hunt groups of LRA rebels dispersed around the bush. After a month's fighting, scores of LRA rebels were killed, 90 captured and over 800 Congolese civilians butchered by the rebels in reprisals, but no major victory. The operation failed to deliver the killer blow.

As soon as the operation had ended, there were reports that the LRA was receiving new supplies, suggesting that Sudan's President **Omer Hassan Ahmed el Beshir's** regime is still supporting the LRA. There are reports of another rebellion, reportedly led by a former Ugandan People's Defence Force officer-cum-timber trader, **Peter Karim** (not to be confused with a Congolese rebel also called Peter Karim). The leaked details of Lightning Thunder made shockwaves when it was revealed that it cost nearly US\$200,000 a day. Chief of Defence Forces Nyakairima, the public face of the campaign, must answer to Museveni and Parliament. In April, military chiefs were also accusing each other of having allowed junior officers to pilfer money because less than 20% of the annual allocations for pensions and benefits are being paid, with the rest vanishing.

Meanwhile, in April, Human Rights Watch launched a report on the government's Joint Anti-Terrorism Task Force which is responsible for the illegal detention of hundreds of innocent civilians. JATT tortures its detainees and there have been several mysterious deaths in detention. Headed by Brigadier **James Mugira**, JATT operates outside of constitutional regulations.

FAMILY RESHUFFLE

In February, Museveni reshuffled his cabinet, removing one family member and hiring a new one. Presidential wife **Janet Kataha**, a first-time member of parliament, was named Minister for Karamoja. A born-again Christian, Janet stirred things up when she said her appointment had come from God – and dared MPs to reject her. In March, Museveni told the BBC that appointing his family to government was a sacrifice, not a privilege. He pointed out that his brother Gen. Saleh (aka **Caleb Akandwanaho**), who was dropped from cabinet to avoid including too many family members, had been shot in the 1981-86 war that brought him to power. Senior army officers who have since fallen out with Museveni were quick to show their own battle scars. Microfinance Minister Saleh's sacking signals that the much-delayed 'Prosperity for All' microfinance programme, which was to be a big feature in Museveni's campaign, may be sidelined again.

Janet Museveni has already camped in Karamoja, a poor, arid region in the north-east; mineral water and food were trucked in for the 10-day visit. Her star power is already pulling in the money; the European Union announced a new \$50 mn. funding cycle for the region during the First Lady's visit.

Away from the dust of Karamoja, **Syda Bbumba** replaces the long-serving **Ezra Suruma** as Finance Minister. On 8 April, Bbumba warned that economic growth will drop to 6.2% this year, although the International Monetary Fund has already dropped its prediction to 5.5%, warning that it may be revised further as the global financial crisis continues. Bbumba is yet to make any public policy declarations but has indicated in private discussions that she is keen to focus on agriculture. The upcoming budget, due in June, offers a stern test in trying economic times.

Museveni and Bbumba portray Uganda as an island of growth,

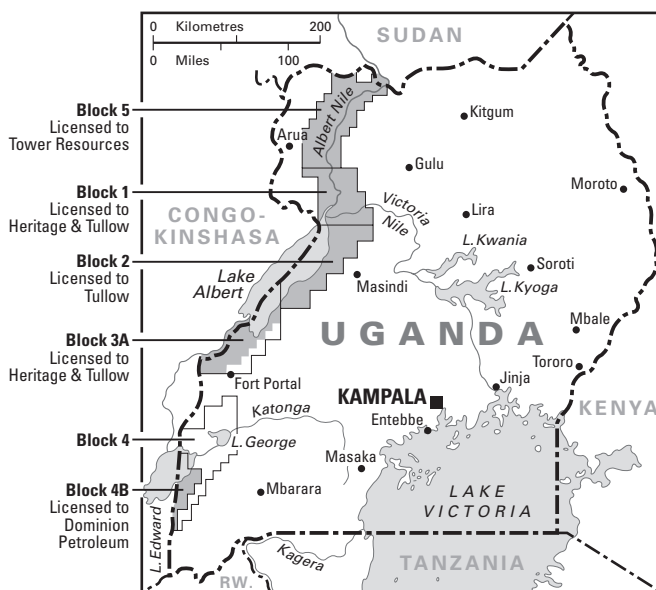
isolated from the impact of the world financial crisis, but the country is preparing itself for the lowest growth rate in the last five years. Overall economic growth is supported by the construction and services sectors, as well as demand from Southern Sudan and eastern Congo-Kinshasa. However, the Uganda shilling has fallen more than 20% against the US dollar since December 2008, and the trade deficit is widening as exports drop in volume and value. Year-on-year export statistics for January show a 21% drop in the value of Ugandan exports. Remittances from Ugandans abroad, which rose to \$800 mn. last year – more than the value of coffee, fish and flower exports – are also slowing. Capital flows are falling too, as the Uganda Securities Exchange index fell by over 25% in the last three months.

Uganda has a \$550 mn. plan for roads and transport infrastructure which the IMF says should serve as a stimulus to the economy. Bbumba's challenge is both to manage the slowdown in the economy – tax revenues are slumping – and the political demands of the day. As Museveni starts his campaign, expenditure on pet projects and public administration is set to rise. Travel allowances for top civil servants have been increased and a hefty retirement package has been provided for the President and Vice-President. Civil servants, including poorly-paid teachers and medical workers, are expected to demand increases when the budget is read, money the government may not have.

The Musevenis live in ostentatious luxury: the \$33 mn. budget for State House is more than that of the Trade and Agriculture Ministries combined. From the majestic State House in Entebbe, recently renovated for \$54 mn., Museveni enjoys a bird's-eye-view of Entebbe International Airport and his new \$45 mn. Gulf Stream V private jet. Auditor General **John Muwanga's** annual report released this month confirms that State House, the police and prison services are responsible for most budget overspending. Poor practices led to a loss of \$26 mn. (US\$ 56 bn.) for the government.

Western creditors, who finance up to a third of Uganda's budget, are growing restive about Museveni's reluctance to step down and the possibility of violence at the next election, as in **Kenya** in 2007. Museveni has had a good run on the international scene in the last five years, hosting a Commonwealth Summit in 2007 and winning a non-permanent seat on the United Nations Security Council for 2009. Sending Ugandan peacekeepers to **Somalia**, where few others dared, also gave him regional geopolitical influence as did Uganda's election to the head of the Organisation of the Islamic Conference. Yet the party might be over sooner. Announcing the honouring of a £35 mn. (\$52.2 mn.) aid pledge, **Douglas Alexander**, British International Development Minister, warned that future aid to Uganda will rely on progress in improving governance and efforts to rebuild the war-damaged north.

Creditors are growing impatient over corruption and the costs of public administration. Washington is yet to indicate a shift in policy towards Uganda but a few changes of emphasis can certainly be expected. US President **Barack Obama's** new Assistant Secretary of State for Africa, **Johnnie Carson**, who served as Ambassador to Kampala, Nairobi and Harare, may prove less indulgent than his predecessor, **Jendayi**



Frazer. MPs are investigating why Kampala paid Washington-based lobbyists The Whitaker Group \$300,000, outside of government procurement regulations, for a dossier about the Obama administration. ●

OIL WITHOUT BORDERS

The drama surrounding oil reserves on the **Ugandan** and **Congolese** sides of Lake Albert came to an end in April with London's Heritage Oil and Gas and Ireland's Tullow Oil still the main protagonists. Uganda's confirmed reserves, currently less than a billion barrels, will not make the country a leading exporter but will substantially increase government revenue.

Three airstrips, a helicopter landing pad, a couple of primary schools and an army barracks have already been built on the shores of Lake Albert. A 200-kilometre highway linking the area to the capital, Kampala, is under construction. Plans are to produce up to 5,000 barrels of oil per day by the end of 2009 with a mini-refinery to supply kerosene, diesel and heavy-fuel diesel oil to run a 50-85-megawatt thermal power plant.

In mid-January, **Ireland's** Tullow Oil and **Britain's** Heritage Oil and Gas, which are partners in two wells (with Tullow holding another) announced that two recent finds, at Giraffe 1 and Buffalo wells, were 'world class' and had boosted reserves by 400 million barrels. Tullow Chief Executive **Aidan Heavey** announced the finds had exceeded expectations and the company was fast-tracking production plans.

March drilling on Block 2 was disappointing and results from the most prospective spot, Ngassa 2, are not expected until the second half of 2009. Word on the ground is that the finds could exceed those announced. Tullow has said it aims to sell off some of its Uganda interests but Heritage's plans are less clear. CEO **Tony Buckingham** may want to sell his interests when oil prices rise again.

The cost of the necessary pipeline to Mombasa, **Kenya**, for export ranges from the official \$1.5 bn. to \$2 bn. **Libya's** Tamoil said in March that it would extend its Eldoret-Mombasa pipeline to Kampala, and possibly Lake Albert, but with no details.

The specifics on sharing of oil revenues are controversial and shrouded in mystery. The government says it will take at least 80% with the rest going to the exploration firms, but it has refused to submit the production sharing agreement to Parliament. A leaked version shows a sliding-scale structure: the oil firms will take 70% of early revenues until they recover their costs and then share any profit, so the oil finds will not lead to a huge pre-2011 election cash infusion. The International Monetary Fund suggested using a separate account to monitor oil revenue, but the government is unenthusiastic.

On the **Congo-Kinshasa** side of Lake Albert, former Hydrocarbons Minister **Lambert Mende** revoked Tullow's rights to Block 1 in February 2008. Claiming contract irregularities, the rights were awarded to an opaque, politically connected local company. New Hydrocarbons Minister **Rene Isekemanga Nkeka** reversed the decision in early April and the rights reverted back to Tullow, paving the way for proposed joint exploitation by Kampala and Kinshasa. The deal seemed to be done but then Kinshasa informed Tullow that another strategic Congolese partner might be brought in and that the company would have to increase its offered signature bonus. ●

The bust and after

Finance ministers and central bank governors are holding an African summit in Washington next week to map a way out of the crisis

As the international financial crisis intensified last year, some African governments thought they could avoid the worst by strengthening their trade and investment ties with Asia. Denial has turned to alarm, with officials predicting dire consequences from Africa's massive commodity losses. On 22-23 April, before the spring meetings of the World Bank and International Monetary Fund, finance ministers from across Africa, brought together by the Commonwealth and *La Francophonie*, are meeting in the **United States** to coordinate a joint response to the crisis and its effects on financial stability, health and education.

Ethiopian Prime Minister Meles Zenawi told **British PM Gordon Brown** at the 2 April Group of 20 summit in London that supporting Africa was a necessary precaution: 'In the end, the cost of violence is going to be much higher than the cost of supporting Africa.'

The African Development Bank, whose President, **Donald Kaberuka**, was also at the G-20, expects a shortfall in African export revenue of US\$251 billion this year and \$277 bn. next. The Bank tells of dangerously low foreign reserves and a lack of capacity to support agricultural inputs and medical supplies. To sustain pre-crisis growth levels, the ADB argues that financial flows of \$50 bn. are needed this year, with \$56 bn. in 2010. Meles and Kaberuka said the G-20, which announced a global rescue package of \$1 trillion, was

moving in the right direction, even if there was plenty of double counting in the headline figures.

South Africa and **Morocco** are promoting counter-cyclical policies. Morocco's textile and citrus sales have collapsed, auto-part manufacturing has suffered from the global drop in vehicle sales and tourism has faded. The policy response was decisive when the US sub-prime crisis hit in autumn 2007. The Moroccan central bank, *Bank Al-Maghrib*, put institutions under surveillance to make sure they had not invested in dodgy US collateralised debt. Everyone had followed the strict investment controls.

A bubble in the domestic housing market was pricked in August 2008 by a half-point interest-rate rise, lowered again early this month. The government helped exporters with rapid subsidies. So far, 25 of the 32 textile companies and 13 of the 15 motor-parts companies that have applied have received support. A budget surplus of around 3 bn. dirhams (\$354.6 mn.) in 2008 made this possible, generated by increasing revenue from a widened tax base and a crackdown on fraud.

The South African Revenue Service has also increased the tax take. Commissioner **Pravin Gordhan's** unit collected 626 bn. rand (\$69.85 bn.) in 2008/2009, an increase of 9% on last year. Pretoria hopes to limit job losses though a stimulus package for public works, rather than by bolstering exporters. Almost 4 million

people are already unemployed and a rise is expected, especially in mining, manufacturing and automobiles. Public Works Minister **Geoff Doidge** expects government schemes to create 4.5 mn. jobs over the next five years; 1.3 mn. jobs have been created so far, mainly in road-building. Infrastructure for the 2010 Football World Cup should provide a lot of work and optimists dream of a bull market for South African minerals if the world economy picks up in 2010.

Nigeria's economy is still reverberating from the collapse of stock market prices and the mixed fortunes of local banks. A recent conference of senior executives endorsed greater regulation of capital markets and the Security and Exchange Commission has promised change. Tighter regulation is meant to boost confidence in the banks. Guaranty Trust Bank and First Bank will enforce internationally recognised accounting standards.

Central Bank Governor **Charles Soludo**, blamed for sliding standards during the boom years, now insists that banks respect new fixed rates for deposits and lending, with a maximum of 15% and 22% respectively. Some middle-tier banks may be crowded out. An Asset Management Company will take toxic loans off the books of ailing banks. Soludo thinks seven banks will use this facility by the end of the year. 200 billion naira (\$1.36 bn.) has been set aside for agriculture, which struggles to attract financing at the best of times; new grants may encourage investment there.

Outside tea and coffee, **Kenyan** farmers are losing badly. The billion dollar cut-flower business to Europe is drying up. There are hopes of fresh spending on infrastructure: President **Mwai Kibaki** attended a conference in **Zambia** on 7 April, where details emerged of funding for the north-south road and rail corridor, hopefully from Gulf states and **China**.

Restless young Kenyans and the return of some 10,000 people a month as jobs abroad evaporate make a relaunch urgent. Only 500,000 tourists arrived in 2008, after two million in 2007; behind each hotel worker wait some ten dependants.

Debates will continue at the Bank's and Fund's spring meetings and the ADB's annual meeting in May. SA Finance Minister **Trevor Manuel** has made the case against the IMF stance on liberalisation and deregulation. The debate over who regulates the regulators has started in Nigeria. Meles feels vindicated. At a February meeting of his ruling party, he distributed a 38-page booklet, explaining: 'The market fundamentalists who have been pushing countries around the world to privatise banks are the ones who now nationalise their banks.' Ethiopian banks will remain in state hands for some time to come. ●

AND THE GOOD NEWS

Amid the gloom lie some positives. African economies now have on average 5.7 months of reserves to cover imports, policy frameworks are sounder, government ministries are better staffed. The informal economy has a resilience that cannot be measured. International investors, especially those worried about Western governments printing money, are looking closely at African commodities. Commodities boomed during the global economic crisis of the 1970s.

Energy deficits in industrialising states such as **India** indicate that coal reserves in **Mozambique** and **Zimbabwe** should be in demand in the second half of 2009. Gold (**Ghana**, **South Africa**, **Tanzania**) stays strong in times of financial panic; other metals have to wait for a global restart. Soft commodities (cocoa and food grains) are also holding up because the fundamentals of the market are strong, though the lack of roads, water and fertiliser holds back farming and agro-industry.

Banks and hedge funds are back on the African beat, having fled clutching their portfolios in the last quarter of 2008. Senior managers **Sharif Atta** and **Ahmad Zuaier** from Soros Fund Management met top executives of Diamond Bank and United Bank for Africa in **Nigeria** in February. Diamond Bank has been bolstered by the London-based fund Actis buying a US\$134 million stake in 2007. Managers from two other Western funds have also met Nigerian bankers and talked about a return to the market. ●

Une affaire de famille

Voters in the local elections have turned down President Wade's political plans for himself and his son Karim

Disaster has struck President **Abdoulaye Wade's** coalition, led by his *Parti Démocratique Sénégalais*, at the polls on 22 March. The rural, municipal and regional elections marked his first big political setback since he was elected in 2000. The heaviest blow came in the capital, Dakar, where the opposition won the mayor's post, the regional council and several small municipal councils.

The governing coalition, *Sopi* (Change), lost even in the wards where Wade himself and his favourite son and heir apparent, **Karim Wade**, cast their votes. The President and his allies lost control of 'Point-E', the area where Wade had patiently built up his support from 1974 until it carried him to power in 2000. The opposition now controls the whole area.

Sopi also lost in Dakar-Plateau, which includes the main business district and the homes of several members of the government, as well as Dakar's long-established (if now somewhat impoverished) families. The defeat of the list that was headed there by one of Wade's devoted followers, **Farba Senghor**, is seen as a defeat for the President himself.

The results across the nation are also widely seen as aimed at him personally. He had campaigned up and down the land, calling for the people to reaffirm their support for him. It was widely believed that he was hoping to prepare the way for Karim as his successor. His critics call this the '*projet monarchique*'.

The new Mayor of Dakar is **Khalifa Sall**, a former *Parti Socialiste* member of parliament who headed the list of the opposition coalition *Benno Siggil Senegaal* (United to Renew Senegal). He takes the place of **Pape Diop**, a presidential ally who is also President of the Senate, and will dispose of an annual budget worth 30 billion CFA francs (US\$60.7 million).

Before the vote, it was widely believed that Pape Diop intended, if elected, to hand over his job to Karim Wade, who was also on the *Sopi* list. He was widely thought to regard the mayor's office as a stepping stone to the presidency. The opposition made much of this assumption, knowing that most Senegalese do not want a hereditary president and regard Karim's political

movement, the *Génération du Concret* (GC), mainly as a vehicle for him to attain power.

Wade was keeping a close eye on events in Madagascar where, in 2002, the Mayor of the capital, **Marc Ravalomanana**, won power from President **Didier Ratsiraka**, only to be himself replaced this year by his successor as Mayor of Antananarivo, **Andry Rajoelina** (AC Vol 50 No 7). President Wade mediated in the Malagasy transition in 2002 but his offer this time came to nought. Madagascar will continue to remind him of the risks to a government of the capital being in the hands of the opposition.

CHANCE FOR THE OPPOSITION

For now, Wade has promised to allow the newly elected officials to get on with their jobs. Yet he has a track record of interfering in local decisions and has in the past dissolved obstructive local councils. Upsets are therefore expected. Encouraged by their triumphs in Dakar and all the big towns except Ziguinchor in the south, opposition leaders are looking forward keenly to the 2012 elections. They have given warning that any attempt to trim their powers would 'bring an end' to Wade's rule.

Wade trounced the opposition at the February 2007 presidential elections. Angry that Wade won in the first round with 56 per cent of the vote, the opposition cried foul and boycotted the June 2007 parliamentary elections, and so have since been under-represented. This is their chance to pull themselves together.

The *Sopi* coalition rejects the notion that the opposition is gaining strength again and prefers to explain its loss of the main towns as a consequence of its own internal divisions, including squabbles over candidates. It also blames the global economic and financial crisis, which has not spared the Senegalese.

The opposition replies that the people are fed up with a government that has grown authoritarian, with widespread corruption and with the arrogance of a clique of hangers-on who, over the past nine years, became so rich that they have left their poor neighbourhoods and set up in the exclusive new suburbs of the capital. The opposition also points out the government 'slippages' under

Wade—mismanagement of government arrears—that have cost Senegal much International Monetary Fund goodwill.

The opposition is now taking inspiration from Wade's own victory in 2000. Taking advantage of the gap in Wade's defences, two of his former Prime Ministers, **Moustapha Niasse** and **Macky Sall**, have rejoined the formal opposition and are calling for early elections for the National Assembly and the presidency. That has not been the Senegalese way of doing things, though, and in any case, there is no precedent for a massive opposition triumph at local polls. Before it makes its mark on national politics, the opposition must show that it can establish and sustain its new unity into the 2012 campaign. *Benno Siggil Senegaal* is already having trouble sharing out the local powers it has won.

The President moved quickly to reinforce his own side, which now once again includes another former Prime Minister, **Idrissa Seck**, and his *Rewmi* (The Country) party. Seck won the municipal elections in his hometown of Thiès, east of Dakar, and has said that *Rewmi's* representatives will form alliances with Wade's people wherever both won seats. In fact, Seck said he intended to rejoin Wade before the elections but was rebuffed by the President's hard-line staffers and, notably, by Karim Wade and his team.

Since he was sacked in 2005, Seck has dodged back and forth between the government and the opposition, and has lost most of his credibility. Outside Thiès, he can probably not do much for the government and he is widely regarded as 'Wade's clone', overly power-hungry and driven by personal ambition.

Just one member of the GC group in the governing coalition emerges more or less unscathed from the political disaster. **Abdoulaye Baldé**, a former police commissioner, saw service under former President **Abdou Diouf**, then under Abdoulaye Wade, before enlisting with Karim Wade, who seemed headed for supreme power. In his southern hometown of Ziguinchor, he won the mayoral election after 20 years during which dissident *Parti Socialiste* ex-minister **Robert Sagna** controlled the city.

Baldé may now be able to demand promotion on his own terms. Some see him as the future leader of the GC group, assuming that Wade does not dissolve it in disgust at its performance. The President is said to be blaming the group for providing him with falsely optimistic information and telling him that *Sopi's* candidates could win nationwide – thus greatly contributing to his election catastrophe. ●

Victory in a vacuum

This time, rigging the turnout was more important than rigging the vote

Since there was no heavyweight candidate to stand against him, it was little surprise that President **Abdelaziz Bouteflika** was re-elected with 90.24% of the vote in the 9 April election (AC Vol 50 No 1). More surprising, given the general apathy and the outright anger with the regime in parts of the country, was the 74.6% turnout announced by Interior Minister **Nourredine 'Yazid' Zerhouni**, a long-standing friend of the President.

The authorities had taken precautions to avoid 'Boutef' being humiliated by a low turnout, after supposedly secret official polling had suggested that only around 15-20% of electors were going

to vote, with a lower percentage still in Algiers and Kabylie.

Trouble broke out in the Kabylie region: a bomb wounded two policemen at a polling station in Boumerdès and there was trouble in Bouira *wilaya* (province) and at Tazmalt near Béjaïa, where youths clashed with police. Members of the armed forces and the burgeoning police force reported that they had been ordered to vote for the 'President candidate', as the full apparatus of state swung behind Bouteflika. The Bouira turnout was officially 66.47%, with the Grande Kabylie capital Tizi Ouzou at 30.75% and Algiers at nearly 65%. Zerhouni had delivered.

Bouteflika now has his third, five-year

term in office, following the constitutional changes wrought in late 2008 to allow him to stand (AC Vol 49 No 25). The fact that the rival clans in the military-security elite that still dominates decision-making could not find a candidate with any hope of winning is a tribute to Bouteflika's success in building up a power base during his first decade in power. Genuine candidates, such as former President **Lamine Zéroual** and former Premier **Mouloud Hamrouche**, had decided it was not even worthwhile signalling any real interest in standing.

Amid claims of fraud, international concern was muted. The only off note came from Washington, where on 10 April, a Department of State spokesperson expressed concern. This would not, however, be sufficient to derail the **United States'** good relations with Bouteflika, though it may reflect a return to US attention to a 'democratic deficit'. The DOS has also been leading on efforts to isolate the **Mauritanian** junta, promoting targeted sanctions. Most other partners of Algeria issued speedy telegrams of congratulation, led by **France** and quickly followed by **Spain** and the European Union presidency.

The 72-year-old President is not all-powerful, though. His support among factions of *décideurs* (decision-makers) within the military-security and business elite – also widely known as *'le pouvoir'* (power) – wanes markedly during his periodic disappearances from centre stage, which are believed to be due to chronic illness. Some of his most cherished aims remain blocked: the revised constitution was delayed by debate over creating a new post of vice-president, which Boutef favoured. Many sources believe that behind this issue lay the President's determination to get his favoured younger brother, **Saïd Bouteflika**, anointed as his successor. This was blocked by *décideur* factions, as well as by public opinion. Many Algerians are as wary of Saïd Bouteflika's reputation as a man of business and backroom politicking as they are of the emergence of political dynasties.

The best gossip at the time of Bouteflika's campaign launch in February involved a sighting of the arch 'eradicator' and power broker famously sacked by Boutef – the former Chief of Staff, Lieutenant General **Mohammed Lamari** – turning up to 'show support'. Boutef's most outspoken establishment critic of recent months has been former naval commander **Rachid Benyellès**, a high-flyer during **Chadli Bendjedid's** presidency (1979-91) but now not identified with any major *décideur* clan that might propel him towards eventual power. The widely respected ex-President Zéroual made it clear he would not stand, despite his reservations about the direction of policy.

A majority of *décideurs* have decided,

THE CONTENDERS

According to the official result, confirmed by the Constitutional Council on 14 April, President **Abdelaziz Bouteflika** was re-elected with 90.24% of the vote, from a 74.6% turnout. The other candidates represented different political tendencies but none of them posed a threat to 'Boutef'. Even though they all polled below 5%, some may yet feature in political manoeuvres to come.

● **Louisa Hanoune**, 4.22%: the *Parti des Travailleurs* (PT, Workers' Party) leader polled only 1% in 2004, when she gained prominence as the Arab world's first female presidential candidate. At 55, Hanoune has built on her reputation as a human rights and feminist campaigner to develop the PT, which now has 26 seats in the *Assemblée Populaire Nationale* (APN). In the jockeying for position before Bouteflika's constitutional changes, she seems to have secured some extra gains in women's rights for agreeing to participate in the election. There was speculation that she would be offered a government post but Hanoune has been highly critical of electoral fraud, which 'none of the 48 *wilayas* (provinces) avoided'. This may prove true, though her claims that she might have won up to 30% of the vote seem far-fetched.

● **Moussa Touati**, 2.31%: the *Front National Algérien* leader has built up his small party, which was originally rooted in the 'eradicationist' camp. In 2004, he failed to get sufficient signatures in enough *wilayas* to take part; this time, he found it much easier to stand. Although Touati's real popular appeal was reflected in his result, he will continue to feature on the local political scene.

● **Mohamed Djahid Younsi**, 1.37%: the Islamic *El Islah* movement's charismatic founder, Sheikh **Abdallah Djeballah**, emerged as a leading figure in the 'moderate Islamist' camp but his party in recent years has been rife with bickering and now has only two APN members. Younsi, with none of Djeballah's charisma, was not expected to poll well.

● **Ali Faouzi Rebaïne**, 0.93%: the leader of AHD 54 (representing allegiance to the 1954 revolution) is another loyal opponent, with no real political weight but some substance in society; he helped to found the respected *Ligue Algérienne des Droits de l'Homme* (Algerian Human Rights League) in 1985.

● **Mohand Oussaïd Belaid** (aka **Mohammed Saïd**), 0.92%: under the banner of the new *Parti pour la Liberté et la Justice* (PLJ), the former diplomat was one of the more interesting candidates, having headed the campaign of the ex-Foreign Minister and pillar of the regime's traditional Arab-Islamist wing, **Ahmed Taleb Ibrahim**, to challenge Bouteflika in 2004. Ahmed Taleb's attempt to stand then was blocked by the Constitutional Council, as were efforts to legalise his *Wafa* party. The PLJ represents Taleb's point of view but Belaid lacks his former boss's political weight and thus posed no threat to Boutef. ●

for now, that Bouteflika remains their best bet. Yet they do not want to see his family establishing a long-term hold on the presidency: attempts to get Saïd Bouteflika a formal seat at the top table will continue to be resisted.

The election was historic, giving Algeria a third-term President, but it was no political watershed. Concern remains over Bouteflika's health and whether he can see out his term, to 2014. In the smoke-filled rooms where deals are still cut, politicians are manoeuvring for Algeria to enter the next phase of its political development – or at least move towards factional change. The lines of succession are unclear.

Critical to this will be any signs of change within the senior and middle ranks of the armed forces, where a generation of generals is expected to be retired. The Minister Delegate for National Defence, Gen. **Abdelmalek Guenaïzia**, runs the Defence Ministry for the formal Defence Minister, the head of state. He has carved out more of a niche for himself than expected, as has the Chief of Staff who replaced Lamari, the jovial and quietly cunning Major Gen. **Ahmed Salah Gaïd**. Yet neither man is seen as a major power broker and younger officers are said to be keen for them to stand down in a wider military reshuffle, to allow a new generation to replace the old 'fat cats'.

As ever, most speculation surrounds the security chief, Maj. Gen. **Mohamed 'Tewfik' Medienne**, who remains a shadowy figure while being involved in all levels of national and, indeed, regional,

politics. His security services are highly active in **Mali**, Mauritania, **Niger** and other Sahel states. Medienne has placed himself at the centre of events in the Sahara, making Algeria the key US ally in the region by promoting the view that *Al Qaida* in the Islamic Maghreb (AQIM), and the *Groupe Salafiste pour la Prédication et le Combat* (GSPC) that preceded it, are creating a new zone of 'Islamic terrorism' in the Sahel. This has paid dividends in helping to rehabilitate Medienne's services following the 'dirty war' of the 1990s but critics allege that agents of the *Département du Renseignements et de la Sécurité* have been actively involved in fanning the flames of these conflicts, including December's kidnapping of **Canadian** diplomats **Robert Fowler** and **Louis Guay**, who are United Nations Special Envoys to Niger.

SECURITY DOSSIERS

Closer to home, Medienne keeps the dossiers on all of Algeria's major figures. With long-time *décideur* Gen. **Larbi Belkheir** ailing, this gives Medienne unchallenged power, as well as a big incentive to hang on at the top of the powerful security apparatus.

After the election, the political mix remains as before. The two leading Kabylie-based opposition parties both boycotted the poll. They are the *Rassemblement pour la Culture et la Démocratie* (RCD) led by **Saïd Sadi**, which has stood in some past elections, and independent Algeria's oldest opposition party, **Hocine Aït Ahmed's** *Front des Forces Socialistes*. Bouteflika's

strategists wanted Sadi to stand (there is speculation that he was offered a ministry or two) and the RCD's decision not to play ball has led to pressure from the authorities since polling day.

Three major parties in the ruling *Alliance Présidentielle* (AP) of course supported Bouteflika: the *Front de Libération Nationale* (FLN), Prime Minister **Ahmed Ouyahia's** *Rassemblement National Démocratique* (RND) and the *Mouvement de la Société pour la Paix* (*Harakat Mujtamaa as-Silm*, in Arabic, or MSP). The AP has come under pressure from differences among the parties but none of the incumbents seem inclined to lose the benefits of office. Ouyahia retains his ambition to take the presidency after Bouteflika and has the right *décideur* connections to be a contender, if his boss does not derail him before then.

With low oil prices, ministers will come under further pressure to cut spending. Foreign investment remains lacklustre: Arab investors and many multinationals were discouraged by Bouteflika's move towards a more nationalist economic policy over the last three years. This suggests that bold predictions of tens of thousands of new jobs being created during the third term will not be met, making life still harder for ordinary families. More localised industrial disputes and social protest can be expected, some of it violent; a trickle of young recruits will continue to join AQIM. Yet the power brokers in Algiers show no sign of conceding that they need to find a new political formula to better meet popular aspirations. ●

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Nigeria/United States

THE HALLIBURTON TRIALS

■ Weeks after Information Minister **Dora Akunyili** announced a campaign to rehabilitate Nigeria's international image, President **Umaru Musa Yar'Adua's** government faces the strongest test of its corruption-fighting credentials in its response to the international investigation into corrupt payments on the US\$6 billion liquefied natural gas project (AC Vol 50 No 5 et passim).

Anti-corruption campaigners are calling on the government to react to the admission in the US courts on 11 February by Halliburton and its subsidiary Kellogg Brown & Root that it paid tens of millions of dollars in bribes to three former Nigerian heads of state, several senior officials, and former Oil Minister **Dan Etete**, who is wanted in **France** for fraud. In March, a French appeals court upheld Etete's conviction. He had been tried *in absentia* in 2007 and found guilty on money laundering charges.

In Nigeria, things have moved more slowly. All the Nigerians mentioned in the Halliburton case (including Etete) live in Nigeria, but none have been tried, charged or even investigated. The government finally reacted on 15 April: Attorney General **Michael Aondoakaa** announced a joint committee to investigate the charges. Special Assistant to the Attorney General **Onov Tyuulugh** said the committee would be led by Police Inspector General **Mike Okiro** and include Economic and Financial Crimes Commission Chairman **Farida Waziri**, National Intelligence Agency Director-General **Emmanuel E. Imohe** and State Security Service Director-General **Afakriya Gadzama**. Its brief would extend to projects undertaken by Royal **Dutch** Shell, Siemens and Wilbros.

South Africa

INTEGRITY IN QUESTION

■ Claims that the World Bank's Vice-President for Integrity and former head of South Africa's Scorpions anti-corruption unit, **Leonard McCarthy**, used his position to pursue political vendettas against African National Congress President **Jacob Zuma** are, we hear, to be discussed by Finance Minister **Trevor Manuel** and World Bank President **Robert Zoellick** in Washington next week. The claims were made by the Acting Director of the National Prosecuting Authority, **Mokotedi Mpshe**, on 6 April when he announced the dropping of the NPA's case against Zuma.

Mpshe said the case had been tainted by 'collusion' between McCarthy and **Bulelani Ngcuka**, a former head of the

NPA. It will be a difficult discussion for Manuel and Zoellick. Manuel was one of the strongest supporters in cabinet of the now-disbanded Scorpions, but he is also tipped to survive as a cabinet minister under a government led by Zuma.

Zoellick regards Manuel as one of the most effective finance ministers in the developing world, but the McCarthy affair will strain that relationship. Mpshe said he was referring McCarthy and Ngcuka's actions, and evidence from intercepted phone conversations, to Justice Minister **Enver Surty** and President **Kgalema Motlanthe** for further investigation.

The spectacle of the World Bank's anti-corruption chief being investigated for political conspiracy in his home country is unwelcome news at the Bank. Zuma's allies are calling for McCarthy to be extradited to South Africa. That is unlikely as the Bank is standing by McCarthy. It used ex-Federal Bureau of Investigations agents to conduct extensive due diligence on him before Zoellick hired him in May 2008, and senior Bank officials have diplomatic status. That will be put to a stern test if South Africa's next Justice Minister decides McCarthy has a case to answer.

Egypt

HAMAS AND HEZBOLLAH

■ Last week, President **Hosni Mubarak's** government arrested 49 Egyptians, **Sudanese** and others whom it accuses of forming *Hezbollah* cells in Egypt, planning attacks on **Israeli** tourists in Sinai and monitoring the Suez Canal. This seems to be Cairo's response to the leaking of news that Israel had bombed arms convoys in Sudan bound for Hamas in Gaza via Egypt (AC Vol 50 No 7).

Lebanese Hezbollah leader **Hassan Nasrallah** said the detainees' leader, **Sami Shihab**, was from *Hezbollah* but was merely transporting weapons to Gaza. Many Arabs criticise Cairo for not opening its Gaza border. Yet most detainees were Hamas activists, said a Western source.

Shia *Hezbollah* helps Sunni Hamas (considered the Palestinian branch of the Muslim Brotherhood, MB) and Shia **Iran** arms both. There is also a wider Shia policy to minimise theological differences as part of an Iranian-led strategy to outbid 'Western' globalisation in the Global South. Iran and Nasrallah play down the Shia-Sunni divide, which Western governments have long overestimated. For example, Khartoum's relations with Tehran, now blossoming, are not new: some leading National Islamic Front (now National Congress) politicians trained there, including in torture.

Defending the detainees is **Muntasser al Zayat**, once lawyer for Egypt's jihadist *Al Gama'a al Islamiyya* and for **Ayman al Zawahiri**, **Usama bin Laden's** Egyptian deputy. Muntasser now criticises *Al Qaida*

for jihadism. This fits with the MB, whose Supreme Guide in Egypt, **Mohamed Mehdi Akef**, champions working within the system and opposes violent jihad – except against Israel.

Profession of 'moderate Islamism' is popular among Islamist groups from **Britain to Malaysia via Turkey**. Like Tehran, Ankara is exploring Africa. Opposition to violence may be tactical: the MB reverts to its ideological roots under pressure, said one source. Mehdi Akef, who in December said he did not oppose the expansion of Shia or Iranian power, indicated late last month that (at 81, like Mubarak) he intends to retire. Speculation abounds about the succession and policy direction. His deputy, **Mohamed Habib**, is seen as in the Akef mould. Also mentioned is **Kamal Tawfik el Helbawy** (AC Vol 49 No 21), a founder of the Muslim Association of Britain.

Meanwhile, Egyptian **Ibrahim Monir** (backed by **Qatar's Yusuf al Qaradawi**, we hear) has quietly taken over as leader of the international MB, whose relations with the Egyptian chapter are never clarified. On 10 April, he bridged the Sunni-Shia gap by blaming the Islamists' arrest on Egypt responding to 'the West's efforts, **America** in particular, to get closer to Turkey and the Islamic Republic of Iran'.

Togo

HIS FATHER'S SON

■ The arrest of former Defence Minister **Kpatcha Gnassingbé** while pleading in vain for asylum outside the gates of the **United States** Embassy in Lomé on 15 April appears to have ended his political career ahead of presidential elections due in 2010. Hours later, State Prosecutor **Robert Bakai** accused Kpatcha, a long-time rival of his half-brother, President **Faure Gnassingbé**, of organising a *coup d'état*.

Bakai said the plotters had planned to seize power when President Faure was on a state visit to **China**. His accusations followed a four-hour, late-night shoot-out on 12 April between Kpatcha Gnassingbé's bodyguards and the *Forces Armées Togolaises'* elite *Force d'Intervention Rapide*, which left five people dead and five others under arrest. It took another family member, **Rock Gnassingbé**, to end the soldiers' siege of Kpatcha's house. The FIR commander is President Faure's brother-in-law, Colonel **Abalo Félix Kadanga**.

Since Faure Gnassingbé seized power after the death of his father, President **Gnassingbé Eyadéma**, in 2005, relations between Faure and Kpatcha have been icy. President Faure, who is fond of three-piece suits, speeches and liberal democracy, has worked hard to distance himself from his half-brother. Kpatcha, who is seen as impulsive, expansive and brutal, is closer in temperament than Faure to their father Eyadéma. Kpatcha kept a contingent of troops for his personal security.

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record of restructuring the Finance Ministry persuades Zuma that he could keep the Commission 'lean and effective'. It will fall under the presidency, operating independently from the cabinet but with senior ministers serving on it.

The veteran union leader and anti-apartheid activist **Cyril Ramaphosa**, now head of the Shanduka Group, could be the man to replace Manuel at Finance. Zuma takes his counsel seriously and has asked him to join the cabinet. Yet Ramaphosa, who was passed over for the presidency more than a decade ago, is reluctant to involve himself in the cut-and-thrust of daily politics again for anything less than the top job. The head of the South African Revenue Service, **Pravin Gordhan**, is tipped both for Finance Minister and National Police Commissioner. An outside choice at Finance would be Deputy Finance Minister **Nhlanhla Nene**, but he is seen as a lightweight in business circles. The ANC Treasurer, **Mathews Phosa**, is another possible successor to Manuel, but he wants to keep his party job; Zuma wants strong, efficient leadership there.

Reserve Bank Governor **Tito Mboweni**'s contract expires in August but he is expected to be offered another term.

Max Sisulu, head of the ANC Subcommittee on Economic Transformation, is tipped for cabinet, as is his Sub-Committee colleague, **Enoch Godongwana**. Both are respected but will not calm investors' nerves.

Interim President **Kgalema Motlanthe** has said, both publicly and in private to Zuma, that he wishes to leave politics after he steps down. He has faced a vicious political campaign (mainly orchestrated by **Blade Nzimande**, General Secretary of the SACP) which aired gory details of his private life, including a false story about a young woman claiming to be pregnant with his child. Zuma is said to want to keep Motlanthe close to him, despite their mutual suspicion, and may offer to make him one of two deputy presidents, together with ANC Chairwoman **Baleka Mbete**.

The Black Economic Empowerment oligarch **Tokyo Sexwale** has left business altogether, placing his wealth in a 'blind trust', to avoid conflict-of-interest accusations when he returns to full-time politics. He and his Mvelaphanda Group have been key financial backers of Zuma over the past two years. During the ANC's 2007 Polokwane conference that elected the party's presidential candidate, Sexwale flew back and forth in his jet to balance business meetings and Zuma's advisory needs. He is tipped for Foreign Affairs or the Trade and Industry Ministry, which is to be split into two.

Others in Zuma's inner circle who expect senior cabinet positions include the ANC's head of policy, **Jeff Radebe**, who is thought to be aiming for the presidency after Zuma; he has been tipped for Foreign Affairs, in competition with Max Sisulu and Sexwale. The Minister of Housing, **Lindiwe Sisulu**, is talked of for the

Ministry for Intelligence Services, which she headed before Mbeki demoted her to Housing. She led the ANC committee that defended Zuma against corruption charges and is regarded as crucial to solving his legal woes. The head of the ANC's Subcommittee on Peace and Stability, **Siphiwe Nyanda**, is likely to be appointed to one of the security ministries; as he was linked to the controversial arms deal, this may trigger an opposition outcry.

Nzimande of the SACP, whose appointment might alarm investors, is tipped for either Education or Public Enterprises. He would prefer the latter but is remembered as a successful head of the Parliamentary Committee for Education in the late 1990s. Another senior SACP member, **Jeremy Cronin**, is tipped for the Transport Ministry. He chaired the Parliamentary Committee for Transport over the past few years and is well regarded both by the left and by business.

Nathi Mthethwa will remain Minister of Safety and Security, the job he was appointed to when Motlanthe took over the state presidency in September last year; he is young and highly regarded. Minister of Health **Barbara Hogan** will probably keep her job, despite being described as a 'dead minister walking' after she spoke out against the government's denial of a visa for the Dalai Lama last month.

Zuma is deciding whether to keep on the Minister of Justice, **Enver Surty**, appointed after Motlanthe took over last year, or to give the job to the former Limpopo Premier, **Ngoako Ramathodi** – to whom the opposition may object, as corruption charges against him were recently dropped by the elite police unit, the Scorpions. The Minister of Foreign Affairs, **Nkosazana Dlamini-Zuma**, is widely tipped to take over the beleaguered Home Affairs Ministry. The Minister of Agriculture, **Lulu Xingwana**, who has called for land expropriation, will be dropped. Zuma's most trusted confidant, **Zweli Mkhize**, now provincial Minister of Finance in KwaZulu-Natal, will take over the premiership of that province to manage Zuma's home base.

Apart from a few notable exceptions – Nzimande, Ramathodi and Nyanda – Zuma's cabinet should comfort, rather than alarm, investors. A source close to Zuma confirmed reports that, once elected, the new President became impatient with Nzimande and his politicking. Zuma is considering individuals from across political and ideological spectrums and doing what he does best, consulting. His victory (with less than the two-thirds parliamentary majority needed to amend the constitution) strengthened the rand. Zuma may yet confound the sceptics. ●

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ON THE LINE TO ZUMA

First off of the blocks to congratulate **Jacob Zuma** on the African National Congress's win in the 22 April elections was **British** Prime Minister **Gordon Brown**. This was not just because of Brown's keenness to be associated with electoral success (his own Labour Party is suffering) but dates back to an hour-long meeting with Zuma last year, much of which concerned cooperation on **Zimbabwe**. Although Zuma is prepared to be more directly critical of President **Robert Mugabe**, he and Finance Minister **Trevor Manuel** want Britain to offer more financing for the Mugabe-**Morgan Tsvangirai** coalition in Harare. Zuma, like Manuel, appears to have pressed Brown's 'Africa button'.

African National Congress Treasurer **Mathews Phosa** arrived in London on 27 April to brief business leaders on Zuma's government and the continuing roles of Manuel and Reserve Bank Governor **Tito Mboweni**. The substance of financial and economic policy would remain, Phosa said, but the style would be more consultative. Just as Brown appointed some non-Labour Party members to his cabinet, Zuma is likely to appoint some non-ANC technocrats. And contrary to reports that Zuma did not regard English-speaking whites as true South Africans, Phosa said, there would be efforts to get more white activists from all backgrounds on to the ANC National Executive Committee.

Rapidly following Brown's message were greetings from **United States** President **Barack Obama** and **French** President **Nicolas Sarkozy**, as well as more exotic felicitations from **Libyan** leader **Moammar el Gaddafi** and the Chairman of the **Russian** Federation's Communist party, **Gennady Zyuganov**. Zyuganov nostalgically referred to the links between his party and the South African Communist Party. Zuma, we hear, resigned his party membership over 15 years ago. ●

The fight over the basic law

None of the parties are as yet prepared to derail the coalition but all are relentlessly probing each other's weaknesses

Tendai Biti did not mince his words. 'The power-sharing accord is a poor document – it's a strange amalgam of extreme nationalism and things we like such as democracy and human rights,' the Finance Minister told the National Endowment for Democracy in Washington on 27 April. The vagueness was deliberate, he argued. 'It's up to us to make it a working agreement.' Biti, who has been campaigning for foreign financial support, and his opposition Movement for Democratic Change insist that progress is being made, both in stabilising the economy (see Box) and more slowly, on political reform (AC Vol 50 Nos 7 & 8).

There remains a gulf between the MDC and the Zimbabwe African National Union-Patriotic Front about the purpose and pace of reform. All along, the MDC has insisted that the power-sharing regime is a transitional one, whose main job is to stabilise the economy and approve a reformed constitution under which fresh elections could be held within two years, supervised by an independent electoral commission. The main concern of the factions jostling for power within ZANU-PF is to manage the succession after they have persuaded President **Robert Mugabe** to resign. They adamantly oppose any serious political reform.

Zimbabwe's civic activists see the argument about constitutional reform as their chance. They want grassroots organisations to play a key role in drafting an entirely new basic law, enshrining democratic accountability at all levels of government and public service, to be decided by a national referendum. The MDC is caught between the two sides.

The government has appointed a 25-member parliamentary select committee to lead the drafting of a new constitution as agreed in last September's Global Political Agreement. The Constitutional Commission is expected to consult with subcommittees, as well as civil society, business, trades unions, churches and other groups.

The GPA gave Parliament the task of amending a draft constitution, which would be agreed to by citizens through two 'all-stakeholder' conferences and a national referendum, within three months. 'The draft constitution and the accompanying report shall be tabled before parliament within one month of the second all-stakeholders conference.'

Debating, amending and submitting the draft should follow a strict timetable and be completed within six months.

The activists fear that the three principals – Mugabe, Prime Minister **Morgan Tsvangirai** and Deputy Prime Minister **Arthur Mutambara**, who leads his own MDC faction – may use their parliamentary strength to amend the draft constitution to fit their own political agendas. The National Constitution Assembly campaigns for a new democratic constitution but says its criticism of the constitutional drafting puts its relations with the MDC under strain. Its Chairman, **Lovemore Madhuku**, says the reform should be carried through by ordinary Zimbabweans, not politicians.

Madhuku, a lecturer in constitutional law at the University of Zimbabwe, argues that the constitution cannot be the word of Parliament because it is there to tell Parliament what to do and cannot be the word of the President for the same reason. He is supported by several civic organisations, including the militant Zimbabwe National Students' Union.

Tycoon **Mutumwa Mawere** says legislators cannot be trusted to lead a constitutional reform process; he lives in **South Africa**, having been stripped of his assets by the Mugabe government. **Eric Matinenga**, MDC Constitutional Affairs Minister, insists that Parliament must

kick-start the reforms.

Mugabe has indicated that the Constitutional Commission may improve a draft constitution crafted by members of the political parties in the national unity government in their so-called 'Kariba Draft'. Madhuku says the Kariba Draft is null and void, drafted by 'a few individuals [who] sat in a boat', not by the people. Other activists have backed Madhuku claims that the draft is an attempt by politicians to impose the law on Zimbabweans. They argue that the Commission is not representative enough and captures only the interests of three political parties and their supporters. They claim that Defence Minister **Emmerson Mnangagwa** has formed a 'Social Revolutionary Council' to force the collapse of the unity deal. Yet sources close to Mnangagwa told *Africa Confidential* that the Commission was to deal with Mugabe's succession.

Mnangagwa chairs the Joint Operations Command, controlling the security apparatus. He is said to have masterminded the re-arrest of MDC activists accused of plotting to overthrow Mugabe's previous government.

Gandhi Mudzingwa, a former aide in Tsvangirai's office in the MDC, and **Kisimusi Dhlamini**, the MDC's head of security, are under police guard at a private clinic in Harare. On 25 November, Dhlamini was abducted by gunmen from his home. He and Mudzingwa were brutally tortured and arraigned on charges ranging from terrorism and banditry to sabotage. They were released on 17 April and have been recovering from extensive injuries. A High Court judge has granted the Attorney General's office permission to appeal against the granting of bail to Dhlamini, Mudzingwa and **Shadreck Manyere**, a freelance photojournalist. ●

NO RALLY FOR THE MDC

The Zimbabwe Republic Police, under Commissioner **Augustine Chihuri**, celebrated Independence Day on 18 April by withdrawing permission for a rally by the Movement for Democratic Change on the spurious grounds that officials from the Zimbabwe African National Union-Patriotic Front had insisted the rally be cancelled.

President **Robert Mugabe** managed a more convincing pitch for unity at the Independence Day celebrations. This did not extend to allowing MDC leader and Prime Minister **Morgan Tsvangirai** to address the official rally, despite the crowd's enthusiasm over his arrival. Although the prickly Mugabe concealed his irritation at the applause for Tsvangirai, the junta's generals could not. In a coordinated gaggle, they flounced off to the VIP hospitality area rather than salute the Prime Minister. The President is usually accompanied by an immaculately uniformed military aide de camp, who stands dutifully and motionless below the podium. As the junta has not extended this trapping to Tsvangirai, the MDC has filled the gap with an aide in peaked cap, white gloves and cobalt blue uniform – but of no known unit in the armed forces.

The MDC's **Nelson Chamisa** has threatened to resign from his Information and Communication Technology Ministry after Mugabe stripped it of the telecommunications department, which he then tacked on to the Transport Ministry of **Nicholas Goche**. Goche, who is close to the security forces, would then become responsible for telecom intercepts and in the longer run, the privatisation of the Nert One and Cell One mobile telephone networks – a possible source of huge political patronage. ●

Keep someone else's peace

Just as an international conference promises more peacekeepers, an Islamist leader returns to Mogadishu to drive them out

The return of Sheikh **Hassan Dahir 'Aweys'** to Mogadishu on 23 April may prove extremely dangerous for the shaky coalition government under Sheikh **Sharif Sheikh Ahmed** (AC Vol 50 No 4). Although a reconciliation between the two men might have been possible, it seems the personal and political rivalries run too deep. Hassan Aweys publicly refused to meet representatives of the Transitional Federal Government (TFG) which Sheikh Sharif leads. Aweys ruled out any cooperation as long as there were foreign troops in Somalia, referring to the peacekeepers of the African Union Mission to Somalia (Amisom). That will be a continuing sticking point as the grossly under-equipped Amisom is likely to get United Nations' reinforcements in the coming months, much to the dismay of Aweys.

Ethiopian troops withdrew in February, following last year's **Djibouti** Agreement, which also led to the replacement of the Puntland warlord President **Abdullahi Yusuf Ahmed** by the self-styled 'moderate Islamist' Sharif Sheikh. Sharif has also endorsed the introduction of *Sharia* in Somalia and this has now been passed by Parliament. Aweys still rails against the presence of Amisom troops. On arriving in Mogadishu, he referred to Amisom as 'bacteria' in Somalia's body politic.

However, Hassan Aweys's real mission is to rally his Islamist troops on the ground, both in his Alliance for the Re-liberation of Somalia (ARS-Asmara) group and among his supporters in his Ayr clan (a sub-clan of the Habr Gidir) who have been showing sympathy for the TFG regime. **Eritrea**, which has hosted Aweys since invading **Ethiopian** troops overthrew his Islamist regime in Mogadishu in December 2006, has blocked him from travelling to Somalia on several occasions.

Asmara may fear it would lose its leverage over the red-bearded Sheikh if it allowed him a regional *laissez-passer*. The main value of Aweys to Asmara is as an irritant to Ethiopia's efforts to control events in Somalia.

Aweys visited Khartoum, **Sudan**, in early April, while Somali TFG officials were also visiting in what appeared to be an informal summit of the region's Islamist factions. It is unclear what might have been discussed between Sharif and Aweys, apart from the details of the latter's return. He may have planned his

arrival in Mogadishu to distract attention from the success of an international donor meeting in Brussels on 23 April to raise funds to boost security in Somalia and offshore (AC Vol 50 No 6).

President Sharif secured some US\$213 million (\$90 mn. more than expected) for Amisom and the new national security force. The growing threat of Somali pirates had concentrated minds but Western governments have accepted the argument that little can be done about piracy without a plan to shore up some form of state authority in the country.

MORE THAN JUST MONEY

Much will depend on the speed with which the rich countries disburse their funds. Of course, it will take much more than money to stabilise Sharif Sheikh's regime, but Hassan Aweys must be concerned that the pace of events is reducing his own importance.

For foreign shipping, the security situation has become far more serious since *Al Shabaab* seized the port of Hobyo in central Somalia earlier this month. Hobyo has been one of the main pirate strongholds and is in territory belonging to the Habr Gidir/Hawiye.

Reports from Hobyo suggest *Al Shabaab* is setting up two strike units to go into the piracy business on its own account. *Al Shabaab* – with its links to *Al Qaida* and the international Islamist movement – finds maritime piracy useful both for fundraising (Somalia's pirates earned over \$100 mn. last year) and as a source of Western hostages. It also ties up international commercial and security interests. This development will have much wider resonance in counter-terrorism circles.

Aweys combines his advocacy of Islamist insurrection with a strong nationalist campaign against Ethiopian (or indeed any other foreign) troops. He insists there can be no peace without the introduction of *Sharia* (Islamic law), complete with *huddud* punishments, such as stoning, amputation and beheading – and the forced removal of all foreign troops.

President Sharif has tried to rally Islamist elements around his own faction of the ARS, which signed the Djibouti Agreement (ARS-D). In mid-February, he called an *Umma* Council of Somali clerics from all over the world, though this

failed to provide the hoped-for support.

The meeting concluded with a demand for a fixed timetable for Amisom to leave the country and for the strict enforcement *Sharia*, with *huddud* punishments. President Sharif Sheikh had argued for some compromise over the *huddud* punishments (for example, not stoning women to death for adultery) and a *fatwa* on atrocities committed by *Al Shabaab* and *Hizbul Islam* (Party of Islam).

His failure is not surprising. Many, probably a majority, of the *Umma* were Salafi, and Sheikh **Bashir Ahmed Salat**, a Salafi and a leader of *Jabhatul Islamiya* (Islamic Front), was elected Chairman. *Jabhatul Islamiya* is one of four groups within *Hizbul Islam*. It is largely drawn from the Hawiye sub-clan and many of its fighters come from the Ayr, the Duduble and the Salabaan, all from the Habr Gidir/Hawiye, a sub-clan which is generally against President Sharif, who is from the Abgal/Hawiye.

The other groups are the *Ras Kamboni* group of **Hassan Turki**, based in Kismayo, with its fighters drawn from Ethiopia's Ogaden region; the Anole, a Majerteen militia also based in Kismayo; and the ARS-Asmara group, chaired by **Omar Iman**, of which Aweys is the leading member. This has recently been suffering from divisions and the former warlord and one-time military commander of the group, **Yusuf Mohamed Siad 'Indha Adde'** (Ayr/Habr Gidir) appears to be making peace with the government.

Hassan Aweys wants to revitalise and reunite *Hizbul Islam* against Sharif Sheikh. He says he is not interested in talking to the government except on his own terms. They are, he said shortly after arriving, 'infidels' and should be wiped out. He spoke to his supporters at a rally of the 'deceived friends – government officials' on 25 April and noted that 'we are left with little time to fight and achieve our Islamic objective.'

An ARS-A spokesman said Hassan Aweys's main task was to reconcile the various Islamist factions to oust the government. In fact, Aweys is pushing his Islamist agenda but also promoting the interests of his Ayr/Habr Gidir sub-clan.

At the same time, Sharif Sheikh's TFG is trying to consolidate its support by pushing for national reconciliation, as agreed in the Djibouti Accord. The TFG can claim to have rid Somalia of Ethiopian troops and it argues – less convincingly – that its introduction of a version of *Sharia* has undercut support for Aweys and the *Shabaab* factions.

It is also pushing ahead with producing a joint security force of TFG and ARS-D forces under the joint security protocols agreed in Djibouti. It has won significant support from more moderate groups, such as *Al Islah* intellectuals in Mogadishu and

the Sufi organisation *Ahlu Sunna wal Jamaa*. Prompted by attacks on the graves of Sufi saints, *Ahlu Sunna* has taken up arms against *Al Shabaab* and driven it out of most of the Galgadud, Hiraan and Middle Shebelle regions.

Al Shabaab's response has been to intensify terror attacks. Two pro-government commanders were shot in Mogadishu in the week ending 26 April; the leading member of the Hawiye Elders' Council, **Ahmed Dirie Ali**, said that *Al Shabaab* had tried to kill him and that it had now drawn up a list of prominent political figures to assassinate.

President Sharif's coalition includes elements of the previous TFG, the ARS-D, *Ahlu Sunna*, former Islamic Courts Union and different clan militias, but it is based less on religious loyalty than clan support within the Hawiye. He himself is from the Abgal/Hawiye but he has managed to get some Habr Gidir support. *Ahlu Sunna* is largely a Hawiye organisation.

This is why the return of Aweys (Ayr/Habr Gidir) poses a real threat, aimed at the area in which the government has been most successful, establishing support within the Habr Gidir/Hawiye.

ATTACKING AL SHABAAB

Outside the Habr Gidir/Hawiye, who largely appear to be withdrawing support from *Hizbul Islam*, the government still faces a serious challenge from *Al Shabaab*. However, *Al Shabaab* has suffered several defeats by *Ahlu Sunna* in central Somalia and has been largely pushed out of most Hawiye areas, though it still retains a small presence in Mogadishu and along the coast to the north. Yet *Ahlu Sunna's* recent effort to seize control of Belet Weyne, capital of Hiraan region, from *Al Shabaab* was repulsed.

Al Shabaab remains strongest in the Rahenweyne regions of Bay and Bakool, holding the towns of Baidoa and Hoddur; its commander, Sheikh **Muktar Robow Ali 'Abu Mansoor'**, is from the Rahenweyne.

President Sheikh Sharif is counting on his Deputy Prime Minister and Minister of Finance, **Sharif Hassan** (Rahenweyne), to limit the influence of *Al Shabaab* in his clan. Sharif Hassan, a prominent businessman and long-time critic of former President Abdullahi Yusuf, is influential in the government and in his own area.

There have been recent indications that the people of Bay and Bakool are already becoming uneasy about the stringency of *Al Shabaab's* regime; they organised a demonstration against it in Baidoa recently. *Al Shabaab* also has a presence in Kismayo area, but the appearance of the Jubba Resistance Force around Kismayo indicates growing opposition to its hard-line rule. ●

SIERRA LEONE

Ernest's election

After seeing off his rivals in the APC, President Koroma has to find some employment for the restless youth

Against a background of heightening inter-party violence, President **Ernest Bai Koroma** has been re-elected leader of the governing All People's Congress at the party's national conference in Makeni on 18 April. Although far from universally popular within the APC, Koroma has been able to consolidate his party base. His backers persuaded the party to defer the leadership contest until 2013 in Kono, a year after the next general elections in which Koroma is expected to stand again for the presidency.

Koroma, an accountant and businessman, is good at glad-handing investors and foreign visitors such as Irish rock star campaigner **Bob Geldof** (AC Vol 50 No 4) and his friend, **British** former Prime Minister **Tony Blair**, who jetted into Freetown on 28 April with a package of proposals to promote tourism.

Today, Koroma wants to return to the party's origins before the rot sets in. It was his claim that the APC represented the common man – as opposed to the more elitist Sierra Leone People's Party – which helped it win the closely fought 2007 elections after two rounds of voting.

Koroma's convention speech in Makeni styled the 49-year-old party as the alternative at the ballot box to 'defend and promote the interest of the common people'. In a metaphorical moment, he reminded his audience that the party was named after a popular pain relief tablet. In reality, most voters chose according to the party's regional bases: the APC gets most votes from the north while the SLPP gets most from the south. Koroma was able to add a rather intangible message of change to the election campaign which tipped the balance in his favour. But delivering on that promise is looking much harder.

At Makeni, Koroma spoke of a unified party for all – the young, old, educated, illiterate, workers and unemployed. But his claim that you do not need to be wealthy or have an elite family name to feel welcome in the APC may be harder to justify. Koroma has struggled to win and maintain his position at the helm.

Eddie Turay, the current leader in Parliament and APC leader back in 1996, was among those who challenged Koroma's leadership in a lawsuit ahead of the 2007 elections. He considered standing against Koroma at this year's convention.

Eventually he and his close ally, Justice Minister **Abdul Serry-Kamal**

endorsed Koroma's ticket. Koroma's Vice-President and 2007 running mate, **Samuel Sam-Sumana**, bowed out of the contest for deputy leader of the party at the last minute. Instead, **Chukuma Johnson** took that role. Sam-Sumana, from diamond-rich Kono district in the politically contested eastern region, may survive to the 2012 election, although he has a generally poor reputation. His main value to the party is his ability to mobilise votes in the east.

Alpha Kanu, new Mining Minister and a slick mouthpiece during the elections, was elected to the national publicity role. Fiery **Victor Foh**, an old APC member, retains his post as National Secretary, loud in his support for Koroma but keen to stir up old hatreds against the new SLPP vanguard, many of whom were key to the National Provisional Ruling Council coup that ousted the APC in 1992.

Following several bloody clashes in the south-east and Freetown earlier this year, Koroma promised to 'bring to book lawless and indisciplined individuals' while extending 'a hand of friendship' to the opposition. SLPP leader **John Benjamin** spoke at the APC convention in a show of support for peace and stability.

SHORT ON DELIVERY

Although Koroma insists his government is committed to improving agriculture, energy, infrastructure and social services as part of his 'Agenda for Change', little has yet been delivered. It was this type of inertia that lost the SLPP support at the last national elections.

Koroma's own progress report – increasing provision of electricity, a reformed Anti-Corruption Commission, strengthened legal protection for women and children, fewer bureaucratic demands on business, and tractors for farmers – is seen by many as a tentative start. There is little sign of the big economic changes that will create jobs: that is the main demand at the moment.

Mining has virtually stopped. Mining companies want government, creditors and investors to jointly finance hydroelectric power projects but so far little has been achieved. Heavy fuel generators are unsustainable. When the hydroelectric dam at Bumbuna, some 30 years in the making, starts up, officials say it will restart the national grid and provide a much-needed electoral fillip. ●

Harder cash but warmer words

As befits an institution that has just been voted a trillion dollar boost to its capital resources, the International Monetary Fund busily dispensed loans and policy advice at its spring meeting on 24-25 April in Washington. The Fund's co-host in Washington, the World Bank, had a tougher meeting. Although its analysis of the damage done to developing countries by the financial crisis was well received by the finance ministers of the G-20 countries, the Bank raised little new finance for its development initiatives.

THE IMF SHOW

It was the International Monetary Fund's show in Washington. International finance ministers agreed to proposals to reshape the Fund, widen its mission and speed up plans to give developing countries in Africa, Asia and Latin America more votes on its Executive Board.

For some, the progress is agonisingly slow. 'For how much longer can you sustain a position where Belgium and Luxembourg combined have more votes on your Executive Board than China?' a journalist asked IMF Managing Director **Dominique Strauss-Kahn** and World Bank President **Robert Zoellick**. The questioner was not reassured by their argument that voting power was not the only measure of a country's weight within the institutions. In any case, they promised that China's shareholding would be significantly increased at the end of the restructuring exercise.

It would be rather perverse if wasn't; China is being asked to contribute some US\$50 billion to boost the IMF's resources. Once market borrowing is approved by its Board, the plan is for the IMF to issue bonds which would be bought by countries with high foreign reserves such as China. The bonds could then be traded like treasury bills. Since this is money that will help the international economy as it struggles to cope with a financial crisis created by Western banks, China is demanding more influence in the operations of the Washington-based institutions. Brazil's Finance Minister **Guido Mantega** prompted a wry smile from Fund staff when he responded to the request for extra contributions with a promise to consider it, adding, 'but we need to see some progress on reforms first', a neat inversion of the developing country-IMF dialogue of the 1980s.

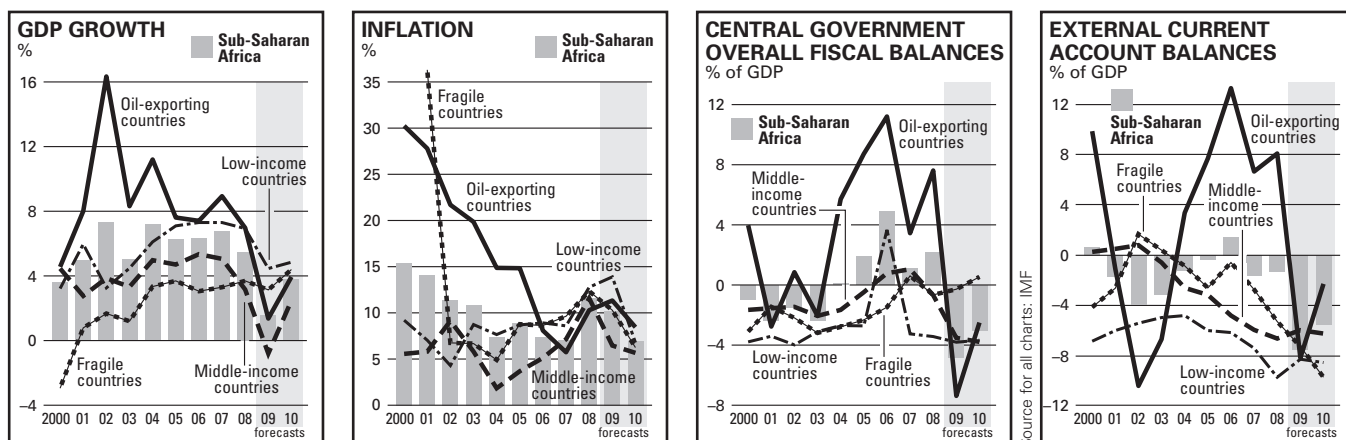
At last, Africa has already won an extra Executive Directorship on the World Bank's Board, but it is still the most under-represented region in the institution. South African Finance Minister **Trevor Manuel** heads the Committee on IMF Governance Reform, which has agreed to allow the IMF Board a more strategic role. It also agreed that 12 of the 20 seats on the IMF Council, whose members will have legal authority to make decisions about the IMF, would be held by ministers from developing countries.

Manuel's Committee also backed a speeding-up of the review of IMF quotas (shareholdings and voting rights), which should reach a decision by April 2010. European states, which will be the main losers from the redistribution, are trying to delay the decision until April 2013. Some ministers are particularly alarmed about a proposal for the management of a country's capital account to fall within the IMF's mandate: they fear this might allow the IMF to push countries to liberalise capital movements, which could open countries to a range of legal and financial risks.

Working in parallel, the High Level Commission on the Modernisation of World Bank Group Governance, led by former Mexican President **Ernesto Zedillo**, is to report in October: its members include Ghana's former President **John Kufuor**, World Trade Organisation Director **Pascal Lamy**, Britain's Baroness **Shriti Vadera** and German Development Minister **Heidemarie Wiecek-Zeu**. Again, developing countries are demanding equality of voting power between countries borrowing from the World Bank and those richer countries lending to it.

The Fund's policy-setting International Monetary and Financial Committee, which includes finance ministers and central bankers, endorsed easier terms for IMF lending and a much stronger role of monitoring the global economy. Luckily for the mandarins of 19th street, most IMF shareholders blame the bankers of Wall Street and London rather than international civil servants for the current crisis – now everyone agrees that the IMF should sound a much louder warning before the next crisis happens. The Fund has secured about \$500 bn. towards the \$1 trillion boost in its resources called for at the G-20 meeting in London on 2 April; the United States, Japan and the European Union have each pledged \$100 bn. Another \$250 bn. will come from the IMF effectively printing its own currency, which it calls special drawing rights.

SUB-SAHARAN AFRICA: ECONOMIC FORECASTS 2009-2010



Zoellick says the World Bank has no need to go on a fund-raising spree immediately. It already has a war chest of about \$200 bn. from its own bond issues and its soft loan affiliate, the International Development Association, raised a record \$42 bn. for its IDA XV replenishment in 2007. About half of the IDA's low-interest loans go to Africa.

Campaigners and developing country officials are urging the Bank to start fund-raising now for the IDA XVI replenishment, due in late 2010. The case for an early replenishment was strengthened by the IMF's gloomy world economic forecast, which predicted a contraction of global output by 1.25% in 2009 compared with average world output growth of 3.25% in 2008. The figures are particularly stark for Africa: average gross domestic product growth for 2009 is projected at just 1.5%, a drop of almost 4% from 2008. Yet **Antoinette Sayeh**, the IMF African Department Director and **Liberia's** former Finance Minister, insisted that most African economies were better able to cope with this crisis than the global commodity crash in the 1980s.

Some countries such as **Uganda**, **Tanzania** and South Africa were in a position to finance a 'discretionary fiscal stimulus' and to boost social provision for those who had lost their jobs or businesses. For harder-pressed economies, Sayeh said there was no alternative to tightening fiscal policy (raising taxes and cutting state spending) in the hope that those adjustments might be erased by flows from rich countries making good on their 2005 pledges to double aid to the poorest countries by 2010.

Sayeh advised African states to ease monetary policy where feasible and allow exchange rates to adjust. Already **Nigeria** has spent more than \$5 bn. trying to shore up the naira against the US dollar, according to its Central Bank Governor, **Charles Soludo**.

Although Africa's financial sector was comparatively insulated from the first phase of the crisis, Sayeh said, as world commodity prices fall and export markets shrink there is now a threat to Africa's real economy. These pressures could increase the credit risks and non-performing assets for Africa's financial institutions and companies. So central banks and treasuries must increase surveillance of their banks, insurance companies and pension funds if the effects of the crisis persist, she said.

Amid the gloom, the good news for Africa, Sayeh concluded, was that the IMF had doubled the access limits for low-interest loans to the poorest countries and those hit by extreme commodity price falls. Already **Ethiopia**, **Congo-Kinshasa**, **Malawi** and **Tanzania** have applied for loans under the new, more liberal conditions. The days of the IMF as the brutal financial plumbing inspector and enforcer of vicious spending cuts may have been consigned to history. ●

AFTER THE G-20, THE MONEY-GO-ROUND

No one agrees about how much the global financial crisis is costing Africa, but all the international financial institutions agree that the continent needs its own fiscal stimulus package if it is to stave off disaster. The African Development Bank President, **Donald Kaberuka**, led the field with a detailed country-by-country breakdown of the effects of the crisis and the size of the resulting financing gaps. The AfDB estimates that Africa faces a financing gap of US\$50 billion in 2009 and \$56 bn. in 2010 just to maintain gross domestic product (GDP) growth levels averaging 5.4% of 2008 (AC Vol 50 No 8). The AfDB says that the financing gap would be \$117 bn. if Africa is to reach the antipoverty, health and education targets of the UN's Millennium Development Goals.

Dirk Willem te Velde at Britain's Overseas Development Institute reckons on the basis of International Monetary Fund projections that the financial crisis has led to an output loss of some \$2.7 trillion globally (around 5% of world GDP), about \$740 bn. in all developing economies and about \$50 bn. in Africa. The World Bank puts the financing gap in all developing countries at \$270 bn.-\$700 bn., depending on the severity of the crisis; the latest projections suggest it will be at the gloomier end of the scale.

At their spring meetings in Washington DC, the World Bank and the IMF competed to portray the crisis in the most apocalyptic terms. Finally they produced a joint monitoring report calling the crisis a 'development emergency': an additional 55 to 90 million people will be trapped in extreme poverty and more than a billion people will suffer chronic hunger this year. In both areas Africa will be disproportionately represented, officials said in Washington, adding that rich countries were currently \$20 bn. behind in their pledges, given at the G-8 summit in 2005, to raise annual aid to Africa to \$50 bn. by 2010; the rich countries are also behind in their pledges to boost annual aid to Asia, Latin America and eastern Europe to \$80 bn., but those regions are more effective at lobbying than Africa.

The financial crisis has also prompted an investment crisis in Africa. Developing countries require, the Fund and the Bank calculate, about \$900 bn. a year (7-9% of their GDP) to maintain infrastructure and start new projects; Africa's share of that is \$80 bn., say economists at the New Partnership for Africa's Development. The World Bank says the funding gap for new infrastructure projects in developing countries is about \$20 bn. a year and has launched a new programme in coordination with the **French** and **German** governments to allocate an extra \$15 bn. a year over the next three years to counter the worst effects of the crisis.

Other analysts reckon the financing deficit will be much higher as worried commercial financiers withdraw from projects they would have previously backed. For example, commercial lenders pulled out of a financing syndicate to raise money for a new airport in Tunis. Under previous circumstances it would have registered as a good business risk. Now the World Bank's private sector affiliate, the International Finance Corporation, and the AfDB (which is based in **Tunisia**) are financing the project. But for many countries that is not an option.

However, the World Bank's estimate of the necessary additional resources needed for low-income countries in Africa, Asia and Latin America is 'at least \$20 bn.'. The IMF reckons the low-income countries' financing needs this year will be at least \$25 bn. Both figures fall well below African governments' estimates of how much their economies need to maintain growth and social services at a minimal level.

Despite the euphoria generated about the more than a trillion dollars raised to help countries hit by the crisis at the G-20 meeting in London on 2 April, World Bank estimates of around \$20 bn. – about a fiftieth of the total package – for Africa may be nearer the mark. Bank President **Robert Zoellick** called for rich countries to allocate 0.7% of their fiscal stimulus spending to Africa, which would amount to about \$15 bn., although only a few countries have responded.

According to the Paris-based Organisation for Economic Cooperation and Development, the outlook for aid levels to low-income countries needs monitoring closely over the next three years as the financial crisis bites. Last year, the OECD reports, rich-country aid rose by 10.2% above 2007 levels to \$120 bn.; the largest volume increases came from the **United States**, **Britain**, **Spain**, **Germany**, **Japan** and **Canada**.

For the OECD member states, all rich industrialised economies, to meet their aid commitments of \$140 bn. by 2010, would need to raise another \$25 bn. For some, that might be possible. For others, it is improbable: **Italy**, for example, would have to increase its aid budget by 145%. Even the British government, with one of the better records on aid commitments, endured a battle between Prime Minister **Gordon Brown** and Finance Minister **Alistair Darling** over maintaining current aid commitments of £9.1 bn. (\$13.5 bn.) in 2010-2011. Aid agencies say that Darling's initial plan was to cut the aid budget by £860 mn. before Brown's fist slammed on the table and stopped it. ●

Who shoots first?

The regimes in N'djamena and Khartoum are preparing for another proxy war, this time with more guns and better technology

On the Chad-Sudan border, everyone is asking who will fire first. As the mandate of the European Union Force (EUFOR) in eastern Chad ran out last month, Sudan's rebel Justice and Equality Movement was resettling its fighters in its rear bases in Chadian President **Idriss Déby Itno's** home area of Am Jaress, north-east Chad. The plan appears to be a new offensive at a time when the National Congress (NC, aka National Islamic Front, NIF) regime is focussing on the International Criminal Court arrest warrant for President **Omer Hassan Ahmed el Beshir**. JEM's target might be Kordofan's capital El Obeid or, more practically, El Fasher.

This would signal that JEM is now as powerful as the Sudan Liberation Movement/Army was when it attacked the North Darfur capital in 2003. Since its withdrawal from Muhajeriya in February (AC Vol 50 No 7), JEM's attempts to position itself as the main Darfur rebel group have had some success, attracting people from SLM/A factions. These include SLM/A-Unity's **Suleiman Jamous** – like top JEM leaders, a Zaghawa and once part of the NIF regime.

Meanwhile, N'djamena may launch its own offensive on the Chadian armed opposition camps in West Darfur, near El Geneina. After months of internal squabbling since the last major engagement with the Chadian army in June, the *Union des Forces de Résistance* was formed in January, with Khartoum's help. General Idriss Déby's nephew, **Timan Erdimi**, chairs the UFR, while **Mahamat Nouri** and **Adouma Hassaballah**, who were previously important, have taken a back seat. European military observers say Chadian rebels have already moved troops and equipment deep into Chad and expect action before the late May rains.

Three key players – **Libya**, Sudan and **France** – have to reassess their policies. Libya must balance its desire to maintain its influence over JEM and some of the SLM/A groups it funds, with its chairmanship of the African Union and its opposition to the ICC warrant for President Beshir. Tripoli has recently been generous with vehicles, fuel and ammunition for JEM, say European military and civilian officials. Yet a military victory for JEM might diminish Colonel **Moammar el Gaddafi's** leverage on both JEM and Déby, who would love

to be free of Libyan tutelage. If Khartoum lost a battle in Darfur, it might be less reticent about condemning Gaddafi.

Sudan's analysis of the Chadian opposition's failure to take N'djamena in February 2008 concluded that the fatal mistake was not disagreements when the opposition reached the capital, but its inability to convince Déby's inner circle that their privileges would not disappear along with the President. That is why Timan is Chairman of the UFR.

Khartoum has to manage two problems here. The UFR is united only to oust Déby: **Nouri**, **Hassaballah** and **Adoum Yakoub Koubou** may not back a Zaghawa president for long. Khartoum's calculation is that Déby would be killed in a palace coup as battle begins, and that Timan and the putschists would consolidate quickly, leaving no space for the non-Zaghawa in the UFR. Déby's end would trigger a JEM split, the NC believes, with most Kobe Zaghawa and/or Chadians returning to Chad, leaving a weak rump in Darfur.

WHEN THE DEAL GOES DOWN

Yet for Khartoum to maintain AU backing, it cannot afford to be implicated again in an unsuccessful coup in Chad. The NC also has to handle Paris more carefully, one reason for its visit last week. NC strongmen **Nafi'e Ali Nafi'e**, **Mustafa Osman Ismail** and spy boss **Salah Abdullah Mohamed 'Gosh'** failed to reach agreement with Paris on bilateral relations and Chad. Khartoum wanted JEM contained in Chad. It appears to have agreed, though, that French Milan anti-tank missiles brought to the Chadian opposition by Chadian army defectors in 2008 would not be used against French or European troops, if Paris did not take sides. Sudanese officials say privately that unprecedentedly intense discussions have taken place between Paris and the Chadian rebels. Cornered in the West by the ICC and unconfident of regional solidarity, Khartoum may indeed see war as the best option. War has been its major policy since NIF's 1989 coup.

France is in quite a precarious position in the EU. Though its support for Déby was crucial to his survival in 2008, he did not respond in kind. Even Paris is disappointed with Déby's implementation of the August 2007 agreement, which it had seen as the guarantee of proper

elections. The 2009 legislative polls have been postponed until 2010, and many think they will take place alongside the presidential elections in 2011 – or later. The exit of the World Bank last September, because of the regime's lack of transparency over petroleum revenue, was unwelcome, as were the difficulties faced by the European Investment Bank, also over oil revenue allocation.

After EUFOR's year in Chad, EU governments are more aware of the situation on the ground and are questioning a French policy that backs Déby without seeing improvements in governance. The regime has not fulfilled the commitments it made after the report on February 2008's events was released in September: the disappearance (in fact, death) of **Ibni Oumar Mahamat Saleh** has not been clarified; military and police accused of raping and looting after the rebels left N'djamena go unprosecuted.

For example, the Chadian police unit that is supposed to protect the internally displaced persons' and refugee camps in eastern Chad, the United Nations-financed *Détachement Intégré de Sécurité*, is creating more problems than it solves and is seen as illustrating the impunity that characterises the regime. IDPs do not trust it because of abuses that include extortion and a failure to prevent the forcible recruitment of children by Darfur rebels or the Chadian army. Other Chadian officials resent the high DIS salaries.

Some 2,000 EUFOR troops remain in Chad waiting for UN replacements. Their role, if war breaks out, is unclear. So is France's. Policy is no longer united, with the *Elysée*, the Foreign and Defence ministries, and external intelligence, the *Direction Générale de la Sécurité Extérieure*, all with their own ideas.

Déby is not ready to give up. On advice from the French military, including the Defence Attaché, Col. **Jean-Marc Marill**, he is preparing for a new kind of war. His capital is surrounded by a deep ditch built by French company Satom, which provides only three entrance points – to the south, north and north-west – and is guarded by heavy tanks. The area around the presidency, the *Palais Rose*, has been cleared for battle: the Gardolé neighbourhood has been emptied. All trees on the *Avenue du Général de Gaulle* have been cut to increase visibility for helicopters. **Israeli** companies have strengthened the presidency's fortifications. Israeli firms supervise telecommunication interception. Déby is preparing for a higher-technology war, helped by mercenaries who come mainly from **Algeria**, **Brazil**, **Mexico** and **Ukraine**. He can profit from the rebels' difficulties with long supply lines, which is why Khartoum has focussed on the potential for a palace coup. ●

Brothers and enemies

The Gnassingbé family that has run Togo for almost 42 years has split, opening up competition for the presidential election due next year

The two most powerful sons of the late President **Gnassingbé Eyadéma** have fallen out. **Kpatcha Gnassingbé** was arrested on 12 April (AC Vol 50 No 8), charged with plotting a coup d'état against his elder half-brother, **Faure Essozimna Gnassingbé**, President of Togo since 2005. Several of Kpatcha's guards were killed in the four-hour assault on his house. Two other half-brothers and several influential officers along with other soldiers have been arrested.

The old dictator had never made clear which son he wanted to succeed him and the Faure-Kpatcha rivalry was no secret. Both accompanied their dying father on the flight from Lomé to Tripoli, whence he was supposed to travel on to see doctors in Israel. He died on the flight; local rumour insists that he was dead before departure and that the flight was a way of buying time to fix the succession. When the brothers got home with the body, they found that the ruling ethno-military clique had pronounced Faure President 'in the interest of stability'. Under international pressure, he resigned to stand for an election which he unsurprisingly won. Kpatcha became Defence Minister but was referred to as 'the Vice-President'.

By December 2007, the relationship had become impossible. Kpatcha was sacked but continued to represent his home village in the National Assembly. **Gabon's** President **Omar Bongo Ondimba**, **Burkinabè** President **Blaise Compaoré** and **Libya's** Colonel **Moammar el Gaddafi** tried to mediate but failed. Modest and soft-spoken, Faure was educated in France and the United States in business administration. Kpatcha is larger in size and manner, with some of his father's thuggish ways. His supporters believe that he was the rightful successor, of pure Kabyé descent, while Faure's mother was Ewe from Atakpamé in central Togo.

A northern ethnic group making up 20% of the population, the Kabyé have dominated Togo over Eyadéma Senior's 38 years as President and since. Some people adopted the name Gnassingbé as an aid to promotion. Eyadéma means 'courageous' in Kabyé and Eyadéma Père, who gave himself the name, had more than 50 children by many mothers. Rivalries were inevitable. The macho-mystical nature of Kabyé traditions is well described in the satirical novel by an Ivorian long resident in Togo, **Ahmadou**

Kourouma, *En Attendant le Vote des Bêtes Sauvages* (Waiting for the Wild Beasts to Vote). The Kabyé socio-religious *evala* wrestling tournament, in July, was elevated to a national event in the Eyadéma years – a pseudo-tradition that Kpatcha was comfortable with and Faure, less keenly, had to observe as successor to the Great Helmsman. After he was sworn in as President in May 2005, he went off to the Gnassingbé home town of Pya for a Kabyé leadership initiation ceremony.

This month's clash has worried the Kabyé heartland. Reporters who went to the main town, Kara, said there had been some initial unrest but Faure's allies were engaged in a 'calming' exercise. The army has played a key role; its Chief of Staff, General **Zakari Nandja**, has led the support for Faure. The powerful commander of the *Force d'Intervention Rapide* (Rapid Intervention Force), Colonel **Abalo Félix Kadanga**, led the assault on Kpatcha's house and backs the President. Married to an Eyadéma daughter, he is Ewe from Atakpamé, like Faure's mother. His assault was stopped after four hours by another half-brother, **Rock**, said to have been protecting family interests.

The French government and the European Development Commissioner, **Louis Michel**, a fan of Faure, have applied pressure for due process and a curb on intemperate action. A more direct warning was delivered by **Said Djinnit**, the United Nations Special Envoy to West Africa, who told Faure on 21 April that

the UN wished the investigation into the coup attempt to be 'in conformity with the law and in the framework of strict respect for judicial and legal procedures in force in Togo under the norms of international law'. **Benin** and **Nigeria** sent envoys to see what was going on.

In his first appearance before a magistrate, Kpatcha refused legal representation. The court was told that he had been 'trying to undermine the security of the state', while Faure was preparing to leave for China, a trip that he immediately postponed. We hear that foreign intelligence agencies had alerted Faure to the threat. Less convincing was the display of weapons said to have been found in Kpatcha's possession.

Gilchrist Olympio, 72, is girding his *Union des Forces de Changement* for next year's presidential polls. In the flawed parliamentary elections of 2007, his party won 38% of the seats and the ruling *Rassemblement du Peuple Togolais* failed to win a majority. The UFC condemned as 'underhanded' Faure's 17 April speech denouncing the coup attempt (Faure's father came to power in a coup d'état) and said the events of 12-13 April showed the falsity of his professed respect for the rule of law, non-violence and the presumption of innocence. The UFC also wants the *Commission Electorale Nationale Indépendante du Togo* reformed, as promised.

Faure still has strong backers in Paris, but **Nicolas Sarkozy's** government is keener on African democracy than its predecessors. His Secretary of State for Cooperation, **Alain Joyandet**, has said that France wants an election 'open to all, equitable, transparent and democratic'. Joyandet says Paris would not accept the exclusion of any serious candidate in 2010, as Olympio was excluded in 2005. Faure's victory over Kpatcha could also be Olympio's opportunity. ●

CLAN TROUBLE

Apart from President **Faure**, other members of **Gnassingbé Eyadéma's** family are prominent in Togolese political life and played roles in the latest affair.

● **Ernest Gnassingbé**, the eldest son, trained as an army officer in preparation, many assumed, to succeed his father. In 1993, as head of the para-commandos in Kara, he led an ambush that left opposition leader **Gilchrist Olympio** seriously wounded. Ernest was a boorish figure. In 2003, he was incapacitated by a stroke. There were rumours in January, still unconfirmed, that he had died in hospital in Paris.

● **Rock Gnassingbé**, a younger son, Commander of the *Régiment Blindé* (Armoured Regiment) and head of the Togolese Football Federation, is considered a lightweight. He sees himself as a family mediator and could fight to preserve its power.

● **Essozilam Gnassingbé**, another son, is in detention, though some think he has disappeared. He has a communications company in Lomé.

● Captain **Bagoubadi Gnassingbé**, alleged plotter and son of Colonel **Toyi Gnassingbé**, Eyadéma senior's brother. Toyi was killed in the assault on Prime Minister **Kofi Koffigoh's** office in 1991, which marked the end of Togo's brief experiment in democracy.

● Gnassingbé Eyadéma's daughter **Gnékélé**, said to have been her father's favourite, ran his electoral campaign in 2003. She is thought to be in the Faure camp. ●

Who is in charge here?

The coalition government looks irreparably split but Speaker Kenneth Marende has offered a temporary fix

Kenya's coalition squabbles have spilled over into Parliament (AC Vol 50 No 9). The latest, and worst, row between the coalition partners, President **Mwai Kibaki's** Party of National Unity (PNU) and Prime Minister **Raila Odinga's** Orange Democratic Movement (ODM), involves a tussle over nominating the Leader of Government Business and the Chairmanship of the House Business Committee.

Citing executive authority and 45 years of tradition, President Kibaki wrote to Speaker **Kenneth Otiato Marende** a week before Parliament was due to reopen on 21 April, nominating his Vice-President, **Stephen Kalonzo Musyoka**, as Leader of Government Business. That nomination would almost automatically give Musyoka the chair of the House Business Committee, which determines Parliament's agenda. However, Odinga too had written to the Speaker, nominating himself as chairman of the Business Committee by virtue of his role as Government Supervisor. It was the first open contest over executive authority since the signing of the National Accord in February 2008.

A ruling by Speaker Kenneth Marende averted the crisis, at least temporarily. He pushed the choice of Leader of Government Business back to the coalition partners, saying that it was up to the executive to reach a mutually acceptable compromise and ensured that Parliament continues to operate by nominating himself as interim Chairman of the Business Committee.

Speaker Marende's initiative was applauded for its 'wisdom and statesmanship' by former United Nations Secretary General **Kofi Annan**, former President of **Tanzania Benjamin Mkapa** and former First Lady of **Mozambique, Graça Machel**. Last month, Annan told *Africa Confidential* of his increasing concern about the deadlocks in Kenya. 'I share the view that unless we undertake the reforms agreed to and strengthen Kenyan institutions and enact serious security forces' reform and with the judiciary, we could face a worse situation in 2012 than we did last year,' Annan said. 'Of course, there are some ... who believe that we may not have to wait till 2012 to see an explosion.'

A vote against the Vice-President as House Leader and Business Committee Chairman would have paralysed Parliament for a statutory six months,

until the bill could be reintroduced. The law says that Parliament is dissolved if it fails to meet for an unbroken three months, so a 'no' vote would have meant dissolution. Moreover, the disbandment of the Electoral Commission of Kenya – the one led by **Samuel Kivuitu** that presided over the botched December 2007 general elections – meant that, without a sitting Parliament, no elections would be possible. Parliament also needed to adopt a supplementary budget, proposed by Finance Minister and Deputy Prime Minister **Uhuru Kenyatta**, requesting more than 20 billion Kenya shillings (US\$254 million) to plug a hole in the coffers until the next budget in June.

MARENDE THE LIFE-SAVER

Politicians on both sides called for the coalition government to be dissolved. Marende's ruling was a life-saver but it may just postpone the early break-up of the coalition. The crisis was precipitated because Parliament was reopening under new standing orders, revised because the National Accord introduced the office of Prime Minister. The ODM insisted that, as Government Supervisor and an equal partner in the coalition, Odinga was the natural candidate to lead Government Business. He wrote to the President to that effect weeks before Parliament reconvened but received no answer. Instead, the President wrote to the Speaker, nominating Musyoka.

Relations between Kibaki and Odinga have been deteriorating fast. Sources within the Premier's office speak of letters unanswered since October last year. This is partly why, in late March, a meeting of the coalition's Management Committee, established within the cabinet to deal with internal wrangles, collapsed. Shortly afterwards, Odinga, citing frustration with and disrespect from the President, went public about relations between them. In April, the wrangling escalated, with the ODM insisting on 'real power-sharing' and the PNU rejecting calls for renegotiation of the National Accord. The ODM announced that it would block any PNU attempt to advance its agenda in Parliament.

During the weekend before Marende's ruling, Kibaki met some of his key lieutenants in Nairobi's State House. They are said to have conducted a bullet-point assessment of Odinga's performance as Government Supervisor, which found

him wanting. Kibaki then dispatched another letter to the Speaker, reiterating his nomination of Musyoka, citing the constitution and saying that his decision was not negotiable. PNU politicians described Odinga's self-nomination as a 'civilian coup'. This is the kind of talk that characterised their anti-Odinga campaign before the 2007 elections.

The ODM claimed that its support for the Prime Minister as Leader of Government Business was clearly spelled out in the National Accord and Reconciliation Act, which superseded the constitution. At a public rally in the Kibera slums of his Lang'ata constituency, Odinga declared that he was not going to retreat. Two unrelated incidents raised the temperature further. One was the gruesome killing in Mathira of 29 Kikuyu villagers belonging to a police-sanctioned vigilante group (AC Vol 50 No 6). They were hacked to death by suspected adherents of the *Mungiki* cult. The other arose from **Uganda's** takeover of the one-acre (4,047 square-metre) Misingo Island in Lake Victoria, which was met with Kenyan government insouciance. In protest, young men in Kibera tore up a chunk of the Kenya-Uganda railway, as happened in last year's post-election violence.

The coalition partners disagree about what power-sharing means. The phrase was given to Kibaki a few hours before he signed the power-sharing agreement negotiated in February 2008 by **Tanzania's** President **Jakaya Kikwete**. Kibaki seems to believe that, despite the National Accord, his executive powers remain intact.

A few weeks after the Accord was signed, one of Kibaki's key lieutenants, Civil Service head **Francis Muthaura**, suggested that Odinga came third in the new order of precedence. Confusion about that statement seemed to dissipate but the PNU maintains that the Prime Minister, appointed by the President, is therefore subordinate to him. Odinga has spent his political career attempting to dismantle the all-powerful executive presidency. Sources close to him claim that his recent public criticism of the President follows a year of frustration, facing an old ethnic elite enriched by presidential largesse.

Speaker Marende's ruling rejected any interpretation of the constitution without the National Accord and appeared to vindicate the ODM. It was totally unexpected by both sides, which had been preparing for a long fight. The PNU's immediate reaction was to vow to challenge Marende's ruling in court. The storm has been averted but only for the moment. Kenyans fear, and are talking again, about a return to violence. ●

An offshore imbroglio

The two countries set up a joint commission to resolve long-standing border rows

Grievances have arisen between Angola and Congo-Kinshasa about their borders – offshore and onshore. Kinshasa's Prime Minister **Adolphe Muzito** and ministers **Célestin Mbuyu** (Interior), **Alexis Thambwe Mwamba** (Foreign Affairs) and **René Isekemanga Nkeka** (Hydrocarbons) met Angolan President **José Eduardo dos Santos** and Prime Minister **António Paulo Kassoma** in Luanda on 21 April and agreed to set up a joint technical commission to discuss the maritime border, which will meet in May.

The maritime border has never been demarcated. At the meeting of the Organisation of Petroleum Exporting Countries last month, the Angolan delegation was upset when Kinshasa's Oil Minister, Isekemanga, remarked that the border would inevitably be retraced and 'some oil blocks could possibly come back' to his country. Angolan diplomats were annoyed that he had not raised the subject through diplomatic channels. The head of Angola's Centre for Strategic Studies, **Manuel Correia de Barros**, said Luanda could not respond until Congo formally declared its intentions.

Angola dislikes the idea of international mediation. A Foreign Ministry source

denies that the two governments have said they want to present a joint border plan to the *Mission des Nations Unies en République Démocratique du Congo*; the UN mission, Monuc, says they have already done so. In the Congolese Senate, allies of President **Joseph Kabila** have defended the idea of negotiations 'between brothers'.

In 2007, the Angolan and Congolese parliaments ratified an agreement to create an offshore *Zone d'Intérêt Commun* (Zone of Common Interest). Yet there is no agreement on the boundaries between their wider exclusive economic zones. A 1974 law defines Congo's territorial waters out to the twelve nautical-mile (22.2 kilometre) limit. The 1982 UN Convention on the Law of the Sea permits Congo to claim rights extending 200 nautical miles (364 km.) from the coast, plus a possible extra 400 miles, according to Interior Minister Mbuyu. But, as he told the Senate, that can be achieved only by presenting a report to the UN Commission on the Limits of the Continental Shelf by 13 May 2009.

Definitions can be tricky. Mbuyu said his country would rely on the principle of perpendicularity to the coastline, as opposed to the principle of median

lines. That would give Congo access to a potential 450,000 barrels of oil a day, worth some US\$8 billion a year at current prices. Kinshasa takes care not to upset its powerful neighbour, whose troops in February and March hoisted their flag over the Bas-Congo villages of Kuzi, Sava and Ina. They withdrew only after Muzito visited Luanda in late March. The incursion was perhaps a show of force, to remind its protégé of where the power lies.

The *Forças Armadas Angolanas* have rescued the regimes of both Kabilas, father and son, from rebels backed by **Rwandan** and **Ugandan** 'aggressors'. Angola is still helping to stabilise the regime in Kinshasa. Its soldiers are training both a Congolese brigade at Kitona camp and security police. In 2007, Angolan troops helped Kabila's Republican Guard in its fight with **Jean-Pierre Bemba's** militia, so Kabila owes Angola a debt. Yet he must also defend his nation's territory. South of Bandundu, in the diamond-rich Kahemba district, Angolan troops have occupied twelve villages since January 2007.

Angola, too, has suffered incursions by *garimpeiros*, wild-cat miners, from Congo, thousands of whom it expelled in 2004 and 2005. In 2007, **Belgium** and **Portugal** sent cartographers to draw up a land border over 2,400 km. but the former colonial powers have done nothing to help define the offshore border. The lack of an effective Congolese army and the existence of a strong Angolan one make an armed conflict unlikely. However, Kabila presents himself as a nationalist, even xenophobic, leader. Politically, he cannot afford to let himself be pushed around. ●

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Nigeria

DO OR DIE

■ 'Politics is a do or die affair,' according to a founder of the ruling People's Democratic Party and former head of state **Olusegun Obasanjo**. Some of his party militants have been taking the adage literally in the rerun of the Ekiti State governorship election on 25 April. After the overturning by the courts of the PDP's wins in Ondo and Edo States, national attention focused on Ekiti.

The rerun, ordered by the Appeal Court on 17 February in 65 wards of Ekiti State, annulled the claimed victory of the PDP candidate **Olusegun Oni** in April 2007. The appellant and rival candidate, **Kayode Fayemi** from the Action Congress (AC), prepared well for the rerun: a former civic activist, he brought in 800 election monitors from across Nigeria, many with cameras and sound recorders.

On 25 April, however, PDP supporters armed with machetes, broken bottles and clubs attacked seven civic activists – **Abubakar Momoh, Azeez Olaniyan, Wahab Oyedokun, Bimbo Olaniyan, Babatunde Awodehinde, Olusoga Olusegun** and **Foudad Oki** – at a police checkpoint in the Ifaki ward of Ido-Osi while four armed police officers stood by and laughed. The police then arrested the activists for espionage and public affray, and allowed the PDP thugs to go free. Such is the power of Oni's patronage, it seems.

Fayemi was in the lead as the results were being announced but then **Olusola Adebayo**, an official of the Independent National Electoral Commission in Ekiti, went missing. She left a note saying, 'I can't do anything against my conscience. They want me to announce fake results. I can't at my age.' On 29 April, she reappeared and talks about the Ekiti crisis were continuing as *Africa Confidential* went to press.

Congo-Kinshasa

SPEAK EASY

■ A month after **Vital Kamerhe** was forced out of office, a weakened National Assembly has followed President **Joseph Kabila's** instructions and voted in a new Speaker, **Evariste Boshab** (AC Vol 50 No 7). On 12 April, the police had forcibly dispersed some 40 members of Parliament, from both majority and opposition, gathered in a restaurant to launch a pro-Kamerhe 'current' in the Assembly. Kamerhe gave up and on 24 April, Kabila's own man was elected Speaker by 329 of 484 votes.

Boshab is Secretary General of Kabila's *Parti du Peuple pour la Reconstruction et le Développement*. His opponents were **François Muamba** (*Mouvement de Libération du Congo*, 75 votes), Kamerhe's

ally **Jean-Baudouin Idambituo Bakaoto** (50 votes) and **Gilbert Kiakwama Kia Kiziki** (15). Muamba hinted strongly that MPs had been paid to ensure he lost. Opposition MP **Jean-Claude Vuemba** of the *Mouvement du Peuple Congolais pour la République* said it was foolish to have put up more than one candidate against Boshab, since that made his victory certain.

With the faithful Boshab in charge of its proceedings and agenda, the Assembly will no longer be a check on presidential power. He has a doctorate in law from Louvain University, **Belgium**, and was formerly head of Kabila's office. Boshab resigned from public office in late 2004, along with the then Energy Minister, **Jean-Pierre Kalema Losona**, after Parliament investigated the US\$3.2 million commission paid to recover a debt to the *Société Nationale d'Electricité*.

Donors will not be pleased to see Boshab in charge, while for the opposition, his win is a setback. Some see a return to the 'single-party' behaviour familiar under the late **Mobutu Sese Seko** and **Laurent-Désiré Kabila**. On 17 April, 20 non-governmental organisations filed a suit against **Jean-Pierre Daruwezi Mokobe**, head of the *Agence Nationale de Renseignements* (the national intelligence agency), claiming human rights activists had been tortured for, among other things, trying to organise a pro-Kamerhe demonstration.

Sudan

WARNINGS

■ International concern is rising over the North-South peace deal and the national elections due under the Comprehensive Peace Agreement. This week, the head of the CPA's Assessment and Evaluation Commission, Sir **Derek Plumbly**, a **British** former Ambassador to **Egypt**, warned that time was short and called on the United Nations to do more to support the Government of Southern Sudan. Next week, a report from the Rift Valley Institute will underline the difficulties of holding free and fair elections. Under the 2005 CPA, these were due by June 2009 but are now delayed until February 2010, with the Southern referendum on independence still scheduled for 2011.

'If the election should lack credibility, it is hard to see how the Comprehensive Peace Agreement can survive,' says the British-financed report, 'Elections in Sudan: Learning from experience'. Its authors, political scientists **Atta el Battahani** and **Peter Woodward** and Africa historian **Justin Willis**, dismiss the notion that elections are a foreign imposition, with fascinating and, by foreigners often ignored, historical detail of Sudan's enthusiastic, fairly free polls under democratic governments and less successful ones under 'authoritarian governments'.

The report notes that the 1996 polls

under the National Congress (aka National Islamic Front) were 'widely seen as a travesty' and that, with those of 2000, the outcome was 'widely assumed to be known in advance'. Methods of rigging elections range from multiple registration to bribing local leaders, from blocking the press to switching ballot boxes. It makes recommendations, including to donors, on structures, training and funding. It does not tackle the central issue of why the NC would permit free elections which it would surely lose. Donors, silent over Khartoum's refusal to publish the year-old census results (also under the CPA), look likely to back the elections, as long as the fraud doesn't show. The Islamist regime can count on the ruthless and efficient security apparatus through which it rules.

Ethiopia

LOSING THE PLOT

■ The arrest of 35 members of *Ginbot 7* on 24 April, accused of plotting a coup against Prime Minister **Meles Zenawi's** government, increases the pressure on opposition groups ahead of parliamentary elections in May 2010. The arrests by the National Intelligence and Security Service (NISS) have been met with scepticism by diplomats in Addis Ababa and protests by human rights groups, already campaigning against the gaoling for life of the opposition Unity for Democracy and Justice (UDJ) party leader, **Birtukan Mideksa**.

Ginbot 7 was launched by **Berhanu Nega**. A former member of the Coalition for Unity and Democracy, Nega was a leading opposition candidate in the 2005 elections and won the mayoral election in Addis. In protest against the government's treatment of opposition demonstrators, Berhanu refused a government post, was arrested in 2005 and sentenced to life, along with more than 100 opposition activists. All were pardoned in 2007; then, Berhanu left for the **United States**, where he set up *Ginbot 7*, which is banned in Ethiopia. He criticises the government, making clear that he supports its removal by any means. He says the coup plot was fabricated but was quick to deny any involvement.

The NISS says *Ginbot 7* operates on two levels, with a military and a civilian sub-team, financed from abroad. In 2008, *Ginbot 7* was selling 'Ethiopian Patriot Certificates' at US\$500 each to Ethiopians in the diaspora, aiming to raise a million dollars for a campaign. One report said *Ginbot 7* made just \$21,000, suggesting only 42 supporters.

Among the arrested was **Melaku Tefera**, an organiser for Birtukan's UDJ party. Veteran opposition member of parliament and Chairman of the Oromo Federalist Democratic Movement **Bulcha Demeksa** said he feared the coup plot accusations were intended to block people from standing in next year's elections.

ETHIOPIA	2	ZIMBABWE	3	ZIMBABWE	3	SOUTH AFRICA	4	NIGERIA	6
The challengers		Until the stout lady sings		Crime and amnesty		Pragmatism trumps ideology		MOZAMBIQUE	
While no names have yet been put forward, there's a lot of discussion behind the scenes.		Party leaders struggle to keep a grip on their undisciplined comrades.		Army officers fear prosecution for their role in the violence of last year's elections.		Zuma's first cabinet keeps the economic power in the hands of market-friendly centrists.		CONGO-KINSHASA	
								BOTSWANA	
								POINTERS	

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However, a change of age group might not trigger a change of attitude. Tewodros would ostensibly constitute a departure from the traditional leadership; he was not involved in the student movement and played no part in the liberation struggle, yet he is very close to Meles and would provide no real change of direction. Arkebe took part in the liberation struggle, albeit for less time than others of the old guard, yet he retains more political independence than might be expected.

In any event, the EPRDF has begun to prepare actively for the elections. The government has organised talks on procedure: it is keen to avoid the violence and other problems of 2005, when an

impressive pre-electoral process was marred by post-poll violence, followed by the refusal of some elected opposition members to take their seats in Parliament. The opposition has already said that it does not expect a fair deal but although still much divided, some elements have begun organising.

The major challenge may come from the Forum (*Medrek*) for Democratic Dialogue in Ethiopia (FDDE), an alliance of parties established by former Defence Minister **Siye Abraha** and former President **Negasso Gidada**. A central element in the Forum is the Arena Tigray for Democracy and Sovereignty, under **Gebre Asrat**, an opposition party in Tigray Region which threatens the TPLF in its own heartland.

The other parties in Forum include: Ethiopian Democratic Unity Movement; Oromo Federalist Democratic Movement, led by member of parliament **Bulcha Demeksa**; Somali Democratic Alliance Forces; the United Ethiopian Democratic Forces, which consists of the Ethiopian Social Democratic Party and Southern Ethiopian Peoples' Democratic Congress (both chaired by **Beyene Petros**, MP),

plus the Oromo People's Congress of MP **Merara Gudina**; and Union for Democracy and Justice (UDJ), chaired by **Birtukan Mideksa**.

These parties have all agreed to contest the elections under the *Medrek* banner while maintaining their own structures and leaders. They thus hope to avoid a collapse like that of the opposition Coalition for Unity and Democracy in 2005. The CUD had never been much more than a veil covering major policy disagreements and competing ambitions; its leaders' inability to put aside these ambitions lost it many supporters. The need for an effective coalition is pressing.

A group of former CUD members led by Birtukan set up the UDJ, which is now in the Forum. Former CUD Chairman **Hailu Shawel**, who refuses to have anything to do with his former colleagues, has formed the All Ethiopia Unity Party. Yet another splinter, led by **Ayele Chamiso**, has kept the CUD name. The United Ethiopian Democratic Party-Medhin is renamed the Ethiopian Democratic Party. It is still led by **Lidetu Ayelew**, who caused its split with the CUD after a confrontation with Hailu Shawel.

Ginbot 7 was founded last year in the diaspora and is not registered in Ethiopia. It is led by **Berhanu Nega**, the only opposition leader to leave Ethiopia after oppositionists were pardoned in 2007. The 24 April arrests have raised its profile (AC Vol 50 No 9). Most ex-CUD parties suffer from the widespread disenchantment about their infighting; it is uncertain how much support they will get.

Opposition fractures are visible, despite the fledgling alliances. Where power is fiercely contested, this is dangerous. Many oppositionists have little faith that the government will really address their concerns: expanding political freedom; freeing all political prisoners; press freedom and equal media access; neutrality for the National Electoral Board; full and independent judiciary; and freedom of expression. Yet without a concerted attempt at organisation, none of the opposition parties can hope for a favourable outcome to the 2010 elections.

In 2005, the EPRDF made the telling point that the opposition criticised the government but never came up with any serious alternative policies. However, Meles' government has done little to address opposition concerns, then or since. The government has stressed that it is keen to avoid any of the violence that haunted the 2005 elections. This requires dialogue with the opposition and addressing the issues involved in building a democratic system. ●

Go to africa-confidential.com for Africa Confidential's interview with Ethiopia's Prime Minister Meles Zenawi.

THE CHALLENGERS

While no names have yet been put forward, Prime Minister **Meles Zenawi**'s proposals for change have prompted much discussion behind the scenes. Potential successors to Meles within the Ethiopian People's Revolutionary Democratic Front (EPRDF) are:

● **Seyoum Mesfin**: Tigray People's Liberation Front; Minister of Foreign Affairs since 1991; deeply involved in the liberation movement. Elected Secretary of Foreign Affairs at the very first TPLF Congress in 1978-79; well-regarded internationally.

● **Abay Tsehaye**: TPLF; Federal Affairs Minister since 2001; National Security Advisor; a long-standing TPLF member.

● **Addisu Legesse**: Amhara National Democratic Movement; Deputy Prime Minister; former President, Amhara Regional State.

● **Tewodros Adhanom**: TPLF; Health Minister since 2005; only member of TPLF Politbureau not to have been part of the liberation movement; popular with the West, with a following in Addis Ababa.

● **Arkebe Oqubay**: TPLF; State Minister of Works and Urban Development; ex-Mayor, Addis Ababa, 2003-05; fought in liberation movement but came to TPLF later than most of current leadership; very popular in the party.

● **Girma Birru**: Oromo People's Democratic Organisation; Trade and Industry Minister; an Oromo with no obvious nationalist leanings. Well-regarded: he might placate an ethnic group that has felt marginalised.

KEY OPPOSITION CHALLENGERS

● **Siye Abraha**: Founded the Forum for Democratic Dialogue in Ethiopia (FDDE, *Medrek*) with **Negasso Gidada**; had been veteran TPLF member and Defence Minister.

● **Negasso Gidada**: founded FDDE with Siye Abraha; Ethiopian President, 1995-2001.

● **Beyene Petros**: Chairman, Ethiopian Social Democratic Party and the Southern Ethiopian Peoples' Democratic Congress, which make up a third of the United Ethiopian Democratic Forces (UEDF), which he has co-chaired.

● **Merara Gudina**: Chairman, Oromo People's Congress, the third party in the UEDF, which he has co-chaired.

● **Tilahun Endeshaw**: leading member of the UEDF.

● **Birtukan Mideksa**: heads Union for Democracy and Justice (UDJ); a judge; arrested for treason 2005 after elections, pardoned, then rearrested last December for same crime; currently serving life sentence.

● **Berhanu Nega**: self-exiled leader of *Ginbot 7*: Movement for Justice, Freedom and Democracy; fled to the United States after post-election violence in 2005.

● **Hailu Shawel**: Chairman, All Ethiopia Unity Party, an offshoot of the Coalition for Unity and Democracy; rows with **Lidetu Ayelew** of the Ethiopian Democratic Party. ●

Until the stout lady sings

All the party leaders are struggling to keep a grip on their undisciplined comrades

The battle for supremacy within the power-sharing government is taking second place to wrangling for power within the three main parties (AC Vol 50 Nos 8 & 9). At stake is the authority of their leaders – **Morgan Tsvangirai**, **Arthur Mutambara** and **Robert Mugabe** – and perhaps the leadership of the country. All are keenly aware that if Mugabe vacates the presidency for any reason before new elections, an interim successor will be chosen at a joint sitting of the House of Assembly and Senate. For the first time since Independence in 1980, backbenchers of all parties are discovering that they have some power.

No party has a clear majority. Opportunities for cross-party deals are endless and so far Prime Minister Tsvangirai's Movement for Democratic Change-Tsvangirai (MDC-T) has been getting the better of the other two. Deputy Prime Minister Mutambara has suspended six MDC-Mutambara members, including three of its ten members of parliament, in an attempt to discipline his caucus.

The three suspended MPs are **Norman Mpofu** (Bulilima East), **Njabuliso Mguni** (Lupane East) and **Abednico Bhebe** (Nkayi South). It was Bhebe who ensured that a majority of the MDC caucus backed the election of the MDC-T nominee for Assembly Speaker instead of the MDC-M's nominee, who had been assured in a closed-door deal of the support of Mugabe's Zimbabwe African National Union-Patriotic Front. Tsvangirai then nominated Bhebe for one of his own ministerial appointments, until it was pointed out that the Global Political Agreement (GPA) among the parties said leaders could nominate only members of their own party.

Also suspended are MDC-M National Youth Chairman **Gift Nyandoro**, Matebeleland South Treasurer **Alex Goosen** and Defence Secretary **Job Sikhala**. Sikhala, a leading light in the formation both of the original MDC and of Mutambara's breakaway faction, is an outspoken critic of the GPA. At the elections in 2008, he lost his seat to the MDC-T in Harare's dormitory town of Chitungwiza, exposing Mutambara's failure to win seats outside the three Matebeleland provinces. Mutambara is Manyika from the east; his ten parliamentary followers (before the suspensions) are all from the two rural Matebeleland provinces. His nominees for

the three full ministerial posts – **Gibson Sibanda** (Minister of State), **Welshman Ncube** (Trade) and **David Colthart** (Education) are from Bulawayo and sit in the Senate. Only Colthart was elected.

Prickly Ndebele politicians feel slighted. If the three suspended MPs are

expelled, there must be by-elections for their seats, at which, under the GPA, the rival parties may not stand. Mutambara's candidates could face the expelled MPs standing as independents and/or candidates from the strongly Ndebele **Simba Makoni/Dumiso Dabengwa** axis. Tsvangirai's faction seems to have weathered a likely backbench rebellion over the allocation of vehicles to MPs, sparked by a sneaky move by Reserve Bank Governor **Gideon Gono**. ZANU-PF backbenchers were equally outraged at Gono's instruction to return the vehicles not to him but to **Tendai Biti's** Finance Ministry. Yet when they stormed over to that Ministry to protest, they found Biti

CRIME AND AMNESTY

Security officers still gaoled human rights activists. **Jestina Mukoko**, Director of the Zimbabwe Peace Project, was re-arrested on insurrection charges on 4 May, along with 14 other activists, and granted bail on 6 May. In December, she had been arrested by 17 armed men from the Central Intelligence Organisation. Officials of the Movement for Democratic Change (MDC) say the CIO coordinated the arrests with army intelligence.

That would implicate senior security officials, including CIO boss **Happyton Bonyongwe**, and the commanders of the Zimbabwe Defence Forces, the army, and the air force – General **Constantine Chiwenga**, Lieutenant Gen. **Philip Sibanda** and Air Marshal **Perence Shiri**. With the heads of the police and prison service, they are members of the Joint Operations Command (JOC), chaired by Minister of State **Sydney Sekeramayi**; the other member is the Reserve Bank Governor **Gideon Gono**.

Under the Global Political Agreement, the JOC is to be replaced by a National Security Council, chaired by President **Robert Mugabe**; Prime Minister **Morgan Tsvangirai** is a member. Its first meeting should bring Tsvangirai's first personal encounter with the service chiefs, who fear that the inclusive government, which was formed without their consultation, may expose them to prosecution for their role in the violence around last June's elections, which left hundreds of people dead or maimed. Then, the JOC's orders filtered down to senior Zimbabwe African National Union-Patriotic Front officials in the provinces, to local politicians, war veterans and armed youth militias.

The security chiefs think there will be an amnesty for the regime's civilian bosses and want one for themselves, too. They don't know, though, how to get it on to the agenda of the cabinet or the Joint Monitoring and Implementation Committee (Jomic), set up to monitor the implementation of the peace agreement. Finance Minister **Tendai Biti** told *Africa Confidential* that amnesty talks were going on. A government committee on National Healing and Reconciliation, composed of ministers **John Nkomo**, **Sekai Holland** and **Gibson Sibanda**, is looking into the possibilities.

An amnesty would be expected to cover political crimes committed by both ZANU-PF and opposition members since the 2000 presidential election and possibly as far back as the 1980s. The MDC is not united on the issue. **Welshman Ncube**, Secretary General of MDC-Mutambara and JOMIC Co-chairman, said the amnesty issue had not been tabled and the three political parties in the inclusive government had agreed on 'the full application of the rule of law'. Biti favours a conciliatory approach, along the lines of **South Africa's** Truth and Reconciliation Commission. Some JOC members fear that exposure of their crimes could threaten ill-gotten assets, such as farms. Others are uncomfortable about the sidelining of Gono, from whose quasi-fiscal activities they used to benefit. Mainly, they do not want to face the courts.

The Zimbabwe Congress of Trade Unions has turned down an out-of-court settlement proposed by Attorney General **Johannes Tomana** in an action against state security agents for torture in September 2006. ZCTU Secretary General **Wellington Chibembe** was himself tortured and says state security agents had orders to beat and torture ZCTU activists: 'We want those persons exposed through the trial.' **Otto Saki** of Zimbabwe Lawyers for Human Rights says it has taken up a number of cases and the challenge is to deal with perpetrators who retain political influence: 'The national healing process will be a charade if these cases are not prosecuted,' he said. Finance Minister Biti argues that failure of the unity government could lead to a military coup or civil unrest: 'Our capacity to deliver is linked to economic stability and we need help.' Potential donors say they want to be sure things have really changed before they write bigger cheques. ●

away at the International Monetary Fund-World Bank spring meetings. It is unclear how many vehicles have in fact been returned.

In ZANU-PF, the succession feud between the **Mujuru** and **Emmerson Mnangagwa** factions is festering on the back benches. At the end of April, with Parliament in recess, a meeting was held to elect officers for the Women's Caucus. There are 55 female MPs and Senators, 32 in ZANU-PF and 23 from the two MDCs. A ZANU-PF primary had chosen for the chair Senator **Monica Mutsvangwa** from Chimanimani in Manicaland, a rare ZANU success in that province and a Mnangagwa-supporter. She stormed out of the Women's Caucus on finding that **Beatrice Nyamupinga** had also been nominated. MP for a Mujuru-stronghold in Mashonaland East, Nyamupinga was elected unopposed thanks to a deal put together by Vice-President **Joyce Mujuru** (ZANU-PF) and MDC-T Deputy Prime Minister **Thokozani Khupe**.

This was a skirmish ahead of the 26-29 August ZANU-PF Women's Congress and the postponed party congress, now set for 8-13 December. (A Youth League Congress will open the season on 17-19 July.) Mnangagwa's faction aims to boot out Mujuru in December, after undermining her at the Women's Congress, with the help of Women's League Chairwoman **Oppah Muchinguri** and **Grace Mugabe**.

The Mnangagwa faction is discreetly backing calls for a parliamentary inquiry into the operations of the Dande Corporation, one of the vehicles for the Mujuru family's enormous wealth. Politbureau meetings are raucous. In December, **Amos Midzi** was ousted as Harare provincial Chairman by **Herbert Nyanhongo**, the capital's sole ZANU elected representative and a Mnangagwa-supporter, amid some violence and intimidation on which the party's Chairman, **John Nkomo**, and its Political Commissar, the late **Elliot Manyika** (replaced by acting Commissar **Richard Ndlovu**), were asked to report.

When the report arrived on 5 May, Mugabe ordered it be suppressed, as it showed his party as moribund in Harare; the Mujuru-camp had already attacked its restructuring proposals as too favourable to Mnangagwa and Nyanhongo. The irascible, 75-year-old Nkomo did not take kindly to claims that he had been nobbled by the Mnangagwa-faction. Joyce Mujuru's backers on the Politbureau were her key allies from Mashonaland East and Central, and Harare – her husband **Solomon**, **Nicholas Goche**, **David Karimanzira**, **Tendai Savanhu** and **Saviour Kasukuwere**. In reviewing their report, Nkomo and Ndlovu will now be joined by Goche, which could be seen as another victory for the stout lady. ●

SOUTH AFRICA

Pragmatism trumps ideology

President Zuma's first cabinet keeps the economic power in the hands of the market-friendly centrists

A night of haggling preceded President **Jacob Zuma's** 10 May announcement of a new cabinet, which includes people from the left, the centre, black business, populists and even a right-wing Afrikaner. Zuma looked tired when he arrived, 30 minutes late, for his first presidential press conference after last-minute horse-trading with the African National Congress's National Executive Committee over jobs. He promised to base his presidency on a pro-poor platform with better service delivery, improved efficiency and less waste. His cabinet has 34 ministers (six of them in new posts) and 28 deputy ministers, eight of them new.

The political motivations are clear: Zuma had to satisfy his eclectic support base. Administratively, the justification is that with greater overlap between ministries, they will be forced to coordinate implementation by working closely together. However, a larger government in a country facing a skills shortage in its civil service might just slow everyone down and create turf wars.

The big change is the appointment of former Finance Minister **Trevor Manuel** as head of the new Planning Commission. This will be the nerve centre of government from which all policy formulation and planning will emanate. The Commission will generate policy and overall direction; the ministries will implement it. This is intended to force coordination across government to break the 'silo' mentality that led to criticisms of sluggish delivery under former President **Thabo Mbeki**. Zuma has not been specific about how the new division of powers will operate. Yet Manuel would not have accepted the post of Minister in the Presidency in charge of the Commission without Zuma's assurance that he would have independence and discretion in his new role.

The Planning Commission will not sit as part of Cabinet but selected ministers will sit on the Commission, which will give Manuel a 'big brother' position in government. This does not sit well with leftists in the cabinet. Zuma has promised to explain how the Commission will work alongside his new super-size cabinet.

Zuma's strategic advisor **Blade Nzimande**, General Secretary of the South African Communist Party, heads the Ministry for Higher Education and Training. Basic education is in a separate

ministry under the hard-line **Angelina Motshekga**. Nzimande, supported by the SACP and Congress of South African Trade Unions (Cosatu), had hoped to be appointed Minister of Planning instead of Manuel. When Zuma stood his ground, the left proposed **Ebrahim Patel**, General Secretary of the Southern African Textile Workers Union and an advocate of industrial policy, for an economic development portfolio. Manuel's Finance Ministry goes to **Pravin Gordhan**, the efficient former head of the SA Revenue Service. A close ally of Zuma since the 1970s and a former communist, he now shares Manuel's centrist views and is likely to continue his policies.

Many responsibilities overlap between the economic departments and there are some political differences between centrists such as Manuel and Gordhan, and leftists such as Patel and the new Trade and Industry Minister, **Rob Davies**. Davies oversaw the government's 2007 industrial policy paper and skilfully brokered agreement on it with organised labour and business.

Zuma's close ally **Collins Chabane**, plucked from local politics in Limpopo Province to run the presidential transition team, becomes Minister for Monitoring and Evaluation, a new department based in the presidency. He would side with the leftists on policy matters. Zuma's priority areas – health, education, crime, housing and rural development – have all received beefed up budgetary allocations but the test will be whether the respective government departments will have the skills and capacity to spend the money.

Business magnate **Tokyo Sexwale** has been made Minister of Human Settlements (formerly Housing). An important portfolio for one of Zuma's staunchest supporters, Housing has the largest budgetary allocation (US\$16 billion over five years) of all government departments. This budget is also discretionary, which means Zuma needed to choose one of his trusted lieutenants to shepherd the government's housing policy. Education is split into two ministries, as is the Minerals and Energy Ministry. Tourism is removed from Environmental Affairs, which becomes Water Affairs and Forestry. A new ministry was created for Economic Development, and another for Women, Youth, Children and the Disabled.

Baleka Mbete, the interim Deputy

President and the ANC's National Chairwoman, boycotted the swearing-in. As a woman and one of Zuma's most vocal supporters, she had hoped for the deputy presidency, ahead of the interim President, **Kgalema Motlanthe**, who actually got the job. The pro-Zuma left-wingers in the Cosatu and SACP doubted Motlanthe's loyalty, but if he had returned to run the party organisation he might have built an independent political base.

THE LONG GAME

Weakly supported by the Women's League, Mbete has been redeployed to ANC head office and can try for the presidency from there. Zuma says he will be a one-term president and, if he keeps his word, Motlanthe stays in the running as successor. Another aspirant is **Mathews Phosa**, who declined a cabinet post. As ANC Treasurer, he has acquired power and his allies hope he can bid for the presidency from there. **Cyril Ramaphosa**, the former ANC General Secretary, also turned down a cabinet post but is doing more party work and is in the running for the presidency after Zuma.

Barbara Hogan, the interim Health Minister, has been redeployed as Public Enterprises Minister. As Chairwoman of parliament's Finance Committee, she won credit for integrating the state-owned companies into industrial policy, thus boosting infrastructure, lifting growth and creating jobs.

Susan Shabangu at the new Mines Ministry was a disappointment in previous jobs: last year, as Deputy Police Minister, she told police to 'shoot to kill' criminals, but she is a former trade unionist and Cosatu supported her promotion. **Dipuo Peters**, an Mbeki ally, becomes Energy Minister, with the SACP's leading theoretician, **Jeremy Cronin**, as her Deputy. She led the ANC in the Northern Cape and became Provincial Premier in 2004; lately, she was suspected of leaning towards the breakaway Congress of the People. Another Mbeki ally from the provinces, **S'bu Ndebele**, formerly Premier of KwaZulu Natal, was appointed National Transport Minister, with plenty to sort out ahead of next year's football World Cup. KwaZulu, Zuma's home province, got no less than 13 government posts. Zuma's ex-wife **Nkosazana Dlamini-Zuma** (a former Mbeki ally) was appointed to the difficult Home Affairs Ministry, which is renowned for inefficiency and corruption.

The Ministry for International Affairs and Cooperation (the former Foreign Ministry) went to a long-time Zuma supporter, **Maite Nkoana-Mashabane**. She hails from Limpopo and used to be High Commissioner to **India**, but is not known for her interest or diplomatic skills. **Aaron Motsoaledi's** appointment as Health Minister was another surprise.

A medical doctor from Limpopo Province with a career in provincial politics, he may lack the clout to face down entrenched interests, turn around the ailing health sector, deal with HIV/AIDS and introduce the promised national health insurance scheme.

Richard Baloyi, a former ANC backbencher, becomes Minister for Public Service and Administration. He will also need some political muscle to force through improvements in service delivery. **Gugile Nkwinti**, a former nurse, is Minister for Rural Development and Land Reform. He was strongly pro-Zuma, and an undistinguished Speaker of the Eastern Cape Provincial Assembly. **Tina Joemat-Pettersson**, a rising talent, takes over the new combined Ministry of Agriculture, Forestry and Fisheries. She is a former teacher from the Northern Cape – and a hard worker. Her Deputy is the Freedom Front Plus leader, **Pieter Mulder**. The responsibilities of Pettersson's and Nkwinti's ministries overlap, so there may be tensions.

Extending an olive branch, Zuma appointed several loyal Mbeki supporters, including S'bu Ndebele at Transport, Dipuo Peters at Energy, **Nosiviwe Mapisa-Nqakula** at Correctional Services and **Thabang Makwetla** as Deputy Minister of the new Defence and Military Veterans Ministry. However, there is no place for Mbeki's economic policy guru, **Joel Netshitenzhe**, in Zuma's cabinet.

The ANC had voted that half of all government jobs would go to women, but they got only 14 out of 36 cabinet posts, and ten of 28 deputy ministries. But, to the indignation of some old-style

bosses, several provinces now have female premiers. In the Eastern Cape, Zuma appointed **Noxolo Kiviet**; in Gauteng, **Nomvula Mokonyane**; in the Northern Cape, **Hazel Jenkins**; and in the North West, **Maureen Modiselle**.

Max Sisulu, another ANC grandee and foe of Mbeki, is the new Speaker of Parliament. We hear that he is angry at his 'lowly' reward for supporting Zuma; he had expected the Economic Development post. The appointment of Pieter Mulder, leader of the conservative, Afrikaans-speaking Freedom Front Plus, as Deputy Minister of Agricultural Affairs is intended to allay white fears about land reform. Zuma also retained **Marthinus van Schalkwyk**, formerly leader of the defunct National Party, as Tourism Minister; he headed the Environmental Affairs and Tourism Ministry under Mbeki.

The main opposition, forming the new government of the Western Cape, is the Democratic Alliance. Its Spokesman, **Manie van Dyk**, foretold the end of FF Plus. He argued that 'the National Party was completely swallowed by the ANC following Marthinus van Schalkwyk's co-option into cabinet. The ANC will swallow the FF Plus just as they did the National Party.' Much the same happened to the Zulu-traditionalist Inkatha Freedom Party and the black consciousness Azanian People's Organisation, which were co-opted by Mbeki. But Zuma found no place for black opposition parties such as the breakaway Congress of the People. The ANC has little patience with dissent. ●

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THE SECURITY BRIGADE

President **Jacob Zuma's** ally **Siphiwe Nyanda**, a former head of the defence force, was appointed Communications Minister; his numerous defence-related business interests disqualified him from the Defence Ministry. Journalists are uneasy with a military man in charge of the public South African Broadcasting Corporation and internet policy. In his inauguration speech Jacob Zuma specifically defended freedom of the press.

Defence Minister **Lindiwe Sisulu** fought hard to have Zuma's corruption case quashed. She now heads the new Ministry of Defence and Military Veterans, which is a reward to the veterans of the ANC's armed wing, *Umkonotho we Sizwe*, who supported Zuma. Sisulu, a close Zuma intelligence buddy, is another candidate for the presidency of the African National Congress when Zuma retires.

Siyabonga Cwele is now Minister of the new Department of State Security (formerly Intelligence). **Nathi Mthethwa**, the interim Minister of Police, also keeps his job. A former ANC backbencher, he is good on rhetoric but may struggle with strategy on South Africa's crime wave. Former ANC Youth League President **Fikile Mbalula**, another Zuma ally, becomes Deputy Police Minister: a populist, he inspires little confidence.

Two of Zuma's closest henchmen, **Jeff Radebe** and **Andries Nel**, have been appointed Minister and Deputy Minister for Justice and Constitutional Development. They will probably brush away Zuma's legal woes and may get tough on the judiciary, which was regularly attacked during Zuma's battle against corruption charges. The independence of the judiciary will be tested at the end of the year when Zuma, in consultation with Radebe, appoints six new Constitutional Court judges, following retirements on the bench, as well as the Chief Justice. ●

Votes that don't add up

With election reruns, violence and fuel shortages in an oil-rich economy, Nigerians worry about their government. The rumpus over the rerun governorship election in Ekiti State on 25 April has become a symbol of the national crisis. The ruling People's Democratic Party has tried to bludgeon Ekiti into accepting its candidate Segun Oni rather than opposition candidate Kayode Fayemi after it lost control of several other state governorships in the region. The brutality meted out by PDP thugs in Ekiti was so bad that President Yar'Adua has ordered an inquiry.

'A DO OR DIE AFFAIR'

The political stand-off continued this week in Ekiti State after the Independent National Election Commission (INEC) announced the results of the governorship election on 5 May, which had been rerun in ten of the 16 councils in the state. Ekiti still resembles an armed camp as the national political temperature rises. The rerun pitted the People's Democratic Party (PDP) incumbent, **Segun Oni**, against **Kayode Fayemi** of the opposition Action Congress (AC). Their dispute dates back to the 2007 national elections, when Fayemi launched a court challenge against Oni's declared victory. Backed by independent election observers, Fayemi brought forensic evidence of fake ballots and video recordings of improprieties by the Oni camp.

Taking this into account, the court ordered reruns in the ten disputed councils of the sixteen in the state. A final tally of the official result, including the count from the six councils from the 2007 elections and the results from the fresh polls, gave 111,140 votes to Oni and 107,017 to Fayemi. Oni's total for the new polls was 44,306 to Fayemi's 38,238.

With just over 4,000 votes separating winner and loser, the results were likely to be disputed, even without the bizarre events leading up to the polls and surrounding the announcement of the results. The PDP's Oni, sworn in amid tight security, said he would be 'a governor for all Ekiti indigenes'. The reactions were bitter and acrimonious: 'Oni was brought to power with impunity by the powers that be', said **Sam Omatseye**, Chairman of the editorial board of *The Nation* newspaper, said to be funded by the AC. Firstly, on 25 April there were clashes in Oye Ekiti, one of the disputed local governments, which caused elections there to be postponed. The authorities dispatched a 15,000-man security force. Put off by the show of force and the violence, only 2,070 of nearly 15,000 registered electors turned out to vote. On the same day, PDP supporters armed with machetes and clubs beat up a group of civic activists in Ido-Osi (AC Vol 50 No 9).

Fayemi was leading in the count until an INEC official in Ekiti, **Olusola Adebayo**, disappeared (AC Vol 50 No 9). She had said publicly that she was being forced to announce false results. After her reappearance on 29 April, Adebayo said she was now prepared to announce results that declared Oni the winner. Each side has their own explanation for what happened. Prior to her reappearance, the PDP had been calling for her expulsion from INEC; now it appears to be happy with her performance.

In the wake of the results, Fayemi told *Africa Confidential* that he would launch a legal appeal, probably just for the Ido-Osi local government area, where he says the PDP 'manufactured' the results: 'They prepared multiple thumb-printed ballots. Prior to the vote, they [the PDP] had obtained from INEC, unofficially, the ballot papers used for the election and they had thumb-printed

them in advance. That's what they were trying to bring into the INEC collation centre that led to the violence there.' Then the PDP officials, in connivance with the INEC officials, Fayemi says, took the fake ballots to a police station, where they continued the count. Meanwhile, Fayemi says the climate of violence is worsening in Ekiti. 'The palace of my King has been burnt down by these elements. They attempted to burn down my home last week.' He says the opposition is stepping up the campaign with daily demonstrations. He adds that he fears violence could be a trigger for the whole nation, perhaps for military intervention or the spread of political unrest. Certainly, bitter memories were revived by the violence.

Ekiti is a smallish state, with 2.3 million people. There are uneasy similarities between the latest events and those before the collapse of Nigeria's Second Republic, led by President **Shugu Shagari**, amid the disputed elections of 1983. Then, the military used the pretext of fraudulent elections, and a government that tolerated widespread corruption and had lost its political direction, to seize power amid, initially, much popular rejoicing. Perhaps the main difference today is that the appalling record of the last military regime under the late General **Sani Abacha** (who was poisoned in 1998), seems to have diminished public support for such intervention. However, memories of the Abacha record are dimming with time and popular dissatisfaction with the ruling PDP is growing.

'THE PDP WILL RULE NIGERIA FOR 60 YEARS'

The governing party's Chairman, Chief **Vincent Ogbulafor**, appears to be oblivious of the contempt in which his party is generally held: 'The PDP will rule Nigeria for 60 years'. It is a conservative party with a league of rich and influential Nigerians who want to maintain the status quo. The previous President, **Olusegun Obasanjo**, was a PDP man, released from gaol to head the new republic after the Abacha regime. Oil prices soared and being a member of the PDP became like winning the lottery. On the campaign trail in 2007, Obasanjo called electioneering 'a do or die affair'. His followers took him at his word. Politically motivated murder became rampant and the Nobel Laureate **Wole Soyinka** called the PDP 'a nest of killers'. In 1999 and in 2003, the opposition parties tolerated that. By 2007, they had mustered enough courage to challenge the results in the courts.

PDP election victories face challenges all over the south. The PDP lost control in Edo State in the mid-west, where the former Nigerian Labour Congress leader, **Adams Oshiomole**, is now Governor. In Osun State, the AC candidate, **Rauf Aregbesola**, is challenging the election of the PDP's Colonel **Olagunsoye Oyinlola**. In Ondo State, next to Ekiti, the PDP's **Olusegun Agagu** lost the governorship to **Olusegun Mimiko** in a court battle. In Oyo State too, a PDP victory has been challenged in the courts.

Emboldened by the PDP's court losses in Ondo and Edo states, opposition parties, and especially the AC, are preparing for challenges at the 2011 elections. The south-western states are usually liberal in their politics but in 2003, they voted for the conservative PDP in order to support one of their own, Obasanjo, a fellow Yoruba and then the incumbent President, running for a second term. Now violence has returned. It is widely believed that Segun Oni, the PDP candidate in Ekiti, had the backing of the Inspector General of Police, Sir **Mike Mbama Okiro**. The PDP-controlled federal security apparatus was deployed.

Oni and Fayemi are contestants in the warm-up match for the 2011 presidential elections. For the PDP militants, their problem is that the AC is funded by **Asiwaju Bola Ahmed Tinubu**, a former Lagos State Governor, who wants to build a voting block in the south-west to boost his vice-presidential ambition in 2011. Tinubu's business interests include links to **Lebanese** multimillionaires **Gilbert** and **George Chagoury**, who have worked with most of the political and military class in Nigeria, including former Police Inspector General **Muhammadu Dikko Yusufu** and Sani Abacha.

Tinubu is a candidate for the AC leadership alongside **Abubakar Atiku**, formerly Obasanjo's Vice-President. Atiku helped fund him after he fell out with Obasanjo. Atiku's fortunes in the party have dwindled since he contested the 2007 presidential election under the AC banner and lost. In 2007, Tinubu backed his cousin, **Babatunde Raji Fashola**, a lawyer, for the Governorship of Lagos State. The AC Chairman in Ekiti, **Jide Awe**, said, 'The wishes and aspirations of the Nigerian people and Ekiti in particular have been dashed by instrumentality of state in the hand of INEC'.

Adekunle Ojo, a lawyer and senior official of the Nigerian Bar Association, says that 'a full implementation of the Justice **Uwais** Report on Electoral Reforms is the only way this democracy can survive come 2011 elections'. President **Umaru Musa Yar'Adua's** government has been tinkering with details of that report: opposition politicians fear that he will not implement recommendations for a fully independent electoral commission until after the 2011 elections, which could end in chaos.

In an unprecedented press conference on 12 May, Yar'Adua appeared to recognise these risks and committed himself to substantive reform again. He blamed petroleum marketers for the three-week-long fuel shortage crisis. He said they were opposed to reforms making Nigeria's four oil refineries operate commercially, which would undercut the profits of those companies involved in importing millions of barrels of refined fuel into Nigeria. The same companies are often involved in smuggling Nigeria's own subsidised refined gasoline to neighbouring states for vast mark-ups. Before the press conference, the Senate had threatened to arrest the Oil Minister **Rilwanu Lukman** for failing to attend a sub-committee meeting to discuss the national fuel crisis.

Two years into President Yar'Adua's four-year term, the promises of a return to the rule of law, ending political corruption, negotiating a settlement in the Niger Delta and restructuring the oil and gas sector all ring hollow. Whatever Yar'Adua's personal aspirations may be, the party in power has little interest in a serious reform agenda. ●

Go to africa-confidential.com for Africa Confidential's interview with Ekiti State Governorship candidate **Kayode Fayemi**.

WELCOME BACK, CHIEF TONY

Chief **Anthony Anenih** is Nigeria's ultimate political survivor. In March, 30 years after entering national politics, he was appointed Chairman of the Nigeria Port Authority, the government's second-biggest source of revenue and a byword for corruption and inefficiency. It takes over 28 days to clear Nigerian ports, one of the world's longest waiting times. The NPA chairmanship is one of the most coveted items of presidential patronage outside the oil sector.

The appointment says more about President **Umaru Musa Yar'Adua's** ethical standards than Anenih's technical skills. A former policeman, Anenih, who is 75, has served every military and civilian regime since **Shehu Shagari** became President in 1979. He has several times been accused of grand corruption and political thuggery, and smilingly points out that he has never been convicted.

Shortly after Anenih was named NPA Chairman, the federal government revoked the award of OPL 323, an oil block granted in 2005 to the Korea National Oil Corporation, although on 12 March, the Chief Judge of the Federal High Court in Abuja had issued an injunction staying the revocation.

As hearings resumed, KNOC's Counsel, **Robert Clarke**, informed the court that the Attorney General, **Michael Aondoakaa**, had on 19 March written to the Acting Director of Petroleum Resources to order the revocation and that two weeks earlier Aondoakaa had received a letter from Anenih, sent through his lawyer. Anenih has significant interests in Owel Petroleum Services Nigeria Limited, a local participant in OPL 323 with ambitions to push out the **South Korean** company.

Anenih had a controversial tenure as Minister of Works and Housing between 1999 and 2003. In 2001, it was revealed that US\$10 million had gone missing from toll receipts and another \$3 mn. had disappeared from road repair funds.

In 2004, **Orji Kalu**, then Governor of Abia State (who was later charged with corruption), accused Anenih of frittering away 300 billion naira (\$2 bn.) earmarked for roads. Anenih replied that it was N200 bn. In February 2004, Kalu accused Anenih of threatening to 'do to him as had been done to **Bola Ige**', a former Attorney General who was murdered in his home in 2001.

In late 2005, **Ojougboh Cairo**, Anenih's personal assistant and a member of the House of Representatives from Delta State, left London suddenly after his bank told **British** officials of the transfer of huge sums of money into his account. Cairo had supervised Anenih's extensive properties in Abuja.

For eight years, while Chairman of the Board of Trustees of the People's Democratic Party (PDP), Anenih received unexplained monthly stipends of N50 mn. each from **Peter Odili** and **Lucky Igbinideon**, the Governors of Rivers and Edo States, both of them suspected of corruption.

Anenih is from one of Nigeria's smaller ethnic groups: he is an Esan from Edo State, where his national political career began and he is still interested in controlling the governing PDP there. From this base in the 1980s, Anenih built up political contacts with Nigeria's then military rulers until 1991, when the military government of General **Ibrahim Babangida** created two parties (the National Republican Convention and Social Democratic Party) to contest elections as part of a managed transition to civilian rule.

Gen. **Shehu Yar'Adua**, brother of the incumbent President, wanted to be the SDP's presidential candidate and Anenih became National Director of his campaign. When Yar'Adua won the primaries, Babangida cancelled the elections. Anenih switched his support back to Babangida and was rewarded with the chairmanship of the party when the election exercise resumed.

In 1994, he seemed to side with Gen. **Sani Abacha**, who put Shehu Yar'Adua in gaol, where he died of poisoning. In the lead up to the 1999 elections, Anenih wielded influence because of his association with the late Yar'Adua, around whose network the PDP was based. Anenih switched his allegiance back to President **Olusegun Obasanjo**, campaigning (with gifts of money and oil blocks) for a change in the constitution to allow him a third term in office.

The third-term bid failed. Obasanjo preferred Yar'Adua as his successor, while Anenih supported Governor Odili, who had been lavishly handing out Rivers State's oil revenues. This was too much for Obasanjo. He had Anenih voted out of the party chairmanship and took the job himself.

In February 2009, Yar'Adua reinstated Anenih, who energetically defended his boss against talk of ill-health and incompetence. The President and his narrow base of supporters want to hold on to power and know how to deploy the presidential patronage that is master of all Nigerian institutions. Anenih's appointment finally puts to rest Yar'Adua's claim to be reinstating the rule of law in Nigeria. ●

Pax Guebuzana

Buoyed up by aid and trade, the party in power is sure that it will sweep the coming elections

With national elections due in December, President **Armando Guebuza** may feel he has achieved most of what he hoped for when he took office nearly five years ago. His *Frente de Libertação de Moçambique* seems impregnable, having rolled back the political pluralism and economic liberalism of his predecessor, President **Joaquim Chissano**, after the end of the civil war in 1992. Chissano's policies set Mozambique on the road to growth but Frelimo hardliners saw them as weaknesses that allowed politics, the economy and society to move beyond the party's grasp. No longer.

Guebuza has not only satisfied the old guard. He has tried to modernise the economy and the government by a tough, top-down approach, promoting economic growth and poverty reduction with a strongly nationalist approach to business and foreign partners. He has used Mozambique's reputation as a reformer to burnish his government's record for competent management and as a responsible partner for international donors. The resulting four years of economic growth at an average of over 7% a year – one of the highest in Africa and the world – were achieved by macroeconomic stability, donor support and massive inflows of foreign direct investment.

Prime Minister **Luísa Diogo** has shown the technocratic face the government wishes to project abroad and is comfortable with the language of good governance and development. Some of the old-guard have been rehabilitated and those who do not perform, relegated. Key ministries are run by able technocrats. Corrupt ministers have been charged and even arrested.

The government's economic and social policy framework, the poverty reduction strategy, is backed (and largely drafted) by the International Monetary Fund, World Bank and other creditors, and known as the *Plano de Acção para a Redução da Pobreza Absoluta 2006-2009* (PARPA II). Its mainstays are macroeconomic prudence, policy reform, private sector development and massive investment in the social sectors. Many complain that it is not having the hoped-for impact on poverty. PARPA is a political project, fusing economic and social policies with Frelimo's objective of asserting its strength in what were the strongholds of the opposition *Resistência Nacional de Moçambique*

(Renamo) in the north and centre. Party and state are indistinguishable from each other. Frelimo has tapped into the international sympathy it won during Zimbabwe's liberation struggle in the 1970s and South Africa's in the 1980s, post-conflict reconstruction in the 1990s and poverty reduction today.

Despite Guebuza's bruising style and Frelimo's sense of entitlement, creditors have given the government strong financial backing. Much arrives as direct budgetary support and the result has been sustained poverty reduction and rapid economic growth (AC Vol 49 No 13). The economy has been transformed. None of the top exports – aluminium, electricity, gas, titanium, tobacco, sugar – were significant or even existed ten years ago.

Inevitably, the global economic slowdown threatens that progress. The government has cut its forecast for real growth in gross domestic product in 2009 to 6.5%. The IMF has lowered its forecast twice this year, most recently to 5.5%; 5% is more likely. By world standards, that looks good; less so at home. Public spending has been high and growth has been strong in agriculture, transport and services, but commodities have slumped. Private-sector finance is hard to raise for the next mega-schemes in mining, energy and other sectors. BHP Billiton has shelved its Corridor Sands titanium mining project and there is little sign of the multibillion dollar financing needed for the new hydroelectric project at Mpanda Uncua and expansion of the Cahora Bassa dam.

Social investment, particularly in health and education, is ring-fenced against cuts under the PARPA and agreements with the IMF and World Bank. Donors support

these sectors by direct budget support, committed for several years in advance. In other sectors, the flow of concessionary funds is starting to fall, especially where the donor agencies control expenditure. Yet the economy is well run and economic woes should not affect the government's re-election campaign.

Renamo has split, with an open revolt against its veteran president, **Afonso Dhlakama**. Last November, it did disastrously in local elections, losing all the five councils it held. Its parliamentary leader, **Maria José Moreno**, and official spokesman, **Eduardo Namburete**, along with many provincial cadres have defected to the new *Movimento Democrático de Moçambique*, which held its founding congress in March. The MDM is led by the Mayor of Beira, **Daviz Simango**, whom Dhlakama expelled from Renamo last year. He is a serious candidate with a strong nationalist pedigree. His late father, **Uria Simango**, was a Frelimo leader during the independence war, lost a power struggle after the 1969 assassination of Frelimo's first President, **Eduardo Mondlane**, and was himself secretly executed in 1977. The MDM's ambition is to win one-third of the vote in the elections. It has reached out to, but not merged with, the *Partido para a Paz, Democracia e Desenvolvimento* (PDD, Party for Peace, Democracy and Development), led by **Raul Domingos**, whom Renamo also expelled in 2000.

Frelimo will win the elections. Guebuza and the head of its parliamentary group, **Manuel Tomé**, both expect a 'total and convincing' victory. Guebuza has reinvigorated the party, which is far stronger than at any time since the days of the one-party state. In 2004, it made inroads into Renamo's home ground and hopes this time to win the three provinces that it does not already control. Yet electors may not love their government, with its weakening commitment to democracy and its perceived bias towards the southern provinces. Turnout will be low: in 1994, it was 85%; by 2004, 36%. Resignation, not enthusiasm, may be the hallmark of Guebuza's re-election. ●

PEOPLE ON TOP

● **Luísa Diogo**, the durable Prime Minister, is a former Finance Minister and World Bank staffer. Early in President **Armando Guebuza's** term, she was outside the President's inner circle and looked like being fired or resigning. Now with strong party backing, she is seen as a potential successor after Guebuza's next, and final, presidential term.

● **Aiuba Cuereneia**, Minister of Planning and Development, is a presidential confidant. He was for a time considered de facto prime minister but has more recently been curbed by party barons who dislike being overruled by young technocrats.

● **Oldemiro Baloi**, a young moderniser, was Industry Minister in President **Joaquim Chissano's** first elected government. He earned the wrath of party barons but has been rehabilitated. As Foreign Affairs and Cooperation Minister, he replaced **Alcinda Abreu**, a dinosaur from the *Frente de Libertação de Moçambique's* one-party state era.

● **José Pacheco**, the youngish Interior Minister oversees the President's tough security and law and order policies. A key Guebuza ally and rising star. ●

A credit-crunch presidency

In the midst of the recession, there is barely any investment in Congo, which bodes ill for President Kabila in the elections due in 2011

Two weeks after **Evariste Boshab**, a close ally of President **Joseph Kabila**, was elected Speaker of the National Assembly and the independent-minded **Vital Kamerhe** had been forced from the Speaker's post, minority politicians are complaining about a return to a 'single-party' behaviour reminiscent of Presidents **Mobutu Sese Seko** and **Laurent Kabila**.

Boshab's supporters in his home province of Western Kasai organised a march to congratulate Kabila on choosing one of their own. Kamerhe formally expressed his 'profound respect' and in his resignation speech asked the President's pardon for any offence caused. We hear, though, that Kamerhe might consider running for the presidency in two years' time, if he can raise the money.

Critics from outside the Assembly get rougher treatment. On 17 April, 20 non-governmental organisations entered a plea against the head of the *Agence Nationale de Renseignements* (intelligence agency, ANR), **Jean-Pierre Daruwezi Mokobe**, claiming that human rights activists had been tortured for, among other things, trying to organise a pro-Kamerhe demonstration. The small opposition *Union des Républicains* is still demanding that the security services release its leader, **Norbert Luyeye**, who had protested against the presence of **Rwandan** and **Ugandan** troops in Congo. Yet as the regime hits out at the opposition, its own popularity is declining.

The International Monetary Fund has reduced its 2009 growth forecast from 4.5% to 2.7%. At the end of April, inflation was above 50%. An IMF facility 'for protection against external shocks' brought in US\$195 million but is not enough to sustain the public finances. An expert at the *Banque Centrale du Congo* reckons that depreciation of the Congolese franc has cost the public a fifth of its purchasing power in the last four months.

The BCC has received \$100 mn. from the World Bank to support the balance of payments. The African Development Bank is lending \$97 mn. and the European Union has promised 50 mn. euros (\$68 mn.) to finance imports. In early March, the BCC held reserves of \$36 mn., equal to just three days' imports.

The drawn-out reviewing of mining contracts does not help. EU Development Commissioner **Louis Michel** says it brings 'a new dynamic of corruption',

with new opportunities for pocket-filling. As commodity prices decline, Congo is losing its bargaining power with the multinational mining companies.

SCARE TACTICS FAIL

All the companies say they have a deal with the government, even the six problem cases which include Freeport McMoRan, First Quantum Minerals and AngloGold Ashanti, which hold some of Congo's most lucrative mineral assets. So they were shocked to hear Deputy Minister of Mines **Victor Kasongo** announce, incorrectly, that the government had rejected the deal. Deputy Prime Minister **Emile Bongeli** set the record straight: a decision will be made by the cabinet. With empty pockets, Congo's managers may have thought these tactics would help companies to loosen their purse strings, but weary of two years of uncertainty about mining contracts and with less cash to spare on investment, foreign investors are losing their appetite.

In March, BHP Billiton and De Beers stopped diamond exploration in Eastern Kasai. Several smaller firms have left Katanga and although the gold price has risen, business is slow. A handful of international companies in Katanga turned off their machines and put project developments on hold as the financing dried up. They hope the copper price will recover enough to get moving again.

It looks as if the huge **Chinese** contracts to build infrastructure, housing and hospitals in exchange for mining concessions will move more slowly than expected; some are under review. Kabila has to take care in his negotiations with the Chinese for fear of being left with nothing to show by 2011 – election year. One big issue is the decentralisation programme. It would transfer many responsibilities and 40% of tax revenue to provincial authorities – and would also, as Louis Michel acknowledges, increase separatist tendencies in some provinces. The necessary laws are not ready and ticklish outstanding issues include the transfer not just of receipts but also of outstanding debt.

The government has done its best to balance the budget but has so far failed to convince the IMF, which pushed back to December any decision on a \$500 mn. loan to Congo under its Heavily Indebted Poor Countries Initiative. The IMF wants to wait for the deal with China, which

would bring \$6 billion in infrastructure investment. First, the Chinese companies have to determine the value of the deposits they have been offered.

The signatories, China Railway Engineering Corporation and Sinohydro Corp., have already brought in road-building machinery. While they wait, they are picking up other work and refurbishing an unfinished hospital in central Kinshasa, which was nicknamed '**Kuwait**' after it was invaded by soldiers looking for a place to squat. They are also said to be planning another power plant to supply Kinshasa with electricity. They have already gutted the capital's main artery, the Boulevard du 30 Juin. Most of the trees have been chopped down and the roundabouts bulldozed to make way for a five-kilometre highway.

Security is by no means established. In North Kivu, the rebel *Forces Démocratiques de Libération du Rwanda* (FDLR) have moved back into several areas that they held before the joint Congolese-Rwandan operation in January. The United Nations Special Representative, **Alan Doss**, jumped the gun with his statement on 20 April that the war was over.

The UN's *Mission des Nations Unies en République Démocratique du Congo* (Monuc) claims that its joint operations with the army have destroyed the FDLR's command structures in Masisi and Rutshuru. Yet the Hutu force carries on in smaller units that are hard to pin down. Without territory where it can levy taxes, its soldiers survive by looting and sabotage. The UN's humanitarian office deplores the population movements imposed by both the government and the rebel forces.

The army, the *Forces Armées de la République Démocratique du Congo*, is focusing its operations on South Kivu now, where it hopes Monuc's support will help it expel the FDLR from some of the zones it occupies. A UN military official privately admitted that the FARDC is not going to get a tighter grip on North Kivu: the FDLR has retaken many of its positions and is harassing civilians. Kabila is struggling to ensure salaries reach his troops, to keep them motivated and stop them from robbing the population.

From Oriental Province, ravaged by the Lord's Resistance Army from northern **Uganda**, 15,000 Congolese citizens have fled into **Sudan**. In Kakwe in Ituri, officials accuse Southern Sudanese officers of settling down – with their weapons – in Kimba village, excluding Congo's own frontier police. The Lendu militia of the *Front Populaire pour la Justice au Congo* recently mounted several attacks in which civilians were killed. In Equateur Province, officials report the failure of a disarmament drive, blaming the 'indiscipline' of the heavily-armed local people. ●

Diamonds lose their shine

Rich people are not buying jewels, so Botswana's budget is in deficit and its people are losing their jobs

The global economic downturn has hit Botswana hard. Decades of diamond-led economic expansion have ground to a halt, as people buy fewer gems (AC Vol 49 No 8). The slump became evident last year and has turned out to be more severe than was then expected by Debswana, the diamond mining company that is owned 50-50 by the government and De Beers.

In 2009, Botswana, the world's biggest diamond producer by value, will produce only half the 32 million carats mined last year, with dramatic effects on export earnings and government revenue – and possibly on the national elections that are due in October (see Box). Botswana is far more dependent on diamond mining than its southern African neighbours. Diamonds

contribute only a small share of South Africa's much bigger and more diversified gross domestic product (GDP). Namibia also exports substantial quantities of uranium, zinc, fish and so on. Angola has its oil. Botswana's diamond exports were worth US\$3 billion in 2008, made up 65% of total exports and produced a foreign trade and current account surplus on the balance of payments. This year, diamond exports will be halved and the current account will move into the red; although, unprecedentedly in Africa and much of the world, prudently accumulated foreign exchange reserves of almost \$10 bn. could cover more than two years' imports.

In December, Debswana suspended operations at its two smallest mines, Letlhakane and Damtshaa, and in February it announced that Damtshaa, along with the Orapa No 2 plant (commissioned in 2000), would remain shut for the rest of 2009. Production at Jwaneng (14 mn. carats in 2008) and the Orapa No 1 plant was suspended between the end of February and mid-April 2009, when Letlhakane also came back on line.

DON'T BLAME ME!

So far, there are few signs that electors blame the government for the recession and the governing Botswana Democratic Party seems set to win again at the October elections. Yet the diamond collapse deprives the BDP of one of its most valuable election weapons, the chance to boost spending and public-sector jobs in the run-up to the polls.

Ever since he took office in April 2008, President **Ian Khama Seretse Khama** has upset the country's political professionals (AC Vol 49 No 8). The media grumble that he is introducing one-man rule. His background as past Commander of the Botswana Defence Force (BDF), his frequent bypassing of Parliament without consultation (notably a shocking attempt to ban alcohol imports) and the presence of several former army officers in his cabinet, all inspire complaints that he may not be keen on multiparty democracy and that politics is becoming militarised.

The public seems unworried. A recent poll by Afrobarometer found he had a 90% approval rating, with 70% of respondents naming him as their first choice for President. However, an easy victory in October for Ian Khama and the BDP could be denied by the impact of the recession on voters' incomes, combined with renewed BDP infighting.

Most people seem to applaud Khama's intention to separate party politics from government. His clumsy tactics, though, risk re-igniting the factionalism that plagued the BDP until he took charge. Last month, he sacked the party Chairman, **Daniel Kwelagobe**, from cabinet, claiming he was implementing a resolution of the BDP's National Council that bars members from holding office in both party and cabinet. Kwelagobe intends to stand again as Chairman at the BDP Congress in July and a confrontation between his supporters and Khama's looks inevitable. Khama's critics say the Council resolution could not come into force until an amendment to the party constitution has been endorsed by congress. It was the President who pushed the motion through a Council meeting last month, after an acrimonious stand-off with Kwelagobe. His supporters ask why the new rule was not applied to the Education and Skills Development Minister, **Jacob Nkate**, who heads the BDP's dominant faction and doubles as party Secretary General.

The recession might seem to offer the opposition parties their best opportunity for decades. Yet the Botswana National Front (BNF) and Botswana Congress Party (BCP) have failed to make an electoral pact and in many constituencies, their candidates will take votes from each other. In up to twelve of the 55 constituencies, a single opposition candidate could in theory beat the BDP, which won last time with less than half the votes cast. It looks set to do the same again.

In 2004, the BDP won 43 seats, giving it a majority of 30 in the National Assembly. To change the government, the opposition needs more than 15 seats. The BNF at present has 12 members of parliament; the BCP, only one. The BCP may have benefitted from squabbling in the BNF, belatedly curbed by its leader, **Otsweletse Moupo**. He refused to accept back into the party several members who had been expelled as dissidents and was therefore called dictatorial and intolerant. The BCP President, **Gilson Saleshando**, is seen as a more effective leader than Moupo; the BCP, which has recently made local council gains from the BDP, may profit from dissatisfaction with the party in power.

If the opposition does make gains, it will probably be in the capital, Gaborone, where the BDP could lose one of the five seats it holds. In Francistown, the BDP could lose one of its three seats and in Chobe, Okavango and Selebi-Phikwe East and West, the BCP ran the BDP a close second in 2004. ●

HOPING FOR AN UPTURN IN 2010

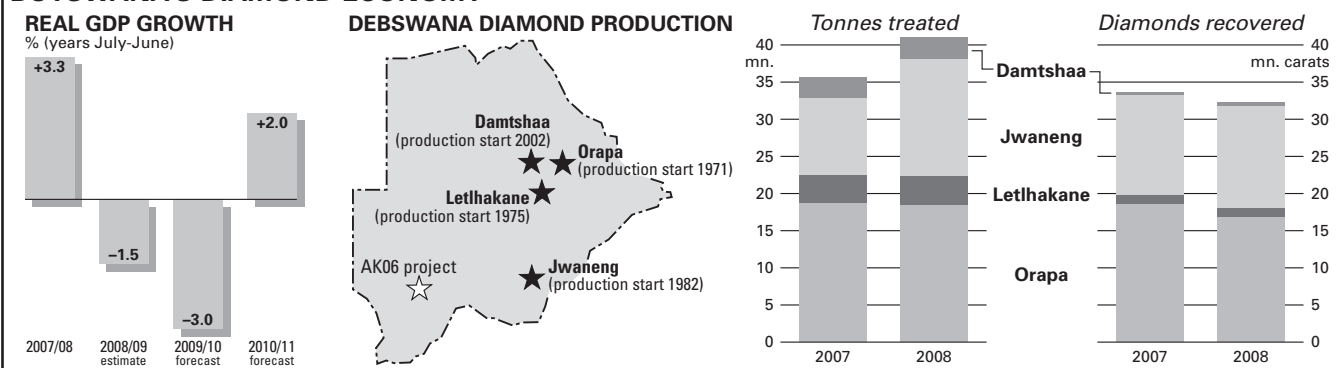
In December-January and in February-April, the company halted all production, to avoid building up a huge stockpile of unsold stones which would have to be disposed of before normal business could start again. The savings, said to be substantial, are intended to position it for the upturn in global demand which optimists hope for in 2010. That depends on a resumption of economic growth elsewhere, notably in the **United States**, the biggest gem market. So far, direct job losses have been limited, as most of Debswana's 3,000 employees have been put on paid leave. The negotiation of voluntary redundancies and redeployment for about 600 employees with the Botswana Mine Workers' Union is under way.

If demand for gemstones does not recover next year, Botswana could record two years of negative economic growth for the first time since the diamond industry was developed in the 1970s. The Economist Intelligence Unit reckons that real GDP growth will have contracted by 1.5% between July 2008 and June 2009, with a further contraction of 3% in 2009-10 and, it is hoped, recovery thereafter to around 2%. Lower prices are also expected for Botswana's copper and nickel; potential investors will have trouble raising capital; manufacturing output is expected to decline; workers, anxious about their jobs, will spend less. Construction, underpinned by government spending on infrastructure, is likely to be the only bright spot.

A big disappointment is the slowdown in the planned diamond-processing businesses. Cutting and polishing plants,

BOTSWANA'S DIAMOND ECONOMY

Sources: The Economist Intelligence Unit; De Beers



jewellery manufacturers and related services have started shedding jobs and Botswana's hopes of adding more value at home have been punctured. In 2008, the number of jobs in Gaborone's 'diamond hub' increased by 29% to 3,100 but several of the 15 new cutting and polishing firms have since had to cut jobs. Some may not survive, for lack of rough stones. The 50-50 government-De Beers-owned Diamond Trading Company Botswana (DTCB), which supplies rough diamonds to local cutters and polishers, has in effect shut up shop until the market recovers.

De Beers is also delaying its plan to shift to Gaborone most of the sorting operations currently carried out in London, where stones from all De Beers's mines are sorted into different sizes and qualities, ready for sale to approved clients. In January 2007, De Beers promised to transfer these operations during 2008 but this has been indefinitely delayed. De Beers mainly blames the market slump,

although issues about tax liability in Britain may have contributed. Gaborone and De Beers say they have not quarrelled and the government took part in a \$500 mn. shareholders' loan to shore up De Beers's financial position this year.

Botswana has a 15% stake in the parent company, De Beers SA (Anglo American holds 45%, the Oppenheimer family 40%). Botswana's original 10% was acquired as part-payment, together with a substantial cash element, by De Beers for Debswana's diamond stockpile after the last big diamond slump in the early 1980s. So the government is unlikely to do anything that might weaken De Beers but it may in future think about selling some of Debswana's production independently, as advocated by Keith Jefferis, Chairman of the Botswana Insurance Fund Management investment committee and former Deputy Governor of the central bank, the Bank of Botswana.

For now, the government must face

its budgetary problems. In February, the Finance and Development Planning Minister, Baledzi Gaolathe, set out a 2009-10 budget with a deficit of 13.4 bn. pula (\$1.2 bn.), 14% of GDP. The deficit now looks likely to be much bigger and spending will have to be slashed. Gaolathe forecast a 50% decline this year in revenue from diamond sales (a 15% fall in export prices and a 35% decline in output). It now seems that the production cutback will be nearer to 50%. Total revenue will fall below the P24 bn. (\$3.3 bn.) target.

The government had hoped to meet the 2009/10 budget deficit by drawing on balances from previous budget surpluses and by borrowing. Yet the overall gloom has led Standard & Poor's rating agency to downgrade Botswana's outlook from 'stable' to 'negative'. So borrowing, even if possible, would be expensive and spending cuts are more necessary than ever. Cutting government spending means cutting those jobs in the building trade. ●

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Chad

TACTICAL DEFEAT

■ The Chadian rebel offensive began straight after the *Organisation Internationale de la Francophonie* had tried to break the stalemate in talks between President **Idriss Déby** and his civilian opposition on 30 April, and after yet another peace deal between Chad and **Sudan**, in **Qatar** on 3 May.

The rebels were better organised than last year and better equipped by Khartoum: the four initial columns consisted of fighters from all groups in the *Union des Forces de la Résistance*; the chain of command was respected. Problems of discipline and sharing weapons delayed one column, allowing the government to hit another hard, helped by new artillery and aircraft operated by foreign mercenaries (AC Vol 50 No 9), and by **French** military intelligence. The UFR suffered a heavy defeat at Am Dam on 4 May. The next day, rebel reinforcements and a more mobile battle saw Déby's forces do less well in Wadi Hawish.

Déby's claimed victory is real, though hospitals in Abéché, Mongo and Ndjamené are full of wounded soldiers. So far, the UFR's defeat looks more tactical than strategic. Around 100 fighters died, many were wounded and its Deputy Chief of Staff, Colonel **Mahamat Hamada Béchir**, was arrested, but the UFR still has some 75% (about 2,000 men) of its force. Its weakness may be the absence of a clear, achievable, strategic goal. Without the palace coup Khartoum seeks, no one expects it to reach Ndjamené.

While the United Nations Security Council endorsed France's (uncritical) backing of Déby, which helps the Justice and Equality Movement become Darfur's main armed movement, fighting erupted in North Darfur on 10 May between JEM and **Minni Arkou Minnawi's** faction, which signed a peace accord with Khartoum in 2006. An overconfident Déby began publicly blaming **Libya** and the African Union, which Libya chairs. We hear **Nigerian** former military leader General **Ibrahim Babangida** privately urged Col. **Moammar el Gadaffi** to stay out of the Chad-Sudan conflict for the AU's sake.

Senegal

WADE DYNASTY

■ By promoting his son **Karim Wade** into the government of new Prime Minister **Souleymane Ndéné Ndiaye** on 1 May, President **Abdoulaye Wade** has revived his project for a hereditary presidency. Until the local elections of 22 March, when the opposition swept the board in most large towns (AC Vol 50 No 8), Wade had hoped

to make his son Mayor of Dakar, the capital. The electorate said otherwise but the hope lives on.

Instead, Wade Junior becomes what the Dakar press calls a 'super-minister', with a grip on economic power, negotiations with creditors and the allocation of local markets. It is an unprecedented concentration of power, enshrined in the title: Minister of International Cooperation, National Planning, Air Transport and Infrastructure. A Ministry of the Marine Economy already exists but Karim gets a unit for 'port terminals'; there is a Ministry for Ground Transport but Karim takes charge of the Autonomous Agency for Road Works. Only a few of the President's toadies do not express astonishment.

Greater power brings greater risks. Public and press are increasingly asking why Karim gets everything, although he is a political novice and came home from abroad only when his father became President in 2000. There is deep dissatisfaction in the governing *Parti Démocratique Sénégalais*.

Karim is at risk of overextending himself. It would take a superman to master all his tasks, especially when his promotion has made him so many enemies. The next presidential election is due in 2012, by which time the super-minister will be expected to have completed what his father and his ministers have left undone over the past nine years.

Sudan

OPEN SESAME

■ In diplomatic bartering this week, Khartoum offered limited access in Darfur to some affiliates of the 13 Western aid agencies it expelled on 4 March. Yet, at the same time, it has blocked over 350 Darfur civil society delegates from attending a peace conference in **Ethiopia**. This contravenes the democracy clauses of the 2005 Comprehensive Peace Agreement, not to mention the spirit of the 2006 Darfur Peace Agreement. The 12-16 May gathering was cancelled.

'Mandate Darfur' was organised by the Mo Ibrahim Foundation of Sudanese-born telephone tycoon **Mohamed Fathi Ibrahim** (AC Vol 48 No 21). One trigger was a 2008 United Nations Security Council resolution calling for 'the engagement of civil society, including women... community groups and tribal leaders'. The **British** government encouraged the MIF initiative, we understand. Initial plans to hold the conference in London were nevertheless crushed: 'It would have taken five years to get visas,' said Mohamed Fathi.

The delegates, 35% of them women, were intended to be as representative as possible. Armed movements were unhappy to be bypassed; the Sudan government was invited to plenary sessions. So were leaders who included

Botswana ex-President **Festus Mogae**, **Ethiopian** Prime Minister **Meles Zenawi**, **Tanzanian** President **Jakaya Kikwete** and Mozambican ex-President **Joaquim Chissano**. They and others blessing the summit, including the African Union, Arab League and United Nations Mission in Darfur, will not be happy that Khartoum has sabotaged it, even though Sudanese President **Omer el Beshir** was invited. Calls to 'conciliatory' presidential advisors **Nafi'e Ali Nafi'e** and **Mustafa Osman Ismael** could not save the US\$2-3 million gathering, to which delegates were to be airlifted from Darfur by UNAMID.

Meles was not keen on the conference but this looks unlikely to stop Omer from visiting Ethiopia. A border cooperation deal on 12 May followed March meetings attended by Sudanese Security supremo **Salah Abdullah 'Gosh'** and Omer's April visit. An international arrest warrant did not spoil his grand dinner, with steak but no Ethiopian food, in the Sheraton's Lalibela Ballroom. One *quid pro quo*, we hear, is that Sudan turns a blind eye to Ethiopian sesame farming in Sudan's undemarcated border area: Ethiopia now exports 80,000 tonnes of the crop a year.

France/Africa

FRANC AFRIQUE

■ Three important African allies of French President **Nicolas Sarkozy** could find their French assets under scrutiny after *Juge d'Instruction* **Françoise Dessel** ruled on 6 May that an anti-corruption case against them (see AC 50 Vol 5) should proceed. The lawyer behind the case is **William Bourdon**, who represents a coalition of African and French anti-corruption campaigners.

Paris's public prosecutor – the *Parquet*, which answers to the Ministry of Justice – has launched an appeal. The decision may force the reopening of a 2007 police investigation into the assets of Presidents **Omar Bongo Ondimba (Gabon)**, **Teodoro Obiang Nguema Mbasogo (Equatorial Guinea)** and **Denis Sassou-Nguesso (Congo-Brazzaville)** that was abruptly shut down.

Last December, Transparency International and Gabonese taxpayer **Grégory Ngbwa Mintsa** filed a case against the three Presidents, whom they accuse of buying French properties and luxury cars using stolen state funds (AC 50 Vol 2). It could also raise uncomfortable questions for their bankers – such as Citigroup, Barclays and all the major French banks.

Despite his promise of a 'rupture' with the corrupt *Françafrique* network of the past, Sarkozy has tried to boost ties with Africa's oil and uranium producers. He is close to Bongo and visited Sassou-Nguesso during a whirlwind Africa tour in March. Gabon has fired warning shots, threatening to review commercial contracts. The French companies that dominate Gabon's and Congo-B's economies could lose out.

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was Tompolo's friend but is now his rival. Tompolo, who is close to many Ijaw politicians, has security contracts with the State government and perhaps with oil companies. In January 2008, he was given his own oil pipeline.

Until recently, Tompolo received N100 million a month from Governor Uduaghan. Local sources say he has not been paid for four months. Nobody knows why the payments stopped but local ethnic rivalries are involved. Gbaramatu people in the refugee camps say that festivities on 15 May would have revealed a new paramount chief in Gbaramatu Kingdom, a political power-base for the Ijaw, one of Delta State's eight ethnic groups. Tompolo and Timinimi had nominated rival candidates. JTF helicopters attacked the festival.

Some claim that the army's real target is the weak President in Abuja. They say the army took action in the Delta in order to precipitate a national crisis, provoke a national state of emergency, stage a coup and replace President **Umaru Musa Yar'Adua** with a military figure. Military conspiracies are not unusual in Nigeria but no conspiracy is required to explain recent events. They repeat a pattern established when the gang leaders **Mujahid Dokubo-Asari** and **Ateke Tom** were fighting it out across the Delta, in 2003-05 (AC Vol 48 No 23).

Violence and mayhem are linked to criminality and election-rigging. Alarmed foreign investors leave the Delta in droves. State governors then try to pay off and accommodate militants and gang leaders, the most intransigent of whom are detained (as was Asari in 2005; he was released in June 2007). The removal of the most aggressive militants calms investors and oil companies, and persuades other gang leaders to limit their aggression to an acceptable level – while remaining on hand for election-fixing and, probably, sharing illicit revenue with Delta politicians.

TOMPOLO THE TARGET

Each time, the 'acceptable' level of violence rises and overall security moves nearer to breakdown. Paying off and rewarding bunkering and armed violence attracts yet more politico-criminal gangsters to the business. This time, the attempt to co-opt Tompolo failed and his revenue from oil bunkering is squeezed by low prices. His base in Gbaramatu is to be destroyed, and he is to be hung out to dry by his former allies.

On 11 April, the daily *Vanguard* published a leaked list of militant leaders believed to be on a federal government amnesty list. Tompolo was not on it. The attacks seem designed to humiliate him and make it impossible for him to regain his earlier position, thanks to coordination between state and federal governments, and the JTF. A similar manoeuvre failed with Asari and led to the formation of MEND. If Tompolo is removed, who will take his place? Will his MEND brethren stay loyal, now his friends in politics have abandoned him?

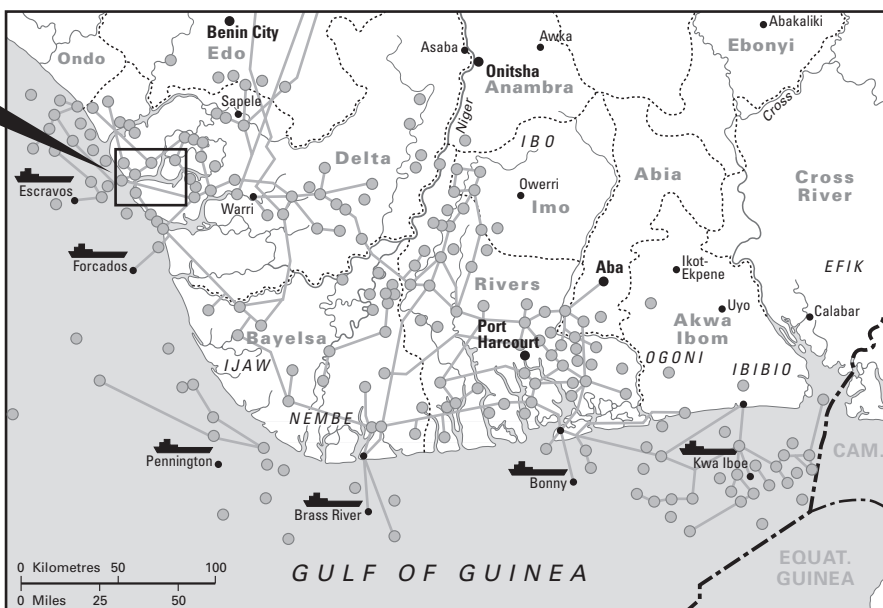
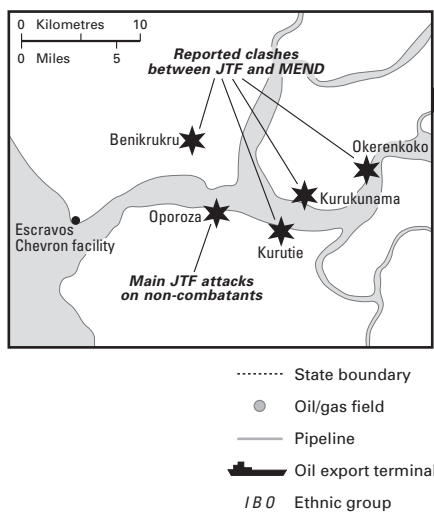
Much depends on whether the JTF pursues other militant leaders as vigorously and on the reaction of the loose-knit MEND leadership. It is possible that those on the leaked amnesty list will accept that

MEND is formally disbanded, with control of Escravos handed to state politicians and a permanent military presence (including control of illicit revenue). Continued criminal operations would be tolerated, if better security allowed the oil industry contractors back.

The two most active gang leaders linked to MEND in the Eastern Delta are **Ateke Tom** and **Soboma George**. They present the army with fluid targets and complex relationships between communities, militants and criminals. Wholesale attacks on regions where militants are thought to train could cause huge displaced populations and other humanitarian issues. Delta-watchers fear that the hardcore MEND commanders would see this as the real showdown and counterattack the federal authorities.

This would precipitate, over months, the scenario foreseen in the 2003 report for Shell by **British** financial and information company WAC Services Limited: that the oil company would be driven offshore entirely in 2009. In such a conflict, hundreds of complex local disputes (like the succession of chiefs in Gbaramatu) would become enmeshed in fighting between disparate gangs and the army, involving ever greater numbers of federal forces.

The conflict in the Niger Delta could become a struggle for the unity of Nigeria. MEND is not yet calling for that. Its spokesman, **Jomo Gbomo** has been characteristically vague. 'Our message to the Northern Sultans and Emirs is this. The period of exploiting the Niger Delta is coming to an end. It is not the birthright of your people to rule the Federal Republic of Nigeria. The war is just beginning and by the time it ends Nigeria will practice true federalism such as fiscal federalism,' he told journalists by e-mail on 17 May. ●



National, not regional

The military crackdown in the Niger Delta upsets the awkward balance between federal and state politics

In the two years since it was elected, the National Assembly has approved just five bills, including two budget appropriations covering members' salaries. Yet representatives of constituencies outside the southern oil-producing areas united to back the army's attacks on Ijaw districts of the Niger Delta (see other Feature). In a raucous debate on 21 May, the House of Representatives approved the military operations and asked for similar action in Ondo, Edo and Bayelsa States. On the previous day, **John Halims Agoda** (People's Democratic Party, Delta) had called for a halt to the Joint Task Force (JTF) operations. **Chile Igbawua** (PDP, Benue) objected that 'implications on national security' should be considered first. Deputy Speaker **Usman Nafada** asked for the motion to be withdrawn.

At a press conference later, the Chairman of the Delta Caucus in the lower house, **Nicholas Mutu** (PDP, Delta), asked that President **Umaru Musa Yar'Adua** stop the military onslaught, considering the 'pains and humanitarian crisis' caused. The next day, **Terngu Tsegba** (PDP, Benue) said militancy in the Delta had reached a 'frightening dimension' and he feared that kidnapping and hostage-taking would spread to other parts of Nigeria. The Chairman of the House Committee on the Judiciary, **Mohammed Ibn N'Allah** (PDP, Kebbi), said: 'What is happening in the Niger Delta is pure criminality of the highest order, arising from total disregard for constitutional authority. In Iraq, thousands of people lost their lives because of an insurrection against the government during the reign of the former Iraqi leader, **Saddam Hussein**. We can do away with 20 million Niger Delta militants for the rest of the 120 million Nigerians to live.' Members from the Delta demanded apologies and a withdrawal, until N'Allah retracted his statement, saying it was a 'parliamentary joke'.

The Speaker, **Dimeji Bankole**, called the Nigerian armed forces one of the 'most disciplined in the world'. In the Delta, JTF Commander Lieutenant General **Sakin-Yaki Bello** declared 'wanted dead or alive' the same **Government Tompolo** reported to have been killed by his forces the previous week. Bello indignantly refused to answer questions about reports that his men had burst into the Ogbah-Ijoh hospital and rough-handed medical staff they suspected of treating civilian victims

of the military attacks. Federal and State government aid workers said the army had banned them from using speedboats to ferry relief materials to the displaced. Air Vice-Marshal **Mohammed Audu Bida** (retired), Director General of the Nigerian Emergency Management Authority, said NEMA was trying to verify estimates of about 3,000 displaced persons.

Greeting French Premier **François Fillon** on 22 May in Abuja, Yar'Adua renewed his offer of amnesty to those who lay down their arms. Fillon later visited the Delta (as Yar'Adua has not done) with the Managing Director of Total, the French oil company whose installations militants have damaged. Yar'Adua backed the 25-year Master Plan for the Niger Delta, saying security must be restored before investment could take off.

Yar'Adua's own lingering efforts to address the crisis started with proposals for a Niger Delta Summit, scheduled for June 2007 but delayed by consultations until June 2008. Then the government named **Ibrahim Gambari**, who has been both Foreign Minister under General **Sani Abacha's** military regime and a United Nations political advisor, to head a Niger Delta initiative. Delta groups rejected the nomination and the government shelved its Summit plan. Instead, it set up a technical committee with 45 representatives from the nine Delta states. The committee began work in September 2008, led by **Ledum Mitee** (a comrade of the hanged activist **Ken Saro-Wiwa** of the Movement for the Survival of the Ogoni People) and another activist, **Nkoyo Toyo**.

In late 2008, one of its subcommittees visited Oporoza, headquarters of the Movement for the Emancipation of the Niger Delta (MEND) to seek views from it and other armed organisations. The committee's recommendations called for:

- Increasing the Delta's share of federal oil and gas revenues to 25% from the current 13%, for spending on infrastructure and sustainable development.
- Within six months, launching a credible disarmament process and amnesty offer.
- A youth employment scheme to provide 2,000 new jobs in each local government area of the Delta by mid-2009.
- Free health care for children under five and adults over 65.
- An end gas flaring by December 2008, with independent environmental controls.

Delta activists thought the measures

far too tame and demanded a half share of oil and gas revenue. Among non-Delta representatives in the National Assembly, the reaction was quietly hostile. Yar'Adua's own response was to set up a Ministry of Niger Delta, alongside the existing Niger Delta Development Commission. Relations between the two are ill-defined. The federal government's allocation to the NDDC is twice that for the Ministry, but the promised payments are well in arrears.

The committee's most sensitive recommendations, especially with oil prices weak, were on the formula for revenue sharing. A new group, the Northern Union, is lobbying Yar'Adua to reject any increase for the Delta.

Most civil society groups and the International Crisis Group argued that the government should use the modest goals of the technical committee as a way forward. They suggest appointing an independent third-party group to negotiate amnesty deals with militants; some compromise on revenue sharing, perhaps 17%; and stronger national monitoring of the committee's peace and development proposals. In return, the militants should end kidnappings, hijacks and attacks on oil installations.

Broadly, the Delta governors back the technical committee but know it lacks support in the Assembly. **Emmanuel Uduaghan**, Delta State Governor and a close associate of ex-Governor **James Ibori** (wanted on money-laundering charges in Britain and key to the ruling circle in Abuja) distances himself from both the militants and the army, insisting that the present crisis involves just one of his State's 25 local governments.

Vice-President **Goodluck Jonathan**, an Ijaw from Bayelsa State, tries to keep his balance as his own people demand a stronger stand for the region. **Cynthia Whyte**, an Ijaw speaking for the militant Joint Revolution Council hissed: 'We never saw Jonathan as a messiah of even his own home, not to talk of the Niger Delta.' The politicians' nightmare is that ill-health might force Yar'Adua to retire and there would be attempts to block Jonathan's succession to the presidency. Senior officials in Abuja refuse to contemplate such a scenario – on the record. Former officials and intelligence officers warn that it could prove a national tipping point. Yet journalists say that in recent interviews Yar'Adua looks remarkably robust.

Yar'Adua's circle insists the presidential health story is wildly exaggerated. The financial crisis is not (AC Vol 50 No 10). The Minister for Petroleum Resources, **Odein Ajumogobia**, estimates that Nigeria loses a million barrels of oil a day (worth around US\$50-60 mn.) in shutdowns caused by violence. Few believe the government's current strategy is going to stem those losses or offer a political resolution. ●

You've stood, now deliver

The people who got out the vote for Zuma insist that he keep his side of the bargain

The trades union chief, **Zwelinzima Vavi**, a key supporter of President **Jacob Zuma** when he was a mere candidate, is warning the government of a season of strikes if wages are not quickly increased. 'Frankly we're sitting on a time bomb that may explode at any time,' said the General Secretary of the Congress of South African Trade Unions (Cosatu). The country's largest union, the National Union of Mineworkers (NUM), wants a 15% wage increase, while the mines shed jobs fast.

New figures from Statistics South Africa confirm that the country is in its first recession for 17 years. Gross domestic product (seasonally adjusted and annualised, quarter-on-quarter) has contracted this year by 6.4%, after falling by 1.8% in the previous quarter. First, export demand fell, then the shrinkage spread across the economy, into finance, transport and retail. Construction has been boosted by a government infrastructure drive but the rest of the economy stubbornly resists both government exhortations and monetary and fiscal stimuli. Mining and manufacturing companies have cut production across the board: growth in the mining sector has dropped 1.7 percentage points and manufacturing 3.3.

The Reserve Bank met on 27 May for a two-day debate on the hard times. It has cut rates four times since last December, by 3.5% altogether, in an attempt to revive the economy. Nevertheless, the National Union of Metalworkers of South Africa marched to the meeting to demand the Bank 'drastically cut interest rates; stop complaining and bring the unscrupulous behaviour of banks to an end by regulation; scrap the policy of inflation targeting and prioritise employment, growth and sustainable development'. Spokesman **Alex Mashilo** said NUMSA was fighting 'increasing retrenchments, temporary layoffs, falling wages, skyrocketing bank charges and interest rates'; it has lost 1.2 million rand (US\$145,800) a month in subscriptions in the first quarter of this year, because the jobs have gone. Statistics SA says 88,000 people lost their jobs in the formal and 96,000 in the informal sector between January and March. (Agricultural workers are counted separately.)

Johannesburg Metrobus drivers have been on strike for higher wages and better conditions since 28 April and their negotiations have collapsed. The radical

SA Municipal Workers' Union says it will join a solidarity strike with the bus drivers. Owners, drivers and others from various taxi associations held a mass meeting in Soweto to discuss their opposition to the government's Bus Rapid Transit (BRT) system, meant to welcome visitors for next year's Football World Cup.

THREATS FROM THE UNIONS

On the campaign trail, Zuma promised taxi drivers that he would stop proposals to scrap unsafe taxis and introduce a new, safer bus system. **Zweli Makhubu**, leader of the United Taxi Association Forum, says that 'all hell will break loose' if the new President breaks his promises.

Meanwhile, the Department of Transport was trying to put in place the first phase of BRT in time for two other international football and rugby matches, due in June. Bus and taxi drivers threaten to sabotage both if Zuma does not keep what they say were his promises. The Communications Workers' Union threatens to disrupt coverage of the events if the SA Broadcasting Corporation fails to increase their pay.

Zuma's first extended cabinet meeting on 27 May was intended to map the government's economic and social plan for the next five years. Before the meeting, Cosatu leaders met key ministers and Zuma himself to lobby for 'pro-poor' policies and argue for higher public-sector pay. Zuma has toured the country to thank supporters for their votes and assure them that the African National Congress will deliver on its election promises.

After hearing the latest figures, Cosatu leaders said they were 'horrified' that SA is officially in a recession (though everyone else knew) and called it a 'national crisis'. They want protectionist measures and expansionary policies, with a bigger public-works programme for the unemployed and a 2% cut in interest rates to stimulate investment and demand. Zuma, hoping to narrow divisions within the ANC, has appointed as his economic advisor an ally of ex-President **Thabo Mbeki**, the former Trade and Industry Minister **Mandisi Mpahlwa** – an ineffective minister who is close to black business. He is considering replacing another Mbeki-ally, **Frank Chikane**, with the black economic empowerment oligarch **Sandile Zungu** as Director General in the Presidency.

The Minister in the Presidency responsible for Monitoring and Evaluation, **Collins Chabane**, says that the new Planning Commission and ministries (AC Vol 50 No 10) will take at least six months to be established. ●

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THE TELEPHONE TEST

The trades unions' legal challenge to the listing of the multibillion dollar Vodacom cellular phone group on the Johannesburg Stock Exchange tested President **Jacob Zuma's** political nerves. But to the corporate world's relief, the challenge was thrown out by the High Court on 17 May. The listing, the biggest on the JSE this year, follows a merger between South Africa's Vodacom and Britain's Vodafone. It was approved last year by interim President **Kgalema Motlanthe**, who failed to consult either Zuma and the unions, and gives a foreign company 65% control of South Africa's biggest mobile operator.

The Congress of South African Trades Unions had challenged the Independent Communications Authority's approval of the listing for overtly political reasons. At the heart of the controversy was Cosatu's concern that the Elephant Consortium – a Black Economic Empowerment (BEE) group linked to ex-President **Thabo Mbeki** – would benefit handsomely. The Consortium had bought 7% of the former state-owned telephone company, Telkom, which had a 15% stake in Vodacom.

Many investors in the Elephant Consortium are linked to the Congress of the People, which broke away from the African National Congress after Mbeki's forced resignation last September. They include former ANC advisor **Smuts Ngonyama**; **Wendy Luhabe**, a leading businesswoman and wife of **Mbhazima Shilowa**, a founder of COPE; former South African Broadcasting Corporation Chief Executive **Dali Mpofu**; and former ANC Treasurer General **Mendi Msimang**. All are Mbeki allies.

Last December, South African Communist Party Secretary General and now Higher Education Minister **Blade Nzimande** said that COPE would be funded through the proceeds of the Elephant Consortium's stake in Telkom. 'We...call on the government to reverse the scandalous Telkom Christmas gift of Vodacom shares to private shareholders at a cut-price rate, and the selling of these to Vodafone.' Financial analysts calculate that Elephant investors would make some 2.3 billion rand (US\$283 million) in dividends and sale proceeds from the listing. It was this windfall that Cosatu failed to stop. ●

Target Mogadishu

An alliance between Al Shabaab and the Hizbul Islam militias looks determined to seize the capital but their arms suppliers face UN sanctions

More than 200 people have been killed and over 50,000 people chased from their homes in this month's offensive by insurgents against President Sheikh Sharif Sheikh Ahmed's regime in Mogadishu, says the United Nations. The UN Special Representative, Ahmedou Ould-Abdallah, called it an attempted coup by anti-government forces. Al Shabaab did not win but made its mark, spearheading an 'extremist front', most of whose fighters are from various groups within Hizbul Islam, with which it has formed an uneasy alliance.

Both sides are racing against time. The insurgents' attacks on the Transitional Federal Government (TFG) in Mogadishu show the fragility of its control and its need for speedy action after international promises of an enhanced peacekeeping force made in Brussels last month (AC Vol 50 No 9). At the same time, Al Shabaab and Hizbul Islam insurgents will see their weapons shipments via Eritrea threatened by UN sanctions. Hizbul Islam came together as a four-party group in January and on 26 May, Sheikh Hassan Dahir 'Aweys', who heads the Alliance for the Re-Liberation of Somalia Asmara faction, took over as leader of Hizbul Islam, displacing Omar Imam Abubakar.

The insurgent groups share a desire to destabilise the government and implement Sharia (Islamic law) with huddud punishments (such as stoning to death for adultery). Hizbul Islam confines its ambitions to Somalia but Al Shabaab has international aims and openly expresses its admiration for Al Qaida and Usama bin Laden. Al Shabaab rejected mediation by the World Muslim Clerics, who sent a delegation to try to broker a peace deal earlier this year. Although Sheikh Sharif's TFG has passed a bill enacting Sharia, Sheikh Muktar Abdirahman 'Godane', a founding member and current Chairman of Al Shabaab, insists that the government cannot be considered Islamic.

Both Al Shabaab and Hizbul Islam say they have obtained their arms via Eritrea, a vital staging post for shipments, funded by Iran and Qatar, to the insurgents. Eritrea denies it supplies arms to them, claiming it is being framed by Ethiopia and the United States. Asmara is losing the argument now, following the African Union's unprecedented call for UN Security Council sanctions against Eritrea.

Somalia's Deputy Prime Minister and Finance Minister, Sharif Hassan Sheikh Adan, provided evidence of Eritrean interference to the Council of Ministers of the Inter-Governmental Authority on Development (IGAD) on 20 May. Nobody disagreed there or at the AU's Peace and Security Commission meeting on 22 May. With the 16th anniversary of Eritrea's Independence on 24 May, President Issayas Afewerki has given a string of interviews and criticised the AU's request for UN sanctions as 'utterly irresponsible', irritating AU leaders.

IGAD has asked for sanctions on Eritrea, no-fly zones over a number of Somali airstrips and a blockade on Kismayo and Merka. That would involve cooperation with Kenya, which has so far steered clear. Yet on 26 May, a Kenyan military helicopter was shot down along the Somali border, probably by Shabaab.

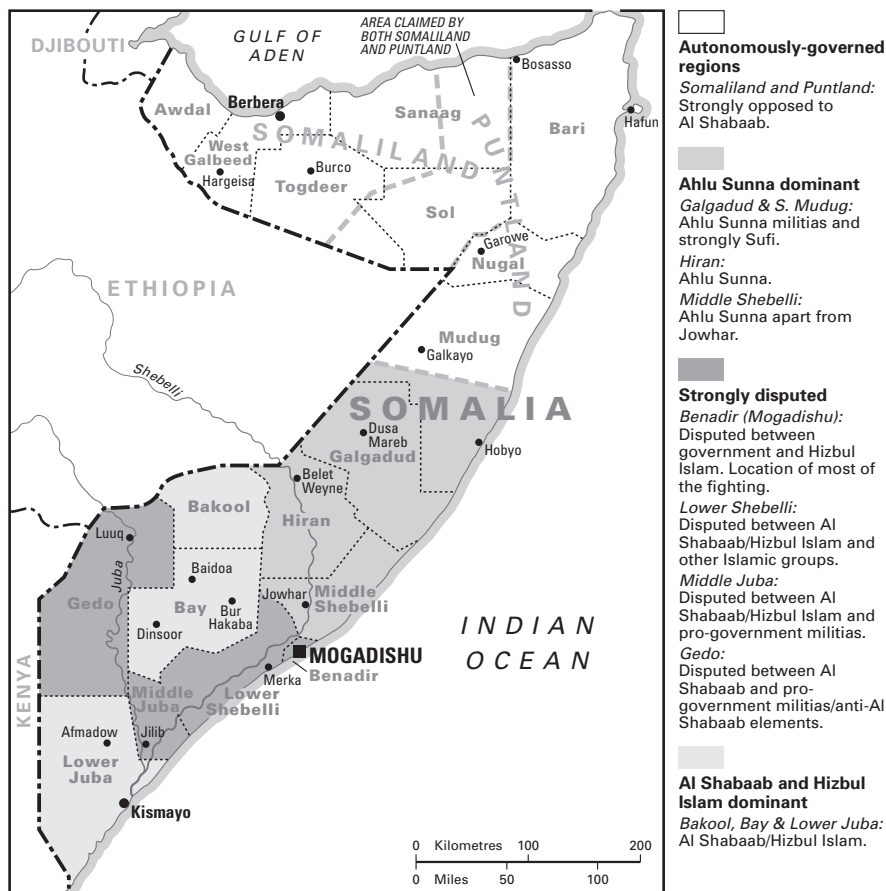
Sanctions would hamper Shabaab. In Kismayo and Merka, light weapons and ammunition, including rocket-propelled grenades and possibly anti-aircraft

missiles, have been bought by Somali businessmen on the open market.

Al Shabaab's links, if any, to Al Qaida are hard to identify, but it has its own divisions and shifts in allegiance. Sheikh Muktar Robow Ali 'Abu Mansoor', until recently a Shabaab spokesman, has faced criticism for allowing TFG ministers to escape after the capture of Baidoa in January. All were from his Raheynweyne clan. Sheikh Hassan Turki has failed to rally support within his Ogaden clan, while many Habr Gidir elders have decided they can no longer back Aweys. The politico-religious ideology is intrinsic to the power struggle, but so are clan loyalties and personal ambition.

In Mogadishu, Hawiye elders have shown themselves unable to unite their clan. Conflict between the Ayr/Habr Gidir and the Abgal/Mudalood has continued since 1991 because neither has the strength to quash the other. This is likely to shape the future tactics of Al Shabaab and its allies, forcing some dialogue between Sheikh Aweys and Sharif (of the Habr Gidir and Abgal respectively).

Al Shabaab and its allies fight in areas of south Mogadishu inhabited by the Ayr/Habr Gidir/Hawiye. Much of northern Mogadishu, mainly Abgal, remains loyal to Sheikh Sharif but he has failed to persuade members of Ahlu Sunna wal Jamma, a Sufi organisation that had some success against Shabaab, to move into the city in substantial numbers. ●



The elections are coming, but don't hold your breath

With much hope and little evidence, optimistic Ivorians say that events are moving relentlessly towards some sort of political normalisation in Côte d'Ivoire – for the first time since the foiled coup against President Laurent Gbagbo in September 2002. That split the country in two: the South ruled by Gbagbo's *Front Populaire Ivoirien* and the north ruled by the rebel *Forces Nouvelles*, which had set up its own 'comzones' to run the region. Now both sides are edging towards political and military integration.

OUAGADOUGOU AGREEMENT

At long last, a date has been set for the overdue election. On 17 May in Ouagadougou, President **Laurent Koudou Gbagbo** promised that 29 November was 'sure', but few really share that certainty. The necessary census should be completed by the end of June and an electoral register published in September (AC Vol 49 Nos 14 & 22). After mediation by the government of **Burkina Faso**, this was agreed by Ivorian political leaders, including the former Prime Minister **Alassane Dramane Ouattara** (ADO), of the mainly northern and Muslim *Rassemblement des Républicains* (RDR), who was prevented from standing in 2000. Also present were **Henri Konan Bédié** of the *Parti Démocratique de Côte d'Ivoire* (PDCI), President in 1993-99, who was also excluded from the poll in 2000; and the serving Premier, **Guillaume Kigbafori Soro**, Secretary General of the *Mouvement Patriotique de Côte d'Ivoire* (MPCI) and leader of the formerly rebel *Forces Nouvelles* (FN).

The deal comes after much patience and heavy diplomatic pressure, notably from the **United States**. Ouattara, for one, welcomed the deal. He said that things might open up once identity cards and voting papers were printed and distributed. Konan Bédié said that the PDCI was not worried and that the commissioners of the former rebel areas, the *comzones*, would hand over to government-appointed prefects on 20 May; on the following day, 1,300 police and soldiers from the FN and the government army would be deployed in Abidjan, with 1,000 more in Bouaké, the rebel headquarters.

Gbagbo said that finance would be no problem – although the **French** defence and security company Sagem, in charge of the physical identification of electors, was claiming arrears of 8 billion CFA francs (US\$16.9 million) for work done in 2008. Gbagbo's side is having trouble registering its supporters but is relying on its influence over the state-controlled media and especially on the *Société d'Imprimerie Industrielle*. This is run by **Landry Ipaud**, who is married to Gbagbo's daughter **Marie-Patrice**. That was the good news. Immediately after the Ouagadougou meeting, the transfer of powers from the *comzones* to the prefects was deferred to 26 May, to be celebrated in a ceremony at Bouaké in the presence of leaders from both sides and diplomats. This delay may have been because of a last minute trip by Soro to Europe, to promote Ivorian cocoa and give a talk at the Chatham House foreign affairs thinktank in London. The transfer of powers from the FN Chief-of-Staff **Soumaïla Bakayoko** to the Prefect of the region **Konin Aka** then took place as scheduled on 26 May.

The coming weeks may be tense, as Gbagbo's followers in his *Front Populaire Ivoirien* sign up more slowly than those of the RDR and the PDCI. In several western districts that usually support the FPI (Haut-Sassandra, Bas-Sassandra and Sud-Bandama),

registrars from the *Commission Electorale Indépendante* (CEI) had not visited by mid-May. The party will be watching keenly to identify foreign citizens who may try to get voters' papers, as an underhand way to acquire Ivorian citizenship.

The government believes that only about 8 million of the country's 20 mn. inhabitants are eligible to vote in the elections. Some 6 mn. of these have already been formally identified by the CEI and the authorities believe that the eventual electoral roll, set for completion next month, will be around 7 mn. only. Election security will depend heavily on cooperation within the integrated command of the security forces, the *Centre de Commande Intégré* which, with help from United Nations' troops, is supposed to organise mixed brigades of former rebels and government soldiers, amounting to 8,000 men. The former FN rebels are to be disarmed and quartered in camps at Bouaké, Man, Séguéla and Korhogo.

OUR WAY

After the Ouagadougou meeting, *Notre Voie*, a daily that supports the FPI, reported rumours about a rebel threat from across the **Ghanaian** border and of unrest in Sud-Comoé region where, it said, army and *gendarmérie* units had been deployed. Rumours of this kind, whether true or false, spread alarm. The FN delegation in Burkina was led by **Alain Lobognon**, the rebel movement's Director of Communications, who insists that the crisis will be ended not only by the two sides' leaders but by avoiding provocations, demonstrations and conduct likely to stir up hatred.

Angered by what they described as 'unacceptable attacks' on Soro, in mid-April senior FN figures called on him to quit the Premiership. He has not done so, but the restiveness within the FN ranks may have strengthened his bargaining hand with regard to the FPI and Gbagbo.

Ethnic tensions persist. On 15-17 May, there was fighting in Akoupé between indigenous Akyè people and Malinké from the north of the country after a local man had died. Calm was restored after a visit by Interior Minister **Désiré Asségnigni Tagro** (of the FPI) and one of Gbagbo's advisors, **Ohouochi Clotilde Yapi**.

The UN Special Representative, **Choi Young-Li**, met Ouattara on 21 May and said, 'We are neither pessimistic nor optimistic, but realistic', adding that the UN Development Programme had set aside \$50 mn. for the elections, which will be attended by more than 1,000 international observers.

One question is how the PDCI will do. Its candidate Konan Bédié is 75. Those hoping to replace him include 'young wolves' such as **Gnamien Yao** and 'old crocodiles' like **Zadi Kessi**, **Djédjé Mazdi** and **Dibonan Koné**. Even if it does not tear itself apart, the PDCI cannot win but, by backing either Gbagbo or Ouattara, could determine the outcome – at a price. On paper, a coalition called the *Rassemblement des Houphouëtistes pour la Démocratie et la Paix* includes the PDCI, the RDR and two small parties. It did its best to bring about the election but has no other policies. With the state's resources behind him, Gbagbo could yet link up with the PDCI. Few trust him yet Gbagbo once persuaded the late President **Robert Guéi** to allow him to run in the presidential race of 2000 'for the look of it', to make the poll look credible – and then won. Bédié could still stand but the divisions in his party, now that it has no access to state patronage, would make him an unlikely winner.

TOXIC LEGACY

There could be important political and commercial repercussions from the next round of legal battles over the 2006 toxic waste dumping scandal in Abidjan. At least 17 people died and many more suffered debilitating respiratory and skin problems after 500 cubic metres of toxic waste were dumped in the Ivorian capital in August 2006. The first case, a class action launched by **Martyn Day** of Leigh Day Solicitors claiming damages on behalf of some 31,000 Ivorians against the commodities trader **Trafigura** for dumping the waste (AC Vol 49 No 20 & Vol 48 No 4), is expected to open in the London High Court in October. Three of Trafigura's directors, **Graham Sharp**, **Claude Dauphin** and **Eric de Turckheim**, were based in London at the time.

Dutch police have also been investigating claims about the toxic waste shipments; the ship leased by Trafigura, the *Probo Koala*, initially docked in Holland and tried to offload the slops there. In February 2007, Trafigura pledged to pay CFA100 bn. to the Ivorian government, which had detained its Chief Executive **Claude Dauphin**, in an out of court compensation deal.

Trafigura officials deny all wrongdoing and say the company 'will vigorously defend itself against all of the charges.' Trafigura claims that the *Probo Koala*, which docked in Abidjan, merely discharged regular 'slops' to a local company, Tommy, which clandestinely dumped it in waste sites around the city. Tommy's Director **Salomon Ugborugbo** and a port agent, **Essouin Koua Désiré**, were gaoled last year. Opposition politicians claim the owners of Tommy are linked to senior officials in President Gbagbo's government.

Dutch investigators are looking at claims that some company officials may have falsified shipping papers to disguise the nature of the waste on the *Probo Koala*, breaching a 1994 Basel Convention amendment that bars Organisation for Economic Cooperation and Development countries from exporting toxic waste to developing countries. Another team is looking at questions of liability over the dumping of the waste in Abidjan.

We hear that Dutch prosecutors are likely to make a decision on both cases in June. An analysis of the slops by the Dutch Justice Department – and obtained by the environmental organisation Greenpeace – concluded they were highly toxic. Greenpeace told *Africa Confidential* that the *Probo Koala* had originally been carrying a highly toxic shipment of coker naphtha oil in Texas. However, Trafigura officials told AC: 'According to analyses that Trafigura has seen, it is not possible that the content of the slops could have led to the deaths and widespread injuries which are alleged to have been caused by them.'

Trafigura's London lawyers Carter-Ruck are suing the BBC for carrying a report on the Dutch analysis; Trafigura has also hired a six-strong team from public relations firm Bell-Pottinger.

The BBC also reported that a witness in the Leigh Day action, a tiler called **Bou N'Dja**, says that he was flown to Morocco

and put up in the Casablanca Sheraton where he was interviewed by **Simon Nurney**, a partner in Macfarlanes, the law firm which is handling Trafigura's defence in the London High Court. Macfarlanes told AC that it was investigating 'false and inflated claims'. Although it confirmed that it paid to transport the witness to Morocco, Macfarlanes insisted that it never 'offered any inducements whatsoever to any witness or claimants.' On 23 March, a London judge Mr Justice **Jack** granted an injunction against Trafigura and its lawyers from trying to contact any more witnesses in Leigh Day's London court case. ●

THE CONTENDERS

● President **Laurent Gbagbo** (59) is a doctor of history of the Sorbonne, **France**, and a prolific author. He is Bété (and wrote a book about his people) born in Mama, in the department of Gagnoa. His *Front Populaire Ivoirien* (FPI) was founded in 1988 and he contrived to make it a member of the Socialist International, despite its platform of xenophobia against incomers from the north of the country, such as **Allassane Dramane Ouattara** (ADO), by making his tribal rhetoric sound like patriotism. He thus aligned himself with the French *Parti Socialiste*. Describing the late President **Félix Houphouët-Boigny** as a dictator, his main criticism was that Côte d'Ivoire's first President had brought in workers from neighbouring states to help build his country's prosperity. France's ex-President **Jacques Chirac** described him in 2007 as a populist, charismatic, manipulative, nationalist leader, in some ways resembling a fascist. The French Socialist **Jacques Lang**, Minister of Culture under the then President, **François Mitterrand**, called him a man of the Left and a 'humanist'. Yet he attracts widespread distrust, as does his wife. A former trades unionist, he is now allied with **United States**' 'born-again' Christians.

● **Simone Ehivet Gbagbo** (57), a *gendarme's* daughter, is a historian and her quarrelsome reputation has earned her the name 'Warrior'. Some say she toughens the President's intransigence, others think the couple fosters this image. She accused Muslims of supporting an uprising in 2002. The previous month, she had represented her husband as Commander-in-Chief on a tour of army bases. A secret report by the United Nations High Commissioner for Human Rights on government death squads blamed 'elements close to the government, the Presidential Guard and a tribal militia from the President's people', according to *Le Monde* in 2003; the newspaper said that the President and his wife could, if the allegations were true, be prosecuted by the International Criminal Court. She is said to have ambitions to succeed her husband.

● Prime Minister **Guillaume Gbgbafori Soro** (37) had a lucky escape in June 2007, when a rocket very nearly destroyed the transport aircraft in which he was about to land at Bouaké. It is still unknown whether the attackers were from his own rebel *Forces Nouvelles* or from the official army. Soro's triumph has been to transform the *Mouvement Patriotique de Côte d'Ivoire*, of which he is Secretary General, into a real political party. He claims to be able to unite the country because he is from the north (born at Kofiélé in Ferkessedougou Department) and a Christian. Like Gbagbo, he was active in student politics. His MPCP has made an electoral alliance with Ouattara's RDR. Soro's political positioning has been shrewd. He said 'what differentiates the current peace process from earlier efforts is the fact that direct dialogue was offered by President Laurent Gbagbo and accepted by the FN – the two principal belligerents. It was this that led to the Ouagadougou agreement.' He presents himself as the neutral referee of the election, charged primarily with delivering a peaceful run-in to the vote – for which he will not be a candidate. The FN is definitely not becoming a political party – and will not therefore attempt to rival the RDR as a vehicle for the votes of northerners.

● **Henri Konan Bédié** (75) is Baoulé, like Houphouët-Boigny, whom he succeeded as President in 1993-99. Although his age makes him ineligible for the national presidency and that of his *Parti Démocratique de Côte d'Ivoire*, Bédié could be a candidate as the 2003 Marcoussis Accords say that nobody may be excluded from the presidential race.

● ADO, 67, economist and northern chief: President of the RDR, was born in Dimbokro in the central region of Côte d'Ivoire, of parents from Kong in the north. He is seen as the symbol of the exclusion that affects many northerners. On the grounds that he was not a native Ivorian, he was excluded from the presidential elections in 2000. Laurent Gbagbo is hostile to him, partly due to the arrest of **Michel Gbagbo**, his oldest son, after a peaceful demonstration when Ouattara was Premier under Houphouët-Boigny. Internationally, Ouattara is widely respected. He has an economics doctorate from the University of Pennsylvania, USA, and was an Assistant Managing Director at the International Monetary Fund, where he headed the Africa Department and later became a Deputy Managing Director in 1994-99; he also held senior positions at the *Banque Centrale des Etats d'Afrique de l'Ouest*. ●

A filial succession

A crafty old spendthrift nears his end, seeming to have the succession as well as the budget well under control

If President **Omar Bongo Ondimba** had a dollar for every time his demise was announced over the last 20 years, he would be even richer than he already is. The endgame in Gabon recalls the end of the single-party regimes of Côte d'Ivoire's President **Félix Houphouët-Boigny** and Togo's President **Gnassingbé Eyadéma**: Houphouët for the downward economic spiral, chaos and scapegoating of foreigners, Eyadéma for the son-in-law waiting holding the keys to the armoury.

Bongo's impending return from medical treatment in **Spain** was announced on 24 May. His decision on 6 May to 'temporarily' suspend his official activities after the death of his wife **Edith-Lucie** (AC Vol 50 No 6) was his first sign of weakness in 41 years in power. When **France** and the World Bank told Bongo in 1993 that building a railway through the equatorial rain forest was a bad idea, he converted to Islam, changed his name from **Albert** to **Omar** and sought funds from **Saudi Arabia**. While calls for multiparty democracy and national conferences weakened single-party governments, independent political parties failed to appear in Libreville.

Bongo is said to suffer from cancer, depression and other maladies. His demise would signal a bare-knuckle struggle for power and the death of the opaque networks between French and African politicians. Bongo has outlasted his French counterparts, and was said to have more fuel for use against them than vice-versa.

On 5 May, a senior French investigating magistrate, **Françoise Desset**, decided (after its third rejection) that a case backed by anti-corruption organisations against Bongo, **Congo-Brazzaville's** President **Denis Sassou-Nguesso** and **Equatorial Guinea's** **Teodoro Obiang Nguema Mbasogo** could proceed. That decision, and the freezing of Bongo's French bank accounts after a decision in the **Cardona** case (AC Vol 48 No 14), led him to seek treatment in Spain rather than in France.

Some damning materials are already in the public domain, including cheques from the Gabonese Treasury to pay for a 390,000 euro (US\$541,930) Maybach car for the late Edith. Bongo always insisted his people understand that the king should live better than the serfs. President **Nicolas Sarkozy** had talked earlier about abolishing the *juges d'instruction*, but the idea was dropped during pitched battles with lawyers and judges. Investigations

take time so Bongo may never face charges. In any case, the change in France's African policies has been less radical than Sarkozy promised: French military support for **Chad's** President **Idriss Déby Itno** meant simply keeping a French client in power.

Little in Gabon's 48 years of independent history suggests that the constitution would be allowed to obstruct a smooth succession. It says that if Bongo goes, power should pass to the Senate president, now **Rose Francine Rogombé**, but Bongo has signed his authority over to the innocuous Vice-President, **Didjob Divungi Di Ndinge**. In the event of a succession, the army will be the only institution able to maintain order. Since Bongo left for Spain, troops and tanks around Libreville have demonstrated that things must go on as normal. His son **Ali Ben Bongo Ondimba** controls the ministry that counts – he has been Defence Minister since 1999.

Politicians keep a low profile, while Ali Ben prepares the men in khaki for all eventualities. In 2008, he was made Vice-President of the ruling *Parti Démocratique Gabonais* (PDG). Unpopular even in his home region, Ali Ben is trying to make alliances with local bosses. If the military organised fairly democratic elections, it is unclear who would win. Bongo's government has used its petrodollars to

buy off opponents, while ensuring that all ethnic groups are represented. With no single ethnic group forming a majority of Gabon's 1.3 million people, the likely split is between south and north.

Yet no single politician has managed to deliver an ethnic group solidly to the ballot box. The two largest groups, the Fang of the north and the Nzebi of the south, are pillars of the Bongo regime. Former Fang oppositionist Father **Paul Abessole** now sides with the presidential majority and the other Fang heavyweights are no more charismatic than the dull Prime Minister, **Jean Eyéghé Ndong**. Nzebi politician **Zacharie Myboto** won just 6.6% of the vote in 2005 and his party is a nonentity. **Pierre Mamboundou**, of the Punu in the south-west, was a 'radical' opponent of the regime until 2005 and now defends Bongo against corruption charges and said 'the Gabonese people need him to come back in good health.'

Immigrants work hard and make up 25-30% of the population; many Gabonese, hoping for a cushy government job, are left with jobs. Once encouraged to settle by Bongo, immigrants are no longer popular with him or his opponents. Mamboundou of the *Union du Peuple Gabonais* blames foreigners for crime and for boosting the PDG's electoral turnout.

The International Monetary Fund predicts growth of just 0.7% in 2009 and has long said that deficits are out of control. The public sector dominates the budget and change will be needed. Neither the oil slump nor the financial crisis has slowed Bongo's spending. With a team of about 50, his daughter **Pascaline**, who runs his office, set up shop in Barcelona in scores of rooms, costing over 3,000 euros each at the Hotel Juan Carlos. ●

LOOKING FOR A SENSE OF SECURITY

As Defence Minister, **Ali Ben Bongo** has brought in a new Chief of Army Staff, Colonel Major **Jean-Claude Ella Ekogha**, and a new head of the *Conseil National de Sécurité*, Col. Maj. **Jean-Philippe Ntumpa Lebani**. Before his father left for **Spain**, Ali Ben was trying to assert himself as the natural replacement and to end rumours that have dogged him. Panned for being 'Nigerian', he had his mother, **Marie-Josephine** (now singing under the name **Patience Dabany**), attest to his pedigree, saying he was born in Brazzaville in 1959, with photos to prove it.

Omar Bongo Ondimba is from the Bateke, who span the Gabonese-Congolese border, and his opponenets claim that he is Congolese. He is from the Haut-Ogooué in the south-east, as is former Defence Minister **Idriss Ngari**, who kept the army exclusively controlled by south-easterners. Ngari, replaced by Ali Ben in 1999, has largely been neutralised and spent 2009 as Health Minister, dealing with a long strike by health workers. He is allied with Foreign Affairs Minister **Paul Toungui**, the partner of **Pascaline Bongo**, and is among those in the ruling *Parti Démocratique Gabonais* who oppose Ali Ben. The local press speculates about a Ngari presidential candidacy in 2012 but Bongo intends to be the only candidate in 2012 and said so shortly after winning another seven-year term in 2005.

In the last few months, the army and its allies in **André Mba Obame's** Interior Ministry have played up supposed security threats. After February's seaborne attack on Malabo in **Equatorial Guinea**, Gabon beefed up its visible military presence, as the intelligence services argued that Gabon was equally open to such attacks (AC Vol 50 No 4). Recently, the same intelligence services claimed that certain ministries had used official vehicles to smuggle arms into Gabon – so the army is keeping a close eye on politicians. ●

A double win for Bingu

The overwhelming election victory for the President and his party revive troubling memories of Kamuzu Banda's system

Voters overturned the political order in the fourth of Malawi's multiparty elections on 19 May. They voted for **Bingu wa Mutharika** for a second term in the presidency by a margin of over two to one against political veteran **John Tembo**, who represented the two main opposition parties (AC Vol 50 No 7). Voters also gave Mutharika's previously shaky Democratic Progressive Party (DPP) and its independent allies control of Parliament. The Malawi Congress party (MCP) lost 33 of its 59 seats and the United Democratic Front (UDF) 32 of 49.

Few, beyond the defeated candidates, quarrelled with the result. This raises the cruel paradox that this well-run election may restore a **Hastings Kamuzu Banda**-style autocracy to Malawi in the person of Mutharika, with his copious use of state resources to build his political supremacy.

However, it is not clear that Malawians fear a Banda-style regime as much as many foreign observers. Bingu's revival of the Banda cult has been as effective as all of his other public relations exercises. He has managed to capture the Banda legend from the MCP and Tembo, and to tie the Founder of the Nation to his and his DPP's rising star, unknown in Banda's day. With its large number of new members of parliament and the dozens of independents lining up to join it, the DPP

will dominate the new National Assembly. Nothing unusual or revolutionary in returning an incumbent president and his party to power. It is in what the voters have done to the opposition that the real significance lies.

The once-mighty MCP, which was ruled by Banda and later by his former deputy, Tembo, has lost over 20 seats, its leadership openly questioned from within. Already **Ishmael Chafukira** has been sacked as party Spokesman for demanding Tembo's resignation. Meanwhile, the UDF leader, former President **Bakili Muluzi**, faces a disintegrating party.

PAINTING MALAWI BLUE

Malawians seem satisfied with the punishment they have inflicted on the parliamentary opposition which Mutharika accused of being 'anti-development' and self-interested. DPP members are jubilant. They painted the country in their blue colours during the last weeks of the campaign, and they dominated the public broadcasters with their party propaganda, using public money and resources to devastating electioneering effect.

With **Zimbabwean** President **Robert Mugabe** and **Zambian** President **Rupiah Banda** at their head, the regional leaders who attended Mutharika's 22 May re-inauguration ceremony in Blantyre

pronounced themselves intensely satisfied with the result. A 'model' election is how Mugabe described it; he did not elaborate on how much more 'model' Malawi's elections were than Zimbabwe's polls last year. The much-criticised Malawi Electoral Commission and the huge teams of local and international election monitors are justly proud of their achievement in bringing to a credible conclusion the results from 4,000 polling stations around the country. Even Muluzi in a rare gesture of magnanimity broke ranks with Tembo and quickly accepted the result.

This result breaks, for now at least, the regionalism that has been the hallmark of political loyalties in Malawi until now. The DPP uniquely draws support from the North, Centre and South regions, and from Chewa and Yao peoples alike. This has been welcomed by several political observers in Malawi who were also glad to see the severe discomfiture, if not the end, of old-fashioned party leaders who could take the electorate for granted. Economists, for their part, will look forward to more years of solid economic growth with **Goodall Gondwe** back in the Ministry of Finance. Many are just relieved to see a peaceful outcome to a nasty and bitter political battle.

Discontent is muted for now, overwhelmed by the magnitude of the voting figures. Tembo and his MCP loyalists have not yet accepted it. Regional bigwigs, such as **Brown Mpinganjira** in Mulanje and **Gwanda Chakuamba** in Nsanje, who have lost their magic along with their parliamentary seats, are reduced to a stunned silence. Muluzi looks set to accept, finally, his status as a former President, renouncing any lingering ambition to be a President-in-waiting. ●

ZIMBABWE

A public quarrel

Disagreements within the top echelons of ZANU-PF used to be a state secret, now rival factions are briefing reporters about the meltdown

Since the power-sharing government began work in February, the Politburo of the Zimbabwe African National Union-Patriotic Front has leaked like a sieve with graphic details of the rows between former army chief **Solomon Mujuru** and Defence Minister **Emmerson Mnangagwa** to succeed **Robert Mugabe** as First Secretary of ZANU-PF and then as presidential candidate.

Before the coalition, the weekly Politburo was Zimbabwe's real decision-making body; the cabinet just followed orders. Now the Tuesday cabinet meeting is really making policy, so the Politburo meets on Wednesdays in case counter-

measures are necessary. This change has backfired: the independent newspapers come out on Thursday (*Financial Gazette*), Friday (*Independent*) and Sunday (*The Standard*) with ample time to get briefings from the various factions, check and polish their stories. So ZANU-PF's infighting gets thorough coverage every week.

The 20 May Politburo meeting started with an argument between Mujuru and Mnangagwa over who cheated whom in the takeover of Zimasco, Zimbabwe's main chrome producer. Then they argued over the succession. The maladroit **Didymus Mutasa** attempted to calm matters but merely inflamed the situation.

Both groups lack a clear majority. For now, Mujuru can rely on support from Mashonaland East and Central Provinces, as well as Harare. Mashonaland West tends towards Mujuru but as Mugabe's home province, it will probably defer to the President. Masvingo and the Midlands lean towards Mnangagwa. The same holds in Manicaland (where ZANU-PF was decimated at the last election).

The three Matabeleland provinces are unpredictable. Both Mujuru (then army commander) and Mnangagwa are tainted by the early 1980s *Gukuruhundi* massacres. The issue was revived by Mugabe's feting on 12 May of a delegation from **North Korea** which trained the Five Brigade, responsible for arbitrary killing. The visit took a farcical turn with Prime Minister **Morgan Tsvangirai** being locked out from the official banquet after rowing with State House guards over security; inside Mugabe raised discreet laughs as he postured in an honorary judo black belt from Pyongyang. ●

ANGOLA/CONGO-K/CEMENT

THE CEMENT BOOM

In both Angola and Congo-Kinshasa, public works produce surprising profits for well-connected cement producers, but an oil-fired building boom requires a lot of cement. Angola's Minister of Public Works, General **Francisco Higino Lopes Carneiro**, said in late 2008 that the country needed 4.5 million tonnes of cement a year, of which local manufacturers had the capacity to produce only a third. These are *Nova Cimangola*, turning out about 1.25 mn. tn., and *Secil-Companhia de Cimentos do Lobito*, with about 280,000 tn. The two companies also control the import trade; according to Carneiro, *Nova Cimangola* brings in 2.5 mn. tn. a year, *Secil Lobito* 500,000 tn.

That makes cement very expensive and very profitable. *Nova Cimangola* has close ties to the presidency. **Isabel dos Santos**, daughter of President **José Eduardo dos Santos**, owns shares (with the Portuguese businessman **Américo Amorim**) in *Ciminvest*, which in turn owns 49% of *Nova Cimangola*; the state owns 40.2%, the *Banco Africano de Investimentos* 9.52% and smaller shareholders the rest. The husband of Isabel dos Santos, **Sindika Dokolo** (37 and originally from Congo-Kinshasa) sits on the company's board. Its Production Director, **Manuel Pacavira**, says that 80% of its production goes to the national reconstruction programme, headed by General **Hélder Vieira Dias 'Kopelipa'**, head of the President's Military Office. The company plans to increase production by 3.5 mn. tn., as the reconstruction programme gathers pace.

Dokolo also plans to move into his native Congo (AC Vol 50 No 9). He told *Le Potentiel* of Kinshasa in May 2007 that he intended to buy the semi-state owned *Cimenterie Nationale* (National

Cement Works). He and his wife are already involved in Angola's *Sagripek*, which is involved in agro-industry and livestock.

One result of high demand and a politically connected duopoly is that a 50-kilogramme bag of cement sells for US\$30 in Luanda. In China, the equivalent price is \$2.50, though transport and customs costs bring that up to around \$9-10. In Angola, cement from Namibia can be bought for about \$12 a bag but, said a willing customer, 'They stop us buying more than five bags.' There are complaints that the price of cement has doubled since Isabel dos Santos went into the business a couple of years ago.

Some say the price surge is due to demand from the reconstruction programme. Prices for brick and stone materials have also soared; investors hope the rise will be limited if the government meets its promise to build 14 brick works in 2009, boosting production by 5 mn. a month, to 6.6 mn. bricks.

Secil Lobito is owned by the Angolan state and *Secil-Companhia Geral* of Portugal. In 2008, it produced 290,000 tn. of cement and aims to raise that steadily to 400,000 tn. in 2010, with an eventual target of 1.1 mn. tn. Its Chief Executive, **Victor Rodrigues**, plans to build a second cement works at Benguela, to be completed in 2012.

With prices high, foreign investors are interested. For example, *Camargo Correia* of Brazil announced in late 2007 that it intended to invest \$270 mn. in new cement factories in Angola and Mozambique with, according to the daily *Folha de São Paulo*, plans for two plants in Angola. Two years ago, a German company was said to be thinking of investing 129 mn. euros in a plant with a capacity of 650,000 tn., to start production in 2009.

The giant Brazilian construction companies Odebrecht and Andrade Gutierrez reckon that their work is sometimes hampered by tension between the Public Works Ministry and Kopelipa's *Gabinete de Reconstrução Nacional*, which masterminds the reconstruction programme. The two government bodies have, for instance, made conflicting decisions about building projects between Cacuaco and Viana, north and east of Luanda. It is said that the conflict is about the 'saco azul' (blue bag), to be contributed by the private companies to the public authorities.

THE CHINA CHOICE

Congo-Kinshasa's dilemma over how to finalise a US\$9 billion minerals barter deal with China without jeopardising a debt-reduction deal with the International Monetary Fund will not be resolved until September at the earliest. That is when the Chinese companies will get the results of their evaluation of mineral deposits in Katanga; those figures will determine the cost structure of the deal under which Congo trades copper and cobalt for the building of roads, railways and power stations. If the results are not good enough, the Chinese will have to reassess the deal's terms.

The IMF insists that it cannot agree to debt reduction or make fresh concessional loans to Congo-Kinshasa unless it is assured that the China countertrade deal will not create new debt. It is so important that IMF Managing Director **Dominique Strauss-Kahn** met President **Joseph Kabila** in Kinshasa this week.

Such is the parlous state of the Kinshasa Treasury that Prime Minister **Adolphe Muzito** publicly praised Strauss-Kahn's 'socialist heart' and urged a speedy response to Congo's request for \$500 million in concessional loans and cuts in its \$11 bn. foreign debt. Overwhelmingly, those debts date back to loans from the IMF and World Bank to the regime of **Mobutu Sese Seko**. Mobutu's Cold War sponsors in Washington, Paris and Belgium urged the IMF to lend, knowing that most of it would be corruptly diverted.

The China countertrade deal was conceived in 2007: the state-owned China Railway Engineering Corporation and Sinohydro Corp. gains control over 10 mn. tonnes of copper and 600,000 tn. of cobalt, a metal used in rechargeable batteries. In exchange, they are to build roads, railways, hospitals, schools and universities to the tune of \$6 bn. A further \$3 bn. goes to the joint mining project, in which Congo has a 32% stake. This allows President Kabila to show tangible signs of reconstruction before the next election in 2011; for China, the deal means another huge package of construction contracts and direct access to vital minerals without having to negotiate with middlemen. China is reluctant to change the basis of the deal, least of all because of IMF pressure.

Congo-Kinshasa was not even on the agenda at the 13 May meeting of the Paris Club, which makes important decisions on debt reduction. If forced to choose, Congolese officials say they would take China's offer, which they argue is bigger and faster than the IMF. However, IMF officials have suggested modifications to make the deal more palatable, such as cutting \$3 bn. from the package. They also hope that if the Chinese companies are happy with the geological report, they will not insist that the Congolese state guarantees loans made under the countertrade agreement. ●

AND IN KINSHASA

In Kinshasa, also in the middle of a government-inspired construction boom, cement can fetch up to \$50 per

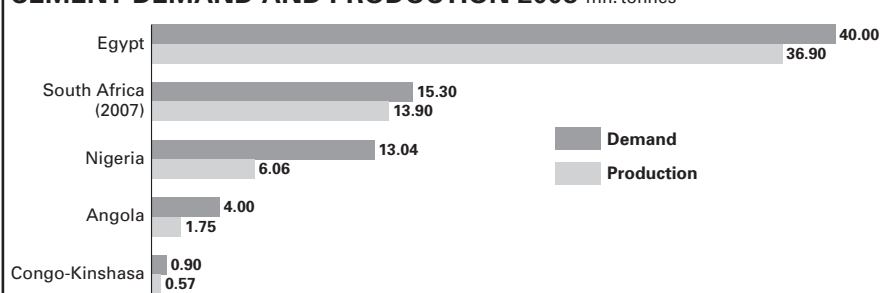
bag, making \$1,000 per tn. Builders use as little as they can and experts worry that their buildings may collapse before they are even finished. Local cement plants are in difficulties, often of their own making (AC Vol 50 No 10).

The nation's two existing cement-works are both in Bas-Congo Province. The *Cimenterie de Lukala* (Cilu) belongs to the Forrest Group (controlled by the ever-present Belgian entrepreneur **George Forrest**) and the *Cimenterie Nationale* (Cinat) is 90% owned by the state. Cilu's capacity is 400,000 tn. per year but it was out of action for technical reasons from November to February.

The problems of its competitor Cinat, in Kimpese, are more financial than technical. The plant needs a credit line of \$10 mn. before it can resume production. In 2008, it was out of action for more than six months and produced less than half of its capacity of 300,000 tn. Its managers hope for help from Prime Minister **Adolphe Muzito**, formerly an accountant at the company.

When Cinat's Lukala plant broke down, the government allowed imports of cement from China, **Spain**, **Turkey**, **Egypt** and **South Africa**. In early 2009, imports of Hima cement from **Uganda** and Mbororo cement from **Rwanda** fetched \$20 per bag in Bukavu in the far east of Congo. By mid-April, the price was down to \$13, although the government was still speaking of a 'cement shortage', which was so acute that the National Assembly held a special session on the subject in January.

CEMENT DEMAND AND PRODUCTION 2008 mn. tonnes



The problem persists and in May bags of cement were fetching up to \$25 in Kinshasa, twice the official price. The smuggling trade was lively, both from and to neighbouring countries, after the Minister of Economy and Trade, **André-Philippe Futa**, had banned all imports. In February, 3,000 bags were impounded in the port run by the *Office National des Transports*. In April, the government freed the market and exempted cement from import duties. The price promptly fell. Cilu and Cinat fear that could weaken their control of the market, especially as foreign competitors have an eye on Congo. In October 2008, the **French** cement giant Lafarge offered \$60 mn. for a 31% stake in Cinat.

The Forrest Group, active in both cement and construction, is looking to strengthen its position. In Beijing on 5 March, the Group signed a contract for a new production facility for 3,300 tn. per day at the Lukala site, in partnership with China's Sinoma International Engineering Company Limited, a world leader in designing and building cement

plants. China Railways Engineering Corporation, which will carry out infrastructure projects (see Box), has its own cement works.

The deal between Sinoma and Forrest would raise Lukala's production capacity to 5,000 tn. per day, almost 2.8 mn. tonnes per year. The Forrest Group is also planning to reopen the Cimenkat works in Katanga, to increase the capacity of its other Katanga plant, Interlacs, and to restart production this year at Katana in South Kivu. The government is backing these schemes; in February, the Deputy Prime Minister in charge of reconstruction, **Emile Bongeli**, announced a grant of \$2 mn. from the industrial promotion fund for extending Cilu.

Bongeli has also announced measures to support refurbishment and enlargement of Cinat, to sustain cement production in Katanga, to build new plants in Kasai and Orientale provinces, and to revive the works at Kalehe in South Kivu. The aim is to produce 3 mn. tn. annually by 2011. ●

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SUDAN

WHO'S COUNTING?

■ When Southern Sudan's President **Salva Kiir Mayardit** said this month that he was 'unhappy and unsatisfied' with the census results, he was pointing to the next major clash between his Sudan People's Liberation Movement and the National Congress Party (aka National Islamic Front). The results determine constituencies for February's elections and the 2011 Southern independence referendum. In 2007, Salva had already complained of the 'deliberate intention of the NCP to kill the CPA' (Comprehensive Peace Agreement). Things won't improve.

The Southern government disputes the census numbers for Southerners in the South (8.2 million) and North (520,000), claiming some 15 mn. and 1-2 mn. If Southerners are less than one-third of the total (39.2 mn.), the South will lose both revenue and government positions under the CPA. Northerners widely assume the census was rigged, as was made clear last week, at a meeting of a new (or renewed) alliance of 17 parties, including the Umma, Democratic Unionist, Sudanese Communist and Popular Congress (**Hassan el Turabi's**), with the SPLM as observer. The meeting called for a new government before polling. Days later, a bomb exploded outside the SPLM's Khartoum headquarters.

Census Monitoring Commission boss **Abdel Bagi el Geilani Ahmed** had declared census coverage was '100%' in the North, with 85-90% in Darfur. Even the normally quiet United Nations noted that coverage was low in Darfur. Amid complaints nationwide, one veteran politician told *Africa Confidential* how he waited for three days in his village near Khartoum but no one came to count him or his neighbours.

As criticism mounted, the NCP began praising the 'international monitors'. No one AC contacted, including a UN official, had seen any – perhaps because there were only 34 for Sudan's 2.5 mn. square kilometres. This gave the regime a free hand. The South 'deported' 170 Sudanese 'monitors' it suspected of being security agents. The foreign monitors were part-funded by **Britain's** Department for International Development. The 'team of international experts...had concluded that the census process was credible', a British official told AC.

CORRECTION: In AC Vol 50 No 10 Sudan: Open Sesame, we said that 'Meles was not keen on the conference but this looks unlikely to stop Omer from visiting Ethiopia'. It should have read 'Meles was very keen on the conference...'

GHANA/UNITED STATES

AKWAABA OBAMA

■ The 10-11 July visit to Accra of the first African-American President of the United States, **Barack Hussein Obama**, is a massive public relations coup for President **John Evans Atta Mills's** government. Washington officials say that not much lobbying was required as Ghana, with its history of credible multiparty elections, sound economic management and important roles in the United Nations' system, was a 'logical choice'.

President Mills is calculating how to reap maximum advantage from the high-profile trip. Recent visits by other US Presidents – **George W. Bush** in 2008, and **William Jefferson Clinton** in 1998 – have been little more than extended photo opportunities at the tail end of the governments of **John Kufuor** and **Jerry John Rawlings**.

Obama's Africa team wants the visit to work both as a symbol of US commitment to Africa and in practical terms on issues such as economic, diplomatic and security cooperation. Washington worries about

the West African drug trade – **Ecuador** is the latest cocaine exporter to Ghana, while traffickers from **Colombia** and **Venezuela** have established routes into the country and their own networks of corrupt officials. The arrival of two naval patrol boats from the US should help the Ghana Police Service's anti-trafficking operations.

On May 15, Mills appointed **Paul Tawiah Quaye** as the new Inspector General of Police, replacing **Elizabeth Mills-Robertson**, who has been given an unspecified ambassadorial appointment. Quaye immediately announced a major reshuffle of the top brass and vowed to crack down on corrupt police officers with interests in the drug trade. The only senior officer not reshuffled is the Director General of the Criminal Investigations Department, **Frank Adu-Poku**.

One of Mills-Robertson's final acts was to dismantle the Panthers Unit of the Service, which had exceeded its remit of backing up the regular forces in times of emergency and a number of whose officers are suspected of extortion and other drug-related crimes.

OBITUARY: TAJUDEEN ABDUL RAHEEM

The death of **Tajudeen Abdul Raheem** in a car crash on the way to Nairobi airport in the early hours of Africa Day, 25 May, deprives the continent of one of its bravest and wittiest spirits. A rousing public speaker and a brilliant polemicist, Tajudeen had the ability to tell uncomfortable truths to the rich and powerful, and even to his own comrades.

Born in Funtua, **Nigeria**, in 1961, he attended government schools in Katsina and then graduated with a first class honours degree from Kano University. He won a **Rhodes** scholarship to Oxford despite complaining to the academic authorities about its association with that arch imperialist. He used his time in Oxford to launch an array of political projects and fire up a generation of African activists, many joining the campaign against Nigeria's military rulers. He was the founding Chairman of the Centre for Democracy and Development, which has helped several countries move from military rule to multi-party democracy.

His friend, the former Finance Minister of Zanzibar, **Abdulrahman Babu**, recommended Tajudeen to the post of General Secretary of the revived Pan-African Congress in Kampala. Two years ago, Tajudeen was appointed Deputy Director of the United Nations' campaign to promote its Millennium Development Goals in Africa; he persuaded the bureaucracy that he should be allowed to continue his iconoclastic public speaking and journalism, which regularly lambasted UN agencies. Somehow, he charmed them into acquiescence.

In 2000, *Africa Confidential* invited him to speak at its 40th anniversary conference alongside **Britain's** then Africa Minister **Peter Hain** and the **United States's** then Assistant Secretary of State for Africa **Susan Rice**. After Hain and Rice had given the official line, Tajudeen lit up the conference hall with a dissection of Western policy, alternating between humorous anecdote and cutting analysis. A trenchant critic of the doings of the rich West and its aid industry in Africa, Tajudeen did not spare African governments, political ideologues or religious zealots. Raised as a Muslim, he espoused a uniquely African form of Marxism.

In a piece headlined 'Islamist bigots' in late 2001, Tajudeen attacked the application of *Sharia* law in northern Nigeria, where a woman called **Safiya Hussaini** had been sentenced to death by stoning for adultery. 'Elite official Islamists want to control the masses using extreme sanctions. At a time when Muslims are the butt of all kinds of prejudice, it may be difficult for many to come out to debate, let alone condemn some of the abuses of Islam by powerful vested interests. One risks being called a traitor to the faith. However, being truthful should not be considered a weakness. In the name of all that is decent, Safiya should not die.' Such forthright reactions in Tajudeen's weekly postcards, syndicated in newspapers across Africa, will be hugely missed like their hyperactive author and his winning smile. ●

BLUE LINES

Royal Dutch Shell's 8 June offer of US\$15.5 million to compensate human rights activists and establish a trust fund in the Niger Delta came on the eve of a scheduled New York courtroom battle with a group of Nigerian, American and British activists. They have pursued their case against the oil multinational since 1996, a year after Ken Saro-Wiwa and eight others were executed by General Sani Abacha's military junta.

Although Shell strenuously denies any liability and describes the offer as a 'humanitarian gesture', several lawyers hail the case as helping to establish the liability of corporations for human rights abuses in the jurisdictions in which they operate. They point out that Shell failed after several attempts to get the case thrown out of the US courts. Although Shell's offer settles the legal case brought by the relatives of Ken Saro-Wiwa and others, it will not protect the company from other claims by residents of the Niger Delta.

The case presents Shell with some hard choices: Nigeria represents its second biggest global profit centre but has become its riskiest political – and now legal – environment. Six years ago, a group of consultants wrote a confidential report for Shell, warning it that unless it fundamentally changed its operations in Nigeria, it could be forced to stop onshore oil production. There has been no fundamental change in Shell's activities and the New York case has probably expedited the reduction of its operations in Nigeria.

SOUTH AFRICA

This time it will be different

Trades unionists and Communist activists are pushing their leaders to take on the government as the recession bites

Just days after President Jacob Zuma's 3 June State of the Nation Address on accountability in government and jobs for the people, the trades unions hit back with calls for wage rises and the sacking of the Governor of the Reserve Bank. The leader of the Congress of South African Trade Unions (Cosatu), **Zwelinzima Vavi**, and his counterparts are caught between their new friends in the African National Congress government and the high expectations of union members that this time the relationship with the ANC government will be different.

A strong supporter of Zuma over the past five years, Vavi is determined to make the new order work. Union leaders and their members prefer Zuma to his rival and predecessor, **Thabo Mbeki**, but expect some fierce battles ahead over policy and public sector pay. Many public sector unions are poised to strike in the coming months should negotiations in the current wage round fail.

The suggestion this week by Public Enterprises Minister **Barbara Hogan** that unprofitable state enterprises could be privatised will further inflame union sentiment. Enthusiasts for selling off state assets are looking closely at the beleaguered state-owned power company Eskom, which made substantial losses last year and is struggling to raise finance for a more than US\$10 billion expansion programme. On 22 June, the National Energy Regulator of South Africa will decide on Eskom's vastly unpopular request for a 34% increase in tariffs that it argues is necessary to meet funding shortfalls.

As job losses creep up again, a new report from the Centre for Development & Enterprise thinktank is calling for tax

breaks and exemptions from most labour laws on hiring and firing, and health and safety provisions together with employment guarantee schemes on subsistence wages. The unions are opposed to such schemes, which they regard as creating a two-tier labour market, and insist on 'decent work' with full legal protection.

Vavi refused a job in government because he wanted to bring the unions back into government decision-making and presumably to stop those sorts of changes to the labour laws. That role for the unions is not universally popular: the ANC Secretary General, **Gwede Mantashe**, has questioned the loyalty of those in the unions and South African Communist Party (SACP) who are already criticising the Zuma government.

'TICKING TIME BOMB'

This could indicate a healthy opening up of politics or presage social turmoil as the unions press their case amidst the worsening global recession. Vavi and SACP General Secretary **Blade Nzimande** appear torn between their association with the new government and the demands of their members, but the tension is less, so far, than that which was routine under ex-President Mbeki. Cosatu and SACP leaders say Zuma promised them control of the ANC: 'We (Cosatu, SACP and ANC) are the policy makers and the government implements,' said Vavi. Members of Cosatu affiliates want more pressure on Zuma to keep his pre-election promises.

On 5 June, Cosatu warned that Zuma and his ministers were sitting on a 'ticking time bomb' of rolling mass action by 'restless and angry' public servants. Cosatu President **Sdumo Dlamini** told *Business Day* that 'Workers are sick and tired, they simply have

NIGERIA	3	KENYA	4	ANGOLA	5	CONGO-BRAZZA	6	GABON	7
The hunt for Tompolo		Uhuru's accounting crisis		Jobs and votes		Curbing their enthusiasm		OIL TRADING	8
The troops who raided the militants' hideout say they found secret documents.		A series of mathematical blunders complicate budget preparations.		The President is certain of victory, whether the elections are held this year or next.		The electoral register may hold 458,000 ghost voters in a population of 3.7 million.		AFRICAN UNION	10
								WHO'S WHO	11
								POINTERS	12

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had enough.' The global economic crisis is hurting South Africa, with company closures and job losses. Trades unionists fear losing their jobs. Grassroots members suspect Zuma of telling their leaders one thing in private, while saying something different in public.

Cosatu and SACP leaders who were sceptical of endorsing Zuma are now reasserting themselves. Pro-Zuma activists have been rewarded with jobs in national and provincial governments, leaving his critics to take centre stage in the affiliated organisations.

The loudest cheerleaders for Zuma were Vavi and Nzimande, who accepted the offer of a job as Higher Education Minister; his deputy, **Jeremy Cronin**, became Deputy Transport Minister. Some SACP members want Nzimande to resign as General Secretary, but he wants to hold on to his SACP job in case Zuma fails to deliver. Vavi rejected an offer to join the cabinet, preferring to stay with the unions. The SACP and Cosatu will hold national conferences in September that will elect new leaders, and there are moves to depose both incumbents. Grassroots SACP members are angry with national Chairman Mantashe, who in his other role as ANC Secretary General has lambasted the government's left-wing critics.

Serious policy differences are appearing about how to tackle the effects of the global crisis. Cosatu and the SACP demand, as usual, that the Reserve Bank stop inflation targeting, intervene to soften the rand and refocus its mandate to create jobs. And they want Zuma to fire the Reserve Bank Governor, **Tito Mboweni**, who is up for reappointment on 8 August. The union demands mean that the government is almost certain to reappoint Mboweni; the alternative would be to appear to give in to union pressure.

The inflation-targeting strategy advocated by Mboweni is also strongly supported by Zuma's economic team: Development Planning Minister **Trevor Manuel** and new Finance Minister **Pravin Gordhan**. The unions' call for lower interest rates – ruled out under the inflation-targeting strategy – would do little to help South Africa's mining companies and manufacturers to compete

in international markets.

Replying in the National Assembly to questions on his State of the Nation Address, Zuma said South Africa's achievements since 1994 had been made on the back of a stable economic environment and that government macroeconomic strategy would not change. The government had no intention of using tax revenues for general company bailouts, as Cosatu and the SACP demand. His Address outlined plans for fighting poverty and improving public services, and pledged to create 500,000 jobs by the end of 2009.

The left-wingers have questioned that commitment. Vavi said he could not see how Zuma's promise to spend R4.7 bn. (US\$580 million) 'immediately' on infrastructure development would create 'decent' jobs (Cosatu's demand). Dlamini insisted that 'We are bringing legitimate concerns to the table.' Cosatu met government ministers at ANC headquarters to discuss the threat of uncontrollable strikes over public service pay. Doctors and nurses at public hospitals have stopped work; prosecutors, paramedics, police and correctional service staff have all threatened to strike.

ANC Secretary General Mantashe, a close ally of Zuma, said the strike threat 'was not useful', but called on the government to act. He said the ANC wants to 'reprioritise' promises in its election manifesto and that one could expect a bigger budget deficit during a recession, adding: 'I'm not saying there should be recklessness.'

MANUEL'S LEGACY

Finance Minister Gordhan warned Cosatu and the SACP not to expect big spending because tax revenues are falling and the cost of government borrowing is rising. He argued that the fiscal position is strong, public debt is moderate and the foreign reserve position of the Reserve Bank is in good health, crediting these blessings to 'the foresight and wisdom of my predecessor', former Finance Minister Trevor Manuel, another bane of the left. Gordhan said these strengths enable the government to continue with the broad-based social assistance programmes provided in the national budget.

His praise of Manuel and his centrist policies did not go down well with the leftists, who want the government to go beyond the priorities that Manuel set out in his budget before he became Zuma's Planning Minister. Gordhan made it clear that Cosatu and the SACP will not have an exclusive say in policy-making, but must join the government on the same level as business and civil society.

Manuel had downplayed the effects of the recession, saying it should not prompt policy changes. He said that, while the

recently announced 6.4% contraction in gross domestic product was worse than expected, it was lower than in much of the industrialised world, implying that South Africa should stick with the policies co-piloted by himself and Mbeki.

Supporters of Cosatu and the SACP are **Ebrahim Patel**, the new Economic Development Minister, and **Rob Davies**, the Trade and Industry Minister. They are trying to bail out Frame, the biggest textile manufacturer in Southern Africa, whose owner announced in April that it planned to close down its spinning, weaving, finishing and denim divisions. The business has been losing R30 mn. a month, and employs 1,400.

Patel, Davies, the firm's owners, the unions and the Industrial Development Corporation worked together on details of the rescue. Davies insisted it was not about saving a particular firm, but maintaining textile production capacity. He also warned that South Africa was prepared to set up trade barriers with **Botswana**, **Lesotho**, **Mozambique** and **Swaziland** to stop cheap imports entering the country. The neighbours, in the 100-year old Southern African Customs Union, have signed an interim economic partnership agreement with the European Union, which South Africa opposes.

At the Reserve Bank, Mboweni is responding to the new situation. He has consistently opposed Cosatu's ideas about inflation, interest rates and intervention in currency markets. Then, on 8 June, the Reserve Bank signalled a new approach: the Bank suggested it could 'lean against the wind' to counter extreme exchange-rate movements, but without setting targets for the rand. Hitherto the Bank has insisted that its role is to control inflation, not the exchange rate, and that it would not intervene in the foreign-exchange market.

However, the rand has gained 18.3% against the US dollar this year, undermining the competitiveness of South African exports. When the rand went to R8=US\$1 last week, Mboweni took the unusual step of calling Bloomberg and Reuters to say that many people could argue that the currency's gains were 'unwelcome, and may bring about imbalances in the economy'.

Mboweni told a Reserve Bank planning session that he began his central banking career believing that there should be absolutely no intervention in currency markets but now admits: 'I have somewhat changed my mind over the years. Leaning against the wind is actually not a bad policy approach' – but he warned that intervention may be costly – and not very effective. ●

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The hunt for Tompolo

The government troops who raided the militants' hideout say they discovered secret documents listing the fighters and their political contacts

The rebel commander **High Chief Government Ekpemupolo**, alias **Tompolo**, is on the run from government forces, and the war in the Niger Delta is intensifying. Some of Tompolo's supporters say he is lying low in Warri, the capital of Delta State, or in a well-fortified camp in the creeks. Others claim he is in **Cameroon**.

Government forces claim Tompolo, in his flight, left behind in his guesthouse a package of documents giving details about the identity of his fighters, arms procurement and relations with senior Delta politicians. If the documents prove genuine, the repercussions could be huge. Yet Tompolo's Movement for the Emancipation of the Niger Delta (MEND) rejects the documents as fake and is stepping up hit-and-run operations against government forces and oil companies. Equally, politicians named in the documents such as the Niger Delta governors also claim the documents are false and part of a conspiracy against them. Yet the allegations of high-level collaboration between militants and state officials have thrown the region's politics into confusion.

President **Umaru Musa Yar'Adua**'s government looks determined to face down the militants despite the human cost. A Joint Task Force of army, air force and navy personnel is trying to close down MEND's bases, most of them in the Gbaramatu kingdom, close to Chevron's Escravos oil facility. This operation has left 20,000-30,000 people stranded in the creeks, according to the human rights group Amnesty International, and 3,000-4,000 in the Ogbe-Ijoh displaced persons' camp near Warri. MEND fighters claim to have killed 18 soldiers, and the JTF acknowledges that they are missing in action.

MEND says the cache of rusty rifles shown by the JTF to reporters was a joke, left on the jetty at Camp 5 as MEND fighters got away. The real armoury seems to have vanished with its commander. It is believed to include rocket-propelled grenade launchers, newly acquired **German** assault rifles, and maybe some of the surface-to-air missiles that other groups such as those loyal to the semi-retired gangster **Mujahid Dokubo-Asari** had acquired (AC Vol 48 No 23).

The JTF commander in the field, Major General **Sarkin Yarkin-Bello**, says that

the documents in Tompolo's guesthouse included a *Jane's Defence* manual on armoured cars and fighter jets. Some say MEND hopes to buy weapons, others reckon it wants to find out the capacity of the JTF's equipment. Tompolo has acted as an arms broker, so he is not just a customer. Potentially the most damning documents are said to link Camp 5 and Tompolo's MEND bases to politicians in the ruling People's Democratic Party and oil company officials. The military says the documents also include a list of all MEND fighters and their units, and local political and business supporters.

Many activists and human rights lawyers in the Delta claim that MEND has links to three governors – **Emmanuel Uduaghan** of Delta State, **Rotimi Amaechi** of Rivers State and **Timipreye Sylva** of Bayelsa – and **George Timinimi**, who runs the Delta State Ministry of Water Resources (AC Vol 50 No 11). All four vehemently reject such allegations.

THE STATE EXCHEQUER HAS LIMITS

There have clearly been communications about the release of hostages, but the documents if real suggest involvement by MEND and a range of political allies in racketeering and extortion. Governor Uduaghan has angrily denied allegations that he paid Tompolo 100 million naira (US\$680,000) a month until recently. Apart from rejecting the substance of these claims, he says that the Delta State exchequer would not run to such vast sums as oil prices fall.

However, Uduaghan is under growing political pressure, mainly due to the worsening conflict in his State. Perhaps to distract attention from these problems, he has suddenly suspended **Ayiri Emami**, a member of the Governor's Special Security Committee, from the Vice-Chairmanship of the Delta Waterways Security Committee. Emami is involved with security and community liaison in the Escravos Gas to Liquid Project, which is jointly run by Chevron and the Nigerian National Petroleum Corporation. He has also been suspended from the board of the Nigercat Construction Company. He is said to have made 'ethnically inflammable statements' in a newspaper interview.

Other documents from Tompolo's house suggest that ex-President **Olusegun Obasanjo** regularly used anti-corruption measures to enforce his writ over Delta

politicians. The compliant were rewarded, the dissidents pushed out – and the corruption continued.

International anti-corruption measures make little impression on Nigerian politics. Obasanjo's government won kudos for signing up to the **British-backed Extractive Industries Transparency Initiative**, and some high-level malefactors were prosecuted by the Economic and Financial Crimes Commission chaired by **Nuhu Ribadu**. However, disagreements arose when Ribadu produced strong evidence of graft by some of Obasanjo's political allies in the Delta. Ribadu is now in exile and the EFCC has lost all credibility.

MEND's **Jomo Gbomo** has dismissed the Tompolo list as a fake. In the version displayed by Maj. Gen. Yarkin-Bello, Tompolo attacks his former political allies and friends in the Delta along with other state governments for benefitting from his operations and then betraying him. Government forces seem to be uncertain about who now directs MEND's military campaign.

The JTF plans to establish a permanent barracks in the creeks to control security. That could break the collaboration between rogue military officers and politicians with militants who profit from hijacking and bunkering (stealing oil and gas from pipes) – or it could facilitate even more deals. The government says it has ordered the JTF to allow a ceasefire, giving the militants a chance to negotiate an amnesty and disband MEND. Yet the soldiers continue with their house-to-house hunts, and the chance that an amnesty would work looks remote.

Opinion is polarised among the Ijaw, whose communities – especially Oporoza, Kurutie and Okerenkoko – have been devastated. Professor **Kimse Okoko**, the former President of the Ijaw National Congress, described MEND as 'self-styled leaders'. The ultra-radical Joint Revolutionary Force and its idiosyncratic Spokeswoman, **Cynthia Whyte**, said the fighting in Gbaramatu was 'the culmination of an attempt by these ungrateful and uncircumcised elements to cage the rising stature of Government Ekpemupolo, a true Ijaw freedom fighter and emancipator'.

MEND has called for the resignation of Vice-President **Goodluck Jonathan**, who is Ijaw and from Bayelsa State. Few other Ijaw seem to share such hostility to Jonathan. The fresh fighting has sidelined the tentative political initiatives promoted by third parties. As conditions deteriorate for local people, there is no political pressure from the Presidency, the National Assembly or the military to change tactics in the Delta. Onshore oil production will be the big loser, further cutting Nigeria's foreign-exchange earnings amid the world recession. ●

Uhuru's accounting crisis

A series of mathematical blunders complicates preparations for the budget and suggests a government cover-up

A political and economic storm battered Finance Minister **Uhuru Kenyatta** before his maiden budget speech on 11 June, as the effects of last year's political crisis feed into falling production and jobs – and the government gets its figures wrong. The effects of the post-election violence and the global recession have hit harder than expected. The recently released Economic Survey shows that the government's five-year economic growth curve has been reversed: gross domestic product growth fell from 7.1% in 2007 to 1.7% in 2008.

Unlike his forerunners, Kenyatta does not enjoy the luxury of budget secrecy. In fact, he is at the centre of an embarrassing managerial crisis at the Treasury. Like the disputed December 2007 presidential election results, this one also involves numbers and the government's woeful arithmetical record. It started with April's tabling of the 29 billion Kenya shilling (US\$627 million) supplementary budget in Parliament. Kenyatta successfully argued before Parliament that the House must approve supplementary expenditure. Government projects were at a standstill: schools, for instance, were in danger of not reopening for the second term as the Education Ministry had released no money. Pausing from the latest battle between the coalition partners – running the House Business Committee – an unusually united Parliament gave Uhuru the go-ahead (AC Vol 50 No 9).

It proved to be a reckless decision. The member of parliament for Imenti Central, **Gitobu Imanyara**, an implacable foe of President **Mwai Kibaki's** Party of National Unity, tabled documents suggesting that 211 budgetary items showed figures inconsistent with those Kenyatta had initially presented. There was an excess of over KSh10 bn. In a fit of parliamentary pique, Kenyatta called into question the mathematical competence of Imanyara and others (notably the anti-corruption Mars Group), complained that they had questioned his integrity and insisted that debate be suspended. When Speaker **Kenneth Marende** called his bluff, the subsequent parliamentary investigation confirmed the discrepancies.

While the investigating committee stopped short of accusing Kenyatta of wrongdoing, it refused to blame a computing error (the Treasury's version) and recommended a forensic audit of

government budgets going back three years. At the same time, the Criminal Investigations Department was called in to investigate possible fraud at the Treasury. Neither has delivered a report; the forensic team is yet to be named, though Price Waterhouse Coopers, which audited the government over the Anglo-Leasing scandal (AC Vol 50 No 7), is a likely candidate.

CORRUPTION AVENUE

What emerged from Parliament's investigation was that the government seemed to have difficulty doing its sums. It is not, for example, clear how many teachers teach: the Teachers' Service Commission, the Treasury and the Planning Ministry's annual Economic Survey all use different figures. The government may well have paid billions of shillings in salaries and benefits to dead teachers or ghost workers. If applied across the board in a government where nearly 80% of revenue goes to public service salaries, administrative costs and vehicles, then a simple case of incompetence becomes an avenue for chronic corruption.

While Parliament cleared Kenyatta of personal wrongdoing, questions are emerging about his ability to manage Kenya's coffers and, by extension, Kenya. He is one of the PNU triumvirate of potential presidential successors that includes Vice-President **Kalonzo Musyoka** and Internal Security Minister **George Saitoti**. This would be his second tilt at the presidency. In 2002, when he lost to Kibaki, he was seen as little more than former President **Daniel arap Moi's** anointed successor, and many questioned his experience.

Soon after the Parliamentary committee had made its report and the Treasury had reworked its figures, the Mars Group found fault with the new figures, saying they contained similar errors. This time, some members of the Parliamentary Committee refuted Mars' findings and endorsed the new Treasury figures. Some say that members of the committee were compromised.

Kenyatta's officials in the Finance Ministry suspect internal sabotage. Linking it to the battle to succeed Kibaki, these officials say the sabotage is meant to embarrass Kenyatta and portray him as a poor manager. Kenyatta's allies are relieved that the scandal broke before

he read the budget on 11 June. Security was tightened and there was increased monitoring of everyone involved in budget preparation. However, the parliamentary investigation uncovered problems with statistics and budget figures across the government.

More immediately, the Treasury accounting scandal adds to Kenyatta's headaches. He has to produce a budget to stimulate growth, control inflation, finance a long list of constitutional and post-election reform items – while limiting spending on a bloated government whose extravagance is perhaps the single biggest reason for its plunging popularity.

Parliament has passed a bill allowing MPs more control through the budget review. The Fiscal Management Bill 2008 was passed in December but Kibaki said it had to be looked at afresh since some clauses allowed 'unnecessary intrusion'. Clauses were amended. The Chairman of the House Budget Committee, **Martin Ogindo**, amended the President's direction barring Parliament from involving itself in managing public resources. Kibaki had tried to stop Parliament from reviewing the national budget. Kenyatta, who tabled Kibaki's amendments, said the bill needed a clause insisting on the separation of powers between the Executive and Legislature: 'It was not the intention of the Executive not to work with Parliament.' The new Fiscal Management Act means that MPs have up to three months to scrutinise the Treasury's financial estimates before they are tabled in Parliament.

The main lesson of the accounting scandal was that weak parliamentary oversight had allowed Treasury mandarins to play games with taxpayers' monies with impunity. Imanyara's suspicions were largely inspired by the work of the Mars Group, a civil society lobby led by former Transparency International Kenya Director **Mwalimu Mati**.

The row has also spurred debate over the right of the Treasury to keep secret Kenya's External Debt Register. Under the constitution, the Finance Minister has executive authority over the signing of foreign loans. Although Parliament can ask questions about external debts after they are contracted, MPs have very limited rights to scrutinise such deals beforehand. Accordingly, the parliamentary Public Accounts Committee's investigations into the Anglo-Leasing scandal were blocked by ministers quoting the constitution.

Some now suggest that more than 60% of Kenya's foreign debt could consist of bogus deals. New parliamentary rules will ensure the Treasury presents a budgetary policy well before the Minister's budget process. In a country increasingly polarised by ethnicity and regionalism, the governance principle of 'it's our turn to eat' could be eroded. ●

Jobs and votes

President Dos Santos is certain of victory, whether the postponed elections are held this year or next

Although Angola's presidential election is to be postponed until 2010, the dominant *Movimento Popular de Libertação de Angola* (MPLA) has abandoned its plans for indirect elections, in which Parliament not the public would choose the president. President **José Eduardo dos Santos** may have concluded that both his own prestige and the country's would be heightened by a nationwide poll and he is sure to win it.

The constitutional proposals agreed by the five parties in Parliament could strengthen the president's powers, allowing him or her to act both as head of state and as de facto prime minister. MPLA Spokesman **Norberto dos Santos 'Kwata Kanawa'** presented them on 26 May. A commission of 45 National Assembly members, 35 of them MPLA, is preparing draft proposals and it is due to report soon. The remaining ten members are from the *União Nacional para a Independência Total de Angola* (UNITA), *Partido de Renovação Social*, *Frete Nacional de Libertação de Angola* (FNLA) and *Nova Democracia*. They are supposed to consult parties not in Parliament and civil society organisations. The Assembly must then ratify their draft.

Independent presidential candidates have put themselves forward: former MPLA man **Vicente Pinto de Andrade**, an economics professor; **Luisete Macedo Araújo**, from the neo-Pentecostal Manna church; **Vasco Cristóvão**, once an MPLA soldier; and **João Kambwela**, leader of the *Amplo Movimento dos Cidadãos*. The parliamentary parties will announce candidates after holding conferences, starting with the MPLA's (its first since 2003) in December.

UNITA leader **Isaías Samakuva** insists voting should be this year and that Dos Santos is breaking his promise by postponing it. Yet UNITA was roundly defeated at September 2008's general elections, with less than 10% of the vote, a quarter of its support in 1992. Everyone knows Dos Santos is the MPLA's natural candidate. The question is whether the party can repeat its last win of 81.6%. Its opponents are feeble, with the FNLA weakened by rivalry between wings led by **Ngola Kabangu** and **Lucas Ngonda**, but there are tensions in the MPLA, too, among those looking towards the presidential contest in 2015. The party could also be damaged by its intimidation

of the media and other critics. Amnesty International admits that human rights have improved – with a new liberalisation heralded by the opening of independent stations *TV Zimbo* and *Radio Mais* in the second city, Huambo – but journalists are still harassed.

In early May the *Serviço Migração e Estrangeiros* (Migration and Foreigners Service) confiscated the passport of **William Tonet**, Director of the independent weekly *Folha*, before he could cross into **Namibia**. The opposition website Club-K claimed he was on a list of people forbidden to go abroad. A few days earlier, Club-K's **Jaime Gama**, also a columnist on the independent *Semário Angolaense*, was arrested in Luanda for an alleged traffic offence (AC Vol 48 No 12). Writers who criticise the government include **Celso Malavoloneke** (who calls the rule of Dos Santos 'Eduardismo') and **Filomeno Vieira Lopes**.

DOS SANTOS THE BOSS

Many Angolans see Dos Santos as the boss of a privileged group. However, there are fears in the MPLA that the world recession could blemish the presidential record. After one of its regular consultations with the government, the International Monetary Fund said the economy had shrunk by 3.6% in 2009, thanks to declining prices for oil and diamonds.

The consultancy KPMG confirms that foreign direct investment is falling. After two years of stability at 75 kwanza to the US dollar, the kwanza is now about Kw80=US\$1, and the *Banco Nacional de Angola* has raised the reserves to be held by commercial banks from 20% to 30%, to discourage speculators. Foreign exchange reserves fell from \$18.9 billion in 2008 to \$13 bn. at the end of this April.

The World Bank warned on 2 June that growth and employment could be affected because the Treasury, suffering from the fall in oil revenue, has been slow to pay for goods and services. The government admits that there are problems but denies there is a recession. On 21 May, a senior official of the *Agência Nacional para o Investimento Privado* (National Private Investment Agency), **Aguinaldo Jaime**, emphasised in Washington that the 2009 budget was based on an assumption of oil at \$55 per barrel – higher than the January price, lower than June's. He claimed that, despite the fall in exports

would be sustained by government investment in ports, roads, railways and airports. Demand from the building trade and speculators have forced up cement prices (AC Vol 50 No 11).

Some foreign companies are leaving and Mines Minister **Ambroise Makenda** has warned them that they may not be welcomed back. Petra Diamonds left in late 2008, dropping its Luange project. In April, the giant BHP Billiton said it was giving up diamond exploration; Trans Hex of **South Africa** has stopped work at its Luairica and Fucauma mines. The government announced in March that it would buy gems from private firms to prevent them from going bankrupt. Makenda admits that production in 2009 will be 9 million carats, 10% less than in 2008.

Despite its prestigious chairmanship of the Organisation of Petroleum Exporting Countries (OPEC), Angola has cut crude oil production from 2 to 1.6 mn. barrels a day and the state oil company, Sonangol, is trying to diversify its risk. It has bought shares in **Portuguese** banks and is investing in overseas oil operations by, for example, obtaining eleven permits to operate in the Gulf of **Mexico**.

Progress has been made on the Soyo gas liquefaction plant, with a designed capacity of 5.2 mn. tonnes, and the prospect of more offshore gas to come. In late May, **British** Petroleum said it had found a new source of gas north-west of Luanda, at a depth of 1,642-3,622 metres. This find, called Oberon, is the 18th in Block 31. Last September, Total boss **Christophe de Margerie** said that in the deep waters off Angola, a price of \$70 a barrel was needed to produce a return on investment of 12.5%.

Farming and livestock rearing are looking up. Peace makes it possible to cultivate abandoned land and to vaccinate cattle. Farmers around Huambo in the Planalto can market their beans, pimentos, soya, maize and pineapples, partly because they can get credit from the *Banco de Poupança e Crédito*. A 400-megawatt gas-fired power station at Soyo, in Zaire Province, should open up the area for industrialisation, though too late for the election.

Moreover, the political climate will certainly be affected by the results of the African Nations Cup, whose finals will be played between 10 and 31 January next year. A win would cheer everyone up. Meanwhile, there is anxiety about whether the necessary infrastructure will be ready – roads, hotels, new stadiums at Cabinda, Lubango, Benguela and Luanda – on time. Angola, long secluded from the world by its troubles, is not used to visitors in large numbers.

As a nation which has recently emerged from 26-year civil war, it awaits them with some trepidation. ●

Curbing their enthusiasm

There is little public enthusiasm for the elections on 12 July and an easy victory for President Denis Sassou-Nguesso looks assured. Next month's elections do not scare the regime. The opposition is fragmented and lacks a credible strategy (AC Vol 48 No 15). In any case, the government has kept firm control of the electoral register, which independent observers believe now contains 458,000 ghost voters, in a country of just 3.7 million people.

FORMER FOES RETURN

At the elections in 2002, Denis Sassou-Nguesso converted himself into a constitutional ruler five years after seizing power through the 1997 civil war. The electoral register in opposition-supporting regions had been altered to exclude many locals while including presidential loyalists, such as Rwandan *Interahamwe* militia recruited to the government army. During the last seven years, President Sassou-Nguesso has reinforced his position by neutralising old foes, exploiting their loss of determination after years in exile.

Bernard Kolélas, the once-charismatic founder of the *Mouvement Congolais pour la Démocratie et le Développement Intégrale* – the main political voice of the politically important Lari ethnic group in the Pool Region and south-east Brazzaville – was allowed to return from exile in late 2005 to bury his wife, Jacqueline. Isolated from his political aides, he was soon won over by a guarantee of amnesty for his close family. He allied the MCDDI with Sassou's ruling *Parti Congolais du Travail* (PCT) and now his son Parfait co-chairs Sassou's re-election campaign. The regime has also seduced home from exile former President Joachim Yhombi-Opango, founder of the *Rassemblement pour la Démocratie et le Développement*, supported mainly by Kouyou people in the north-west, which harboured rebellion against Sassou's first presidency in the Marxist military days of the 1980s. Yhombi has pledged his RDD to the President's new *Rassemblement pour la Majorité Présidentielle* alliance.

THE LEADING CHALLENGERS

● **Ange-Edouard Pougui**: 65; central bank chief, measured technocrat; Denis Sassou-Nguesso's Premier in the 'Marxist' 1980s; candidate of Pascal Lissouba's *Union Panafricaine pour la Démocratie Sociale* and small opposition parties in the *Alliance pour une Nouvelle République*. The UPADS Bembe constituency in Nibolek (Niari, Bouanza, Lékoumou) should deliver a respectable vote but he may struggle in the north. UPADS's candidate in 2002, Joseph Kignoumbi Kia Mboungou, running as an independent, will weaken him.

● **Mathias Dzon**: Sassou's Finance Minister 1997-2002; *Alliance pour la République et la Démocratie* (ARD); latterly Congo Country Director of the regional central bank, *Banque des Etats de l'Afrique Centrale*; once head of the *Banque Internationale du Congo*. From Gamboma, in the Téké-dominated Plateau Region; in April 2000, after launching an anti-corruption campaign, he claimed someone had tried to poison him: chemical tests appeared to support this. Potential candidate for Gamboma in 2002's elections but like other potentially inconvenient candidates, was disqualified. Chances of presidential victory appear remote but Dzon campaigns vigorously, drawing crowds in Pointe-Noire and Dolisie. He is also campaigning to lead his native Téké, after Lissouba-era Premier Charles-David Ganao. ●

In broadening his political base to include such old foes, Sassou has marginalised former leftists within the PCT itself, such as its one-time number two, Justin Lekoundzou Itihi Ossetoumba, a critic of the presidential clan's monopolisation of power and wealth. Last November, Lekoundzou, having recovered from a mysterious illness that forced him to undergo lifesaving treatment in a French hospital, issued a ringing denunciation of the development neglect that has seen school enrolment halved since 1990. He paints today's oil-monied regime as a betrayal of the revolutionary principles symbolised by Congo's first Marxist military leader, Marien Ngouabi, who was assassinated in 1977; that paved the way for Yhombi, then Sassou. Another critic with appeal for those who feel Sassou's regime is a betrayal of old Marxist or military rigour is a retired police intelligence chief, General Emmanuel Ngouelondele-Mongo, who accuses the government of authoritarianism and corruption.

Also resonating are the corruption scandals, often highlighted by organisations such as Global Witness, and the (now settled) court battles with vulture funds over Congolese oil money, which have cast embarrassing light upon the questionable management of state resources. Denis Gokana, the head of the national oil company, the *Société Nationale des Pétroles du Congo*, is a key presidential ally, while the lavish overseas shopping habits of Sassou himself and his son Denis Christel – head of SNPC's trading arm – have been widely reported abroad. The leaked results of a French official investigation have raised questions about the family's French property portfolio. Meanwhile, the regime's development record is abysmal, public services are weak and, says the United Nations Children's Fund, malnutrition serious. Yet Sassou's regime has been careful to carry through enough oil finance transparency to secure an International Monetary Fund Poverty Reduction and Growth Facility, opening the path to debt relief under the Heavily Indebted Poor Countries (HIPC) initiative, probably in 2010.

Sassou's natural electoral base, the north-eastern electorate, PCT loyalists and the military, falls far short of a popular majority. However, the President has emasculated his opponents through military force in 1997-2005 and, latterly, through political deals. In drawing their traditional leaders, Kolélas and Yhombi, into his RMP, Sassou has left the Kouyou and Lari peoples without a political voice for their opposition.

Until Kolélas's 2005 deal with Sassou, the MCDDI had defied government repression to sustain a vigorous underground grassroots campaign machine; many ordinary members felt betrayed. Efforts by European-based exiles to transform resentment into a new opposition movement are slow to take root. Former President Pascal Lissouba is defiant in exile but also elderly, ill and no longer a political force.

External pressure is limited. Like the United States, France and other European Union governments are under no illusion about the corruption and human rights abuses, but in an unstable region they prefer Sassou to a 'failed state'. After he was elected

President in July 2007, **Nicolas Sarkozy** boasted that he would 'rupture' France's cosy postcolonial relationships with African presidents. There were claims that he agreed to see Sassou for just twelve minutes when he visited Paris that year; Sarkozy has since reverted to treating him as a respected ally.

Visiting Brazzaville in March, Sarkozy met opposition leaders as well and pressed Sassou to make overtures to his rivals. Although Premier **Isidore Mvoubi** (Lari) offered 1 billion CFA francs (US\$1.9 million) in funding to opposition parties which agreed to attend April's *concertation* (dialogue) talks, Sassou refused other concessions. The regime again rejected opposition calls for an independent electoral authority to replace the heavily controlled government *Commission Nationale d'Organisation des Elections* (Conel).

Two major opposition candidates, **Ange-Édouard Pongui** and **Mathias Dzon**, boycotted the *concertation* talks and may boycott the presidential election too. Even if they stay in the race, neither could unsettle Sassou's machine, despite significant regional support.

The reclusive former Ninja rebel leader, **Frédéric Bitsangou** (aka 'Pasteur Ntoundi'), still counts, drawing on the messianic Lari inheritance of the anti-colonial campaigner **André Matsoua**. Bitsangou remains at his Vindza base in the forests of Pool, the regime having rejected his calls for genuine power-sharing. He had declared support for Sassou on behalf of his *Conseil National des Républicains* (CNR) but withdrew after officials blocked the necessary formalities.

This month sees the publication in France of **Hervé Zebrowsky's** incendiary book, *Les Assassins du Cardinal Biayenda*, which links Sassou's circle to the mysterious March 1977 murder of Cardinal **Emile Biayenda** (also **Biayanda**) and raises questions about the death last October of **Ernest Kombo**, Bishop of Owando, who chaired the 1991-92 National Conference that ended Sassou's first presidency and established a short-lived democracy.

This may remind people of other sudden deaths or illnesses of people who have inconvenienced the powerful: the 2002 murder by uniformed 'burglars' of **Angèle Bandou**, charismatic Christian leader of the *Parti des Pauvres* (Party of the Poor); the unexplained sudden illnesses that killed former Prime Minister **André Milongo** (1991-1992) and **Patrice Nzouala**, a judge investigating the 1999 Beach Affair, in which 353 returning Lari refugees disappeared; or the sudden illness that nearly killed Lekoundzou.

The regime does not generally comment on the rumours that circulate; they may even reinforce a sense of its invincibility. Despite receiving the legal green light by France's highest court, the *Cour de Cassation*, its judicial authorities have yet to resume their pursuit of senior regime figures over the Beach Affair. Most at risk might be Gen. **Norbert Dabira**, Inspector General of the Armed Forces and one of the key commanders (mainly from Sassou's M'Bochi group) who provide the regime's

security force powerbase. Other key leaders include Defence Minister **Jacques-Yvon Ndolou**; the Presidential Guard chief, Gen. **Blaise Adoua**; police chief **Jean-François Ndengue**; Mines Minister **Pierre Oba**; Tourism Minister **André Okombi Salissa**, a practitioner of the occult whose private militia, the *Comité d'Action pour la Défense de la Démocratie-Mouvement de Jeunesse* (Action Committee for the Defence of Democracy-Youth Movement) is attached to Sassou's PCT.

No presidential contender has yet effectively channelled the widespread cynicism and discontent to threaten the next seven-year term of Sassou (65). His will to rule seems unshaken by the death in March, at 45, of his eldest daughter, **Edith Lucie Bongo Ondimba**, wife of **Gabonese** President **Omar Bongo Ondimba**, who died this month (see Box). ●

GABON: APRÈS BONGO

The death of *El Hadj Omar Bongo Ondimba* gives French President **Nicolas Sarkozy** the clearest chance to break with the opaque *Françafrique* networks, although he has avoided previous opportunities for change. French troops remain at Libreville's Camp **Charles de Gaulle** but why they are there is no longer clear.

Presidential son **Ali Ben Bongo Ondimba** has never denied presidential ambitions and with his half-sister **Pascaline** and Prime Minister **Jean Eyéghé Ndong** wrapping things up after Bongo's death in Barcelona, Ali Ben has been the regime's sole face. In a show of force, he ordered soldiers to man the streets and closed the borders, reopening them the next day. He called for 'the preservation of the unity and peace that were so dear to our lamented father'.

In power since 1967, President Bongo died on 8 June after a heart attack while being treated for intestinal cancer. Shops were emptied, then streets emptied, then life went back to normal on 9 June, even though 30 days of national mourning were decreed. Remembered internationally for the Elf oil scandal and his friendships on both left and right of France's political spectrum, the late President has left the landscape littered with Omar Bongo Ondimba universities and little-used presidential palaces.

'We will respect the constitution,' Communications Minister **Laure Olga Gondjout** assured the population. Some ministers were heartbroken at the loss of Gabon's patriarch and perhaps their personal meal ticket; several left the 9 June Council of Ministers meeting in tears. Article 13 of the constitution provides for the Senate President, **Rose Francine Rogombé**, to be interim President and organise elections within 45 days. She will also have to deal with a threatened teachers' strike and the after-effects of a health workers' strike.

The Constitutional Court left Gabon without a legal ruler for a day and a half and political parties grumbling that elections would have to be postponed. Privately, oppositionists say their initial point of attack will be the oft-fudged electoral registers. Opposition leaders who scored well in previous polls, such as **Pierre Mamboundou** of the *Union du Peuple Gabonais* and **Paul Mba Abessolé** of the *Rassemblement pour le Gabon*, will scramble for votes as the opposition becomes more fractious and ethnicised.

Ali Ben's strategy is to convince party barons and potential opponents that the Bongo brand, oil-backed largesse and the *Parti Démocratique Gabonais* are still the best way to protect elite interests and maintain stability. As Vice-President of the PDG and with ally **Faustin Boukoubi** as Secretary General, Ali Ben will try to stifle rivals and keep the party intact. Pascaline quashes rumours that she wants to run in the elections. Insiders fear Ali Ben lacks his father's fine touch and has done little to calm worries about what kind of President he would make.

A 'clean' election for Ali would get Gabon out of the headlines and minimise the impact of Bongo Senior's death until oil revenue really starts to dry up. Ali will be a vigilant Defence Minister and block opponents who think that violence and street protests are the best way to power. He may continue the tradition established in 2005 of having soldiers vote days before other electors to ensure that elections go as planned.

Omar Bongo's death complicates the ruling family's life. His accounts in France are still frozen, due to the **Cardona** case (AC Vol 48 No 14), and questions linger about millions of euros found in his late wife's **Monaco** account. When the children try to claim their inheritance of at least 33 French properties, prosecutors will still be investigating whether they were bought with misappropriated state funds. Omar was rumoured to have scores of illegitimate children, so Ali and Pascaline may have to compete for the spoils with siblings they have never met. ●

How to win in a recession

The trading of oil and other commodities is far more lucrative and resistant to demands for scrutiny than the beleaguered banking sector

The world of oil trading is as remarkable for its profits as for its opacity, some of its largest businesses having an annual turnover of several hundred billion dollars a year. Swiss-based Glencore handles 3% of the world's daily oil supply. Many trading businesses are privately held, so their financial statements are not available, much less their tax details. They would make fascinating reading.

For consumers, traders are just an added layer of cost. More than in financial services, the main issue in oil trading is who you know. Securing access to decision-makers and making profits for all involved are the imperatives. 'The commodity is money, not oil,' commented one veteran observer of the business.

Oil traders make their money by selling oil for more than they paid for it. Some own infrastructure to refine it and sell it on as jet fuel, naphtha, diesel and so on. Giants such as Vitol, Trafigura and Addax have diversified into, among other things, rice trading, biofuels, gold mining and offshore hedge fund management. Addax Petroleum is listed on the Toronto bourse but that is only the production side. The trading side is Addax & Oryx, which is based in Zug, Switzerland: that is the holding company and it permits only minimal disclosures.

Oil traders have grown mainly by consolidation: there are fewer than there used to be. For the biggest players, Africa is a small market but the margins there are fat. It suits some business people and their friends in government; the business is complex and politically charged, and the accounting is opaque.

The oil allocation system is a patronage tool in Africa: especially in **Angola** and **Nigeria** but also in **Algeria** and **Libya**. In the latter two, substantial shipments of oil are not registered; they are purely sold for the profit of those involved, while the state is cheated of revenue.

Traders usually receive allocations of crude oil from state-run oil companies, such as the Nigerian National Petroleum Corporation (NNPC), Sonangol in Angola or **Sudan's** Sudapet. **Gabon's** Petrolin markets its own crude; its owner is local businessman **Samuel Dossou-Aworet**, a business ally of the late President **Omar Bongo Ondimba** and his family. Petrolin has a near monopoly over the

trade in oil from independent producers such as Tullow, which have to sell their oil through the company.

Nigeria's NNPC sells 55-60% of all oil produced there. A company allocated a given amount can refine it or sell it on to another oil trader. Allocations can be made by politicians, so patronage is rife. Ex-President **Olusegun Obasanjo** tried to ensure that bidding companies met certain technical criteria (such as annual turnover and years in business), intended to ensure that only bona fide companies could compete.

NEW KIDS FROM THE BLOC

Big eastern European trading businesses have emerged in the past five years. Mercuria, originally from **Poland**, is now based in Switzerland, as is **Russia's** Gunvor, which has links to the Kremlin and Premier **Vladimir Putin** and has skilfully exploited markets in Angola, **Congo-Kinshasa** and **Nigeria**, with **Equatorial Guinea** in prospect.

The only companies which disclose information are those involved in upstream oil production, such as Addax's production arm. That is because the companies need partners who have to vet them financially and have to submit to the disclosure requirements of stock exchanges.

Algeria's Sonatrach and Libya's National Oil Corporation do not trade oil like their West African counterparts: there is no formal auction or tender. They sell to the big corporate clients, in theory without middlemen besides the big established oil traders. Yet there are rumours of private reserves for the politically connected. National oil companies also approach big refiners to buy oil. In Algeria and Libya, the national oil companies have their own shipping fleets: they sell direct to refineries.

West Africa is more of an aberration. The system there has evolved as a patronage machine for traders and politicians; both sides benefit from the lack of accountability. In the upstream sector (exploration and production) in Angola and **Congo-Brazzaville**, there has been some progress on transparency but little in the downstream (refining and oil trading) sectors. Upstream projects require huge amounts of capital and are more subject to financial scrutiny.

The oil-producing majors such as

Exxon, Shell and Total trade their own crude. Subject to closer scrutiny than the independent companies, they are generally regarded as less susceptible to corruption. In Nigeria, they both trade the crude they produce, and buy and sell that from other producers. The traders need them and as they cannot refine all their own crude, they need traders to buy any surplus.

Traders compete to secure the biggest possible yearly allocation of crude. That is why, in Nigeria, the NNPC's infrastructure is funded by the trading houses which vie for its favours. Angola is different. Sonangol, with offices in **Singapore** and **Houston, United States**, trades some oil itself and is regarded as more sophisticated, if smaller and no more accountable, than the NNPC.

Because allocations are determined in confidence, the traders' relationships with governments are crucial. Civil society activists claim that allocations made on the basis of relations with certain government officials can mean rigged tenders.

Getting greater accountability in the trading business will be difficult. Currently, it is impossible to judge how much oil the big four multinational oil companies in Africa are trading. They are not obliged to disclose the amounts and they trade under many different names and affiliates.

There is little pressure for transparency from African or Western governments. The trading companies and their owners have assets throughout the world and most of the companies are offshore. Regulating hedge funds would be easier. Companies face pressure only when they are trading with anti-Western regimes, such as those in **Iran** or **North Korea**.

Generations of oil and commodity traders have made their fortunes in Nigeria, some more honestly than others. Most have been foreigners; **Lebanese** traders have done particularly well over the past 30 years. The fortunes of Nigerian-born, Lebanese-descended, **British** trader **Ely Claude Alan Calil** rose on the back of General **Ibrahim Babangida's** military regime (1985-93) but he fell out of favour with the successor regime under Gen. **Sani Abacha**.

Calil had been an early enthusiast for the building of a gas export plant in Nigeria but says he was pushed out of the deal, which is now the subject of four different international corruption investigations. Abacha's advisors **Gilbert** and **Jack Chagoury**, also of Lebanese origin, have grand social ambitions in the USA: they were listed as big financiers of its Democratic Party.

With no transparency and few rules, traders' fortunes change over time.

Glencore was important in Nigeria under the Abacha regime; under Obasanjo, oil traders had to cultivate a new group of apparatchiks. One of the most sought-after contacts was the National Security Advisor and former Military Intelligence chief, Gen. **Aliyu Mohammed Gusau**. He has since left government but remains active in the governing People's Democratic Party.

MOVING DOWNSTREAM

Two companies well established in Nigeria, Vitol and Arcadia (which also does business in Equatorial Guinea), have good relationships with NNPC boss **Mohammed Barkindo** and Petroleum Minister **Rilwanu Lukman**, a former Secretary General of the Organisation of Petroleum Exporting Countries. Over the past decade, Vitol has become the biggest trader of Nigerian crude, handling around 300,000 barrels per day (bpd) through several investment vehicles.

Vitol also has a lucrative contract to import gasoline and petroleum products. The poor state of Nigerian refineries means they can refine just 50,000 bpd out of the installed capacity of 400,000 bpd. The failure of successive governments to institute a commercial pricing policy for locally refined products has deterred investors from refineries and made a fortune for oil traders.

Femi Otedola's Zenon, given rights to import diesel under Obasanjo, has in the past four years turned into one of Nigeria's biggest fuel importers. State subsidies distort the market and since the government pays a premium when oil products are scarce, there are incentives for stockpiling.

To minimise the risks attending price variations, oil traders like to diversify into refining fuels and liquefied natural gas (LNG). Addax began in Nigeria as a trading company then reinvented itself as a company with close links to the NNPC, handling 60-90 thousand bpd. So far, it is the only foreign independent to grow in Nigeria's market, while one of its arms deals in fuel products, mainly gasoline.

Many grumbles are heard from outsiders about 'indigenous' companies, some of which chip away business from the multinationals. At first, the big traders tried to get local partners involved in their deals, not least for their political clout. More recently, there has been an emphasis on developing the infrastructure and skills of local firms.

Although they have some political advantages, local traders cannot really compete with the international traders. Most of the local companies are based in one country, perhaps two or three. They cannot get the finance from their banks.

Africa's three biggest – Oando, Petrodel Resources Limited (owned by **Michael Prest**, an ex-Glencore trader) and Sahara – are all Nigerian owned and based but they are active in the region: Prest in **Mauritania**, Oando in **Côte d'Ivoire**, Sahara in **Ghana** and **Senegal**.

Nigeria is the only country where there is a more complex tendering process for crude oil allocations. That is because it is the largest market and

the government realised that if it were organised, there would be more to gain. Accordingly, the NNPC relies more on traders than, for example, Sonangol does. Sonangol trades its own oil.

In Sudan and Congo-Brazzaville there are tenders but they are charades. In Equatorial Guinea, there is a shell company, controlled and owned by the presidency, which markets state oil. ●

INSIDE THE FOUR BIG TRADERS

● **Glencore**: The company does not name its chief executive. The firm began in 1994 when the **United States'** commodities trader **Marc Rich** (who secured a pardon for tax offences from President **Bill Clinton**, AC passim) sold his interest in his own firm to its senior traders. Its main markets are **Congo-Kinshasa**, **Kenya** and **Nigeria**, where it has both upstream and downstream operations. Its tank farms in Nigeria store gasoline to sell to industry and it hopes to challenge Vitol with a bigger Nigerian National Petroleum Corporation (NNPC) oil allocation when Nigerian crude production recovers.

Glencore has significant mining stakes in European, southern African, US and Asian markets. In **Zambia**, it has 73% of the Mopani copper mine (which also produces cobalt), bought in 2000 with a capacity to smelt 650,000 tonnes. In 2006-07, Glencore built up a 70% stake in Shanduka Coal in **South Africa** and it hopes to expand in the country's coal industry. Glencore also holds 35% of the mining group Xstrata (listed in **Britain** and **Switzerland**), which produces ferrochrome, vanadium and coal in South Africa. In Congo-Kinshasa, Glencore has 40% of Mutanda Mining and 8.5% of Katanga Mining, both producing copper and cobalt and listed in Toronto, **Canada**.

● **Addax**: **Jean-Claude Gandur**, Chairman. It was founded in 1987 to focus on West Africa. Its Samax gold mining arm, established at the same time, was later sold to Ashanti Goldfields. In 2006, Addax Petroleum listed on the Toronto Stock Exchange. Addax exports crude from Nigeria, **Cameroon** and **Côte d'Ivoire**, among others, to refineries in West Africa, Europe, America and Asia; it imports gasoline, jet fuel and heating oil to Africa.

Addax has long enjoyed very close relations with the NNPC, some of whose members are rumoured to be shareholders. Starting as a trading company dealing with 60-90,000 barrels per day of Nigerian crude, it developed upstream, the only foreign independent to do so in Nigeria. Across Africa, besides trading, it works in storage, exploration, production, service stations and liquefied petroleum gas (LPG) distribution. Its purchase of Pan Ocean Energy made it, along with its Oryx subsidiary (which has eleven affiliate companies in nine African countries), one of West Africa's largest independent oil producers.

Addax's gold exploration subsidiary Axmin has permits in **Mali**, **Senegal**, **Sierra Leone** and **Central African Republic**, through its wholly owned CAR-registered subsidiary, *Aurafrique*. Addax's trading arm, Ascot Commodities, imports rice into several African countries.

● **Vitol**: **Ian R. Taylor**, President and Chief Executive, Vitol Group; **Rob Nijst**, Chief Executive, Vitol Tank Terminals International. The biggest oil trader in Africa, London-based Vitol operates in most African countries that import or export crude or products, with offices in **Ghana**, **Libya**, **Morocco** and Nigeria. The core business remains oil trading, including storage terminals and selling gasoline, diesel and jet fuel. Vitol is expanding into natural gas and power, coal, biofuels and carbon credit trading, and has diversified into oil exploration and production in **Congo-Brazzaville**, **Ghana** and offshore Nigeria. A big LPG storage facility in Lagos is due for completion this year, 50% owned by a local partner, Nidogas. In South Africa, it has a sugar trading arm and a mining subsidiary concentrating on zinc.

● **Trafigura**: **Frank Runge**, Director. The third-largest global oil trader has offices in **Angola** (with representatives in Luanda and Lobito), Congo-B, Congo-K, Côte d'Ivoire, **Ghana**, **Mozambique**, **Namibia** and South Africa. Outside oil trading, its Puma Energy provides onshore and offshore oil support services, for example in Ghana, and has retail service stations. Trafigura also trades in non-ferrous metals and has a stake in the copper producer Seksaoua in Morocco with Anglo American. In 2003, it set up Galena Asset Management, based in the Cayman Islands, which manages US\$700 million for offshore hedge funds, mostly in commodity derivatives. Trafigura faces Britain's largest class action suit over the spill of toxic waste offloaded from the *Probo Koala* in Abidjan in 2006 (AC Vol 50 No 11). ●

The other Pan-Africanists

The Pan-African Parliament is seeking greater powers, clashing with Gaddafi's proposals for a continent-wide government

Amid the calls for an immediate union government for Africa by Colonel Moammar el Gaddafi, this year's African Union Chairman, many overlook the existence of the Pan-African Parliament, based in South Africa. The Addis Ababa-based AU is for the continent's heads of state, and in his more radical days Ugandan President Yoweri Museveni dismissed its predecessor, the Organisation of African Unity, as a 'dictators' trades union'. The PAP brings together a much wider range of politicians, views and interests.

The PAP was created as a key AU element in 2002 but some bureaucrats in Addis and politicians distrust its independent stance. For example, Swaziland's Marwick Khumalo, who led the PAP observer mission to Zimbabwe's elections last year, was one of their most outspoken and best informed critics. Last week, Khumalo and other PAP delegates were in Britain, France and Germany to observe the European Parliament elections. The African team was surprised by the lack of effective checks on voter identity ('It's a system that depends heavily on trust and goodwill,' said one) but dismayed by the elector apathy, with

much lower turnouts than Africa. They were also alarmed by the growing success of anti-immigration and fascist parties.

Yet the PAP has its own problems, especially strengthening its authority. On 29 May, it elected Chadian member of parliament Idriss Ndele Moussa, 50, as President, replacing the poorly regarded Gertrude Mongella, whose ringing endorsement, while an AU observer, of the stolen 2002 elections in Zimbabwe earned her much opprobrium from civic activists and opposition MPs. Former dentist Moussa is the parliamentary majority leader of Chad's ruling *Mouvement Patriotique du Salut*. He chaired PAP's observer mission to Angola's 2008 polls.

On 30 May, Moussa spoke of 'lots of misunderstandings' between the AU and PAP and said his four new vice-presidents would help repair things. They are Nigerian MP Bethel Amadi (West Africa), Ugandan Mary Mugenyi (East), Algerian Laroussi Hammi (North) and Zimbabwe African National Union-Patriotic Front MP Joram Gumbo (South).

At January's AU Summit, the PAP asked for a 2009 budget of US\$19 million, compared to \$12.6 mn. in 2008, for more election missions in Africa. Yet

the AU slashed it to \$9.5 mn., effectively cancelling MPs' expenses (open, as in Europe, to abuse). PAP staff argue these are vital in order to attract MPs from poorer countries. The PAP therefore sent no observers to this year's Algerian, Malawian and South African polls.

The PAP has 256 MPs chosen by the legislatures of the 53 AU states including, where they exist, opposition MPs. It is limited to election missions and debating democracy and governance. Its original aim was full legislative powers, with members directly elected by universal suffrage as in the European Union. The PAP is due to discuss these proposals this year but first the AU Commission must define the terms of reference for an independent survey of the PAP's role. The PAP wants this to start now, so the findings will be debated at the next AU Summit in January.

The MPs will probably call first for legislative powers – transport, passports and cross-border trade – that do not challenge member states' sovereignty. Other possibilities are harmonising regional economic programmes, treaties and international conventions.

If the issue of the PAP's legislative powers goes to next year's AU Assembly, it will need agreement from two-thirds of heads of state. Much AU debate and political energy currently revolves around the Libyan leader's proposal for a new AU Authority. This looks to be at odds with the idea of a directly and credibly elected pan-African legislature. Many regimes backing the AU Authority do not allow even the most fundamental freedoms in their own countries. ●

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WHO'S WHO

KENYA UHURU KENYATTA, FINANCE MINISTER

■ Uhuru Kenyatta, 48, is the first son of founding President Jomo Kenyatta by his fourth wife, Ngina Kenyatta. Born at the dawn of Kenya's Independence, he carried in his name, Uhuru (Freedom), the aspirations of his father, recently freed from gaol, and his country's approaching freedom from British rule.

Uhuru attended the strictly Roman Catholic Saint Mary's School in Nairobi and then Amherst College, Massachusetts, United States, where he graduated with a bachelor's degree in politics and economics. Despite his privileged background, Uhuru's sociability and fondness for the national favourite Tusker beer has cast him as a man of the people.

In the early 1990s, Uhuru stood with the sons of the Independence nationalists in calling for democratic reform. Among them were Peter Mboya (son of the late Tom Mboya, assassinated in 1969, many say by men close to Kenyatta) and Gem Argwings-Kodhek (son of the late CMG Argwings-Kodhek, himself killed a year earlier in the first of the infamous and politically instigated 'tragic road accidents'). However, Uhuru remained loyal to the ruling Kenya African National Union and got closer to the then President, Daniel arap Moi, culminating in his failed run for the presidency on the KANU ticket in 2002, which badly split the party.

At first strongly critical of President Mwai Kibaki's government, Uhuru helped Raila Odinga's Orange Democratic Movement to win its constitutional referendum victory. However, in the run-up to the 2007 presidential election, he declared open support for Kibaki. After the December 2007 election row, Uhuru changed his rhetoric; dropping the inclusivist talk of the Independence nationalists, he became a staunch defender of conservative Kikuyu interests.

KANU, the party Uhuru inherited from Moi, is now split by his move to a Central Province base and now claimed by Moi's Kalenjin allies. From his position as Finance Minister, despite the current row over conflicting figures, Uhuru is preparing his next presidential bid and must be considered as one of the most serious candidates in 2012.

ZIMBABWE JOSEPH MSIKA, VICE-PRESIDENT

■ Joseph Msika, 86, is pleading to retire from the vice-presidency on the grounds of age and infirmity but President Robert Mugabe is reluctant to let him go because of the problems it would create in the hierarchy of his Zimbabwe African National Union-Patriotic Front. Msika has been at the centre of nationalist politics for over half a century and his life story runs parallel to Zimbabwe's liberation movement; he joined it a decade earlier than Mugabe.

Born in Mazoe District, north of Harare, Msika lived briefly in South Africa before returning to Bulawayo where, in the mid-1950s, he became Treasurer of Joshua Nkomo's newly formed African National Congress. He spent much of the next two decades in and out of detention with his leader. When Nkomo died in 1999, Msika stepped into his post of Vice-President.

For Nkomo, Msika represented the Mashonaland wing of the Patriotic Front while for Mugabe, he served as the Matebeleland presence in ZANU-PF. In fact, his family came from the Musikavanhu Ndaou chieftainship in southern Manicaland. His role has always been that of a conciliator and he has never been linked to the party's competing corrupt networks.

Mugabe strictly observes the terms the 1987 Unity Accord, under which ZANU and the PF each have two members in the four-man praesidium (at present Mugabe and Vice-President Joyce Mujuru for ZANU and Msika and party Chairman John Nkomo for the PF tradition). Nkomo is not interested in the vice-

presidency and the next most obvious candidate would be the hefty and ponderous Obert Mpofu, the current Minister of Mines. However, Mpofu backs Joyce Mujuru for the presidency against Mugabe's favourite, Emmerson Mnangagwa.

ZIMBABWE DUMISO DABENGWA, LEADER OF THE PATRIOTIC FRONT

■ Dumiso Dabengwa, the former head of intelligence for the Zimbabwe People's Revolutionary Army and a member of the Zimbabwe African National Union-Patriotic Front Politburo, emerged at a congress last month as interim Chairman of the PF, which draws its support from the southern provinces of Matebeleland.

Dabengwa remains a popular figure partly because of his credentials from the liberation struggle and his criticism of the regime's 1983-85 Gukuruhundi massacres in Matebeleland. He was subsequently detained. His public defection from ZANU-PF in February 2008 was a serious blow to the party.

Dabengwa had been getting progressively more disenchanted with ZANU-PF and President Robert Mugabe's rule, sometimes taking him on head-to-head at stormy Politburo meetings. Now Dabengwa and the PF say they have dissolved the Unity Accord and demand the return of PF property that is in the hands of ZANU-PF.

The PF is scheduled to hold another congress to elect a new leadership; Dabengwa claims he will not stand. Meanwhile, with Cyril Ndebele, Dabengwa heads a Council of Elders to guide the transition. The new PF is expected to call for a federal constitution with substantial powers for the regions when the drafting of a new constitution begins. We hear that Vice-President Joseph Msika is not unsympathetic to these moves.

NIGERIA HIGH CHIEF GOVERNMENT EKPEMUPOLO, AKA TOMPOLO

■ The Nigerian military's hunt for High Chief Government Ekpemupolo, alias Tompolo, and the fight against the Movement for the Emancipation of the Niger Delta has turned the region into a military camp. In contrast to the furore his military campaign has provoked, Tompolo is quiet and unassuming.

In his mid-thirties, Tompolo is extremely self-conscious: he is far less educated than some of MEND's sophisticated operators, who have delighted in getting their story across to foreign journalists. Tompolo's military career began during the Warri crisis, the 1997 war between Ijaws and Itsekiris which started after General Sani Abacha's government had moved the headquarters of a local government it had created and placed in the Ijaw part of Warri to an Itsekiri area of the city.

Tompolo earned a reputation for bravery and ruthlessness. After the fighting ended, threats to his life forced Tompolo to flee Warri and move to Oporoza, in Gbaramatu Kingdom. There, Tompolo and his fighters decided to lead a military campaign against Shell oil company, accusing it of environmental despoliation and exploitation; the operation turned into a protection racket, with Shell making payments to Tompolo and his associates. Impressed by this, the governors in Delta and Bayelsa states hired Tompolo to assist with some political enforcement. He was heavily involved in the war against Itsekiri neighbours of Bayelsa ex-Governor Diepreye Alamieyeseigha. Politicians and senior military officers also paid Tompolo to protect their illegal bunkering operations.

Tompolo is much feared among the Ijaw. His reputation has been boosted by his worship of Egbesu, an ancient Ijaw god of war, revived to symbolise the struggle against the federal government and oil companies. Followers of the god believe he gives protection from death and capture during war; Tompolo is in the inner sanctum of Egbesu warriors and an exponent of their elaborate sacrifices and rituals to the deity.

Libya/Belgium

WEAPONS FOR DARFUR

As Colonel **Moammar el Gaddafi** and his 200-member delegation pitched their tent for a business bonanza in Rome, it emerged that Belgium is to export weapons to Libya that may be used in Darfur. An 11.5 million euro (US\$16.1 mn.) deal for 2,000 anti-riot guns and spare parts for FAL automatic rifles from the *Fabrique Nationale de Herstal* was granted an export licence on 8 June by the Wallonia Region government.

Business people and trades unions alike are delighted: they hope for at least 100 mn. euros in orders. The unions argue that the European Union lifted its arms embargo on Libya in 2004. Also delighted is a Belgian consortium of Amos, the *Centre Spatial Liégeois*, Spacebel and Verhaert, which hopes to sell Libya a 'civilian' spy satellite. They expect orders worth 35-50 mn. euros.

Amnesty International is not delighted. Arms exports to Libya mean complicity in human rights abuses, it notes, and there are no means of enforcing or even monitoring the clauses banning re-export. The deals contravene the legally binding code of conduct the EU adopted last December, Amnesty believes.

Amnesty also says Wallonia should have consulted **Britain**, which last year refused to sell Libya 130,000 assault rifles. This followed an EU investigation into Libyan arms supplies to Darfur. The *Sudan Tribune* website says Tripoli is suspected of arming the Mahamid (Arab) tribe and the (Sudan government proxy) *Janjaweed*. Libya arms all sides, a United Nations' source told *Africa Confidential*.

Meanwhile, the *Groupe de Recherche et d'Information sur la Paix et la Sécurité* in Brussels observes that a judicial enquiry into Libyan involvement in supplying arms to a war zone is under way – in **Italy**. A 26 June meeting in Brussels of the European Council Working Party on Conventional Arms Exports is eagerly awaited.

Eritrea

MISTAKEN IDENTITY

■ The Eritrean opposition's struggles to be heard may be harder since its main news site got into difficulties last week. The Awate.com website claimed that a film crew from **Sweden**, led by veteran photojournalist **Donald Boström**, had 'sought asylum in Eritrea' (a country he knows well). It said the team had defected after interviewing President **Issayas Afewerki**, who had criticised Sweden's 'lack of democracy'.

The journalists were renouncing Swedish citizenship, undergoing political

re-education and happily queuing for rations, Awate said. Later, under pressure from readers, Awate apologised for the defection claim but still said this was a 'satire of the first class'. Boström's biggest misgiving is that it came from a group 'fighting for free press and free speech'. The joke created suspicion and confusion – just like the government. Eritrean diplomats are engaged in an intense propaganda war; the prime targets being **Ethiopia** and the Eritrean opposition, actual and potential.

In Boström's interview, Issayas had claimed, as he increasingly does, that the **United States** Central Intelligence Agency was plotting against Eritrea – and backing the Swedish media campaign to free Swedish-Eritrean journalist **Dawit Issac**, gaoled since 2001.

All the main Swedish newspapers campaign for Dawit's release; over 300,000 people have signed their petition, among them US rock star **Bruce Springsteen**. 'No, we don't release him. We don't take [him] to trial. We know how to deal with him and others like him and we have our own ways of dealing with that,' said Issayas in the televised interview.

Asmara now has an unexpected adversary in an African Union which defends Issayas's new ally, **Sudan's** President **Omer el Beshir**, indicted for war crimes by the International Criminal Court. On 23 May, the AU unprecedentedly called for sanctions against a member state, asking the United Nations Security Council to impose them because of Asmara's support for Islamists in **Somalia** (*Al Shabaab*, not the Mogadishu government).

European Union/ACP

BANANA SKIN

■ A row is growing between the African-Caribbean-Pacific countries and the European Union. On 29 May, ACP trade ministers accused the EU of sacrificing development to commerce. They asked for 500 million euros (US\$698 mn.) in compensation for the EU's proposal in March to nearly halve import taxes on Latin American bananas, from 176 to 114 euros per tonne. These are produced by deep-rooted multinationals such as Chiquita, Del Monte and Dole; their fruit, particularly from **Colombia** and **Ecuador**, was already nibbling at African sales.

Despite ACP warnings of political instability, the EU offered only 110 mn. euros in compensation. 'Ministers have the right to wonder about the usefulness' of partnership with the EU, grumbled the ACP Secretariat.

This quarrel will not help the negotiations for Economic Partnership Agreements (AC Vols 50 No 3 & 49 No 3), supposed to herald free trade between the ACP countries and EU. Often major

banana growers, the Caribbean states were the first to conclude EPAs, but they are already having a change of heart and talking of invoking a clause allowing changes to the agreements after five years. Now **Cameroonian**, **Ghanaian** and **Ivorian** banana exporters, who backed the EPAs in late 2007, say they will have trouble convincing other sectors. EU Trade Commissioner **Catherine Ashton** was hoping Africa's regional economic organisations would be on board in time for the EPAs to be signed by the end of June. This now looks in doubt.

United States/Africa

HANGING TOUGH

■ African governments sense a new toughness in Washington's Africa policy, a month before President **Barack Obama's** state visit to **Ghana** on 10-11 July, officials have told *Africa Confidential*. There is some ambivalence: they believe Washington will focus more on Africa in terms of diplomatic time and development finance but will be 'less indulgent towards transgressors'.

The new Assistant Secretary of State for African Affairs, **Johnnie Carson**, is one of the most experienced US diplomats to take that position and he has chosen another veteran Africanist, the outgoing Ambassador to **Ethiopia**, **Donald Yamamoto**, as his chief Deputy Assistant Secretary. We hear the two men are determined to push Africa up the hierarchy of US foreign policy concerns and believe that both Secretary of State **Hillary Clinton** and President Obama will be sympathetic to such ambitions. By comparison with other regional bureaus in the State Department, the Africa Bureau currently scores high on experience, with both Yamamoto and Carson particularly well versed in East and Southern Africa.

Nigerian officials are complaining about the choice of **Ghana** for Obama's first African trip, correctly interpreting it as a thinly-veiled criticism of political conditions in Nigeria.

Both Carson and Yamamoto are seen as knowledgeable but tough by African diplomats. Last month, Yamamoto vigorously defended the State Department's Human Rights Report, which accused the Ethiopian security forces of targeted killings of political opponents.

Ethiopian officials believe Premier **Meles Zenawi's** government will face harsher criticism over human rights than under President **George W. Bush**. Despite the more emollient line that some European governments are taking towards the power-sharing government in **Zimbabwe**, Carson said on 8 June that he was deeply concerned at the 'lack of reforms' and that there were no plans to offer new aid or lift sanctions against President **Robert Mugabe** and his allies.

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Tsvangirai has to rely heavily on his Finance Minister Biti and Economic Planning Minister **Elton Mangoma** (see Who's Who). Under their tutelage, the economy has changed from the most bureaucratic, cumbersome system of regulation – covering everything from foreign exchange, capital controls, payment of corporate taxes and import tariffs – to one of the least regulated economies in the developing world.

In reality, the job was half done by the collapse of most of the formal economy: regulations were openly flouted, especially by greedy politicians who used the system for personal enrichment and political patronage. For most Zimbabweans in the cash economy, the suspension of the Zimbabwe dollar and the adoption of the US dollar and South African rand as legitimate currency were an acceptance of reality. It has prompted huge economic and political change.

Almost instantly, dollarisation destroyed ZANU-PF's patronage base and the power of Reserve Bank Governor **Gideon Gono**, who can no longer disburse foreign exchange to political favourites or indeed order the prosecution of political foes for currency violations. Most of Gono's strength is now negative, the power to make the economy go wrong. Judging by his broad smile when *Africa Confidential* saw him in Biti's office last week, there may be some truth in the report that Mugabe refuses to allow Gono to resign, for fear of giving in to the MDC.

The question haunting Zimbabwe's transition is whether it is reversible. Of course the MDC line on Tsvangirai's sojourn was that the 'commitment to a new Zimbabwe' was overwhelming. This time, Tsvangirai's enthusiasm captures the sense of change in Zimbabwe: the reopening of schools, clinics and hospitals together with a more open (still fractious) political climate.

This year's sweeping economic changes make impossible a return to the *status quo ante*. The main beneficiaries from failure would be – as in South Africa's transition – a small band of securocrats who may face prosecution for serial human rights abuses. Tackling that issue amid the wider calls for political reform is becoming a pressing issue for those determined to shore up the new order. ●

THE HARD ROAD TO A NEW CONSTITUTION

Parliamentarians launched the great constitutional debate on 24 June, amid growing tension in the power-sharing government. Prime Minister **Morgan Tsvangirai's** Movement for Democratic Change is struggling to persuade loyalists of the Zimbabwe African National Union-Patriotic Front to stick to the Global Political Agreement (GPA) that the two parties signed in September. Based on last year's sabotaged elections, the government is an uneasy coalition between the cheated MDC and the electorally defeated ZANU-PF.

With a near monopoly on violence, ZANU-PF uses force to intimidate MDC supporters and civic activists. Last week, police violently broke up a demonstration by the human rights group Women of Zimbabwe Arise (WOZA). ZANU-PF members of parliament seemed unfazed by the fact that the beatings were ordered by officers, under the Commissioner General of Police, **Augustine Chihuri**, on the day after the Secretary General of Amnesty International, **Irene Khan**, arrived in Harare.

Amnesty has followed the cases of 15 activists and human rights workers who were abducted last year, alongside at least seven MPs. The security forces, almost completely under ZANU-PF's control, have subjected MDC activists to 'enforced disappearances' and backed new farm invasions and attacks on farmers and farm workers. Zimbabwe remains polarised by political violence, even if the tempo is much reduced from last year. Khan staunchly criticised the government: 'The tolerance of impunity is being seen as a licence for further violations by perpetrators – whether police, security officials or political party activists.' She added that state violence should not offer a pretext for donor countries to withhold finance for education and health.

As politicians in Harare took soundings on a new constitution, Tsvangirai's faction of the MDC called on the Southern African Development Community, which is a guarantor of the terms of the power-sharing agreement, to pressure ZANU-PF to stop the violence and tackle Reserve Bank Governor **Gideon Gono** and Attorney General **Johannes Tomana**. They want both men sacked: Gono, because of his ruinous financial policies and printing of money, which fuelled hyperinflation and the collapse of the Zimbabwe dollar; Tomana, whose support for ZANU-PF and refusal to release MDC political prisoners, even when ordered to do so by the courts, is in violation of the terms of the GPA. If the MDC fails to win that argument, it will struggle in the complex constitutional negotiations, which are central to organising fresh, credible elections within two years of the power-sharing agreement.

President **Robert Mugabe** insists he will concede minimal ground to demands for the reform of the constitution, which provides for a strong executive presidency to make all key appointments in the civil service, judiciary and electoral commission. The President not only has the last word on the appointment of judges but also – with a small panel of hand-picked assessors – orchestrates the dismissal of awkward jurists. Mugabe forced out the independent-minded Justices **Anthony Gubbay** in 2001, **Fergus Blackie** in 2002 and **Benjamin Paradza** in 2003.

Sharp differences between ZANU-PF, the MDC and activists in the National Constitutional Assembly (NCA) complicate the constitutional talks. Mugabe wants the revisions to be based on the Kariba draft constitution and then tested in a referendum. (The draft was written at a closed meeting at Lake Kariba in 2007 of about ten ZANU-PF and MDC politicians, who were under pressure to write a new constitution in time for elections due in 2008.) The Kariba draft resembles the proposed constitution put to voters in 2000 and flatly rejected. It has few checks on presidential powers, no serious limits on the size of government and presidential patronage, no guarantees of an independent judiciary or electoral commission and no devolution of power to provincial authorities or local governments.

Unsurprisingly, the MDC rejects the Kariba draft but it also disagrees with its former activist allies in the NCA about how to build support for wide-ranging constitutional reform and indeed, whether such sweeping reforms are necessary. The MDC wants to re-run the constitutional debates between its loyalists and ZANU-PF in Parliament, then to put the results to the constituencies prior to a final redrafting and a national referendum. This, the NCA says, amounts to the political parties hijacking the constitution; instead, it wants to consult immediately as widely as possible, before producing the first draft. These disagreements amount to a three-way battle for control over constitutional reform, with serious consequences. If the NCA does not get its way, it threatens to boycott the talks and campaign for a no-vote in any constitutional referendum.

This split in the reformist forces suits ZANU-PF. At the very least, it will delay progress towards free elections and a new electoral commission. In the medium term, it could mean the acceptance of watered-down reforms or, in extremis, the break-up of the power-sharing government – to the delight of ZANU-PF hardliners. ●

Business beyond borders

The Zuma government's foreign policy will be more about commerce than high-minded diplomacy

The appointment of the inexperienced **Maite Nkoana-Mashabane** as Foreign Minister in the new African National Congress (ANC) government suggests that President **Jacob Zuma** will dominate foreign policy, with his strong economic team of Planning Minister **Trevor Manuel** and Trade Minister **Rob Davie** (AC Vol 50 Nos 11 & 12). Policy is likely to align more with economic rather than ethical imperatives, to underplay **Thabo Mbeki's** vision of an African renaissance and focus on African rather than global issues. Links with **Brazil**, **China** and **India** may take precedence over ties with the West.

With Manuel and Davie, Zuma will try to fix recurring tensions in SA/United States relations on trade, police cooperation and counter-terrorism. US President **Barack Obama's** appointment of his close political associate, **Donald Gips**, as Ambassador shows an emphasis bilateral relations, particularly on regional security and energy. Manuel and Davie are hard-headed about South-South links and back demands for quotas on Chinese textile imports. South Africa is Beijing's most important diplomatic link in Africa, which might account for reports that China donated US\$5 million to the ANC's election campaign.

Pressure for tough economic diplomacy will come from the business elite, such as mining magnate **Tokyo Sexwale** (now Human Settlements Minister), **Sandile Zungu** (see Who's Who), **Patrice Motsepe** and **Vivian Reddy**. The new Foreign Minister (now International Development and Cooperation Minister) **Nkoana-Mashabane** is likeable, smart but inexperienced in diplomacy and fairly junior in the ANC: when the ANC elected its National Executive Committee in 2007, she won the lowest vote of any successful candidate. A former High Commissioner to India and **Malaysia**, she was later appointed to the Limpopo provincial government. Her predecessor at Foreign Affairs, **Nkosazana Dlamini-Zuma**, switched loyalties from Mbeki to Zuma (like Manuel) and stayed in the cabinet. After the election, Dlamini-Zuma, an ex-wife of President Zuma, was shifted to the tougher Department of Home Affairs.

Nkoana-Mashabane joins the Health Minister **Aaron Motsoaledi**, who is also from Limpopo Province. ANC activists believe the appointment of two relative unknowns to senior posts is partly a

payback to a province that has strongly supported Zuma, giving the ANC its highest provincial vote outside Zuma's own KwaZulu-Natal.

The top ranks of the civil service are in flux. The new leadership has to find its feet and civil servants – those who are not political appointees – worry about their jobs. Most senior contracts come up for renewal between August and February

and officials seen as close to Mbeki do not expect their contracts to be renewed.

There will be some important shifts, partly because Zuma has a different set of political friends. Mbeki spent some time battling **Moammar el Gaddafi's** plans for an immediate union government of Africa (AC Vol 50 No 12). Gaddafi sees Zuma as a loyal ally and increased his contributions to the ANC's election campaign.

South Africa is looking for new markets and investment. That explains Zuma's moves towards **Angola**, for example. Yet Mbeki's government was disappointed that, when it paved the way diplomatically, South African companies failed to follow up with investment. This time, South African companies say they will capitalise on the commercial doors that their President opens for them. ●

TSHWANE'S BIG FIVE IN AFRICA

Foreign affairs analysts broadly agree that five countries will attract more attention from Tshwane (Pretoria).

Angola will welcome **Jacob Zuma** on his first foreign trip as President 'before Christmas'. Zuma is grateful to President **José Eduardo dos Santos** for the loan of an aircraft during the election campaign. **Thabo Mbeki** never visited Angola as President: Luanda suspected him of maintaining ties with **Jonas Savimbi**, leader of the *União Nacional para a Independência Total de Angola* during the 1980s and 1990s, and the Mbeki-Dos Santos relationship was undermined by the two countries' growing rivalry for regional leadership. Zuma will use different tactics and soften those rivalries. He wants South African companies to win partnerships in Angola's mining, agricultural and building sectors, and in the supply and processing of oil.

Libya will become a more important bilateral partner: Zuma has worked closely with Colonel **Moammar el Gaddafi** over several years. Both were on good terms with another oil sheikh, the late President **Omar Bongo Ondimba** of **Gabon**, and flew to Libreville for his funeral, a grand gathering of the African and Euro-African clans.

Congo-Kinshasa will be a priority: Congo's political transition from 2000 onwards is a test of the SA power-sharing formula, while its mineral riches have drawn several big SA companies into gold, diamond and copper mining projects. SA strategists see the Inga Dam Project on the Congo River as a continental priority for Africa, given its potential to supply some of the cheapest electricity in the world to hundreds of millions of people. Zuma will retain SA's 15,000 peacekeepers, mainly in eastern Congo.

Sudan with its oil is also of special interest; Zuma's team will want to maintain the warm relations built up by previous Foreign Minister **Nkosazana Dlamini-Zuma** with Southern Sudan, where SA does police and military training. Zuma will probably keep in place the small police unit which Mbeki posted there with the United Nations, as well as its share of the UN-African Union Mission in Darfur. Relations with Khartoum's National Congress Party (aka National Islamic Front) regime are more problematic: SA has ratified the International Criminal Court statutes and would be legally required to arrest Sudanese President **Omer Hassan Ahmed el Beshir** should he try to visit SA (he was conspicuously absent from Zuma's inauguration in May).

Zimbabwe's power-sharing deal is too big a test of SA diplomacy to be abandoned (even if it was all planned by his rival, Mbeki). Zuma's protestations against President **Robert Mugabe** should not be taken too seriously: he welcomed Mugabe to a regional summit in Tshwane on 20 June with a bear hug. This month, Mugabe took over as Chairman of the Common Market for Eastern and Southern Africa. (SA is not a member of Comesa, preferring the Southern African Development Community.) Encouraged by his own trades union supporters, Zuma will be more supportive of former unionists and Prime Minister **Morgan Tsvangirai**. As SA gradually calls in debts from Zimbabwe, and its mining and manufacturing companies boost investment there, and as SA perhaps admits Harare into the rand zone, ties between the two will get still stronger.

In **Burundi**, where Zuma helped to negotiate a peace deal in 2005, SA is likely to withdraw its remaining troops with a mission accomplished announcement. It prefers to keep out of the crisis in **Somalia**. Foreign Ministry sources say relations with **Nigeria** are well below the warmth that existed between Mbeki and **Olusegun Obasanjo**. ●

Synchrobudgets

As they approach economic union, East Africa's finance ministers struggle to balance the books at home

The East African Community, grouping Burundi, Kenya, Tanzania, Uganda and Rwanda, plans to set up a common market this November. The opportunities are potentially vast: the EAC comprises 120 million people, with a combined gross domestic product nudging US\$50 billion. Negotiators still need to agree on tariffs, local protection and new rules for land use and work permits.

In the past, Kenya's larger and more diversified economy was regarded as the biggest beneficiary of the regional project, giving its businesses more open trade and the chance to invest their surpluses in other members' relatively cheap assets. However, Kenya's pre-eminence has been shaken by its political crisis last year. Rwanda's growth in GDP has been strong over the past decade, while Tanzania and Uganda would obviously benefit from inward investment and from membership of a larger economic community but they worry that Kenya's weight could stifle some of their nascent agro-processing and light manufacturing industries.

In the week beginning 7 June, the finance ministers of all the EAC countries except for Burundi read their budgets, none of which paid much attention to the regional common market project. They focused instead on short-term national measures to palliate the effects of the global slowdown.

KENYA: GOOD NEWS FOR SOME

Three main groups should do well out of Deputy Prime Minister Uhuru Kenyatta's maiden budget: Kenya's 210 elected members of parliament and its millionaires and commercial bankers. Kenyatta, who is also Minister of Finance, proposes to use the 210 constituencies as vehicles for a 'stimulus package' of 140 billion Kenyan shillings (\$1.8 bn.), covering road, school, health and other infrastructure projects. He also raised by 20% the annual share of projected revenue that goes directly to the Constituency Development Funds controlled by MPs.

To help to fund the budget deficit, Kenyatta says, the government will borrow KSh109.5 bn. on the local money markets. Many local fat-cats have seen their stock portfolios lose millions of shillings over the past year, as local

factors and global trends speed the decline of the Nairobi Stock Exchange. Those who shift their portfolios to the money market will be guaranteed a positive return. Interest rates are bound to rise, as they did when government borrowing was high in the 1990s, but probably will not beat inflation, now above 20%.

Kenyatta has also persuaded the International Monetary Fund to loan Kenya money from the Exogenous Shocks Facility, set up to help poor nations through the global recession. On 29 May, the Fund approved a loan of \$209 mn. to help Kenya cope with higher world prices for food, fuel and fertiliser. Some of those prices are now moderating but exports are confidently expected to decline as demand slackens in key markets.

The IMF money is to be disbursed immediately and to be repaid at 0.5% interest, starting after five and a half years. After years of poor relations caused by the failure of President Daniel arap Moi's government (1978-2002) to fight corruption and privatise key parastatals, the Fund is once more actively involved in the economy. All this, Kenyatta said in his budget speech, would push up Kenya's total public debt to 44.5% of GDP in a year's time, from just below 40% now; he says Kenya can afford it.

One proposal affecting Kenyatta's backyard of Central Province is an unspecified amount allocated to boost community policing. Much will go towards buying motorcycles for young people and chiefs to use under police guidance to tackle local crime. The latest variety of community policing has been the rise of vigilante groups in Central Province, which claim to target the *Mungiki* gangsters who extort money from local homes and businesses. Residents say the police back the vigilantes; the police deny it.

In April, a group of vigilantes crossed from Kirinyaga region into neighbouring Nyeri to hunt down suspected *Mungiki* members after a lethal shootout; over 20 people were killed. Former Justice Minister Martha Karua, whose constituency is nearby, told the National Assembly that the death toll was at least 43, and hundreds of young vigilantes on motorbikes were escorted by the police.

It is widely assumed that the police support the vigilante groups because they are themselves accused of extra-judicial killings.

To upgrade the criminal justice system, the Finance Minister allocated KSh3.1 bn. for, among other things, a pilot project to automate court services, in the pipeline since 2003. Then, key creditors pooled funds to, among other things, automate the court system. More than five years later, there is little to show. Some lawyers say Chief Justice Evan Gicheru resists change, even if he says the right things. For example, he has talked about setting up small claims courts to manage the backlog of more than 800,000 cases. Over five years later, nothing has happened.

Kenyatta's budget laid new emphasis on environmental conservation and clean energy. The government will fund the use of solar power in the semi-arid and arid regions which make up almost three-quarters of the country; KSh200 mn. have been allocated to power secondary schools in dry regions with solar panels, plus another KSh400 mn. for other solar projects.

In the name of austerity, Kenyatta declared that ministers and senior officials must swap their stables of state-financed fuel guzzlers for a single vehicle of not more than 1,800 cc; he and his Assistant Minister, Oburu Odinga (Premier Raila Odinga's older brother) were driven to Parliament for the budget speech in ordinary medium-sized cars. Two years ago, the then Finance Minister, Amos Kimunya, required all senior officials to surrender all but one of their official cars, with an upper limit of 3,000 cc. Weeks later, ministers were still riding in their multiple cars and there has been no audit to show how the measure worked out. This time Kenyatta also proposed cuts in telephone expenses, local and foreign travel, furniture, tea and flowers. He announced much the same in January but nobody seems to know what happened.

In broad figures, the government expects to collect KSh569.6 bn. and estimates a deficit of KSh168.2 bn. The economy is expected to grow by 3% in 2009, up from 1.7% in 2008. The biggest immediate challenges are high inflation and food prices. The largest group of people thought to need food aid until March are the 4.1 million town-dwellers who cannot afford the staple, maize. Another 2.5 mn. people in rural areas need food aid because of drought. A new government task force will study how to implement a food subsidy scheme for the urban poor, to which KSh1 bn. is allocated. Yet the task force has no deadline and it is not known who its members are or who they would report

to. The ministries and aid agencies in the Kenya Food Security Steering Group say high food prices are a danger to national stability. Their May statement warned that 'civil unrest is simmering'.

UGANDA: UNABLE TO SPEND

Uganda's first female Finance Minister, **Syda Namirembe Bbumba**, was big on optimism with her \$3.6 bn. budget, which had no tax increases. With economic growth expected to slow from 7.3% to 6%, the Minister maintained her predecessor's focus on transport and energy infrastructure, with more funds for roads and to reinstate a ferry service to Tanzania on Lake Victoria. Extra cash goes to the Energy Fund for emergency thermal power generation and a feasibility study for a 700 megawatt dam on the Nile at Karuma. Transport infrastructure got \$600 mn., energy infrastructure \$349 mn. and education \$500 mn.

A banker and accountant, Bbumba prioritised agriculture by raising its allocation by 47% to \$164.4 mn., with tax breaks for agro-investors, as well as for tourism, donor-funded health and education programmes, and goods transport. Her spending plan was well received but questions remain about the optimism underlying her assumptions and, with the 2011 elections around the corner, whether politicians will keep their hands out of the till.

Of the total \$3.6 bn., some \$2.4 bn. is expected from domestic revenue, with donors helping to plug the \$1.2 bn. deficit which, at 32.6% of the budget, is higher than last year's \$900 mn. President **Yoweri Museveni**'s government resents donors and is keen to finance its own budget. A lot of donor money goes to health and education and so far no donor has indicated that they intend to cut aid because of the recession at home. Some, including **Britain**, are likely to tie their support to long delayed electoral reform.

The government plans to borrow over \$100 mn. from domestic markets, which could send interest rates, already at an average of 24%, even higher. Uganda was the first country to benefit from the Highly Indebted Poor Countries debt-relief programme but its debt stock has quickly crept up again to \$4 bn.

The Minister's key funding premise is that the Uganda Revenue Authority can collect more tax by being more efficient and clamping down on serial defaulters. That will be tough. Tax collection fell short by \$75.5 mn. last financial year; well-connected defaulters and evaders hope to get their tax debt written off. Bbumba has just signed away almost \$15 mn. of tax debt owed by **Sudhir Ruparelia** and **Hassan Basajjabalaba**,

both close to the government.

For all the official optimism, the pain of global recession will hit tax receipts. The Ugandan shilling has lost over 30% against the US dollar over the last six months, but this does not help exporters because demand is falling in foreign markets. Neighbouring Kenya, **Congo-Kinshasa**, Rwanda and Southern Sudan have helped to fill the gap; Ugandan producers earned \$800 mn. this year from those markets but there are signs of a slowdown. Remittances from the diaspora, which hit \$750 mn. last year, have fallen by over \$200 mn., say preliminary reports from the Central Bank.

The government has trouble spending its revenue. Much of the \$600 mn. allocated to roads this year was unspent because there were too few adequate plans and competent contractors. Instead, as every year, State House, the Defence Ministry and a few other departments asked for and received more money. Soon after the budget, State House officials quietly tabled a multibillion shilling request for a new presidential helicopter. It was not in the budget.

The cost of public administration continues to rise, including a 5% pay hike for civil servants, but largely because administrative districts have been increased from 50 to over 90 in the last decade, and along with that an army of civil servants and politicians.

The biggest worry remains corruption which a World Bank study reveals costs over \$250 mn. a year. Museveni has set up an anti-corruption court and upped the rhetoric, but the biggest fish are close to him and virtually uncatchable. With an election around the corner, the governing National Resistance Movement and its cronies have an even greater incentive to build up their campaign war chests.

Regional factors, too, will influence growth. With the last restrictions on Kenyan goods falling away under the EAC's Customs Union, Uganda will face stronger competition as well as new opportunities as Burundi and Rwanda join the Union on 1 July. Stability in Congo-Kinshasa and Southern Sudan are crucial for regional demand, as is Kenya's promised investment in rail, road and port infrastructure. ●

TANZANIA: KIKWETE'S BAILOUT PACKAGE

Tanzania, the second largest of the big-three members of the East African Community, has presented a budget with a bullish message designed to spend its way out of the global economic crisis. At 31%, the overall budget increase is the largest in the EAC but much is to be spent on recurrent programmes rather than new development initiatives.

Finance and Economic Affairs Minister **Mustafa Mkulo** said on 11 June that the recession would reduce this year's gross domestic product growth from over 7% to about 5%, with 5.7% GDP growth forecast for 2010. Inflation, which has hit 11% and above, is predicted to fall to 10% only at the middle of next year. Internal revenue will provide about 16% of GDP for this and next year.

President **Jakaya Kikwete**'s government announced that it would take the unprecedented move of launching a 1.7 trillion Tanzanian shilling (US\$1.3 billion) bailout/stimulus package. This is targeted at debt-ridden and profit-losing companies in tourism and agriculture, sectors hit particularly hard by the downturn. Little new money is allocated for Kikwete's 'agriculture first' programme, as the money already committed has not produced quick results.

Mkulo's budget suggests that the government may finally be serious about extracting more revenue from the extractive industries. While diamond and tanzanite miners have received temporary tax breaks, government decided to end the excise duty tax exemption. Mining lobbyists are already screaming that such 'regressive' measures will set off a round of restructuring and flight. Earning close to \$5 bn. and representing over half of exports last year, the industry contributes little to government revenue or local development.

As the most integration-averse country in East Africa, Tanzania sent mixed messages on the subject. While lowering value added tax to match the regional rate of 18%, it raised levies on milk product imports in order to protect domestic producers. Infrastructure is a budget priority but they are not arriving quickly enough in the sectors that need it most; the state-owned Tanzania Electric Supply Company predicts that the current power deficit will worsen to 250 megawatts by the end of the year, with demand growing by 15% a year.

Neighbours **Burundi** and **Rwanda** are the smallest EAC members. Kigali's \$1.5 bn. budget is just larger than the stimulus package announced in Tanzania and that budget reflects a 24% increase in size over 2008. Rwandan Finance Minister **James Musoni** predicted that GDP growth would halve this year, falling from 11.2% to 5%. Despite claims to the contrary, Rwanda has been unable to reduce its dependency on its role as a donor darling, attracting \$650 mn. in aid to support the national budget. ●

Coup anniversary – 20 years of Islamist rule

A momentous year awaits Sudan. Amid fighting in the South and Darfur, elections are due in February and the Southern referendum on independence is scheduled for 2011. The Islamist government will not come meekly to the table. The ruling party does far more than respond to changing conditions, at home or abroad: its organisational power enables it to shape key domestic events while manipulating the world's response. How does it do it?

CONTINUITY 1989-2009

When the National Islamic Front overthrew Sudan's elected government on 30 June 1989, nobody imagined that in 2009 it would be celebrating its 20th anniversary in power. Nobody except the NIF itself, that is. A party that spends over a decade patiently preparing to seize power also makes preparations to hold on to it. That is why the NIF, carefully rebranded as the National Congress Party (NCP), confounded forecasters, from Egypt to Eritrea to the late Colonel John Garang de Mabior, who taunted Brigadier General Omer Hassan Ahmed el Beshir as a 'junior rebel' (AC Vol 30 Nos 15 & 16). Despite an International Criminal Court (ICC) arrest warrant for crimes against humanity and war crimes, Field Marshal Omer Hassan Ahmed el Beshir is still there.

More importantly, so are the Islamist civilians who really rule. Apart from a handful of deaths and retirements, the same people who hold power now launched the 1989 coup (see Box). The key word is 'continuity'. The party buys and discards fellow travellers as suits it (some fronted the new government in 1989 while the cadres consolidated power) but the only people who count are the core and often unseen loyalists who run the party structures, impenetrable to outsiders. Think Western security services and add Islamism. This is why the NCP can nowadays coexist with the Sudan People's Liberation Movement in the Government of National Unity (GNU), formed under the 2005 Comprehensive Peace Agreement (CPA): SPLM ministers and other officials have no access to the real decision-making process, as some privately admit.

Under the CPA, the 2010 elections, which the NCP has already delayed for over a year, formally end the GNU. The NCP is seeking an electoral alliance with the SPLM, which would give democratic cover to polls it is widely expected to rig; the alliance would not please Southerners, who focus on the South. As Cairo repeats its opposition to Southern independence, some SPLM officials put their faith in international monitors and claim the SPLM can win alone in Northern Sudan.

The NCP will accelerate efforts to destabilise the South (see Box) and, under increased United States pressure for peace in Darfur, will continue to wrong-foot Darfur insurgents. As the Justice and Equality Movement (often known as 'Hassan el Turabi's armed wing') continues to be seen as the main rebel group, the regime's godfather is a lurking presence whose return to the political frontline seems more possible after JEM's 2008 attack on the capital.

The NCP rules through structures developed under El Turabi's authority and following Islamist models. So covert are these organisations that they leak remarkably little and neither the general public nor foreign governments find out much of

what goes on. This enabled the NIF to capture power from a government enthusiastically elected in 1986, when the NIF won less than 10% of the Northern vote. Even that was won partly by manipulating the 'graduate constituencies'. Hassan Abdullah el Turabi had failed to win a seat, in Khartoum, where the Sudan Communist Party won two.

Key NIF characteristics were (and are) organisation, dedication, discipline, wealth, readiness to use violence and, of course, Islamist ideology. El Turabi once told *Africa Confidential* that the NIF was 'Sudan's only modern party'.

While many outsiders see political Islamism as 'backward', harking back to a mediaeval 'golden age', Islamists see it as the global future, dictated by God's will. Islamism's attributes (internationally recognised now but not in 1989) include a long-termism that can, by definition, reach to infinity and an absolutism that makes compromise a mere tactic. For the NIF, this required embracing modern technology and learning from the enemy. It still does.

In the late 1970s, President Ja'afar Mohamed Nimeiri allowed the party to function again. In 1983, he decreed *Sharia* (Islamic law) under El Turabi's guidance. The NIF has never looked back. Years of underground opposition had instilled an unmatched level of discipline and secrecy and a talent for Leninist entryist techniques and other covert operations.

NIF strategists appear to have digested both Communist and Nazi handbooks, achieving the kind of tight vertical hierarchy with horizontal decentralisation of power favoured by many totalitarian organisations (including, later, *Al Qaida*). Parallel systems keep key secrets intact and everyone in line. The party rules through its security apparatus. Even the armed forces reflect this. 'The key players remain the same,' said one Western military source, 'and you find the lines of control but does the command power follow those or parallel security units?'

CIVIL SERVICE SLEEPERS

In the years before its 1989 coup, the NIF dispatched activists to civil service and aid jobs, often low-level ones, nationwide. Many were public, many were sleepers, waiting patiently for years for the 'revolution' and monitoring those who would oppose it. A Western-funded project in Darfur advertised nationally for agricultural extension workers. Only NIF people applied for these lonely 'hardship posts', which a Sudanese official detected in time.

Sudanese had firm opinions about the NIF: 'They abuse our religion' was a widespread comment. Though often indifferent to the plight of Southern Sudanese, Northerners were generally tolerant of Northern political diversity. People had relatives in many parties, including the NIF. So when an Islamist sat soberly listening to a merry group of drinkers talking politics, people paid little attention.

Such were the building blocks not only of the 1989 coup but of the subsequent government. The NIF still relies on information from neighbourhood committees and individual spies as a prime means of control. Strict social norms combined with draconian laws mean everyone has something to hide (at least from the regime) and is therefore vulnerable to political pressure. Relatives are threatened and sometimes tortured.

The NIF was long known for violence and iron bar-

wielding militias. The military training, sometimes in torture techniques, was more covert. Some occurred in **Iran**: Sudan's entirely Sunni and Iran's mainly Shia traditions have never disturbed a link that many observers still dismiss.

In 1989, few Westerners (or others) took political Islamism seriously. **Afghan Mujahideen** were seen as wild and distant allies (also receiving secret military training) against the **Soviet Union**. International eyes were on the crumbling Eastern Bloc. This greatly helped the NIF putsch, though the timing related more to internal events, including pre-empting a rumoured politically secularist coup.

Peace talks with the SPLM were moving forward, spearheaded by Northern secularist parties. **Mohamed Osman el Mirghani's** Democratic Unionist Party had joined in and only Premier **El Sadig el Mahdi** was, as ever, hesitant. Sudanese afterwards assumed that the NIF takeover was timed to sabotage this peace process, which it had opposed. The common foreign assumption that the NCP wants peace is a big one; war is part of its strategy.

TERROR AND TERRORISM

Secularist officers were soon gaoled; 28 officers and over 200 other ranks were summarily executed the following April. The NIF created enough confusion to help to protect its initial consolidation of power; creating confusion remains a major tactic. For instance, it arrested Turabi (not for the last time). The king-maker was soon back, far more powerful than the king. Turabi's ambitions for the world's first Sunni, modern Islamist government were boundless and its early achievements reflect the organisational ability of a party supported, after all, by only a small minority. Its main tool was therefore terror.

Hundreds of people were killed, thousands detained in 'ghost houses', tens of thousands sacked from the civil and armed services. Though ten years later, the government quietly encouraged the idea that it was no longer Islamist, initially, no one doubted its fanatical commitment. Yet present from the outset were the corruption and lack of devoutness which were later seen as evidence that it had abandoned its ideology. Contracts for key commodities were handed to party loyalists and family members; some profit went to the regime or the 'Islamist International', some did not. Meanwhile, when one Muslim political secularist was subjected to a mock execution and began praying, his tormentors told him: 'Don't bother! There is no God here.'

Combined with terror at home and the privatisation of the economy into party hands (amid International Monetary Fund monitoring), the NIF's goal was internationalising its 'Salvation Revolution'. It formed the Popular Arab Islamic Congress in Khartoum. The flood of foreign Islamists, including one **Usama bin Laden**, put Sudan on the world map. Yet the international reluctance to take

the regime seriously persisted. 'We underestimated *Al Qaida* at first,' admitted one senior **British** official. Another senior UK official told colleagues, 'As elsewhere, ideology is dead in Khartoum.'

The NIF, though, understands its foreign interlocutors, helped by its foresight long before it took power in funding activists to go abroad for advanced computer and psychology studies, both subjects then little known in Sudan. 'We know you better than you will ever know us,' Turabi had told AC. Thus, the NIF wove an international network. Despite its

'SELLING THE SOUTH DOWN THE RIVER'

This week's meeting in Washington of the two signatories to the 2005 Comprehensive Peace Agreement is unprecedented. Both the National Congress Party (aka National Islamic Front) and the Sudan People's Liberation Movement/Army expect to gain traction: the SPLM/A because it has friends in the **United States** government, the NCP (NIF) because it hasn't. **Ethiopia, Kenya, Britain, China, France, Norway and Russia** were among the 33 countries represented. The main result seemed to be that both sides agreed to accept next month's Permanent Court of Arbitration ruling on Abyei – as they had already agreed to do.

A major victory for Khartoum was to get NIF veteran **Ghazi Salah el Din Atabani** into America. His name, AC understands, has been on the banned list since 1995's attempt on **Egyptian** President **Hosni Mubarak**, when both Egypt and Ethiopia implicated the NIF regime. The USA accuses him of flying the suspects to **Iran**, whence they moved to **Afghanistan**, AC was told. His name 'triggers a number of alarms', said a source, and he was granted a waiver despite opposition from some departments. The 'intelligence cooperation' between the two governments ensures the passports of security supremo **Salah Abdullah Mohamed 'Gosh'** do not set off US alarm bells but Khartoum dropped him from its delegation after the USA leaked that he might prove 'a distraction'.

Most alarmingly, some US officials appear to have little idea what kind of regime they are dealing with, including some of those around the new Special Envoy, Major General (Retired) **Scott Gratton**. This reflects a combination of Western short-termism and the NCP's skill in manipulating it (see Feature). Certainly some of Gratton's statements upset Sudanese who look to Washington for help in restoring democracy and human rights. One of his predecessors, **Roger Winter**, went into print to ask if his country was 'selling the South down the river'. Darfur groups have protested loudly. Gratton heaps carrots on Khartoum, even offering to mediate between it and the SPLM over Abyei – just before July's Court ruling.

Gratton angered Darfur oppositionists this week by saying Khartoum was 'no longer' engaged in a 'coordinated' genocide: 'What we see is the remnants of genocide.' This is obviously grist to the NCP mill and endangers Darfur civilians. Gratton appears to be offering imminent normalisation with Khartoum. United Nations Ambassador **Susan E. Rice**, who has a long Sudanese track record, is reportedly fed up and Secretary of State **Hillary Clinton** is said to be moving in that direction.

The SPLM was promising to talk tough in Washington. 'The NCP is dragging its feet over the referendum,' said one SPLM source; the 2011 vote on Southern independence is the only thing keeping the SPLM in the Government of National Unity, where the NCP increasingly treats its 'partner' as the enemy it once was. Juba is worried by the alarming spread of ethnic clashes, in which hundreds of people have died this year, and wants an international investigation of NCP arms flows into the South. Northern soldiers who passed information on this to the SPLM were recently secretly executed by the NCP, AC understands.

Rival Southern parties accuse the Government of Southern Sudan of failing to defend the population and of corruption. This coincides with a massive campaign in the Khartoum government press against the SPLM, which it accuses of corruption, inefficiency and accepting foreign funds for the coming elections. This month's GOSS and SPLA reshuffle was largely about corruption, we hear. The NCP responded this week by spreading rumours of mutiny among the SPLA officers transferred.

Meanwhile, former Foreign Minister **Lam Akol Ajawin** has formed yet another breakaway, calling itself SPLM-Democratic Change. It was 'to reform the SPLM', Lam told AC, not destabilise it. Widespread claims that the NCP was behind SPLM-DC were 'rubbish', he declared, and a congress soon in 'the national capital, Khartoum' would show this. He would form a 'strategic alliance' with other Southern parties, and one leading member was **Charles Kisanga** (a Zande activist who this year formed another party with a similar name to the SPLM, SPLM-Patriotic). One Northerner who may join, we hear, is the controversial **Ghazi Suleiman** (lawyer to former *El Shifa* factory-owner **Salah Idriss**), though SPLM sources say they don't expect him to leave the SPLM. ●

terrorist training camps, Khartoum's involvement in the first World Trade Center bombing in New York in 1993 passed largely unremarked.

Many observers nowadays maintain that the NCP wants peace in Darfur and/or the South because it has 'too much else to think about' with the elections, Southern referendum and the ICC. Yet the regime has shown that it is more than capable of chewing gum and walking at the same time. In the early 1990s, visibly short of cash, threatened by an angry army and general public, it still calmly consolidated power, set up international Islamist networks that still function today and spoke of peace with the SPLM while conducting some of the most brutal offensives Southerners, Nuba and Blue Nile residents were to suffer. It even had time to build up the 'Arab Alliance' in Darfur, ready for another ruthless war nearly a decade later. The regime kills people because they don't support it and because it can. The party's contempt for its own people is clear in an interview El Turabi gave *Sawt al Kuwait* in March 1991: 'It is preferable

that several thousands of people should die rather than let the international crusade come to our help...We will never declare a famine as long as we are an Islamic nation...We will never allow international aid organizations to do what they want in our country and to oppose the plans of the Islamic revolution in the South.'* The expulsion of 13 international aid agencies from Darfur in March shows nothing has changed.

'KNOW YOUR ENEMY, THEN DIVIDE TO RULE AND PROCRASTINATE CONSTANTLY'

One technique is to recycle leaders. Security chief **Nafi'e Ali Nafi'e** temporarily 'disappeared' after Egypt and Ethiopia blamed Sudan for 1995's assassination attempt on President **Hosni Mubarak** in Addis Ababa. Despite condemnation, little happened internationally until, a fortnight after 1998's Islamist bombing of the US embassies in **Kenya** and **Tanzania**, Washington bombed *El Shifa* pharmaceutical factory in August 1998, claiming it produced chemical weapon precursors for *Al Qaida* (AC Vol 39 No 17).

Such were the NIF's public relations skills (and budget) that instead of the Mubarak attack defining the regime internationally, *El Shifa* defined it as a victim of US aggression. Khartoum has played this card ever since, most successfully in convincing much of the world, notably leaders of the African Union and Arab League, to back it against the ICC over its massive human rights abuses in Darfur, of which independent evidence abounds.

Its latest attempt was at the United Nations Human Rights Council last week, where a vote to maintain 'independent monitoring' of human rights (no longer a 'Special Rapporteur') scraped through by one vote. Egypt led the charge to abolish human rights monitoring and though, among African countries, **Mauritius** and **Zambia** voted against that, **Angola**, **Burkina Faso**, **Gabon**, **Ghana**, **Madagascar** and **Senegal** abstained, while **Cameroon**, **Djibouti**, **Nigeria** and **South Africa** felt no shame in backing Egypt's position, as did **China** and **Russia**.

Turabi's official sidelining in 1999-2000 may prove temporary, as many Sudanese believe. Either way, his party lives on, its tactics unchanged: 'Know your enemy, then divide to rule and procrastinate constantly.'

The NCP divides at home and abroad (*AC passim*), for years playing outsiders off against each other and persuading them that it is just about to bring peace to Darfur and/or the South and that any criticism could threaten these delicate processes. 'They make every foreign visitor feel special and think that he or she is the one who will change their view,' observed one international civil servant. The 'democratic transformation' stipulated by the CPA looks optimistic. ●

The Charitable Crescent: Politics of Aid in the Muslim World*, by **Jonathan Benthall and **Jérôme Bellion-Jourdan**. IB Taurus, London and New York, 2009.

THE COUP-MAKING GOVERNMENT LIVES ON

Hassan Abdullah el Turabi may watch mainly from the wings but the party he nurtured lives on, albeit renamed. The core group of his National Islamic Front is still largely intact since taking power in the 1989 coup. The group works on a strictly need-to-know basis with those outside it and sometimes with those inside. Top people circulate, sometimes in public posts, sometimes not; posts that are ostensibly junior are often policy-making. The real work happens out of sight. Key members of the party include:

- **Field Marshal Omer Hassan Ahmed el Beshir**, President; Islamist since his school days; paratrooper; fought **Israel** in 1973 and is still fighting; gained power since the months after the coup, when he had none, but is still not main decision-maker; wanted by International Criminal Court for war crimes and crimes against humanity in Darfur.

- **Ali Osman Mohamed Taha**, Vice-President; judge; secondary school with Omer; long-time Turabi deputy in NIF; pragmatic; rumoured (for years) to be sidelined; signed Comprehensive Peace Agreement.

- **Ghazi Salah el Din Atabani**, Presidential Advisor (gatekeeper); holds Darfur dossier this year; doctor; tank driver; banned from the **United States** (see Box); often presents himself as unhappy with policy, especially when talking to Westerners; often in London.

- **Nafi'e Ali Nafi'e**, Presidential Assistant (gatekeeper); agriculturalist; security officer; Iran-trained; was reassigned at **Egyptian** request after **Hosni Mubarak** was attacked (see Feature); had Darfur responsibility before Ghazi.

- **Lt. Gen. Salah Abdullah Mohamed 'Gosh'**, National Security and Intelligence Service boss; engineer; named in 2006 United Nations' list for possible sanctions over Darfur; face of intelligence cooperation with USA (this is widely seen as selling out **Somali** Islamists but does not appear to have dented their capabilities).

- **Qutbi el Mahdi**; another Iran-trained former security boss; key to party security; **Canadian** passport.

- **Mustafa Osman Ismael ('Mr. Smile')**; dentist; Presidential Advisor (gatekeeper); shadowed **Lam Akol Ajawin** (when briefly Foreign Minister); deals with Arab countries; senior in Turabi's Popular Arab Islamic Congress in early 1990s (cradle of *Al Qaida*).

- **Mutref Sideeg Ali**, State (junior) Minister, Foreign Affairs; moved seamlessly up from Under-Secretary; with former People's Defence Force chief **Ali Ahmed Kurti** (also State Minister) and **Mahdi Ibrahim** (militarily trained; ex-Ambassador USA) ensures National Congress Party foreign policy overrides that of Foreign Minister **Deng Alor Kuol**.

- **Ahmed Mohamed Haroun**; judge; security specialist; Governor, South Kordofan (includes Abyei and Nuba) 2009; previously State Minister, Humanitarian Affairs; wanted for crimes against humanity by ICC.

- **Mohamed Mandur el Mahdi**, Political Secretary, NCP and often spokesman; tasked to tell the US Chargé that the March expulsion of foreign aid agencies was 'irreversible'.

- **Sulaf el Din Salih Mohamed Tahir**; head of Disarmament, Demobilisation, Reintegration; another NCP stalwart who does serious work behind the scenes; previously Humanitarian Affairs Commissioner; once head of *Muwafag el Kheiriya* ('Blessed Relief'); PhD Reading (Food Science).

- **Yassin el Haj Abdin**; another Reading PhD (Geophysics); veteran Islamist who resurfaced (having worked in the presidency) last week in London to defend the census (AC Vol 50 No 11), as head of the census and Central Bureau of Statistics; after a row with Vice-President **Salva Kiir**, he had condemned the UN, who 'stuck their noses' into things that didn't concern them; from Marinjan, Gezira. ●

Camara's reality television

Conakry's military leader regularly berates drug traffickers and corrupt businesses on the state media but is extending his stay in office

Many Guineans like Captain **Moussa Dadis Camara's** tough talk on state television and his increasingly tough actions, such as the mass arrests of suspected drug traffickers. Yet the civilian politicians who had hoped to contest the presidential poll this year now doubt the junta's promise to cede power quickly to an elected government (AC Vol 50 No 2).

Such doubts have been growing since a broadcast by the Armed Forces Chief of Staff, Colonel **Oumar Sanoh**, this month saying that 'the people' wanted Camara to delay elections. The junta's *Conseil National pour la Démocratie et le Développement* (CNDD) had scheduled parliamentary elections for 11 October, followed by a presidential election on 13 December, with a run-off, if necessary, on 27 December.

A committee appointed by the CNDD to organise the elections is, however, yet to start work. Camara makes ambiguous statements about his own political ambitions: after he seized power on 23 December, he promised to step aside once he had established the foundations for democracy, and he promised not to stand for the presidency. In March, he warned the old order: 'If they do not respect us, we will take off our uniforms and stand at the presidential election,' he told a crowd in the fishing district of Boulbinet.

Camara is popular with his soldiers and was formerly in charge of the army's fuel supplies. Under his direction over the last few weeks, the state has reclaimed more than US\$34 million owed to it by private business people and companies.

On 13 June, a special military police unit under the command of Capt. **Moussa Tiegboro Camara** arrested 20 people, among them a former Chief of Army Staff, General **Diarra Camara**, and ten foreigners, on drug trafficking charges. Also arrested were Diarra Camara's son, Lieutenant **Amara Camara**; the former head of the Marine Corps, **Aly Daff**; and his successor, **Mohamed Camara**.

Back in May, Moussa Camara's unit arrested the son of the late President **Lansana Conté**, Capt. **Ousmane Sylla**, who then admitted on TV that he had been the godfather of a drug-dealing network with which he had previously denied any connection. Sources close to the inquiry tell us that the unit is seeking **Moussa Traoré** and **Sidikiba Kaba**, who are accused of leading the drug-trafficking

network, which was powerful under Conté's regime.

Our sources say that the conspirators used to meet in a villa belonging to the former First Lady, **Henriette Conté** (née **Bangoura**), in the suburbs of Conakry, and that their leader was her brother **Saturin Bangoura**. One of their protectors was a former Chief of Army Staff, Major Gen. **Kerfalla Camara** (who has since died). The drugs arrived in Guinea from South America, often on chartered aircraft that landed at night on airfields in the interior, including Faranah and Boké.

The junta also arrested several senior police officers: **Bakary Thermite Mara**, **Victor Traoré** and **Sékou Bangoura**. They were to have been arraigned on 4 June but the hearing was postponed because of a power cut. The court proceedings are to be broadcast live on state TV.

There have been rumblings in the military since reports of a planned putsch against the CNDD surfaced in April: the regime says criminal gangs inside the military are fighting back. Then Dadis Camara cancelled a planned visit to **Libya** and ordered road blocks across the capital. He sent vehicles packed with soldiers to arrest more than 30 officers, of whom the best known were from the Commando Regiment, Captains **Saa Alphonse Koundouno** and **Abdoulaye Keïta**.

Also detained was Lt. Col. **Aïdor Bah**, who according to the presidency was already under arrest for an armed robbery of a shop belonging to a well known merchant. It was Bah who, in early January, had searched the home of a former Prime Minister, **Cellou Dalein Diallo**, looking for hidden weapons. He had done likewise at the home of **Asmaou Diallo**, Lansana Conté's third wife.

Other officers arrested include Col. **Mohamed Camara**, recently appointed Chief of Navy Staff, and Col. **Aboubacar Sidiki Camara** (known as 'Idi Amin'). Both were released under supervision. We hear that most of those arrested were escorted to Kassa Island, off Conakry, a secret prison and torture camp established after a mutiny in 1996.

Commandant **Kader Doumbouya**, formerly in charge of the paratroop base at Camp **Alpha Yaya Diallo**, was assaulted by armed troops at his suburban home, because they suspected him of plotting a coup; weapons were rumoured to have been found there. Doumbouya

spent ten years in gaol after the 1996 mutiny against Lansana Conté and has since stayed clear of public life. We hear a former commander of the armoured battalion, **Yaya Sow**, escaped arrest.

Several of Conté's ministers of mines have been arrested. It is said that some \$5.3 mn. were diverted from the state mining fund. The ex-ministers concerned are **Ahmed Tidiane Souaré** (Conté's last Premier), **Louceny Nabé**, **Ousmane Sylla** and **Ahmed Kanté**. Souaré was released after repaying about \$100,000; Sylla and Nabé repaid about \$40,000; Kanté denied that he had taken money and is in prison.

A group of judges, lawyers and court officials has written to the head of the junta to protest against the establishment of the Secretariat for Conflicts, headed by Capt. **Issa Camara**, and the Office for Presidential Investigations, headed by **Claude Pivi** (AC Vol 50 No 2). Both are empowered to investigate without reference to the courts and the Conflict Secretariat has, for the moment, the right to override verdicts even from the Supreme Court.

Before naming a government under new Prime Minister **Kabiné Komara**, Moussa Camara put his friend, the architect **Boubacar Barry**, in as Minister of State for Construction, Regional Planning and Official Buildings. Claude Pivi (now Captain and head of presidential investigations) was put in charge of presidential security. The regime's other strongman, Gen. **Sékouba Konaté** ('El Tigre') installed his own friend as Governor of Conakry, the most important of Guinea's eight regions; he is **Mohamed Diop**, who can hardly read and was formerly Vice-Mayor of the small commune of Kaloum. This was done while the junta was denouncing the former regime for cronyism.

Camara has installed twelve officers among the 30 members of Komara's cabinet (one of whom, **Ibrahima Naby Diakité**, has since died). The Minister of Economy and Finance is Capt. **Mamadou Sandé**, who has no experience of such duties. He is a friend of Dadis Camara's, who studied geography at Kankan University and has a minor qualification in economics from a German university.

All public expenditure was to have been controlled by the presidency, to limit the opportunities for fraud. The intention may be good but it slows down business in a nation that depends heavily on imports. On 6 June, Dadis Camara set up a treasury committee under the Premier to sort out urgent spending. In advance, he had ordered the outlay of \$34 mn. on power generators – the money previously reclaimed from the state's delinquent creditors. Six months after taking power, the government is still making up policy as it goes along. ●

On top and in charge

The May elections have given President Mutharika political dominance for the term that is meant to be his last

After his victory in the 19 May elections, President **Bingu wa Mutharika** and his Democratic Progressive Party (DPP) dominate Malawi's political scene (AC Vol 50 No 11). Mutharika won 66% of the vote to 31% for his closest rival, **John Tembo**. This is a strong vote of confidence in the incumbent and of no-confidence in his more experienced rivals.

Mutharika's DPP, which did not even exist during the 2004 elections, gained 114 of the National Assembly's 192 seats, a figure expected to rise to 137 after independent members of Parliament join the government party. That would give it well over the two-thirds majority required to amend the constitution. The main opposition parties, Tembo's Malawi Congress Party and ex-President **Bakili Muluzi's** United Democratic Front, won 26 and 17 seats, respectively. Each blames the other for the electoral debacle while trying to quell party rebellions.

With few political debts to settle, Mutharika has begun to make appointments, starting with **Peter Mukhito**, his State House Guard Commander and a fellow homeboy from Thyolo, as Inspector General of Police.

The 45-strong cabinet of ministers and

their deputies was announced on 17 June, with the demotion of 'tall poppies' such as **Goodall Gondwe** from the Finance Ministry (where he may have been seen to be taking too much of the credit for recent economic success), and the promotion of weaker performers such as **Ken Kandodo** in their stead. Mutharika's brother, Professor **A. Peter Mutharika**, moves away from his law students at the University of Washington in Saint Louis, **United States** and into the Justice Ministry – and some say, into a clear run to the presidency in 2014.

Parliament's new Speaker will almost certainly be the DPP's former Secretary General, **Henry Chimunthu Banda**. Unthreatened by constitutional debates, such as the ones over presidential impeachment and Section 65 which caused so many nightmares for the previous Speaker, **Louis Chimango**, and the early death of the one before him, **Rodwell Munyenembe**, Banda is promised an easier ride. His main problem will be the high proportion (73%) of novice legislators, overzealous to toe the DPP party line. One in four of them will soon be driving around in brand-new Mercedes limousines, as ministers or

deputy ministers in the new cabinet.

In Malawi, presidents hold most of the strings, even when their own political party is in a tiny minority in the National Assembly, as was the case during Mutharika's first term. That has completely changed and Mutharika can approach his second (and final, according to the current constitution) presidential term with considerable confidence. His strong endorsement by the electorate has produced a docile Parliament: his closest rivals, Muluzi and Tembo, are reduced to licking their wounds, surrounded by political hyenas within their own parties.

The vast private palace which a grateful government civil engineering contractor is building for Mutharika in Thyolo will be a comfortable retirement home and the adjacent colonnaded mausoleum a suitable final resting place. In **Joyce Banda**, Mutharika has a Vice-President of his own choosing. A former VP, **Cassim Chilumpha**, who caused him so much anxiety and irritation in the previous government, has joined the queue of DPP politicians competing for office.

When under constant threat of impeachment in Parliament and of ambush in its 16 committees, Mutharika showed himself a cunning political operator, if occasionally a querulous and vicious one. Optimists in Lilongwe hope that he will show magnanimity in victory and not enjoy the arbitrary authority it offers too much. Both his predecessors in the presidency, **Hastings Kamuzu Banda** and **Bakili Muluzi**, tried – and failed – to stay there for ever. Voters cannot be taken for granted. ●

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NIGERIA CENTRAL BANK GOVERNOR SANUSI

■ Urbane and intellectual, Nigeria's new Central Bank Governor Sanusi Lamido Sanusi has combined a long career in commercial banking with studies for a degree in Islamic law and his duties as a Prince in Kano's royal house. His grandfather, Alhaji Muhammadu Sanusi, was the Eleventh Emir of Kano.

Sanusi has quickly shaken up the financial sector with calls for stricter regulation, more transparency and accountability. He is also willing to allow more foreign banks to take controlling stakes in Nigerian institutions. The United States' Citibank's highly profitable stake in Citi Nigeria is one of the few locally incorporated financial institutions in which foreign investors have a majority stake.

In contrast to his predecessor, Charles C. Soludo, who was comfortable with looser regulation and close to several senior banking executives, Sanusi warns that he is prepared to force out bank chiefs who flout Central Bank rules. His criticism of lax management caused several banking executives, led by Oceanic's Cecilia Ibru, to campaign against his appointment.

An appointee from Kano (as are the ministers of Finance and National Planning), Sanusi attracted criticism from southern politicians, led by Tony Anenih, who objected to a third high-level post going to someone from Kano. Sanusi's relationship with President Umaru Musa Yar'Adua will be interesting. A few days after he started work at the Bank on 1 June, Sanusi asked that Yar'Adua's 'seven point' agenda be scaled down, given the financial crisis.

Optimists suggest that Sanusi together with the effective Finance Minister Mansur Mukhtar and Oil Minister Rilwanu Lukman will constitute a trio of reforming technocrats, to counter the influence of Attorney General Michael Aondoakaa and Anenih, the fundraiser for the governing People's Democratic Party. Sanusi seems to have little time for the political elite and the PDP. After the 2007 elections, Sanusi said of the PDP, 'Maybe they have gone far, far beyond what anyone would have expected they would do, but I think everybody knew that they were going to rig the elections.'

Sanusi took a master's of economics degree at the Ahmadu Bello University, Zaria, in 1984 and then travelled to Sudan in 1991 to study at the International University of Africa, Khartoum. He studied Arabic there before obtaining a second bachelor's degree in *Sharia* and Islamic studies in 1997.

In the mid-1980s, Sanusi worked with ICON Limited, a merchant bank, and became its area manager in Kano before leaving for studies in Sudan. Upon his return, he was recruited by United Bank for Africa and in May 1997, appointed a Principal Manager in its Risk Management Division, and made Assistant General Manager in 1998. Sanusi's proposal that a risk department be established had him appointed head of the department after it was formed. His reputation in risk management was boosted when he transformed what was a credit risk division into an enterprise risk management department. In 2005, he joined First Bank as its Executive Director, Risk Management and Control, and in January, became Chief Executive.

SOUTH AFRICA SANDILE ZUNGU, CHIEF EXECUTIVE, ZUNGU INVESTMENTS COMPANY

■ The leader of a new wave of politically influential business people, Sandile 'Gwabs' Zungu has emerged as a key figure in Jacob Zuma's presidency. An important fundraiser for his many legal battles and then for the African National Congress election campaign, Zungu works with business figures in the President's camp such as Robert Gumede, Executive Chairman of GijimaAst, who donated 10 million rand (US\$ 1.24 mn.) of his fortune at an ANC fundraising meeting last year, and Vivian Reddy, Chairman of Edison Corporation.

More businessman than politician, Zungu lobbied for the Director General's post in the presidency. Instead, Zuma chose Vusi Mavimbela of the National Intelligence Agency, in the belief (which he shares with his rival, ex-President Thabo Mbeki) that a successful president needs an intelligence-gathering capacity that is independent of the

national apparatus. Zungu, who would have been ill-suited to that covert role, will find other ways to work with Zuma. Although a strident businessman, Zungu lines up with the radical nationalist wing of the Zuma team and has criticised Planning Minister Trevor Manuel for lacking policies to deal with the unemployment crisis.

Born on 10 February 1967 in Durban's Umlazi township, Sandile Zungu went to school in KwaZulu-Natal, attending the prestigious Hilton College, the most expensive boarding school in South Africa, before graduating from the University of Cape Town in 1988 with a bachelor's in mechanical engineering.

A brief career as an engineer followed, with various positions at Richards Bay Minerals, Engen Refinery, National Sorghum Breweries and SA Breweries between 1989 and 1994. His career changed direction in 1995 when he attained an MBA in marketing and finance from the UCT.

His move into business saw considerable success. He founded Sarhwi Investment Holdings Limited, now Zungu Investments Company (Zico) in 1997, and by 2000 it had grown from a zero asset base to a net asset value of more than R400 mn. In May 2001-June 2005, he was Chairman of Denel, the youngest-ever head of a parastatal in SA. He remains a prominent business figure, chairing the boards of companies such as Aflease Gold and Spectrum Shipping.

The financial downturn has weakened mining companies and unsettled Zungu's business empire. The Micawber Black Economic Empowerment consortium, of which Zico is the leader, made a bad investment in the now defunct Dominion uranium venture under Uranium One. Zico also ran into problems with its stake in Rockwell Diamonds, which has been badly hit by declining diamond demand.

ZIMBABWE TENDAI BITI, FINANCE MINISTER AND ELTON MANGOMA, ECONOMIC PLANNING MINISTER

■ As Finance Minister, Tendai Biti is jointly responsible with Economic Planning Minister Elton Mangoma for the power-sharing government's economic recovery programme. It is an effective partnership that combines Mangoma's management experience in several manufacturing companies with Biti's track record as a campaigning lawyer and astute political strategist.

Their differing styles were on show this week as the Harare government's international roadshow, led by Prime Minister Morgan Tsvangirai, sought to convince Western governments and businesses that the new order was serious about economic and political reform. Mangoma addressed the traditional corporate concerns about regulations and state interference while Biti was happier discussing the political implications of the economic reform programme and the 'irreversible' policy shifts that the government has made.

One of the youngest lawyers to become a partner in a large Zimbabwean law firm, Biti became a rising star after handling several important cases for the trades unions in the 1990s. Representing the Zimbabwe Congress of Trade Unions, Biti secured the repeal of the Law and Order Maintenance Act, which forbade protests without police clearance. This brought him close to Tsvangirai, then the ZCTU Secretary General. Biti has been the Harare East MP for the Movement for Democratic Change for since 2000 and has a power base within the party but is no match for Tsvangirai's grassroots support.

When Welshman Ncube left Tsvangirai's MDC faction to join Arthur Mutambara's in 2005, Biti stayed with Tsvangirai; he took over as Secretary General and chief negotiator. He became Tsvangirai's second-in-command but they differed over tactics: Biti was far more sceptical than his leader about the practicality of the power-sharing government.

Since then, Biti has used his Finance post to chip away at entrenched political patronage while Mangoma, closer in temperament and politics to Tsvangirai, has been quietly convincing companies of the real prospects of Zimbabwe's economic revival. A founding member of the MDC in 1999 along with Tsvangirai, Mangoma has a track record in accounting and management that has persuaded several companies to step up operations again.

Nigeria

HIDE AND SEEK

■ National Assembly politicians are investigating reports that tens of billions of dollars in revenue from the state-owned Nigerian National Petroleum Corporation's (NNPC) foreign subsidiaries, which have accrued over the past decade, are missing from the state's audited accounts.

Members of the Assembly's Ad Hoc Committee on the NNPC and its subsidiaries say they are examining the operations of joint ventures with the NNPC such as Duke Oil, Calson (Bermuda), Napoil, Hysen Nigeria, Hydrocarbon Services and Nigermid. The Committee is set to make the accounts of the NNPC's overseas subsidiaries a key part of its investigations and plans to summon Group Director **Mohammed Barkindo**.

None of the companies concerned are accused of impropriety, and one industry expert says that the NNPC may have chosen to keep much of the revenue from its overseas subsidiaries in foreign accounts to fund joint venture cash calls and essential inputs for its domestic operations. However, former Chairman of the Economic and Financial Crimes Commission **Nuhu Ribadu** says there are concerns with the operations of the NNPC's foreign subsidiaries because their revenue streams do not appear to be represented anywhere in federal accounts as required by law. If the revenues from the joint ventures were being used to fund NNPC operations, they should have been identifiable among the NNPC's dedicated accounts.

One of the biggest sources of earnings for the NNPC's foreign subsidiaries would be the sale of excess crude supplied to but not used by the country's refineries. For some time, Calson (Bermuda), the NNPC's joint venture with Geneva-based Vitol has been operating such a contract: the NNPC has 51% of Calson; Vitol has 49%. The NNPC allocates about 350,000 barrels a day to four oil refineries, of which the installed capacity is over 400,000 bpd. Calson has had a contract to market all crude not processed by these ailing refineries. Because refineries and pipelines are unreliable, Nigeria rarely processes 50,000 bpd. Its contract allows Calson to buy the remainder at a discount on the NNPC's 'international price'; industry sources say Calson had been marketing as much as 300,000 bpd at the discounted price.

Vitol's representatives in Geneva, Cohn & Wolf, confirmed that the company would attend hearings in Abuja and that Vitol had offered the Assembly as much cooperation as it required. Cohn & Wolf added that Vitol has respected Nigerian laws in its business

operations there. Meanwhile Nigeria's presidency has been focusing on growing evidence of grand corruption in the \$6 bn. Bonny Island gas export plant.

An Assembly investigation began in 2003 but made little progress until Halliburton executive **Albert 'Jack' Stanley** confessed last September to operating a \$160 million bribe fund and diverting \$10 mn. to his own accounts. An investigation is now headed by controversial Police Inspector General **Mike Okiro**. Executives from Shell, which has a minority stake in the Nigeria Liquefied Natural Gas company, claim dividends, interest and loans worth some \$12 bn., paid to the NNPC (which has 51% of NLNG), are yet to appear in the government's audited accounts.

Congo-Brazzaville

PONGUI DISQUALIFIED

■ The victory of President **Denis Sassou-Nguesso** in 12 July presidential elections is all but assured after the Constitutional Court disqualified former Premier **Ange-Edouard Pongui** on the grounds that he had not lived continuously in Congo for the last two years.

Pongui was to stand for the *Union Panafricaine pour la Démocratie Sociale*, of ex-President **Pascal Lissouba**. After the *Mouvement Congolais pour la Démocratie et le Développement Intégrale* and the *Rassemblement pour la Démocratie et le Développement* joined the government camp, Upads is the last of the bigger parties to stay in opposition. It has strong support in Bembe-populated Niari, Bouenza and Lékoumou (Nibolek) and in Pongui it had a credible candidate, untainted by the wars of the past 15 years.

The Court President is **Gérard Bitsindou**, a long-time ally of Sassou's, whose private office he headed, with ministerial rank, in 1999-2002. Minor candidates **Marcel Guitoukoulou**, **Rigobert Ngoulali** and **Christophe Moukouké** were also excluded.

Still in the running is the flamboyant **Mathias Dzon** of the *Alliance pour la République et la Démocratie*, who has steered an edgy course between regime service – as Sassou's post-1997 Finance Minister – and defiant opposition. Having been Country Director of the *Banque des Etats de l'Afrique Centrale*, he is challenging the government over its use of the more than 11 trillion CFA francs in oil and budget revenue in 2003-2008.

Where has most of the cash gone?, he asks, noting that the main infrastructure renewal programme consumed a mere CFA400 billion and that the new airport at Ollombo, serving Sassou's hometown, Oyo, cost US\$212 million but has been used only for VIP flights. (Its true purpose may be as Sassou's insurance policy: in opposition under

Lissouba, the past and future President spent time in Oyo, quietly building up his Cobra private militia.)

Gabon/France/Africa

NO FUNERAL FOR FRANÇAIFRIQUE

■ On 16 June, Francophone leaders came to bury **El Hadj Omar Bongo Ondimba**, *éminence grise* of the occult *Françafrigue* networks, and to keep alive the personalised relations between France and its former colonies. Yet no current leader – Presidents **Laurent Gbagbo**, **Paul Biya**, **Blaise Compaoré** or **Denis Sassou-Nguesso** – can fulfil the role pioneered by Côte d'Ivoire's President **Félix Houphouët-Boigny** and continued by the '*Grand Camarade*'.

Intermediaries such as lawyer **Robert Bourgi** will remain important for back-channel communications with *Elysée* officials such as **Claude Guéant** and **Bruno Joubert**. Booed by the throngs who came to bury and praise Bongo, French President **Nicolas Sarkozy** highlighted his close relationship with Ivorian opposition candidate **Alassane Dramane Ouattara** and fuelled incumbent President Gbagbo's considerable paranoia about French intentions.

'France does not have a single candidate' to replace Bongo, said Sarkozy. Yet with French troops based in Libreville, Paris wants to avoid the nationalist rhetoric that soured relations with Abidjan. Sarkozy singled out Gbagbo for his 'false promises' about November's elections, now again delayed. Though diplomats predict the post-Bongo normalisation of Franco-African relations, some ties will remain highly personalised and dysfunctional.

Paris seeks to establish new diplomatic mechanisms using different networks – such as its support for the efforts of African Union Chairman **Jean Ping** (Gabon's ex-Foreign Minister and Bongo's possible successor), **Libya's** Colonel **Moammar el Gaddafi** and **Qatari** Emir **Sheikh Hamad Bin Khalifa al Thani** to broker a deal in **Sudan's** Darfur crisis.

Amid global financial pressures, political and commercial competition in Africa is intensifying. The struggle to control African port contracts between businessman **Jacques Dupuydauby** and French businessman **Vincent Bolloré** has taken new casualties. **Togolese** President **Faure Gnassingbé's** regime has just declared Dupuydauby and his *Progosa* company *persona non grata*. Public Prosecutor **Robert Bakai** accused the Franco-Spanish businessman of fraud and other crimes relating to his Togolese company's subsidiaries. The Bolloré group, which has its own problems with political influence in Africa, is expected to pick up business in Togo where his former associate left off.

BLUE LINES

At its 1-3 July summit at Sirte, Libya, the African Union proved as adept at diplomatic double standards as its European counterpart. After a campaign to pressure the junta that seized power from Mauritania's elected government last August, the AU announced that the time was ripe to lift sanctions in recognition of the military's attempts to organise their own elections, which many political parties will boycott.

Yet the President of the AU Commission, Jean Ping, said the AU was 'extremely concerned' about the attempt by Mamadou Tandja to change Niger's constitution. Another army general in politics, Tandja was at least initially elected. Eritrea faces sanctions for meddling in Somalia but Sudan will not, despite repeated meddling in Chad. The biggest inconsistencies revolve around the AU's attitude to the International Criminal Court.

The AU's decision to suspend cooperation with the ICC on its warrant for the arrest of Sudan's President Omer el Beshir for mass murder in Darfur appalled many African human rights activists. Might the AU now also suspend cooperation with the ICC should it indict senior politicians in Kenya, following Kofi Annan's despatch of an envelope to The Hague listing the names of those said to bear most responsibility for last year's political violence? And what about Joseph Kony and Jean-Pierre Bemba? The AU's vote for selective prosecutions is a step towards the destruction of both the ICC and the hopes for an extension of international justice.

UNITED STATES/AFRICA

Obama launches his agenda

The African audience hopes that President Obama's declared Africa policy will be both distinctive and practicable

As in so many areas the expectations are that President Barack Obama's Africa policy will be a break with the past. In some respects, the President's decision to sketch out an African policy represents a new development in itself. Often in response to public demand, successive administrations – in Washington and elsewhere in the West – have spelt out wish lists of continental objectives for Africa without a policy plan or the resources to attain them. The result has been frequent and deep disappointment.

The Obama administration's advisors say they see a way to change that, partly because of changes within Africa itself and also because of wider international changes in economic and political conditions. The most important changes within Africa have been the improvements in macroeconomic management, the greater monetary stability and higher gross domestic product growth rates. The Africa policy debate has changed from an obsession with foreign assistance to the design of more effective policies to promote trade and investment, better corporate governance and less corruption on all sides. There have also been more African initiatives on regional integration and more determined attempts (albeit with mixed results) by the African Union to run its own peacekeeping and regional security operations.

Africa's centrality to the continuing global food and fuel crisis generates a new interest in food security strategies and ways that US policy can help promote the research and development that could rapidly increase yields from Africa's farms and sharply boost its processing and export capacity. As a Washington policy specialist told *Africa Confidential*, the plan is to rebalance spending from a position where over a

billion dollars a year is going to food aid and about a tenth of that is going to sustainable programmes to promote rural development and farm yields.

On the environment, the break with the George W. Bush administration is clearest: the new administration accepts the need for carbon limits, and that climate change is man-made and an international security threat; it also accepts that Africa stands to lose the most if present trends continue. From this new stance, Washington will join in a defence of African interests at the United Nations Climate Change Conference in Copenhagen in December.

The final area of international change that impels a rethink of Washington's Africa policy is the geopolitical and economic shift from the West to the hypereconomies of China and India. China has invested its two trillion dollars of foreign reserves across the world, but its transformative power is greatest in Africa. Its trade with Africa has grown from \$18.5 bn. in 2003 to \$107 bn. in 2008, eclipsing all of Africa's other trading partners apart from the USA and European Union. China alone now wins more than 50% of all new public works contracts in Africa. Together with Indian contractors, the figure is closer to 70%.

Although Africa policy has gradually climbed up the totem pole since President Jimmy Carter's administration (1976-1980), Africa still ranks well below Asia and Latin America in foreign affairs. The new Africa team at the State Department will have to battle to push African issues while foreign policy is dominated by the global slowdown and the reverberations of the 'war on terror'.

The appointment of an effective new Africa team at the State Department and the National Security Council is drawing

USA/AFRICA	2	GHANA/USA	3	NIGERIA	4	ANGOLA	5	RWANDA	6
Washington's new Africa team		Obama's akwaaba moment		Half-time in Yar'Adua's battles		Sonangol goes international		SOUTH AFRICA	8
Who's the new who at the State Department.		Atta Mills welcomes Barack Obama, the first African-American President.		New recruits may help the government's performance, but problems remain.		The state-owned oil company is expanding and forming new partnerships.		NIGER	9
								WHO'S WHO	11
								POINTERS	12

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attention to the region. The spur is Barack Obama's election and the expectation that he will launch important policy initiatives in Africa – and that for the first time, the US has a president with a clear commitment to the continent.

In principle, the emphasis on smarter diplomacy, a bigger role for the State Department and less readiness to endorse a military approach should allow more scope for new thinking. Policy-making in Washington is not as monolithic as

outsiders might suppose: the 'realists' and 'neoconservatives' who dominated over the past eight years have had to yield ground. Policy does not spring from the Departments of State and Defense, and the National Security Council alone. Many members of Congress with foreign policy expertise make key contributions and now the Congressional Black Caucus is expected to have added weight on Africa policy. Also making inputs are the Washington think tanks: the Centre for Strategic and International Studies, the Centre for Global Development, universities such as Georgetown in DC and Johns Hopkins in nearby Baltimore.

Add to that the influence of the myriad advocacy groups on topics ranging from Darfur to pressuring multinational corporations to pay their taxes in Africa, and the plethora of lobbying companies on K Street, representing sectional and commercial interests within the USA or specific countries such as Ethiopia,

Nigeria, Angola and Sudan that hire professional lobbyists to promote their interests. Finally, there is the phenomenal importance of faith-based groups, which have been active on Darfur but also on less obvious issues such as Africa's foreign debt, which they said was un-Christian.

In different ways, corporate interests exert more weight on policy: the business lobby, through groups such as the Corporate Council on Africa, is becoming more significant in uncertain economic times. At the same time, the new breed of corporate philanthropists such as the Bill & Melinda Gates Foundation, which has drawn contributions from fellow billionaire Warren Buffet, are now disbursing several billion dollars a year for health and education projects, sums that can exceed US and other bilateral aid. That buys them an important seat at the policy-making table, especially when they are asked to coordinate with US government entities.

Obama's political advisors are determined not to allow his opponents – capitalising on his cosmopolitan background and international popularity – to paint him as a foreign policy president. That makes Secretary of State Hillary Clinton's position all the more critical. After their bitter rivalry for the Democratic presidential nomination, Obama's appointment of Clinton was a high-risk strategy. So far it appears to be working. The first test in Africa will be Clinton's trip to Kenya in August leading a 300-strong delegation for talks on the African Growth and Opportunity Act. The three-day conference is set to bring in officials from 38 African countries and is part of the US plan to reform trade policy, cut agricultural subsidies and expand export markets at the same time.

Kenya is a key issue, partly because of its centrality in US regional policy but also because of Obama's personal commitment. The post-election violence in December 2007 began at a high point of the US presidential primary campaign. Driven by personal history, Obama tried to assist efforts to end the violence and seek a compromise. He spoke to South Africa's Archbishop Desmond Tutu and senior US diplomats in Kenya, and got through to opposition candidate Raila Odinga but not to President Mwai Kibaki. New Assistant Secretary of State Johnnie Carson (see Box) has also been talking about stronger engagement with South Africa under the new government of Jacob Zuma.

Whatever broad themes of policy Obama elaborates in Accra, the real test will be how they work on the ground in Africa's lead states – or pillar economies – such as Nigeria, South Africa and Kenya. That is when the going is likely to get rough for the new generation of Africa policy. ●

WASHINGTON'S AFRICA TEAM TAKES SHAPE

After years of marginalisation and under-staffing, the African Affairs bureau of the State Department is beginning to attract strong interest from the other regional bureaux. The first key appointment of the new team was that of veteran diplomat Johnnie Carson as Assistant Secretary of State for Africa in May. Within days of his appointment, Carson left Washington for Nairobi on a three-day visit during which he made clear his concerns about 'the way politics may be going'.

Having served as Ambassador in Kenya, Uganda and Zimbabwe, Carson is seen as the safest of hands for the evolving Africa approach. His warning to Kenyans about the risks of further delays in political and constitutional reform added to the international pressure on President Mwai Kibaki and Prime Minister Raila Odinga to avoid another political breakdown. Carson's other big concern is Nigeria after the sharp deterioration of security and precipitate falls in oil production in the Niger Delta.

A former Ambassador to Ethiopia with long diplomatic experience in East Africa, Donald Yamamoto will be Carson's number two as Deputy Assistant Secretary of State. This gives the Africa bureau the most experienced senior team in all the regional bureaux, an official enthused. Yet many of the sub-regional departments are under-staffed and headed by hold-over officials, as the appointments procedures rumble on.

The choice of Scott Gration as Special Envoy to Sudan has generated more debate. A retired Air Force General who accompanied then-Senator Barack Obama on a six-nation African tour in 2006, Gration is the type of cerebral military officer that Obama has drawn into his policy orbit. The appointment of a Sudan envoy makes sense given the weight of the portfolio: the Darfur conflict continues and the north-south war is threatening to erupt again. Carson's predecessor as Assistant Secretary, Jendayi Frazer, said that over 80% of her working time was spent on the Sudan and Somalia dossiers.

However, Gration's approach of engagement with President Omer el Beshir's regime in Khartoum has generated strong criticism inside and outside the administration (AC Vol 50 No 13). One of those instinctive critics is likely to be Ambassador to the United Nations Susan Rice, whose stance against the Khartoum regime intensified during her term as Assistant Secretary of State (1996-2000) under President Bill Clinton. However, the imperatives of administrative coherence mean that for now it will be Gration's strategy that dominates policy rather than the calls for a sticks-and-sanctions approach.

Two appointees at the National Security Council have drawn particular praise for their detailed knowledge of their dossiers: the Africa Director, Michelle Gavin, and the Director for Multinational Affairs, Samantha Power. Gavin, a former policy advisor to Senator Russell Feingold, produced a policy paper on Zimbabwe for the Council on Foreign Relations. Power is sadly less well known for her seminal study of the politics of genocide, 'A Problem from Hell: America and the Age of Genocide', than for making a derogatory reference about Hillary Clinton in the heat of the primary election campaigns last year. For now, Gavin and Power's respective track records on human rights and accountability may counter any concerns about a tilt towards pragmatism. ●

Obama's akwaaba moment

John Atta Mills welcomes the first African-American US President and his entourage to Ghana amid hopes for US investment and cooperation

The wet and windy weather of Ghana's rainy season will not dampen the warm welcome for United States President **Barack Obama** and his wife **Michelle** on 10-11 July. The governing National Democratic Congress has the *Akatamanso*, or umbrella, as its symbol and there will be plenty on show. Obama's first state visit to sub-Saharan Africa has huge symbolic significance and Ghana is determined to treat the arrival of the first African-American US President as a homecoming.

For American musicians such as **Herbie Hancock** and **Stevie Wonder** Ghana is already a second home. For tens of thousands of African-Americans, a trip to see the bloody origins of the transatlantic slave trade is a way of connecting with the mother continent. This history made it essential that Obama visit the slave fort at Cape Coast, the city which is also home to President **John Atta Mills's** political base.

Political and cultural relations – and the scope for development cooperation – between Ghana and the USA, have long outweighed commercial ties, says **Cadman Atta Mills** of the Economic Advisory Council that reviews policy and strategy for his brother, President Mills. Ghana, with its potential for greater agricultural efficiency, features large in the US's revived interest in food security, agricultural research and development. Most importantly, Washington has pinpointed Ghana as an exemplar of multiparty democracy in a developing state: it has successfully transitioned from military rule to pluralist politics and organised successive multiparty elections in which the incumbent party has twice accepted defeat by an opposition party.

In last year's national elections, Mills won the presidency by a margin of just under 50,000 votes; after some tense moments, the incumbent New Patriotic Party and its candidate **Nana Akufo-Addo** conceded defeat. Despite the ensuing parliamentary brickbats and some local political fights, a quick transition from President **John Agyekum Kufuor** to Mills went through without major disruption.

This stands in stark relief to the crises accompanying elections in both **Kenya** and **Nigeria**. Significantly, the public reaction in both Nairobi and Lagos seemed supportive of Obama's decision to make Ghana his first African destination. 'You have to wash your hands if you want to eat with a king,' one Lagosian commented.

President Mills has tried to establish a leadership style distinct from the grandiosity of Kufuor and the bellicosity of his political mentor, **Jerry Rawlings**. So far Mills's cautious, academic manner has worked as well with Ghanaians as with Washington and Whitehall. Almost unique in Africa, Accra enjoys strong relations with all the Western capitals – and **China**, **India** and **Japan**. Now government strategists must decide how to best use these relations. Like many of its neighbours, Ghana doubts the merits of the US' Africom military headquarters and would be unlikely to offer a base. Yet Ghana's diplomatic, military and security cooperation with Washington has increased sharply over the past decade.

Cooperation seems set to continue in a perilous but oil- and mineral-rich region. Both Accra and Washington dread Nigeria's political unrest, and the fast-growing Nigerian business population in Ghana is evidence of worsening problems back home. With its well-trained military, Ghana must tread carefully: it

has a reputation for reliability in United Nations peacekeeping operations but must maintain good relations with Abuja. Nigeria and Ghana form the backbone of most regional peacekeeping operations. Ghana's diplomats view the rivalries and postponements of elections in **Côte d'Ivoire** with trepidation but recognise that neither Washington nor Paris seem able to calm the brewing storm there.

The fight against drug trafficking will be high on Obama's agenda. With **Guinea**, **Guinea-Bissau** and **Senegal**, Ghana is a transit point for South American cocaine. The US navy has provided five gunboats to the Ghana Armed Forces, and **South Korea** promises a frigate and five speedboats. Security sources say high-tech surveillance and detection are used more now, as the traffickers get more sophisticated: cartels send submarines laden with cocaine across the Atlantic and set up complex liaisons with fishing boats, which stay beneath US radar.

Both Washington and Whitehall are stepping up the provision of anti-trafficking technology to Ghana, but concerns about the suborning of local police officers persist. The other security priority will be safeguarding oil interests. The US has a stake in Ghana's oil and gas through Anadarko and Kosmos Energy but US interest centres on providing services and technology to the sector in Ghana. For all sides, the deepening crisis in the Niger Delta is a powerful warning. ●

GHANA'S DC DIVIDEND

Expectations are high in Accra that its hosting of President **Barack Obama** will prompt a rush of **United States** investment and assistance for Ghana and the region. Even sober policy-makers talk about a US-led Marshall Plan to rebuild Africa's infrastructure.

However, aid groups in Washington DC say that the Obama administration is under congressional pressure to cut foreign aid, leaving little prospect of substantial new initiatives. Ghana secured some US\$500 million of aid under President **George Bush's** Millennium Challenge Account; another aid upturn is unlikely in the short term.

Obama's focus on economic and development issues will probably centre on the reform of trade, tax havens, tougher international anti-corruption cooperation, and lobbying to make Africa central to any climate change initiatives ahead of the Copenhagen summit in December. He is said to be sympathetic to a US initiative promoting the end of agricultural subsidies by rich Western economies and progress at the World Trade Organisation. Ghana's main trading concerns are with Europe, its biggest market, but it also looks to expand trade with **China** and **India**, its fastest-growing trade partners. No one expects the US to enter the market for projects such as the \$2 billion Bui dam and industrial city being built by Chinese contractors, but Ghanaian businesses want more US companies as strategic investors in local projects, to bring new research and development to sectors ranging from information technology to agro-industrial processing. Several Accra-based companies process data for US service companies.

US economic involvement in Ghana dates back to founding President **Kwame Nkrumah's** Akosombo Dam and the building, with the US company Kaiser Aluminium, of an aluminium smelter to run on the dam's cheap electricity. But the relationship soon turned sour: Nkrumah saw it as the base for an integrated aluminium industry, to smelt and refine Ghana's own reserves of bauxite, but Kaiser refused to make the investment.

John Kufuor's government attempted to revive the plan by buying out Kaiser, but the project stalled when the recession hit export markets. The future of Ghana's aluminium plans is a costly problem for President **John Atta Mills's** government, which must be hoping that one of the companies in Obama's entourage will step into the breach. ●

Half-time for Yar'Adua

Yar'Adua's three new recruits may help improve the government's performance, but the problems of power generation and the Delta remain

After two years of drift, President **Umaru Musa Yar'Adua** and his government seem to be trying to arrest the slide. Recent appointments have bolstered the administration's competence. The President began his tenure amid doubts about his candidacy and election. Dithering since then, and shying away from change to protect vested interests, had increased the doubts.

It is widely believed that Yar'Adua was helped to the presidency by powerful politicians keen mainly to evade prosecution. Along with the former President, **Olusegun Obasanjo**, his influential backers included **James Ibori**, a former governor of Delta State (AC Vol 49 No 13). Facing charges of massive corruption, and with the dogged **Nuhu Ribadu** (then head of the Economic and Financial Crimes Commission, EFCC) on his heels, Ibori's efforts to help Yar'Adua win included paying his US\$40,000 fee to register as a presidential candidate. Two weeks after Ribadu arrested Ibori he was forced out and is now in exile in Britain.

Ibori has since had a strong hand in key appointments, above all of those that most affect him – the new Economic and Financial Crimes Commission head, **Faridi Waziri**, and Attorney General **Michael Aondoakaa**. The political cost to the President has been immense. On other matters there has been drift, resulting in a general but acutely felt malaise. Now Yar'Adua is gathering a group of technocrats more interested in policies than in vested interests. **Lamido Sanusi**, his choice of Central Bank Governor to replace **Charles Chukwuma Soludo**, an Obasanjo appointee, is the latest.

Soludo was said to prefer chumminess with bankers to well-regulated banks. Sanusi, a risk management expert, has promised to tighten the banks' reporting regime and has asked that the Central Bank's remit be expanded to include growth targeting, not just inflation monitoring and monetary policy. Under Soludo, the Bank spent billions on shoring up the naira. Sanusi says that an over-strong currency affects only elites and that interest rates are more important.

In his first monetary policy meeting as Governor, Sanusi cut interest rates to 6% from 8%. He also announced the lifting of restrictions imposed earlier this year on foreign exchange transactions, and moved towards greater transparency,

ordering 'banks to publish their accounts with sufficient disclosure to allow for risk assessment and analysis by creditors and investors by the end of March 2010'.

With these bold moves Sanusi joins **Mansur Muktar**, the Finance Minister appointed last December, as a new face in the government. Also in December, **Rilwanu Lukman** was named Oil Minister. The veteran political insider is pushing reforms to boost the performance of the Nigerian National Petroleum Corporation (NNPC). The new recruits' policies must still be passed by a National Assembly that has done little in two years, and it remains to be seen whether Yar'Adua will support their innovations against the inevitable political sniping. Opposition to the appointments was stiff, and lingers. Many feel the balance is weighted too much in favour of the North, whence all three men (and Yar'Adua) come. Their performance, even if brilliant, will be framed in the context of Yar'Adua's agenda.

POWER FOR THE PEOPLE

The President's most fundamental economic challenge is the power crunch. Electricity is generated at well below the installed capacity of some 3,000 megawatts, less than half of the 6,000 MW Yar'Adua promised would be available by December. The House of Representatives Committee on Power, led by **Godwin Ndudi Elumelu**, looked at the \$16 billion spent by Obasanjo's government (1999-2007) on power projects. Its report detailed extensive mismanagement, and implicated Obasanjo in the failure of his own power development plan. A Senate committee set up to examine that report said the Elumelu panel had established waste and gross incompetence, not theft. In a surprising twist, in the Abuja High Court on 14 May Elumelu was himself arraigned, along with nine others including **Nicholas Ugbane**, his counterpart in the Senate, on charges of theft of 6.2 bn. naira (\$42.5 mn.) from the Rural Electrification Agency accounts.

The most immediate challenge comes in the Niger Delta, where militants have crippled oil production. An offensive by the military Joint Task Force (JTF) was launched on 13 May against the most dreaded of the militant groups, the Movement for the Emancipation of the Niger Delta, but MEND's attacks continue.

The latest came on 5 July in the Southern Delta, on Chevron Nigeria Limited (CNL)'s Okan manifold, which (according to an e-mail from the militants) controls the flow of about 80% of CNL's offshore crude to its loading platform. CNL had the previous month airlifted out about 350 staff and contractors after MEND set fire to a pumping station. The 5 July attack loses Nigeria a further N2.2 bn. (\$15.2) of revenue per day.

Since the JTF assault began, the militants have sworn to target oil companies in their fight against the government. They have since attacked Shell's Afremo B oil platform; the nearby offshore oilfields operated by Shell, which sit 14 miles from an export terminal through which oil from Shell's Forcados fields is pumped; and pipelines in Adamakiri and Kula, both in Rivers State in the Eastern Delta. In all, about 132 facilities have been shut, resulting in a loss of 1.9 mn. barrels of crude oil a day.

The government had recently announced an amnesty from 6 August to 4 October, during which rebels who lay down their arms would avoid prosecution. A blanket amnesty for all crimes runs contrary to the President's proclaimed belief in the rule of law, and as MEND was bound to spurn the amnesty, the worst of the problem remains.

A report released on 8 July by the United Nations Office on Drugs and Crimes said that at least 55 mn. barrels of oil are stolen or smuggled out of Nigeria by criminal gangs each year. 'Oil bunkering, particularly in the Niger Delta, is a source of pollution, corruption and revenue for insurgent and criminal groups.'

Yar'Adua's pet project was Vision 2020, the plan by which Nigeria would become one of the 20 richest countries in the world by 2020. Two years later, the Vision is in the hands of **Shamsudeen Usman**, Minister of National Planning, who said in Abuja on 5 July: 'I cannot tell you the specific measures or strategies now, because we are still selecting means to build the structure.' He added that 29 area committees of about 800 experienced professionals were working on it.

One piece of good news was the NNPC's announcement on 7 July that the Kaduna Refining and Petrochemicals Company had resumed production. The Group General Manager, **Livi Ajuonuma**, said that 75% of the refurbishment had been completed after delays caused by 'ten years of neglect, re-order of additional repair materials and port congestion', among other things. KRPC's Managing Director, **Bolanle Ayodele**, revealed that it was now producing 36,000 barrels per day, against the installed production capacity of 110,000 bpd. As in the President Yar'Adua's case, it may be too little too late. ●

Sonangol goes international

The state-owned oil company is expanding and forming new partnerships, but the new focus is gas development, with tax incentives for exploration

Undaunted by the collapse of the international oil and gas market, Luanda's state-owned oil company Sonangol is setting its international sights ever higher. On the back of Angola's prodigious hydrocarbon reserves, Sonangol is buying up acreage in **Algeria** and **Iraq**, as well as going into partnership with **Portuguese** construction company *Mota-Engil* and with **China's** Beiya International Development to form China Sonangol, which has bought assets in Africa, Asia and Latin America.

Sonangol's growing business network fits with the return to form of national oil companies, especially those of countries with substantial oil and gas reserves. It also chimes with Angola's aspiration to establish itself as one of Africa's fastest-growing economic and military powers. Angola is one of the few African states to have rejected categorically investment proposals from China (for the planned oil refinery in Lobito), although it has maintained a close diplomatic and commercial relationship with Beijing.

Fêting **Russian** President **Dmitri Medvedev** in Luanda last month, President **José Eduardo dos Santos** and his colleagues from Sonangol played off the Muscovite former backers of the ruling *Movimento Popular de Libertação de Angola* (MPLA) against the Beijing-based former backers of late rebel leader **Jonas Savimbi's** *União Nacional para a Independência Total de Angola* (UNITA). This was the first visit of a Russian leader to Luanda since the 1980s and Medvedev left with a clutch of railway, hydroelectric (in Malange and Kwanza Norte) and satellite technology contracts, as well as big plans for oil and gas.

Although the country shows plenty of tactical nous in its dealings with trading partners, Sonangol's strengths are still limited by Angola's domestic economic constraints and the shadow of personal politics. Despite the diversity of Angola's natural resources and its impressive economic growth rates since the formal end of the war in 2002, the national economy remains critically dependent on crude oil exports, a dependence which is sometimes at odds with Luanda's diplomatic ambitions.

In 2008, Angola had a budget surplus of 12.5% and a trade surplus of 29%, among the highest in the world, but they reflect the limits of the local economy's

absorptive capacity and congestion of the ports as much as the government's improved macroeconomic management. This year government spending will fall further, in line with production cuts.

Luanda's accession to the Organisation of Petroleum Exporting Countries in 2007 may have enhanced its diplomatic kudos among developing states, but over the past year Angola has been forced to rein in oil production from levels of 1.91 million barrels per day in 2008 to less than 1.8 mn. bpd this year. Although – or perhaps because – Angola's Oil Minister **José Botelho de Vasconcelos** is now President of OPEC, there is some confusion about his country's current OPEC quota: reports vary from 1.52 mn. bpd to last year's 1.91mn. bpd. Furthermore, Vasconcelos is dissatisfied with the formula used to calculate OPEC quotas, but whatever the case, Angola has been producing well over quota this year.

Vasconcelos is determined to push on with the development of Angola's gas sector. Construction started last November on a liquefied natural gas (LNG) export plant in the northern town of Soyo in a partnership between Sonangol and **United States-based** Chevron. There are also plans for a domestic gas industry to fuel several power stations.

EXPENSIVE AND RISKY INVESTMENT

A row is already brewing over the decision in late March by the National Assembly to allow the government to waive taxes from gas firms to stimulate gas exploration. Civil society activists say it will deprive the state of millions of dollars in future revenue from gas sales. State officials insist the tax concessions are necessary to promote costly and risky investment in Angola's deep and ultra-deep fields.

In addition to the law, which also bolstered efforts to 'Angola-nise' the hydrocarbon sector, 10-year gas exploration rights were granted to Eni Angola Exploration BV, Galp Exploration Petrolifera SA, Gas Natural West Africa SL and Exem Energy BV.

Several of these companies enjoy close ties to the political elite. For example, Sonangol's Chief Executive **Manuel Vicente** is a director of Galp, in which Eni SpA (**Italy**) has a 33.3% stake. Vincente is also on the board of the *Banco Africano de Investimentos*, the favourite bank of the *Futungo de Belas* (the presidential palace);

Vice-President of the *Fundação Eduardo dos Santos* (FESA), President Dos Santos's charity; and Director of Unitel, Angola's largest telecommunications company. Exem is a junior oil company incorporated in the tax haven of Zug, **Switzerland**, with political connections to the *Futungo de Belas*. Although its principals and capital are Angolan, Exem is managed by Swiss lawyer **Martin Eisenring** of the firm Eisenring, Zimmerli & Partner. This follows a long list of politically connected start-ups which have partnered up with Western majors for offshore acreage recently, including *Grupo Gema*, Somoil and Initial Oil.

One Exem investor is the Kinshasa-born businessman **Sindika Dokolo**, the son of the late **Congolese** magnate **Augustin Dokolo Sanu** and husband to President Dos Santos's daughter **Isabel**. Dokolo is also an administrator of the Portuguese-based *Amorim Energia* (AC Vol 49 No 14), which like Eni has a 33.3% stake in Galp. Dokolo is further involved with Vicente through Unitel, which is owned by Isabel dos Santos and works with Dokolo's own mobile phone company, *Amigotel* (AC Vol 49 No 16).

Exem is also linked to **António 'Mosquito' Mbakassy**, who has myriad interests in oil and other businesses in Angola. Curiously, two of those awarded exploration rights—Eni Angola Exploration BV and Exem Energy BV—are **Dutch**-registered post-box companies that channel investments from Eni SpA and Exem Holding AG (Switzerland) to Angola via the Netherlands.

The week after the gas awards were announced, **Manuel Nunes Júnior**, Angola's Minister of Economic Affairs, flew to the Netherlands to sign a bilateral investment treaty with his Dutch counterpart, **Maria van der Hoeven**. She had been in Luanda at the end of March with several Dutch companies bidding for contracts in shipping, energy and infrastructure.

Eni is already involved in the LNG plant in Soyo where construction costs, which were originally estimated at US\$4 bn., are escalating. It is due to start up in 2012 with the involvement of Chevron, Sonangol, Total and **British** Petroleum; Exxon pulled out last year after disagreements over export markets. The USA will be the primary market but Sonangol has suggested that it could also ship to Europe, albeit at a later stage. To that end, Sonangol signed a shareholder agreement last December that could pave the way for the construction of a second export 'train'.

Exem and Galp have each taken a 10% stake in this latest venture. The Sonangol subsidiary Sonagas holds 40%, **Spain's** *Gas Natural* and Repsol a combined 20%, and Eni 20%. ●

The quest for justice after the genocide continues

Between 800,000 and one million people died in Rwanda's genocide. Tutsi people were the main target of the 1994 massacres, but political opponents of the regime and others of Hutu ethnicity were killed as well. Fifteen years later, the search for justice lingers on in a costly UN tribunal and the problematic processes of national and community courts, but the convictions are relatively few. Furthermore, although atrocities were also perpetrated by the invading Rwandan Patriotic Front, so far only two convictions have been secured.

THE UN TRIBUNAL CARRIES ON

The International Criminal Tribunal for Rwanda was set up by the United Nations Security Council in November 1994 to try those responsible for 'genocide' or other serious offences against international humanitarian law during the terrible events that ended with the victory of the Uganda-based army led by General (and still President) **Paul Kagame**.

Fifteen years on, the ICTR has only partially finished its work. By early July, it had concluded (subject to seven appeals) 44 cases, with 25 still being heard and five pending. One verdict subject to appeal is that handed down in December 2008 on Colonel **Théoneste Bagosora**, said to have been the supreme head of the death squads. Another is that of **Protais Zigiranyirazo** ('Monsieur Z'), brother-in-law of the late President **Juvénal Habyarimana**, whose Prime Minister, **Jean Kambanda**, pled guilty.

Six cases ended in acquittals, and two were referred to national courts (that of Father **Wenceslas Munyeshyaka** was remitted for trial in France). Three of the accused died before their trials were completed. One perjured witness and one witness found in contempt of court were arrested. Thirteen suspects are still wanted (see Box). Five of those convicted have served their sentences, including **Georges Ruggiu**, a repentant Belgian presenter on *Radio Mille Collines*. By the end of 2009, the court expects to hand down about 30 more verdicts, completing its hearings so far.

The next phase is the trials, begun in April, of senior officers of the former army. The most prominent are General **Augustin Bizimungu**, promoted to Chief of Staff immediately after the massacres, and the Chief of Staff of the *Gendarmerie*, General **Augustin Nindiliyimana**. Top politicians waiting for their verdicts include the old regime's Foreign Minister, **Jérôme Bicomumpaka**, as well as the former Ministers of Trade, **Justin Mugenzi**, and of Health, **Casimir Bizimungu**. Ex-Prime Minister **Jean Kambanda** has already been convicted of genocide and sentenced to life imprisonment.

Although some cases have been referred to national courts, none have been sent for trial before courts in Rwanda itself, where the judges have difficulty persuading defence witnesses to come forward. Sir **Charles Michael Dennis Byron**, the Tribunal's President who was born in St. Kitts, has told the Security Council not to expect verdicts in several cases, including some military ones, before mid-2010. As a result, on 8 July the UNSC extended the mandate of the ICTR to 31 December 2010.

Martin Ngoga, Rwanda's Chief Prosecutor, says the court could have made better use of its US\$200 million annual budget, claiming that money could be better spent on improving the delivery of justice in Rwanda itself. The Hironde Foundation was founded by journalists in 1996 to 'operate media services in crisis areas' and has set up radio stations in **Congo-Kinshasa**, **Sudan**, **Liberia**, **Sierra Leone**, **Kosovo** and **Timor**. In April, the Hironde Press Agency reported that the ICTR has cost more than \$1 billion since it was set up in 1994. The first trial, of **Bagosora** and his accomplices, opened on 20 February 1997. In 409 days of hearings, the Court heard 242 witnesses and saw 1,600 documents; finally, the verdicts were handed down on 18 December 2008.

Théodore Simburudali, Chairman of *Ibuka*, an association which represents various Rwandan survivors' groups, argues that the Court has proved that genocide did take place, and that without the tribunal the leaders would not have faced justice. Simburudali welcomes the rules and precedents emerging from the court. Yet the survivors complain that the *Fonds National pour l'Assistance aux Rescapés du Génocide* (FARG), the Rwandan government's compensation fund, is inadequate.

CRIMES ON BOTH SIDES

An appearance of impartiality was sustained in June 1998, when four officers of **Kagame's Front Patriotique Rwandais** (FPR) were accused of killing 15 civilians, including the Bishop of Kigali, **Vincent Nsengiyumva**, along with two other bishops and ten priests. Captains **John Butera** and **Dieudonné Rukeba** confessed; their senior officers, General **Wilson Gumisiriza** and Major **Wilson Ukwishaka**, were acquitted. Human Rights Watch (HRW), a non-governmental organisation (NGO) based in New York, points out that the Rwandan court process began only after the international tribunal had brought charges against the accused. It is possible that others will be charged in time.

HRW points out that there were crimes on both sides; it reckons that **Kagame's** invading army killed between 25,000 and 40,000 people, and that the ICTR risks favouring 'victors' justice' by failing to prosecute FPR offenders. The NGO Amnesty International's report for 2009 claimed that 'war



crimes and crimes against humanity committed by the RPA (*Armée Patriotique Rwandaise*, the military wing of the FPR) and FPR before, during and after the genocide remain largely unprosecuted'. However, a former FPR member of parliament, **Beatrice Nirere**, was sentenced to life imprisonment for her part in the genocide, and HRW notes that the regular Rwandan courts have operated free of government interference.

CLOSING THE GACACA COURTS

On 30 June the *gacaca* (grass) people's courts (AC Vol 42 No 20) were wound up. They were set up in 2001, modelled on the traditional community courts where village elders oversaw justice. This was an attempt to combine punishment with reparations and the *gacaca* courts eventually handled one and a half million relatively minor cases.

In 2008, parliament transferred over to the *gacaca* courts about 9,300 extremely serious cases. HRW had reservations about the fact that *gacaca* judges with little legal training could impose sentences up to life imprisonment. There were also concerns that witnesses could be intimidated and that perjury could go unpunished. Amnesty International said that defence witnesses were often afraid of coming forward, while Ibuka claimed that about 100 survivors were murdered after giving evidence – and that the privileged were protected.

The justice administered under the supervision of the *Service National des Juridictions Gacacas* was rough, but – with such a workload – better than none. **Domitilla Mukantaganzwa**, the Executive Secretary of the SNJG, claims the *gacaca* courts helped to clear the clouds of suspicion that hung over Rwandan society. The Justice Minister, **Tharcisse Karugarama**, said Rwandans should be proud of their achievements. Those *gacaca* courts which still have unresolved cases will be given until the end of 2009 to complete their trials, said **Kanimba Misango**, Chairman of the *Commission Nationale de Lutte contre le Génocide*.

Abroad, and especially in Belgium, the former colonial power, several people have faced trial for crimes committed in 1994. A Swedish court decided in May to extradite **Sylvère Ahorugeze**, a former Director of Civil Aviation, for his part in the genocide. Also in May, Canada's *Cour Supérieure du Québec* found **Désiré Munyaneza** guilty of genocide, and in June a Rwandan was charged with genocide in Finland. Proceedings are under way in the Netherlands and in France; there have been preliminary hearings in Germany and Norway, and four suspects were extradited from Britain in 2008.

French and Spanish judges have been the most proactive. In 2008 a controversial Spanish judge, **Fernando Andreu**, issued arrest warrants against 40 Rwandan officials, including President Kagame himself, for war crimes against Spanish, Rwandan and Congolese citizens during the 1990s (AC Vol 49 No 4); the Rwandan authorities saw this as 'neocolonialist'

and contrary to legal principles. They reacted in the same way to warrants issued in 2006 by a French judge, **Jean-Louis Bruguière**, against Kagame and eight other APR officials (AC Vol 47 No 24), one result of which was the arrest and extradition from Germany to France in November 2008 of ex-Colonel **Rose Kabuye**, who is now a Rwandan diplomatic officer (AC Vol 49 No 24). In return, a Rwandan commission led by Public Prosecutor **Jean Mucyo** accused France of participation in the genocide.

The affair drags on. The French NGO *Survie* says that France's role in the genocide is still a taboo subject, defended by veterans of traditional (but now officially abandoned) policy towards *la Francophonie*. *Survie* also accuses a big French bank of financing arms purchases by the Habyarimana regime. These international complications will no doubt be sorted out in time by diplomatic give-and-take. The impact within Rwanda, though, is bound to linger on for many years. ●

THE MISSING SUSPECTS

Thirteen more genocide suspects are sought by the International Criminal Tribunal for Rwanda. The United States government's offer of a US\$5 million bounty for their arrest has so far helped to bring three suspects before the court, but the trail is growing cold.

● **Augustin Bizimana**, 55 years old, Defence Minister in the former government, was responsible for the army and for weapons distributed to civilians, especially to members of the *Mouvement Républicain National pour la Démocratie et le Développement* (MRND), led by the late President **Juvénal Habyarimana**. He is said to have been at ministerial meetings that issued orders for massacres.

● **Charles Ryandikayo**, about 48 years old. He was a restaurant manager in the Gishyita commune. Ryandikayo is accused of inciting a massacre at a Mubuga church and of participating in the killings.

● **Félicien Kabuga**, 64, businessman and Chairman of *Radio Télévision Libre des Mille Collines*, which broadcast incitement to mass murder. His own company is said to have bought machetes and hoes used in the 1994 killings. With business associates he started the National Defence Fund in support of Habyarimana's government. Last seen in Kenya, he has used the aliases **Faracean Kabuga** and **Oliver Rukundakuvuga**.

● **Fulgence Kayishema**, 38, a police inspector, said to have assembled 2,000 fleeing Tutsis in Nyange parish church in April 1994 and to have supplied the petrol with which they were burned to death by Interahamwe militiamen.

● **Grégoire Ndahimana**, 57, former Mayor of Kivumu, is said to have helped Kayishema to organise the Nyange church massacre.

● Major **Protais Mpiranya** commanded Habyarimana's presidential guard, including those said to have murdered **Agathe Uwilingiyimana** and other politicians opposed to the extremist 'Hutu Power' faction. In 2008 several newspapers claimed he was employed as a mercenary in Zimbabwe.

● **Bernard Munyagishari**, 50, a headmaster and boss of the Interahamwe militiamen who hunted down and killed Tutsis in Gisenyi. He is said to have manned roadblocks and killed Tutsis, and to have organised young Hutus to rape Tutsi women.

● **Aloys Ndimbat**, 59, former Mayor of Gisovu, accused of a senior role in the extermination of the Tutsis of Kibuye. With others, including **Charles Sikubwabo**, he is said to have assembled *gendarmes*, police and militiamen to kill fleeing Tutsis in Bisesero. He is said to have escaped to Congo-Kinshasa.

● Captain **Ildephonse Nizeyimana**, second-in-command of operations and intelligence at the school for non-commissioned officers; said to have organised massacres at Butare University and to have ordered the murder of 'Queen' **Rosalie Gicanda**, widow of the late Tutsi sovereign **Mwami Mutara III** and an aunt of President **Paul Kagame**.

● **Ladislav Ntaganzwa**, 47, leader of the then-ruling MRND and Mayor of Nyakizu, is accused of inciting local people to kill all Tutsis, distributing weapons and ordering murders.

● **Charles Sikubwabo**, about 70, a senior officer of the *Forces Armées Rwandaises* (FAR), then Mayor of Gishyita in 1994, is said to have ordered attacks on Mubuga church by police and militia and to have himself killed people there. He allegedly also led *gendarmes* to kill Tutsis in Bisesero.

● **Jean-Bosco Uwinkindi**, 58, accused of leading a massacre of Tutsis in Kanzenze and of mass murders at Kayenzi and elsewhere.

● **Pheneas Munyarugarama**, a FAR lieutenant colonel, is accused of similar crimes. *Soft*, a Kinshasa weekly, said he was in Congo-Kinshasa in 2002. ●

Anglo seeks fresh capital

The future ownership of mining giant Anglo American is crucial for South Africa, but any deal must suit the ANC government and the unions

Anglo American, the huge mining conglomerate, is no longer strictly a South African company since it moved its headquarters and main stock-market listing to London in 1999. Yet the company's future is still entwined with that of South Africa, where it dominates

the mining of gold and other minerals that make the country's fortune. In both the company and the nation, forces are at work which strain the relationship.

Firstly, Anglo needs to raise fresh capital to strengthen its position in an increasingly competitive world. This will

involve deals with rivals that have no loyalty, even residual, to South Africa. Anglo has rejected a merger worth US\$41 bn. with another giant, Xstrata, but other partnerships are in view. Secondly, President **Jacob Zuma's** new government is under pressure from its left-wing allies in the Congress of South African Trade Unions and the South African Communist Party to limit Anglo's commercial freedom – or even to nationalise it. Zuma is squeezed, as usual, between his left-wing allies and his business friends.

In late June, Xstrata made a written proposal to Anglo's board for an 'all-share merger of equals', based on their complementary asset portfolios. Xstrata said huge savings could be unlocked from economies of scale and the greater leverage brought by greater size. Anglo's board unanimously rejected the proposal, saying the terms were unacceptable and a merger would dilute Anglo's unique exposure to iron ore, diamonds and platinum. Anglo's South African holdings include gold mines, platinum, iron ore, coal and diamonds. Xstrata is strong in ferrochrome, coal and platinum.

ANGLO AMERICAN'S CEO FIGHTS BACK

Anglo American, founded in Johannesburg in 1917, was South Africa's biggest company during the apartheid era, and most of its operations and employees are still there, but the world recession, and the resulting crash in mineral prices, has hit it hard.

In mid-June its Chief Executive Officer, **Cynthia Carroll**, said that the 309 billion-rand resources group was not in need of finance. However, in February it scrapped its 2008 final dividend to conserve cash, announced 19,000 job cuts (10% of its workforce) by the end of 2009 and posted a 1% fall in profit. Shares promptly tumbled by 11.4%. Carroll said the bulk of the job cuts would be in South Africa. The timing could hardly have been worse. That same month, the company put the finishing touches on a US\$2 million house for its CEO in Johannesburg's leafy suburbs.

Traditionalist Anglo insiders grumble about the reformist Carroll ('Madame Sin' to them), who has spent \$5.5 bn. on controlling stakes in **Brazil's Minas-Rio** and **Amapa** iron ore projects, which will take billions more to develop. She has called for 'a major overhaul' and 'cultural transformation' of senior management. Those managers are striking back, along with members of the board. Her only open supporter is the Chairman, Sir **Mark Moody-Stuart**, who recruited Carroll and seems to have delayed his retirement to protect her. Among those tipped to replace her are former Rio Tinto Chairman **Jim Leng**, the National Grid's Sir **John Parker**, Thomson Reuters Group Chairman **Niall Fitzgerald** and BHP Billiton Director **Paul Anderson**.

Sandile Nogxina, Director General of South Africa's Mines Department, said the government wants Anglo to appoint a black South African chair when Moody-Stuart retires. Nogxina named Anglo board members **Fred Phaswana**, Chairman of Anglo Platinum, and **Mamphela Ramphela**, a former World Bank official, as potential candidates. Black business leaders want more blacks to head local companies and their boards. Many supported **Jacob Zuma** and donated to both his and the African National Congress's election campaigns. Black economic empowerment tycoons, especially in mining, are struggling to raise cash in the recession and want a government bailout.

The Old Mutual insurance company, which holds 3% of Anglo, has said that if Xstrata makes an attractive enough offer, it will evaluate it. Past Anglo executives who own significant shares favour a merger. Former Deputy Chairman **Graham Boustred** says the Anglo board should be replaced by **Mick Davis's** team at Xstrata, to restore 'value' to shareholders. About 25% of Anglo shares are held in SA and the biggest single shareholder there is the Public Investment Corporation with 4.8%. More shares are held abroad – 40% in **Britain**. Davis is lobbying shareholders for support – and for a revolt against Carroll in favour of a merger with a combined board. She is fighting back and last week met the Mining Minister, **Susan Shabangu**. We hear that Carroll sought government backing, not just against the merger, but for her leadership. She said there would be no merger and no retrenchment, and Shabangu's Spokesman **Jeremy Michaels** said the government was happy with Anglo's 'constructive participation' in the mining industry.

Davis said that a combined Xstrata-Anglo American entity would be headquartered in **Switzerland**, because of 'the efficient financial structure provided by Xstrata's Swiss tax residence'. This enraged ANC leaders. He then proposed a joint approach to government by Anglo and Xstrata executives. In her meeting with Shabangu, Carroll expressed strong opposition to that idea. Whatever happens, Anglo needs fresh capital and is looking for it in **China**, **India** and **Brazil**. The front-runners are Vale of Brazil or Chinalco of China. Anglo may invite a partner to help co-fund development of its **MMX Minas-Rio** project in Brazil. ●

NO MERGERS FOR THE NUM

Cosatu, the SACP and the African National Congress Youth League have called for the nationalisation of all mining companies, claiming that would counter the effects of the global financial crisis and stave off job cuts at mining companies. The Youth League's maverick President, **Julius Malema**, said that nationalisation was mandated by the ANC's founding Freedom Charter, adopted in 1955. **Frans Baleni**, General Secretary of the National Union of Mineworkers (NUM), was simply against all forms of mergers, saying they would be bound to result in 'massive retrenchments'; he called for an audit of mining activities to determine where greater state involvement could occur. **Pravin Gordhan**, the centrist Finance Minister, pointed out that resolutions adopted by the ANC before the recent elections 'don't talk about nationalisation'.

Xstrata could yet come back with a higher offer, sufficient to tempt Anglo shareholders, but several huge firms – Vale from **Brazil**, **China's** Chinalco, **India's** Vedanta – might pick up where Xstrata left off. Any merger was always going to be politically awkward, even before Minister of Resources **Susan Shabangu** tartly remarked that 'monopolies cannot be promoted in South Africa'.

Anglo and Xstrata compete strongly in coal, which is sorely needed to meet the swelling demand for electricity. The NUM, with 317,000 members and massive leverage in the ANC, talked of 'unacceptable job losses' at Anglo, most of whose 110,000 workers in the region are in South Africa. Xstrata employs 25,000

there. The NUM dismissed out of hand a promise by **Mick Davis**, Xstrata's Chief Executive Officer and a South African, that there would be no job cuts, while a merger would produce savings of \$1 bn. Blocking a merger would damage South Africa's reputation with investors and create problems with the country's doggedly independent competition authorities.

Xstrata insists it will push ahead and sort out a deal despite its massive debt mountain of \$16.5 bn. at the end of last year (recently reduced a bit by a rights issue). Anglo's debt at the same time was \$11 bn. (since also reduced) and it paid no dividend for the first time in 70 years. A combined company would, according to Mineweb, have debts of about \$22 bn. and concomitant pressure for cost-cutting. Amid the recession and collapsing prices, both companies' market capitalisation has crashed (and so has that of the potential interloper, Vale). Measured by its primary listing in London, Anglo's capitalisation has fallen to some \$37 bn. from \$80 bn. last year. Xstrata's capitalisation has tumbled by 69% to just over \$33 bn.; nickel in particular has suffered.

Xstrata's assets are notoriously hard to disentangle; its parent is the secretive

commodity trader Glencore, based in Zug, **Switzerland**. The firms' management cultures are entirely different: Anglo is conservative and long-term while Xstrata is acquisitive and market-watching. Anglo's potentially lucrative platinum rights in **Zimbabwe** belong to its majority-owned subsidiary Anglo Platinum. Some have suggested that, to make a merger more palatable to Zuma, it could split off part of Anglo Plats into a black economic empowerment deal. Anglo's BEE credentials are already well established. Rumours in late June that China's state-owned Chinalco was willing to pay £22 (US\$35.5) per Anglo share have since abated. Chinese ownership of a flagship South African company would also be politically sensitive; Chinese-owned copper mines in **Zambia** have upset their employees. Some suggest that Chinalco, backed by the China Investment Corporation, might buy a non-controlling stake. Vedanta, controlled by India's **Agarwal** family and the most acquisitive mining company in 2009, would be more politically acceptable. Brazil's Vale has the muscle and the know-how but is not flush with cash, and in early July it announced a \$1 bn. sale of share rights.

The South African government already faces threats of strikes and stoppages for wage-increases across the public and private sectors. The unions want a greater say in economic policy-making in return for the support that brought Zuma to the presidency. We understand from senior Cosatu officials that the unions would oppose any foreign buyout of a major South African mining company. Cosatu bitterly opposed a buyout by **British**-based Vodafone of South Africa's Vodacom (of which Vodafone acquired a 15% stake). The union federation was more muted during the recent \$23 bn. cash-and-share-swap tie-up between Mobile Telephone Networks (MTN), Africa's biggest mobile operator, and Bharti Airtel, India's leading company in the telecoms sector.

The unions are adamantly against foreign, especially Western, buyouts of South African firms. However, there seems to be less resistance to Asian or emerging company tie-ups with South African companies, provided that it does not hand control of local companies to foreign interests. Union leaders want to make fighting job losses in the mining sector their 'last stand'. ●

NIGER

Tandja goes for a third term

He may deny it but President Mamadou Tandja began the process of changing the constitution to prolong his mandate in December 2008

After decades of coups and assassinations, Nigeriens had hoped that President **Mamadou Tandja** would stabilise the country and peacefully hand over to his successor. Instead, he decided to change the constitution. President Tandja had been due to step down on 22 December after two five-year terms but, after signing a peace deal with Tuareg-led militia groups in the north and a production deal with **France's** giant Areva uranium company in May, he seems to have secured the discreet backing of French President **Nicolas Sarkozy** to extend his presidency for another term.

Tandja's problem is that his own people rate him far less highly than Sarkozy does. He has alienated voters, frightened off his three most important allies, sacked the National Assembly, dissolved the Constitutional Court, browbeaten the electoral commission into organising a referendum on his tenure, and granted himself the power to rule by decree. All this, he hopes, will give him three more years to complete his *grands projets*.

Since December 2008, the government has been backing the *Tazarché* (continuity)

movement, a grassroots lobby for Tandja to stay in power. Among the political jobbers called to serve this mission are **Boubacar Mazou** and **Mahamadou Aboubakar** ('**Dan Dubaï**'). Aboubakar is an open critic of **Nigeria's** President **Umaru Yar'Adua**, who opposes Tandja's constitutional plan. The *Tazarché* lobbyists say Tandja should be given time to complete his programmes: resolving the insecurity brought about by the Tuareg rebellion (AC Vol 48 No 19), building a second bridge in Niamey and a refinery at Zinder, pumping petroleum in Diffa, damming the Niger River, and (to bring in the money) mining uranium at Imouraren and probably elsewhere.

When it seemed the National Assembly was going to reject the call for a referendum to prolong his presidency, on 26 May Tandja dissolved the Assembly. On 24 June his main ally, the *Convention Démocratique et Sociale-Rahama* (CDS-Rahama), pulled out of the government over the referendum, but without the party's representative at the Defence Ministry, **Djida Hamadou**, who refused to quit. On 26 June, the Constitutional Court proved no less pliable than the Assembly,

so Tandja had recourse to Article 58 of the constitution, which allows him to rule by decree if the 'independence of the Republic is threatened'. The Constitutional Court was duly dissolved on 29 June.

The next three weeks are critical. Confident of backing from France, Tandja can also count on support from the Chairman of the African Union, **Libya's Moammar el Gaddafi**. International pressure does not worry Tandja; the journalist **Moussa Kaka** of *Radio France Internationale* was detained for a year after interviewing Tuareg rebels in northern Niger in September 2007.

The referendum is scheduled for 4 August and, despite his struggle to win in 2004, Tandja seems confident. In 2004, he won 40.67% of the vote in the first round of the presidential elections; **Mahamadou Issoufou** and the *Parti Nigérien pour la Démocratie et le Socialisme* took 24.6%; Tandja's former ally **Mahamane Ousmane** and CDS-Rahama, 17.4%. Now the opposition, nominally allied in the *Front de Défense de la Démocratie*, is divided and unable to rally the masses; its *pays mort* ('dead country') protests flopped on 1 July.

Voting rules are being loosened. The *Commission Electorale Nationale Indépendante* is behind in organising legislative elections and missed the deadline on 6 July for issuing electoral cards. *Tazarché* organisers argue that electoral cards should not be needed to vote in the referendum, and an ad hoc voters' list can be drawn up quickly.

Army veteran Tandja has the support of the military, the leading force in Niger's politics. Over the past few years there have been small mutinies over pay and politics, but amid economic troubles caused by hikes in food and fuel prices, recruitment for the regular army remains high, and the *Forces Nationales d'Intervention et de Sécurité* aim for more than 5,000 new troops by 2012.

MILITARY THROWBACKS

The top brass stands by the President. Many senior officers are throwbacks to the days of the military government under **Ibrahim Baré Maïnassara** (1996-1999). Tandja is backed by the long-time army Chief of Staff **Moumouni Boureima 'Tchanga'**, who served under the military *Conseil de Salut National* (1996-1999) and the *Conseil de Réconciliation Nationale* (1999). Tchanga has used the threat from Tuareg rebels to pressure Tandja into boosting support for the *Forces Armées du Niger*, but his brutality has failed to neutralise the northerners.

Some officers view Tandja's belated talk of amnesties as a tactical defeat. Other secuocrats are the President's military Chief of Staff, General **Maï Manga Oumara**, and Deputy Chief of Staff General **Seyni Garba**.

Tandja's military backers and business partners fear change. The civilian leadership of Hamadou's Ministry of Defence broadcast a statement on 30 June rejecting opposition calls for the military to intervene in the conflict, but the army commanders remained silent.

The Defence Ministry said that troops would be impartial and protect Niger's 'republican institutions', but Tandja and the army are the only institutions left.

The first casualty of the post-referendum future is expected to be the Prime Minister, **Seïni Oumarou**. If Tandja steps down in three years or more,

power could pass to another secuocrat – a general, or perhaps the Minister for the Interior and Public Security, **Albadé Abouba**, who became Secretary General of the ruling MNSD in February. However, Abouba's star may have peaked too soon; Tandja destroys everything around him in the quest to hold on to power. ●

COMPETITION FOR NIGER'S URANIUM

Niger is the world's third-largest uranium producer, extracting about 3,300 tonnes per year. Prices rose to US\$55 per pound in June, up more than 35% since April; nuclear power is back in fashion and competition for supplies is heating up. Uranium exports make up more than 40% of government revenue and the price rises come in time to match President **Mamadou Tandja's** politico-financial obligations.

Areva, which is 90% owned by the **French** state, has been bargaining for access to the Imouraren uranium mine. They have been at odds since 2007 with the Nigerien authorities, which accuse Areva of supporting the Tuareg rebels in the north (AC Vol 48 No 19). **China** has emerged as a rival buyer of uranium. After agreeing to pay more to the Nigerien government for its two pre-existing mines, in January Areva promised an investment of 1.2 billion euros for a 30-year contract. From 2012, Imouraren should more than double national uranium output to 8,000 tonnes per year. French President **Nicolas Sarkozy** visited the capital Niamey on 27 March to show support for Tandja.

Tandja began the process of changing the constitution to prolong his mandate in December 2008 (but denies it). In May, he laid the first stone of the Imouraren mine, having won grudging French acquiescence to his plans. Areva and the French government keep quiet to avoid losing Niger's largest mining project and a pillar of French energy security. They have not disclosed how much they paid to the Nigerien state to finalise the Areva contract, but the money arrives just when the President needs it.

Almost all the projects that Tandja promotes are financed and carried out by French or Chinese interests. So China's relatively new involvement vastly strengthens Niger's power to bargain with France. In June 2008, the China National Petroleum Corporation signed a \$5 bn. oil production-sharing and refinery contract for the Agadem bloc near Zinder. China Nuclear Engineering and Construction Corporation workers have been targeted by Tuareg rebels at Teguidan Tessoumt, and Chinese uranium miners are prospecting at Azelik. ●

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ZIMBABWE OPPAH MUCHINGURI, ZANU-PF GOVERNOR OF MANICALAND PROVINCE

■ In Oppah Muchinguri, looks and luck have combined with political acuity to make her a formidable force in the Zimbabwe African National Union-Patriotic Front's faction-fighting. Currently she is challenging Vice-President Joyce Mujuru for leadership of the Womens' League. As an aide to Josiah Tongogara, the military commander of ZANU's Zimbabwe African National Liberation Army in Mozambique, Oppah was a fellow passenger in the car crash which killed Tongogara on the eve of Independence in December 1979. Miraculously, she emerged unscathed.

In the late 1980s and 1990s she held several junior ministerial posts under her married name of Oppah Rusheshe and became close to Robert Mugabe. Her marriage ended in the late 1990s in a messy divorce, and she reverted to her family name of Muchinguri. Mugabe appointed her Governor of Manicaland (although the province voted overwhelmingly for the Movement for Democratic Change). She now works closely with Emmerson Mnangagwa.

Their strategy is to dethrone Joyce Mujuru at the Women's Congress in August and then seek her removal as party Vice-President at the full congress in December. They are believed to have the support of First Lady Grace Mugabe. Mujuru will stoutly defend herself but the accusation that she works hand in glove with Morgan Tsvangirai's faction of the Movement for Democratic Change will be given an additional twist by the fact that, whether by design or coincidence, she travelled on the plane returning Tsvangirai from his three-week international fundraising foray in June and so was greeted by the assembled MDC airport welcoming party (many of whom had skipped Mugabe's hastily rescheduled cabinet meeting).

Meanwhile, Muchinguri has been despatched with Emmerson Mnangagwa to Asia by Mugabe on a mission to raise funds and so upstage Tsvangirai's modest US\$300 million in humanitarian aid packages from the West. Tsvangirai's announcement of China's \$950 mn. credit-line offer is now thought to refer to a facility mooted four years ago but recently resurrected.

UNITED STATES JOSEPH WILSON, CEO JC WILSON INTERNATIONAL VENTURES

■ A not-so-diplomatic Ambassador, Joseph Wilson publicly confronted President George Bush's administration about its use of contentious intelligence to justify the Iraq war. Wilson had been sent on a mission to discover whether the Saddam Hussein regime was attempting to acquire uranium from Niger. He found that it was not and criticised Bush's stance in the *New York Times*. Within days, Wilson says, Bush apparatchiks took revenge by briefing journalists about his wife Valerie Plame's undercover role with the Central Intelligence Agency. Now Wilson is back on the African beat, where he started his diplomatic career, as a director of Symbion Power and Jarch Capital as well as running his own consulting company, JC Wilson International Ventures.

Wilson's campaign against the Bush administration prompted Special Counsel Patrick Fitzgerald's successful prosecution of I. Lewis 'Scooter' Libby, Chief of Staff to then Vice-President Dick Cheney, for obstruction of justice, perjury and lying to federal investigators.

Wilson is continuing his legal battle against key figures from the Bush-Cheney era. The saga will be made into a film, 'Fair Game', to be directed by Doug Liman and starring Naomi Watts, who bears a striking resemblance to Valerie Plame. Washington journalists claim that Bush-Cheney officials referred to Plame as 'fair game' when they vengefully exposed her undercover work with the CIA. The screenplay is based on the couple's memoirs.

Born in Bridgeport, Connecticut in 1949, Joseph C. Wilson IV was raised in a Republican family. He attended the University of California, matriculating in 1968, and describes himself as in tune with the Sixties' ethos. He joined the US Foreign Service in 1976 and held various positions in Niger, Togo, South Africa, Burundi and

Congo-Brazzaville. In 1988 he was appointed Deputy Chief of Mission to Iraq, reporting to the then US Ambassador April Catherine Glaspie. He was heralded as a 'true American hero' for his role in evacuating and protecting American citizens in Iraq when the first Gulf War broke out. Wilson returned to Africa as Ambassador to Gabon and São Tomé and Príncipe (1992-1995). He then moved to Germany as Political Advisor to the Commander in Chief of the US Armed Forces in Europe until 1997, when he was appointed Special Assistant to Bill Clinton in Washington and Senior Director for African Affairs.

GHANA JOHN ATTA MILLS, PRESIDENT

■ The Professor-President basks in the reflected glory of Barack Obama's first state visit to sub-Saharan Africa. Ghana is a favourite with African-American tourists and Mills wants to attract serious American investment, both in the new oil and gas industry and in the lacklustre manufacturing sector. Soft-spoken and repeating that he is humbled to have been elected, Mills is a total contrast to his hyperactive predecessor as leader of the National Democratic Congress, ex-President Flight-Lieutenant Jerry John Rawlings. Managing relations with Rawlings and his powerful NDC supporters calls for special skills. So far Mills's self-effacing style has gone down well, but his apparent lack of toughness could be problematic if the world's economic crisis prompts social protests.

Atta Mills won with just 40,000 more votes than his rival, Nana Addo Dankwa Akufo-Addo, and has been struggling to stabilise the economy with trade and budget deficits heading for 20% and 18% respectively this year. He aims for a technically strong and less politically partisan government, with a new economic advisory committee bringing in experts from business and academia to help coordinate government strategy.

Born in Western Ghana in 1944, Mills took a PhD in London before winning a Fulbright Scholarship to Stanford University in the United States. He returned to the law faculty of the University of Ghana, then moved on to other teaching posts. His public career began in 1988 when he was appointed Acting Commissioner of the Internal Revenue Service. He became Commissioner in 1996 and Rawlings appointed him Vice-President in 1997.

SOUTH AFRICA PRAVIN GORDHAN, FINANCE MINISTER

■ Making Pravin Gordhan Finance Minister was one of President Jacob Zuma's shrewder moves. Gordhan is a close and trusted ally and one African National Congress leader who does not frighten the markets. His reforms at the Revenue Service brought praise from big business and politicians. A former communist, he now shares the views of Trevor Manuel, his internationally admired predecessor, who is Zuma's economic supremo as Planning Minister. Gordhan favours sound money, inflation-targeting and strict fiscal discipline, all detested by Zuma's wavering left-wing supporters.

From a family of Indian origin, Gordhan was reared in Durban, capital of Zuma's own KwaZulu-Natal province, and became a student activist in the 1970s and early 1980s, in Zuma's ANC faction. For four years he worked in the ANC underground, helping to plan some of its most audacious operations. In the mid-1970s, he was expelled from his job as a pharmacist at King Edward VII Hospital after being detained by the police, and was detained twice more.

In 1991, he was appointed Co-Chairman of the Transitional Executive Council that oversaw the change to a democratically elected government. He became a member of parliament, moving to the South Africa Revenue Service in 1998. Until then, the country had enjoyed a 'culture of non-payment' in middle-class and corporate life as in the townships. Gordhan and his team controversially offered repeated tax amnesties to defaulters, bringing tens of thousands of new entrants, rich and poor, into the system and ensuring that they kept on paying. The tax take increased with no increase in tax rates. This seemed to surprise Manuel, Finance Minister at the time, whose team had under-forecast revenue every year.

Madagascar

GO ON, NEGOTIATE

■ While Madagascar's ousted President **Marc Ravalomanana** stewes in **South Africa**, the youthful transition leader **Andry Rajoelina** has been in **Belgium**, vainly trying to persuade the European Union to restore its aid. Talks on 6 July with an EU team headed by **Swedish** State Secretary for Development **Joakim Stymne** were a dose of diplomatic reality. Brussels had openly criticised Ravalomanana's intolerance and refusal to establish a credible, independent elections regime. But it will not endorse the putschist regime that replaced him.

The Europeans want Rajoelina to negotiate in good faith with Ravalomanana. Indirect talks, brokered by the African Union and two former presidents, **Albert Zafy** and **Didier Ratsiraka**, have made no progress. Ravalomanana says he is the legitimate head of state; the new authorities have, *in absentia*, sentenced him to four years' imprisonment. The AU, like the EU, wants to restore constitutional order and free elections through dialogue.

In March, the Southern African Development Community hinted at military action ('other options'), and on 8 June the Common Market for Eastern and Southern Africa (COMESA) talked plainly of possible military intervention. Ravalomanana is rumoured to have had contact with South African mercenaries. The United Nations, AU and EU fear that a military intervention from the mainland would provoke real fighting, and by 20 June SADC was calling on all sides to negotiate peacefully.

A political solution looks remote. Rajoelina and the *Haute Autorité de la Transition* (HAT) have consolidated domestic support through wide consultations and won the backing of regional notables such as former Speaker **Jean Lahiniriko**, former Toamasina Mayor **Roland Ratsiraka**, former Prime Minister **Norbert Ratsirahonana** and **Pierre Tsiranana**, the son of Madagascar's first President – all spurned by Ravalomanana while he held power. Yet Ravalomanana remains the country's richest businessman, with the accompanying patronage.

Conspiracy theorists suggest that **France** backed the coup, supporting Rajoelina as a stalking-horse for Roland Ratsiraka, nephew of the pro-French exiled former President Didier Ratsiraka. However, Ravalomanana's political errors were homemade. Paris had no motive for getting rid of a leader whom it had cultivated and whose liberal economic policies had been good for French business interests in textiles, tourism, power generation, banking and, latterly, oil (Total).

Gambia

NO FREE SPEECH HERE

■ By gaoling opposition journalists, President **Yahya Jammeh** makes himself look insecure. The President, who seized power as a mere lieutenant fifteen years ago, now entitles himself President Sheikh Professor Alhaji Dr Yahya AJJ Jammeh, according to the State House website. Since 1994, three presidential and parliamentary elections have increased Jammeh's share of the vote and consolidated his power, which is reinforced not only by the ubiquitous National Intelligence Agency (NIA) and various shadowy paramilitary organisations, but also by unpredictable reshuffles at the top.

The latest government clear-out began on 31 May with the firing of the Minister of Fisheries and Water Resources, **Yankuba Touray**, an old rival, one of the original five coup plotters of 1994 and 'national mobiliser' of the ruling Alliance for Patriotic Reorientation and Construction (APRC). The Secretary to the Government, **Teneng Bah-Jaiteh**, was replaced by **Abdoulie Sallah**. Soon came some more spectacular sackings, including Chief Justice **Abdou Karim Savage**; the Speaker of the National Assembly, **Fatoumata Jahumpa Ceesay**; and the Minister of Finance, **Musa Gibril Bala Gaye**. Savage, the first Gambian-born Chief Justice, was replaced by **Emmanuel Akimoyae Agim**, a **Nigerian** who was formerly the Director of Public Prosecutions. Several Nigerians have recently been appointed to the Court of Appeal. The National Assembly has chosen its new Speaker, **Elizabeth Renner**, and **Abdou Kolley** was named Minister of Trade, Industry and Employment.

The International Monetary Fund seems to consider Gambia's economy relatively well-run. Surprisingly, despite the slump in tourism, it is expected to grow by 3.5% this year (down from 6.5% in 1998). Yet Jammeh still seems insecure. He has patched up a row with **Ghana** over the disappearance in 2005 of 44 Ghanaians, for which the Gambian security forces seem to be responsible, and he is travelling again to meet his fellow rulers. But, having set off for an Economic Community of West African States summit in Abuja, Jammeh turned round and came home, apparently because of unfounded rumours that a coup was pending.

Above all, Jammeh seems to fear a free press. On 19 June, NIA agents arrested seven journalists charged with the quaint colonial offence of sedition. The independent papers *The Point* and *Foroyaa* have persisted in disbelieving Jammeh's assertions that the state was not involved in the still-unresolved

December 2004 shooting of **Deyda Hyndara**, then-Editor of *The Point*. Six of the journalists were remanded in custody and one, the mother of a young child, was released on bail.

International protests followed, from the Committee to Protect Journalists, Reporters Without Borders, the International Federation of Journalists and the Commonwealth Journalists' Association. Opposition politician and former presidential candidate **Halifa Sallah**, who is also on the Editorial Board of *Foroyaa*, was arrested by the NIA apparently for trying to secure bail for his Managing Editor, **Sam Sarr**. If Jammeh, apparently secure and successful, cannot stand some criticism in the papers, it seems he must have something to hide.

Liberia

NO RECONCILIATION, LITTLE TRUTH

■ Few of Liberia's leading citizens managed to stay clear of involvement with the many factions in the 14-year civil war. This is the message in the report by the Truth and Reconciliation Commission. It began work in 2006 and its nine members (two of whom refused to sign the document) are accused of bringing their own agenda to the report, which sometimes reads more like a selective indictment.

The startling recommendation by the Commission is that 50 former political leaders and financiers of warring parties should be banned from public office for 30 years. They include President **Ellen Johnson-Sirleaf** and several of her top officials, who should resign immediately or have their pay stopped. The President's alleged offence was to have had discussions in the late 1980s with **Charles Taylor**, then fighting to overthrow the late, brutal **Samuel Doe**. Taylor later, as President, was as brutal as his predecessor, and has rightly been sentenced for his crimes.

Others for whom a ban is proposed include the Deputy Finance Minister, a Supreme Court judge, a senator, a member of parliament, two ambassadors, the bosses of four public utilities, and a senior official of the World Bank.

The report failed to censure several notorious killers. The leaders of the former warring factions said that the Commissioners had offered selective pardons to 'friends, political allies and affiliates, while seeking unjustifiably [to] malign and denigrate others'. The Commission recommends setting up an Extraordinary Criminal Tribunal for Liberia to try those it accuses of human rights violations, war crimes and economic crimes. Meanwhile, its report has been sent to a parliamentary committee, which will review the document and make recommendations on it by 20 July.

BLUE LINES

This week's clashes between workers and police in townships across South Africa reinforce the need for some fast rethinking on policy and practice by President Jacob Zuma's team. The protests were fiercest in the informal settlements where some 8 million of the country's 49 mn. people live. In a hopeful State of the Nation address in June, Zuma promised his government would create half a million jobs in his first year in office, violent crime would be cut by 7-10%, 80% of those who needed anti-retrovirals would get them by 2011, and everyone would get a holiday on Mandela Day every 18 July.

With an annual 21.6% fall in manufacturing and mining companies laying off workers, the job creation promise looks especially far-fetched. Although union leaders celebrated the comradely Zuma's accession to power, the grassroots membership demur. Zuma now faces a more formidable wave of strikes than anything under Thabo Mbeki's presidency: gold, platinum and coal miners are threatening action; paper and chemical workers started strikes this week; and rail workers and workers at the state broadcaster also speak of disruption.

Protesters lambasted corruption within the ANC and government mismanagement as a direct cause of poor services and the downturn. Just three months after Zuma's victory, the ANC's core supporters are unconvinced by his response to growing hardship. His impressive economic team have their work cut out.

KENYA

Kofi Annan puts politicians on the spot over poll violence

Options narrow after the ICC receives the list of suspects

The Kenyan government has until the end of September to set up an independent special tribunal on the post-election violence of December 2007. On 9 July, former United Nations Secretary General **Kofi Annan** handed over to the International Criminal Court (ICC) in The Hague an envelope listing alleged perpetrators of the violence that followed the 2007 elections. The list was compiled by Justice **Philip Waki's** Commission of Inquiry into the Post-Election Violence (CIPEV) and handed to Annan last year. His July action pre-empted an earlier agreement with the government, giving it an extension until the end of August to set up a special tribunal. The Waki Commission had intended this tribunal to be independent from Kenya's judicial system, with international and local judges and investigators.

Annan had become involved in Kenya's reckoning in January 2008 as the African Union's (AU) mediator. Two months later, President **Mwai Kibaki** and Prime Minister **Raila Odinga** signed an agreement which included setting up the CIPEV. In mid-October 2008 in Nairobi, Justice Waki handed over the CIPEV's report and a secret envelope containing a list of high-level perpetrators to Annan for safekeeping.

Annan gave up waiting for the government to take action after a delegation of Kenyan politicians visited him in Geneva, took a tour of the ICC in The Hague and met the Chief Prosecutor, **Luis Moreno-Ocampo**. The team was led by Minister of Justice **Mutula Kilonzo** (President **Daniel arap Moi's** former lawyer), with much-criticised Attorney General, **Amos Wako**; Minister of Lands **James Orengo**; Assistant Minister of Justice **William Cheptuno**; and

three other officials. The delegation had been seeking more time and suggested that the accused should be tried not by a special tribunal but by a specially constituted section of Kenya's own High Court. That would not require a constitutional amendment, unlike the special tribunal, but the court's independence would be questioned. During the months before he went to Geneva, Justice Minister Kilonzo had been pressing for more time and consideration of Kenya's special circumstances.

KENYANS WANT A TRIAL IN THE HAGUE

Kilonzo argued that a tribunal would divide Kenya and that the government did not have the necessary funds. He made plans in June for Ambassador **Bethwell Kiplagat**, a former diplomat and civil servant from the Rift Valley, to organise a conference in July to get feedback about a special tribunal, all of which caused further delays; Kiplagat has been suggested as head of a truth and reconciliation commission. The recent budget from the Minister of Finance, **Uhuru Kenyatta**, provided no money for witness protection (AC Vol 50 No 12). All this helps explain why 53% of those surveyed in May by the South Consulting Group (which was originally contracted by donors to inform and educate Kenyan voters before the elections) wanted a trial in The Hague, with only 33% supporting a special tribunal. A poll by Steadman shows 68% supporting a trial in The Hague, with 13% favouring a local trial.

To safeguard himself against spin by the Kenyan politicians, Ocampo asked them to agree and sign minutes of their meeting on 3 July, which are posted on the ICC's website. They show that the Kenyan government has

KENYA	2	NIGERIA	4	GAMBIA	5	LIBERIA	6	LIBERIA POLITICS	7
Politicians face new deadline		Amnesty not honesty		Fifteen years of one-man rule		Taylor gets his day in Court		LIBERIA TRIBUNALS	8
Kofi Annan has sent the envelope to the ICC and now Kibaki and Odinga must act decisively.		The N50 bn. amnesty offers respite but will not change the corruption and environmental despoliation.		The regime gets away with human rights abuses but gets along with neighbours.		The implications of Taylor's trial in The Hague will be felt across Africa.		CONGO-KINSHASA	9
								WHO'S WHO	11
								POINTERS	12

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until the end of September to provide the following: a 'report on the status of the investigation and prosecutions' and any other information requested by the ICC prosecutor; 'information of measures put in place to ensure the safety of victims and witnesses'; and 'information on the modalities for conducting national investigations and prosecutions of those responsible for the 2007 [post-election] violence through a special tribunal or other judicial mechanism adopted by the Kenyan parliament, with clear benchmarks over the next 12 months'.

The government has committed itself to ending the impunity of those responsible for the most serious crimes and is bound

to refer such cases to the ICC under Article 14 of the Rome Statute, should parliament fail to approve the establishment of a special tribunal. **Wilfred Nderitu**, head of the Kenyan chapter of the International Commission of Jurists, thinks that this means that if the ICC receives no assurances from the government of a special tribunal by the end of September, Ocampo will take over.

The ICC, which has been looking at the Kenya situation since 5 February 2008, is empowered to begin a formal investigation as a court of last resort only if Kenya fails to meet its commitments. Yet Kenya could nominally comply while carrying on as usual and procrastinate for up to another year until June 2010 – or undermine any court that is set up, particularly if it is an alternative mechanism such as a special section of the High Court. That means the cases would be heard in the run-up to the 2012 elections, risking more chaos. Kenya's wily politicians might then take the opportunity to ask for another extension.

Ocampo explained that if Kenya did not meet its deadlines or if the court did not conform to international standards, the ICC would then take over and

decide whether to take the case up. The recommendations of the Waki Commission also state the ICC should take over the case if a special tribunal is set up, but the process has been subverted (see Box). Leaks to the local press from the closed-door meeting between the Kenyan team and Ocampo speak of charged exchanges. Ocampo should expect more subterfuge from the politicians.

NO JUSTICE, NO FAITH

Just after Ocampo's meeting with the Kenyan officials, Annan announced that he was handing over the Waki Commission's list to The Hague, saying 'justice delayed is justice denied'. This move short-circuited the attempts of those politicians who have little interest in establishing a special tribunal or in prosecuting anyone but their adversaries to delay any resolution by proposing an alternative 'judicial mechanism' instead of the special tribunal.

On 1 July, Annan told the AU that their 'outcry against justice demeans the yearning for human dignity that resides in every African heart', and 'represents a step backward in the battle against impunity'. We hear that before he announced that he was passing the Waki envelope to Ocampo, Annan had six boxes of supporting material air-freighted out of Kenya. After that, Kenya's government faces huge pressure to get the special tribunal set up before September.

Pictures in the Nairobi *Daily Nation* of Liberia's ex-President **Charles Taylor** defending himself against war-crimes charges in The Hague are a sharp reminder to those who masterminded the 2007 post-election violence. The Waki Commission's envelope and the boxes of supporting material reached the ICC on 16 July. Ocampo already has opened the envelope and is keeping the contents secret in a vault.

The Chief Prosecutor will decide what to do next if the Kenyans have done nothing by September. **Beatrice Le Frapier du Hellen**, the ICC's Director of Jurisdiction, Complementarity and Cooperation, has been analysing information on Kenya, with a recently increased team of 14. She said in April that if the ICC decided to act, it would do so 'relentlessly and immediately'. Diplomats from Western countries, including the **United States**, which is not a signatory to the ICC, have backed Annan's handover – although they say a special tribunal within Kenya would still be the best option.

On 16 July the European Union's representative in Kenya, **Anna Brandt**, backed calls for a special tribunal. She said that Western donors will cut off aid to Kenya and help the ICC if Kenya does not take action. It is not known if this statement was coordinated with those of

KENYAN POLITICIANS FACE NEW DEADLINE

Kofi Annan, the former United Nations Secretary General, made his announcement about handing over the envelope containing the list of the accused to the International Criminal Court just six days after meeting a Kenyan government delegation in Geneva, **Switzerland**, on 3 July. For months, he had repeated that if the August deadline was not met he would give the envelope to the ICC, thus complying with the recommendations by Judge **Philip Waki's** Commission of Inquiry into the Post-Election Violence on what should happen if the government could not or would not establish a special tribunal.

The handover came amidst continued Kenyan government and parliamentary dithering, attempts to buy time, and plans to undermine the letter and spirit of Waki's recommendations. Alternatives proposed in July by the Kenyan delegation were to have perpetrators tried in a special section of Kenya's High Court, or instead to set up a truth and reconciliation commission that might allow for amnesty. **James Orengo**, the Minister of Lands, accused Annan of 'ambushing' the Kenyan authorities, and then retracted that claim.

Setting up a special tribunal would require two decisive votes in parliament. The first would amend the constitution and allow such a tribunal to exist independently from the judiciary and the laws governing it; the second would set up the tribunal itself. The Waki Commission recommended that this process be completed promptly. It handed over its report to the government in mid-October 2008. The first deadline, met at the eleventh hour on 16 December, was for the heads of the parties in the ruling coalition, President **Mwai Kibaki** of the Party of National Unity and Prime Minister **Raila Odinga** of the Orange Democratic Movement, to agree to set up the special tribunal within 60 days of receipt of the Commission's report. The second deadline was for parliament to pass the two necessary laws within 45 days and then to have another month to set up the special tribunal by 1 May. It was missed.

The first law, requiring a two-thirds parliamentary majority to anchor the tribunal in the constitution, was shot down on 12 February, two weeks after Waki's 30 January deadline. The government mustered only 101 of the 148 votes needed, after parliament had taken a short recess and been summoned back to deal with the legislation. If the law had passed, the government would have had 30 more days to set up the tribunal. Annan had already extended the Waki deadline and granted two further extensions, one for two months, which was not met partly because parliament was prorogued on 27 February, and another on 4 April until the end of August. Both misses were the result of deliberate procrastinations by most, a fear of political interference if the process were local by others, and a desire to sidestep justice by many. ●

Annan or Ocampo. A week earlier, Brandt had signed a five-year 17.5 billion Kenyan shilling (US\$22.9 million) **Swedish** aid agreement: those and other commitments are now under threat.

On 14 July, the Kenyan cabinet met to consider the two draft laws, wrangled for four hours but failed to reach a consensus. The same thing happened again on 20 July, with continued splits along the party and factional lines that had divided parliament in February. Some MPs oppose any prosecutions for the election violence. Having voted against the special tribunal bill in February, when they said they favoured the ICC, they now say they want a truth and reconciliation commission.

This group includes a block of politicians from the Rift Valley: **William Ntimama** (listed in the **Akilano Akiwumi** report on ethnic clashes in the 1990s as a person who should be investigated further), **Najib Balala**, **Franklin Bett** and **Charles Keter** in the cabinet, **Benjamin Langat**, **Zakayo Cheruiyot** and **Julius Kones**, in parliament. They have recently been joined by the Orange Democratic Movement's (ODM) Minister of Agriculture, **William Ruto**, who had earlier disagreed with Odinga and favoured referral to the ICC when there was little prospect of a Hague trial. He said he feared the Kibaki government would be biased against politicians from the Rift, where most of the violence occurred. Like other MPs from various parts of the country, he seems to have thought that the ICC would not do anything until well after the 2012 election.

Ruto (who was recently made a Sabaot elder in conflict-ridden Mount Elgon) argues that establishing a special tribunal would precipitate more violence. He is against any legal proceedings on the post-election events which, he says, stemmed from the disputed 2007 election. Ruto wants the poll-riggers charged, but Ocampo has made it clear that the ICC is not a political but a criminal court.

Most MPs have vowed to vote against a special tribunal, suspicious that it will be manipulated. Among the most outspoken voices is **Gitobu Imanyara**, an MP and human rights activist, who wanted Annan to hand over the Waki envelope in January. Among Central Province politicians Imanyara and Safina party leader **Paul Muite** have claimed that they face threats for their stand against a local tribunal.

In May, a report by South Consulting claimed that 60 witnesses already have left Kenya in fear for their lives; the UN's Special Prosecutor, **Philip Alston**, said the same of witnesses who spoke to him. Others who voted against the special tribunal in February might do so again. The first law anchoring the tribunal in the constitution requires a two-thirds majority; the second setting up the special

tribunal needs only a simple majority and thus could easily be used to water down the second law after the first was passed. Many MPs fear that this might allow the President or the Attorney General to dismiss judges, grant amnesties, end cases or otherwise interfere. Some of those against a special tribunal do not want it because they fear justice might be done, others because they fear it will not.

Those who do support a tribunal include those who believe it is desirable and possible, those who do not want to see Kenya labelled as a failed state, those who want to see more rather than fewer perpetrators tried, some lawyers who would prefer judicial proceedings to be on their turf and in full public view and some who fear that the ICC might not take up the case. The ICC could decide that the case does not qualify in terms of the number or duration of the killings; that it does not have evidence of deeds amounting to crimes against humanity as defined; or the evidence might not sustain an indictment.

In an interview published on 10 July by *The Standard* newspaper, Ocampo said that 'the crimes were probably crimes against humanity', and if necessary he would reach an impartial conclusion about whether or not to investigate the individuals named in the Waki envelope, while also considering other evidence.

Some supporters of President Kibaki's Party of National Unity, including Justice Minister Kilonzo, want a trial by a separate unit set up within the High Court, rather than by a special tribunal. Given the wide disrepute in which the judiciary, seen as malleable and subject to political manipulation, is held, many Kenyans would not support any connection to the High Court. Some lawyers say that if the tribunal became a division of the High Court, the Attorney General could terminate cases. PNU ministers **Kiraitu Murungi**, **Moses Wetang'ula**, **John Michuki** and **George Saitoti** were said to be against the amended laws necessary to establish a tribunal, presented by Kilonzo

to the cabinet on 14 July. They would not support clauses stripping President Kibaki of his immunity from prosecution or other measures designed to preclude executive interference in any tribunal.

Martha Karua, who resigned this year as Minister of Justice, does not consider that either Kibaki or Odinga have the political will to set up a local tribunal. Odinga, who draws support from the areas worst affected by the post-election violence, appears isolated because of his support for a local tribunal.

Some MPs believe that criminal convictions would eliminate their political opponents. The PNU has said that any of its members who are charged will be on their own, perhaps a sign of other partings of the way to come.

Already the ODM is split between Prime Minister Odinga and William Ruto, who claims that Odinga has abandoned his Rift Valley base. Meanwhile, there are other veiled hints of a new KK (Kikuyu-Kalenjin) alliance between Ruto and Finance Minister Kenyatta in anticipation of the 2012 election. This speculation might be wishful thinking by all. Even if – against expectation – parliament approves a bill to set up the tribunal, the government may still decide to ignore or undermine it. Now, with the Waki envelope safely in The Hague, the ICC could take up the case even before the June 2010 deadline set by Ocampo for the government to reach its one-year benchmarks.

The increasing uncertainty about how Kenya's post-election violence will be addressed comes amidst a lack of leadership, an upsurge in criminal and gang violence and increasing ethnic polarisation and corruption. It leaves an irate public fearful of the future. Leaflets warning of future violence are circulating in the Rift Valley, while the criminal *Mungiki* gangs are said to be rearming their supporters. Without a resolution of the legal and political crisis, politicians are preparing for a worsening confrontation in the run-up to the 2012 elections. ●

THE CIPEV'S RECOMMENDATIONS

Recommendations from the Waki Commission of Inquiry into Post-Election Violence (CIPEV), Part V, Chapter 13.

'If either an agreement for the establishment of the Special Tribunal is not signed, or the Statute for the Special Tribunal fails to be enacted, or the Special Tribunal fails to commence functioning as contemplated above, or having commenced operating its purposes are subverted, a list containing the names of and relevant information on those suspected to bear the greatest responsibility for crimes falling within the jurisdiction of the proposed Special Tribunal shall be forwarded to the Special Prosecutor of the International Criminal Court. The Special Prosecutor shall be requested to analyze the seriousness of the information received with a view to proceeding with an investigation and prosecuting such suspected persons.'

'The Bill establishing the Special Tribunal shall ensure that the Special Tribunal is insulated against objections on constitutionality and to that end, it shall be anchored in the Constitution of Kenya.' ●

Amnesty not honesty

The N50 bn. amnesty deal offers a respite but will not change the corruption and environmental despoliation that fire the conflict in the Niger Delta

The Niger Delta militants take an unorthodox approach to public relations. In the morning of 12 July they launched 'Operation Moses', detonating a bomb which devastated part of the Atlas Cove jetty in Lagos, killing five people. It was the first major operation the militants had launched outside the Delta and preceded their announcement of a 60-day ceasefire with the government. Also it showed the militants' capacity to strike key economic targets at will and do further damage to the chaotic fuel distribution network. The attack on Lagos coincided with the government's release of **Henry Okah**, a leading figure in the Movement for the Emancipation of the Niger Delta, who had been on trial facing charges of gun-running and treason, following his arrest in **Angola** in September 2007.

It seems MEND intends to combine negotiations with the Federal Government, via a delegation led by **Timi Alaibe**, with demonstrations of its ability to attack the oil and gas industry. Its attacks have pushed down Nigeria's average production to under 1.8 million barrels a day (b/d), and some officials from the Nigerian National Petroleum Corporation say production has at times fallen below 1 mn. b/d.

This encouraged President **Umaru Musa Yar'Adua's** government to offer an amnesty to the militants which might cost some N50 bn. (US\$332 mn.), but it would be cheap in comparison to the billions of dollars of revenue Abuja is losing from shrinking oil exports. Referring to **United States** President **Barack Obama's** calls in Accra, **Ghana** for more democracy and accountability, MEND's ubiquitous spokesman, **Jomo Gbomo**, justified the Lagos attack in an email to journalists: 'Because our fight is happening in a country with a fraudulent electoral process and corrupt leadership, we feel vindicated.'

The Federal Government pursues its own two-track policy: it offers an amnesty to the militants but closely guards the secrecy of its military operations in Gbaramatu, the traditional seat of Ijaw power that extends across the Delta.

Hundreds, if not thousands, of Nigerians have died in repeated clashes between the military's Joint Task Force (JTF) and militants near Chevron's Escravos terminal, which has created a refugee crisis in Warri, the Delta state capital. Precise figures are hard to get: journalists are effectively barred from the

conflict zone around Gbaramatu in the western Delta, and even the international Red Cross struggles to get access.

Okah's release on 12 July followed an appearance by Attorney General **Michael Aondoakaa** before Justice **Mohammed Liman** in the High Court in Jos to enter a *nolle prosequi* on behalf of the Federal Government. Outside the courtroom, Okah asked 'Do I look like a militant?' and claimed he had been unfairly targeted by the government. Yet MEND has made his presence a pre-condition for talks between Alaibe's delegation and Yar'Adua's Presidency. Aondoakaa said: 'The accused person has agreed to work with the Federal Government and he is now a free man.'

Both seem to accept the state's amnesty and militants' ceasefire as part of a useful *quid pro quo* without high expectations that it will prove any more successful than previous deals. The amnesty excludes the main target of the JTF's operations in Gbaramatu: the MEND commander in the western Delta, **High Chief Government Ekpemupolo** (alias **Tompolo**).

Tompolo remains at large despite the helicopters, warships and thousands of JTF troops being deployed to frustrate his networks. Neither have the JTF been able to locate his main arms caches, financed from piracy and oil bunkering. Locals speak of **German** intermediaries helping to organise oil and weapons swaps.

President Yar'Adua might make more progress with some of the militant leaders in the eastern Delta: notably, **Soboma George** and **Ateke Tom**, who have been offered amnesty. Tom was armed by the government of Rivers State under Governor **Peter Odili** to help rig elections for the ruling People's Democratic Party in 2003. Those links between corrupt politicians and oil sector militancy have flourished over the past five years.

Former State Security Service Director **Chief Alfred Horsfall** is overseeing the amnesty, under which anyone can sign up in return for a payout. Several unemployed youths, with no connection to MEND or any other movement, are looking forward to collecting their N150,000 in return for a stage-managed disavowal of militancy.

Okah predicts that only a few would take up the amnesty, and he dismissed any role for outside mediators. He is also sceptical about government promises to move the federal Oil Ministry to the Delta:

'I think it's just another avenue for clawing back revenue from the Niger Delta'.

On 15 July, the Minister for the Niger Delta, **Ufot Ekaette**, welcomed MEND's offer of a sixty-day ceasefire. But the new Defence Minister, Major-General **Godwin Abbe** (retired), told the Federal Executive Council in Abuja that the armed forces would neither accept nor reject the ceasefire offer. Gen. Abbe specifically rejected MEND's demand that the JTF withdraw from Gbaramatu as a precondition of talks. Tompolo's fighters suspect the JTF is building a new barracks near Camp Five which overlooks the strategically important network of creeks and camps next to Escravos.

At the Police Officers Mess in Port Harcourt, Inspector General **Mike Okiro** echoed the no preconditions line: 'Nobody will go to the creeks to force the militants out to take amnesty. It is voluntary. Once the period expires, that means you don't want it.' The implicit threat is those militants who do not accept the amnesty will face an unprecedented onslaught from the military who have become an occupying force in the creeks and estuaries of the Delta. Okiro implausibly claims that huge quantities of arms have been recovered through the amnesty.

Delta historians draw parallels between this amnesty and a similar deal with gang leaders **Alhaji Mujahid Dokubo Asari** and **Ateke Tom** in 2004. That failed dismally because the agenda for talks was little more than a discussion about a sophisticated protection racket.

The lack of an effective disarmament programme and credible strategy to create jobs, let alone any attempt to staunch the siphoning of capital by local gangsters, oil companies and Nigerian officials, means the fundamental conditions for conflict remain unchanged: mass poverty and minimal social welfare against a backdrop of corporate and political venality.

There are few signs of new thinking on the horizon, just a few changes in the *dramatis personae*. Faced with growing reputational damage from its Nigerian operations, Shell is considering selling all its on-shore operations by the end of next year. Bidders may include **Russia's** Gazprom, **China's** National Overseas Oil Corporation and **France's** Total, so few expect corporate governance to improve.

Neither is substantive political change likely in the near future. The already loosely federated militant movement is likely to splinter as leaders pursue their interests. Ateke Tom will accept amnesty if the price is right, and Tompolo is unlikely to cut a national deal and may further increase his local following. However, as oil revenues plummet, Yar'Adua faces pressure at the national level to resolve the Delta crisis, but his approach looks set to be military not political. ●

Fifteen years of one-man rule

Few outsiders are prepared to support the doughty opponents of Yahya Jammeh's corrupt and brutal regime

Since Lieutenant **Yahya Jammeh** led a successful coup just 15 years ago on 22 July 1994, he has managed his small country against strong domestic complaints, but without much interference from the neighbours. His regime poses no noticeable threat to the region – at least while, as at present, the festering problems of **Senegal's** Casamance region are on hold. The summit meeting of the Economic Community of West African States (Ecowas) in Abuja in June spent a lot of time on the recent overthrow of the governments of **Guinea** and **Guinea-Bissau**, and on the drive for a third term by President **Mamadou Tandja** in **Niger**. Gambia was left alone.

However, Ecowas has been doing its bit to see that Jammeh obeys the rules. In June 2008 the Ecowas court ruled that a disappeared journalist, **Ebrima Manneh** of the *Daily Observer*, had been unlawfully detained; Jammeh's government denies all knowledge of the detention and rejects the court's jurisdiction. (Jammeh is reported to have said at one point: 'The Ecowas court can go to hell'.) Manneh has not been found. Another Gambian journalist, **Musa Sadykhan**, editor-in-chief of the banned *Independent*, won in June (against Gambian objections) a landmark ruling that the court is mandated by an Ecowas protocol to hear cases of human rights abuses. This concerned in particular Sadykhan's writ against the notorious National Intelligence Agency, in whose headquarters he was held for a month in 2006 without charge. Sadykhan claims he was tortured.

Ecowas was also brought into the affair of **Ghanaian** fishermen killed in Gambia in 2005, which has poisoned relations for some time. At the request of the two governments, a joint United Nations/Ecowas fact-finding mission set up in August 2008 published its report in May. The report says that they had been victims of an immigration 'scam perpetrated by Captain **Taylor** and **Lamin Tunkara**, a Gambian, to transport them to Europe by sea' and that while there was no official government involvement, 'rogue elements of the Gambian security services' were involved in the killing. This led to moves to settle with Ghana. The numbers of those killed or disappeared (which included citizens of other West African countries) was still uncertain. Gambia mentions eight, while Ghana claims forty-four.

The Banul government, noting the exoneration of the Gambian state over the killings, still agreed to repatriate the bodies of six identified Ghanaians and compensate the families. A memorandum of understanding (MoU) was signed on 2 July by the two governments in Sirte, **Libya**, at the African Union summit at which they agreed to pursue 'through all available means the arrest and prosecution of all those involved in the deaths and disappearances'. This may not seem to go very far, but there is at least some implied acknowledgement by the Gambians of responsibility, as well as a commitment to continued investigation. The ruling National Democratic Congress in Ghana made a big issue of the matter while in opposition and Ghanaian public opinion continues to be exercised on the subject.

There is a strong **Nigerian** community in Banjul, where five Nigerian banks have opened their doors. Ex-President **Olusegun Obasanjo** would occasionally pull rank on Jammeh, whom he regarded as a very junior officer, he mediated in judiciary problems in 2005, but President **Umaru Musa Yar'Adua** has shown little interest. His Foreign Minister, **Ojo Maduekwe**, has been heavily involved in Ecowas and was a witness to the Ghana-Gambia MoU in Sirte. Nigeria encouraged Gambia to send 98 policemen to the UN peacekeeping operation in Darfur, **Sudan**.

Senegal, which surrounds Gambia's landward side, keeps a watching eye on it, treating Jammeh with kid gloves for fear he might allow Gambia to be used for subversive activities in Casamance. His relations with the province's rebels have sometimes been suspect, but Casamance is quiet now. President **Abdoulaye Wade** barely hides his contempt for Jammeh, but the only serious rift came four years ago when Gambia tried to tax Senegalese traders at the border. Obasanjo stepped in to mediate and one result was a proposal to revive both the Senegambia Secretariat and the long-mooted bridge on the River Gambia, but nothing happened. Senegal is also anxious that Gambia might get involved in Guinea-Bissau's turbulent, drug-beset politics, but Jammeh has kept clear of the international drug trade's dabbings in West Africa.

Libya's links to Gambia have flourished since Jammeh came to power; his predecessor, Sir **Dawda Jawara** was deeply hostile to **Moammar el**

Gadafi. The Libyan leader is a quieter character now (although unpredictable), and Gambia is regularly represented at meetings of the 29-member Community of Sahel-Saharan States (CEN-SAD), which includes all 15 members of Ecowas and forms Libya's tame African grouping. Figures for Libyan assistance are elusive (although Jammeh got US\$15 million in 1995, after his take-over). Libya's contribution is probably next to that of the leading benefactor, **Taiwan**, which Gambia persists in recognising. A glowing tribute from Gadafi on Jammeh's birthday (25 May) contrasted with his rebuke to those, notably **Sierra Leone's** President **Ernest Koroma**, who did not make it to the CEN-SAD summit in Libya four days later. Jammeh strongly supported Gadafi's move at the AU summit to defy the International Criminal Court's warrant for Sudanese President **Omer el Beshir**. He attended the Non-Aligned Summit in **Egypt** in mid-July.

For a regime that began with a coup, Jammeh has survived remarkably well. **Britain** says little about Jammeh's human-rights violations, except when those in trouble are British nationals. Jammeh has not visited London since the Commonwealth summit in 1997, probably because of campaigning by London-based organisations. Amnesty International's damning report 'The Gambia: Fear Rules', in November 2008, was followed by a statement in March denouncing the security services' rounding up and punishing of a thousand alleged witches, said to have been treated by witch-doctors brought in from Guinea. (In March, around 1,000 people were detained on suspicion of being witches. They said they were forced to drink a hallucinogenic beverage which induced vomiting and diarrhoea. They were released in April.) In Africa the Commonwealth tends to take its cue from its African members, and in 2001 removed Gambia from the list of countries under scrutiny for their human-rights record.

Jammeh seized power a few months after completing his training as a military policeman in Alabama; he is still an honorary officer of that state's militia, and of the Alabama State Navy. Some Gambians suspect his coup was tacitly backed by the **United States**, and he sometimes tries to market himself to Washington as a reliable ally in the 'war against terror'. Yet Gambia's participation in the Millennium Challenge Account was suspended seven years ago because of its human rights situation. In May this year, five US Senators petitioned Jammeh over Ebrima Manneh's three-year disappearance. They said Gambian indifference was 'reprehensible and outrageous'. President Jammeh, they wrote: 'You owe the world and Manneh's family an answer.' ●

Charles Taylor gets his day in Court

Ex-President Charles Taylor's trial at the Special Court for Sierra Leone on 11 counts of war crimes and crimes against humanity will reverberate across Africa, especially those countries such as Congo-Kinshasa, Uganda and Sudan, whose politicians and rebel leaders face indictment by the International Criminal Court for war crimes. The relaying of television images showing Charles Taylor in the dock answering charges of crimes against humanity is concentrating minds, notably that of the African Union Chairman, Libya's Moammar el Gaddafi who trained and armed Taylor's soldiers.

TAYLOR TAKES THE STAND

At last, Charles Taylor gets his day in court. He took the stand before the Special Court for Sierra Leone (SCSL) for the first time on 14 July to testify in his own defence. His trial is taking place in The Hague, Netherlands, rather than in Sierra Leone, for security reasons. Taylor, President of Liberia from 1997 to 2003, is likely to be in the witness box for several weeks. His lead counsel, Courtenay Griffiths, QC, is one of Britain's most experienced criminal defence lawyers, having taken on several murder and terrorism cases. Taylor claims, among other grievances, that he is a victim of Western racism.

Cross-examination will be by one of the prosecution team led by Stephen Rapp, former United States Attorney for the Northern District of Iowa. Among those most likely to be entrusted with the all-important cross-examination of Taylor are prosecution lawyers Brenda Hollis, a former lawyer for the US Air Force, and Nick Koumjian, formerly a public prosecutor in Los Angeles and a veteran of the tribunal for the former Yugoslavia.

Taylor's trial began on 4 June 2007 with a false start. The former head of state fired his defence team, claiming that he had insufficient resources for an effective defence. He demanded that the Court find replacements. The Court agreed, which is how Courtenay Griffiths, aided by a substantial team, got the job. We hear that the costs of Taylor's defence are around US\$100,000 a month. However, Griffiths has complained to the Open Society Institute, funded by George Soros, about the imbalance of resources allocated to the prosecution and the defence. 'My team has only come on board since August of last year. Some members of the prosecution team have been working on this case for five years or more. We are four lawyers working for us. Last time we counted, the Prosecution were deploying something like eight different lawyers in court.'

Taylor's defence is paid by the Court as he has declared himself to be without funds. When he was still President of Liberia, he was accustomed to handling millions of dollars. No one knows how much of his money remains or where he keeps it. The general assumption is that he has made over his assets to his family and friends. The Court has been trying to trace those assets without much success so far. A defiant Taylor declaimed, 'I challenge the United Nations and any human being on this planet to bring one bank account' to the SCSL. 'Bring the millions here, please.'

After Taylor's new team established themselves, court hearings began in January 2008. The prosecution presented 91 witnesses including Varmuyan Sherif, who claimed to be one of the highest level Taylor allies willing to testify against him. Sherif testified about Taylor's arms trade routes used to break

sanctions on Sierra Leone. The former Liberian leader provided his own robust defence, saying that Sherif 'was on the streets, naked and eating from garbage' during the conflict.

Now it is the turn of the defence, which has listed 249 witnesses. It is likely that the number actually appearing for the defence will be considerably less than that. In any event, no verdict is expected before 2010 at the soonest. Neither the judges nor the defence team appear hurried.

The SCSL was set up following the tumultuous events of 1999-2000 that provide much of the backdrop for Taylor's trial. This sequence of events began with an attack on Freetown in January 1999 by forces of the combined rebel movements of the Armed Forces Revolutionary Council (AFRC) and the Revolutionary United Front. The prosecution alleges that the RUF was little more than a proxy force controlled by Taylor, and that its actions in Sierra Leone amounted to a joint criminal conspiracy masterminded by Taylor.

The first Chief Prosecutor of the SCSL, David Crane, who drafted the original indictment against Taylor, viewed him as the source of widespread disruption and multiple intrigues throughout West Africa. RUF leader Foday Sankoh had been with Taylor in Libya in the late 1980s as both men prepared armed forces for wars in their respective countries with the support of their sponsor, Libyan leader Moammar el Gaddafi. The prosecution has alluded to commercial and political links between Taylor, Gaddafi and Burkina Faso's President Blaise Compaoré, whose regime facilitated arms transfers to Taylor and earned illicit revenues from Liberian resources. Subsequently, Gaddafi and Compaoré have disowned their association with Taylor and have made their peace with the USA and Britain.

Taylor claims that the RUF had nothing to do with him and that he in fact acted as a peacemaker in the Sierra Leone war. On 21 July, he told the Court that his relationship with RUF leader Sankoh was restricted to a period between August 1991 and May 1992: 'My relationship with Foday Sankoh was for security purposes to fight ULIMO [the United Liberation Movement of Liberia for Democracy] in Sierra Leone so as to prevent them fighting in Liberia.' Taylor claimed that ULIMO was sponsored by the Sierra Leonean government.

ATROCITIES AND AMPUTATIONS

The atrocities committed during the January 1999 battle of Freetown – especially amputations of hands and arms – prompted worldwide revulsion. A peace treaty between the Sierra Leonean government and the RUF in July 1999, the Lomé Accord, resulted in RUF leader Foday Sankoh sharing power in Sierra Leone. The United Nations set up a mission in Sierra Leone, UNAMSIL, to supervise the peace.

In May 2000, after the RUF took hundreds of UN peacekeepers hostage bringing the UN mission to the brink of disaster, a UN spokesman said the peacekeepers would be unable to protect the capital from a rebel invasion. That prompted British Prime Minister Tony Blair to call an emergency cabinet meeting which scrambled a British protection force for Freetown; following *Africa Confidential's* exposure (AC Vol 39 No 5) of the British government's cooperation with Sandline, a British private military company, Whitehall was under pressure to use its own armed forces to shore up the UN and Economic

Community of West African States' regional forces in Sierra Leone. It turned out to be one of the few popular military interventions that Tony Blair ever authorised.

The British and US governments viewed Taylor as the real power behind the RUF. It was in these circumstances that, on 12 June 2000, Sierra Leonean President **Ahmad Tejan Kabbah** (himself a former UN official) wrote to UN Secretary General **Kofi Annan** asking for help in establishing a body to take legal action against those responsible for the war. The UN Security Council adopted Resolution 1315 on 14 August 2000, mandating Secretary General Annan to negotiate a deal with the government of Sierra Leone. The Special Court was formally established in January 2002, providing for the prosecution of the people bearing greatest responsibility for the war. President Tejan Kabbah declared Sierra Leone's civil war to be over.

The Special Court is a hybrid. Unlike the Tribunals for **Rwanda** and the former Yugoslavia, it is not run by the UN alone. And unlike the International Criminal Court with which it is often confused, it has jurisdiction over only one country and will close down when the current prosecutions are finished. It is governed by both international law and Sierra Leonean law. The judges are both Sierra Leonean and international, and are appointed jointly by the UN and the government of Sierra Leone. Taylor is being judged by a bench consisting of **Richard Lussick** (Samoa), **Teresa Doherty** (United Kingdom) and **Julia Sebutinde** (Uganda). They are assisted by a substitute, **El Hadji Malick Sow** (Senegal), whose job is to take over if one of the main judges is incapacitated.

FALLOUT IN WEST AFRICA

The Special Court has had a mixed record. Many Sierra Leoneans wonder why it has spent so much money pursuing a handful of former warlords rather than spreading the money more widely. Particularly controversial was the Court's prosecution of the late **Sam Hinga Norman**, leader of the Civil Defence Force that included the *Kamajor* militias. Norman was held responsible for war crimes committed by the *Kamajors* (traditional hunters) and other CDF units although he had only ever been his country's Deputy Minister of Defence — the Defence portfolio was actually held by President Tejan Kabbah. By this logic, if anyone was to blame for crimes committed by the CDF it should have been Tejan Kabbah himself, not his number two for military affairs. In any case, many Sierra Leoneans, especially from Tejan Kabbah's Sierra Leone People's Party, saw Norman as a national hero for taking on the RUF. They did not think anyone should have been indicted for the work done by the CDF.

Taylor's prosecution is the last by the SCSL. Most Sierra Leoneans will probably be glad to see the Court end its work and dissolve itself. Taylor has few friends in Sierra Leone, so there will be little concern

if he is convicted. It is different in neighbouring Liberia. President **Ellen Johnson Sirleaf** is celebrated internationally as Africa's first female head of state. After years working for the UN, Johnson Sirleaf has many friends in the international system and is close to billionaire George Soros.

At home, Johnson Sirleaf is less fêted. Her government has been unable to control parliament and her critics claim it marks a return to the hegemony of Americo-Liberian families that ran Liberia before the 1980 coup that brought Master Sergeant

ELLEN JOHNSON SIRLEAF - THE SEQUEL

President **Ellen Johnson Sirleaf** looks set to seek a second six-year term in the 2011 elections. This is despite a recommendation from Liberia's Truth and Reconciliation Commission (TRC) barring her and several others from public office for 30 years after they had admitted to supporting **Charles Taylor**'s war against the **Samuel Doe** regime.

To boost her chances in 2011, Johnson Sirleaf's governing Unity Party (UP) has merged with the Liberian Action Party of former 2005 Presidential candidate **Varney Sherman** and the Liberia Unification Party. (The LAP and LUP united as the Coalition for the Transformation of Liberia [COTOL] in the 2005 elections.) Johnson Sirleaf will be the presidential candidate and Sherman the running mate on the merged party's ticket.

COTOL controls 15 seats in Liberia's 94-member bicameral legislature; the Speaker of the House of Representatives, **Jenekai Alex Tyler**, and the Senate President, **Cletus Wotorson**, are from COTOL. A merger with Johnson Sirleaf's Unity Party would give the new group control of 26 seats, making it the biggest grouping ahead of former international footballer **George Weah**'s Congress for Democratic Change (CDC), which has 18 seats. Sherman, who called Johnson Sirleaf a 'white collar rebel' during the 2005 presidential campaign, is now committed to an alliance with her and says he will challenge the TRC's recommendation to bar her from office. His party colleagues also insist that the legislature has the final word on the TRC's report.

However, Johnson Sirleaf's opponents are trying to use the TRC report to block her second term bid. **Winston Tubman**, a former United Nations diplomat in **Somalia**, merged his party with Weah's CDC on 23 June. Tubman told the TRC in October that Johnson Sirleaf was the 'mother of Liberia's brutal conflict'. Weah lost to Johnson Sirleaf by 41% to 59% in run-off elections in November 2005 although he won backing from candidates such as Tubman, Sherman and **Togba-Nah Tipoteh**.

Weah is popular among poor Liberians whose lives have improved little under Johnson Sirleaf and who are angered by the unfolding reports of corruption scandals in the government. Weah and Tubman say they are disappointed by the lack of progress on national reconciliation, the growth of violent crime and poor living standards. They claim that Johnson Sirleaf has done little to tackle those senior officials accused of corruption and instead focused on low-ranking government workers. Recently, she sent written warnings on corruption to all cabinet ministers, saying all representatives and ministers proved to be involved in corruption would lose their jobs.

As the political realignments continue, the competition is intensifying. **Charles Brumskine**, the Liberty Party leader who came third in the 2005 presidential elections winning 13.9% of the votes cast, is to join Weah and Tubman (who won 9.2%). It is less clear what will happen to Taylor's National Patriotic Party (NPP), which took 1% in 2005.

Johnson Sirleaf's UP has been trying to woo loyalists in the CDC and even in Taylor's NPP. CDC officials, some of whom had a hand in the TRC report, are determined to use it against her. 'We will remain resolute to ensure that she will not stand for the second term, because of the TRC report,' a CDC spokesman told *Africa Confidential*. 'Even Charles Taylor has confirmed in his testimony at The Hague that she was not only a financier, but a founder of the NPFL [National Patriotic Front of Liberia] rebel movement.'

However, Johnson Sirleaf is trying to recruit NPP stalwarts into the government. She recently appointed **Roland Massaquoi**, NPP presidential candidate in 2005, as the Chairman of the Board of the Liberia Produce and Marketing Corporation and NPP youth leader **Emmanuel Lomax** as a director. She has given two junior ministerial posts to influential NPP youth organisers at the ministries of Foreign Affairs and Planning and Economic Affairs. Despite this, NPP Secretary General **John Whitefield** said he would prefer to merge his party with the CDC but **Francis Garlawolo**, a founding member of the NPP, has switched his support to Unity Party-led coalition.

The CDC's problem is that all of their leaders – Tubman, Weah and Brumskine – are determined to stand as its presidential candidate. Tubman has told several newspapers that his dream is to become president; the popular but political underdog Weah says he is determined to contest the 2011 elections, while Brumskine said in 2005 that a group of religious healers envisioned him as president. ●

Samuel K. Doe to power, the start of a quarter-century of mayhem. In fact, Johnson Sirleaf is not Americo-Liberian as often claimed by foreign critics: her father was Gola, and her mother was half-German and half-Kru.

For two years after winning the 2005 presidential elections, Johnson Sirleaf's government was seen to be bringing some real improvement to Liberia. Since then, the government has become embroiled in a succession of corruption scandals, some

of which critics claim are linked to funding a presidential re-election campaign for 2011.

TRUTH AWAITS RECONCILIATION

On the Liberian street, Charles Taylor remains surprisingly popular. Former child soldiers in his militia are now unemployed adults, who think nostalgically about the old days. Taylor's supporters claim that Monrovia's Americo-Liberian ruling clique is monopolising business under Johnson Sirleaf. Many of his former ministers and generals have made new relationships, but they could rally to Taylor if his political career were to reignite.

The Liberian press reports in depth on the Taylor trial whenever an interesting witness is on the stand. The publication of the final report by the Truth and Reconciliation Commission (TRC) has prompted debate (AC Vol 50 No 14), particularly its recommendation that Johnson Sirleaf be excluded from public office in the future because she offered material and political support to Taylor in the early stages of the civil war that broke out in 1989.

However, Johnson Sirleaf was hardly Taylor's leading supporter in those days and the TRC report contained no argument to justify the recommendation of her exclusion, which was simply dropped in to the document. It seems to have been planted by political rivals anxious to disqualify her from re-election in 2011. If Taylor were to be acquitted by the SCSL, it would upset Liberian politics. He could gather enough support to revive his career and to fulfil his parting words when he left the country in August 2003: 'God willing, I will be back.'

Nor is it only in Liberia and Sierra Leone that observers are waiting for bombshells from Taylor, who is widely regarded as having information that he could divulge in court that would interest many and unnerve some. The former warlord and ex-head of state is assumed to have knowledge of many affairs affecting the USA, starting with the exact circumstances of his mysterious escape from a Massachusetts prison in 1985. Taylor testified in mid-July that it was the Central Intelligence Agency that was involved in his gaol-break. According to Taylor, it was part of a US plot to arm Liberian commander **Thomas Quiwonkpa** to overthrow the dictator Doe; Quiwonkpa's coup attempt ultimately failed to unseat the regime.

He has already revealed in court that when he was arrested in **Nigeria** and handed over to the custody of the SCSL in 2006, he was travelling in a four-car convoy with members of the Nigerian security services. His protector, President **Olusegun Obasanjo**, was in Washington DC at the time. This strongly suggests that Obasanjo was bullied by the US government into delivering Taylor to the Court against his own will. ●

INTERNATIONAL JUSTICE AND ITS PITFALLS

The current array of international tribunals has its roots in the 1990s. With the Cold War over, a spate of atrocious wars broke out in areas that no longer fell under the control or influence of one or another superpower. The 1994 genocide in **Rwanda** exposed a rich vein of Western hypocrisy. Western governments poured scorn on the failures of the United Nations in Rwanda, though the same governments lobbied hard to prevent the characterisation of the mass killings as genocide, which would have implied a legal obligation for UN member states to act.

On 21 April 1994, when the genocide was under way in Rwanda, **Britain, France** and the **United States** drafted and pushed through a Security Council resolution calling for the withdrawal of all but 270 of the UN peacekeepers under the command of **Canada's** General **Romeo Dallaire**, who was outraged by this manoeuvre. He and his meagre force still managed to save thousands of lives, but the UN resolution and the subsequent withdrawal denied protection to tens of thousands of Rwandans who were left to die at the hands of the *Interahamwe* death squads.

In the face of Western governments' reluctance to confront murderous regimes, at least those that did not control strategic resources, human rights groups pressed for the expansion of international justice by the establishment of an international court. Backed by international law and the UN, the hope was that such a court might pressure all regimes – or even militia groups – to accept some basic humanitarian laws.

George W. Bush's administration refused to ratify the USA's signing of the Rome statutes establishing the International Criminal Court (ICC) or any other body that could have jurisdiction over US citizens. Pressed to take action on the war in **Sierra Leone**, it saw the Special Court for Sierra Leone as a suitable instrument with a limited mandate.

The International Criminal Tribunal for Rwanda has been a disappointment. The International Criminal Tribunal for the former **Yugoslavia** tribunal is facing its biggest test with the trial of **Bosnian** Serb leader **Radovan Karadzic**. Piqued by the Bush Administration's opposition to the ICC and by its poor human rights record, Democratic Party sympathisers from Hollywood and the media have queued up to support the ICC and to call for action on Darfur. **George Clooney, Mia Farrow, Angelina Jolie** and **Madonna** from the US and the **Irish** rock musician **Bono** speak out on human rights in Africa, giving impulse to public opinion. Western politicians with little stake in African wars prefer to pass the problem to the prosecutors.

However, since the ICC was established, a US-led coalition has invaded **Iraq** and the US government has detained 'enemy combatants' without trial in Guantanamo Bay. For many in Africa, calls for international justice ring hollow – especially when the USA and **Israel** (let alone **China** and **Russia**) refuse to join the ICC. The ICC has issued indictments against militia leaders in **Congo-Kinshasa, Uganda** and against **Sudan's** President **Omer el Beshir**. According to opinion polls across Africa this month, there is substantial popular support for the indictment of President Omer, despite **Libyan** leader **Moammar el Gaddafi's** corraling of African leaders at the AU in opposition to it (AC Vol 50 No 14).

Wily African presidents have discovered that they can use an indictment by an international court as a weapon against domestic enemies, but the indictees are fighting back. Uganda's **Joseph Kony** has used the charges against him to derail talks with the government. Omer, helped by Gaddafi and **Egypt's Hosni Mubarak** (both of whose regimes are threatened by Khartoum's Islamist allies), is trying to ignore the ICC warrant although this week he cancelled a trip to Uganda after a Foreign Ministry official in Kampala suggested he would be arrested; Omer failed to attend **South African** President **Jacob Zuma's** inauguration for the same reason. Former **Liberian** President **Charles Taylor's** defence counsel argues that his client's indictment represents the use of a judicial instrument to manipulate an African head of state.

A strong lobby – by no means all apologists for tyrants – argue that the ICC's decision to indict people who are still at large and whom the Court has no means of arresting will invite disaster. A couple of failed prosecutions, and the ICC will risk losing its prestige and its clout. Almost a century ago, US President **Theodore Roosevelt** wrote: 'I have always been fond of the West African proverb: "Speak softly and carry a big stick; you will go far."' Now the ICC seems to have reversed this African dictum. ●

Eastern foes at war again

Foreign attempts to strengthen the army and police, led by Monuc and the EU, are inchoate, ineffective and under-funded

Things are getting worse in eastern Congo, and everyone except the government and the United Nations Mission in Congo, Monuc, acknowledges it. Recent operations by the Congolese army, the *Forces Armées de la République Démocratique du Congo* (FARDC), in cooperation with Monuc did nothing to quell the insurgency. Many improvements are suggested, not least from the **United States**, but few of them involve a clear understanding of what is involved.

The recent Operation *Kimia* ('Calm' in Swahili) II was aimed at local militias and rebel forces from **Rwanda** and **Uganda**. In early July Oxfam published a survey which showed that 85% of Congolese civilians thought the situation had gotten worse since *Kimia*. According to the International Committee of the Red Cross, the fighting drove 300,000 people from their homes in North Kivu, and 100,000 in South Kivu. In June, the UN Office for the Coordination of Humanitarian Affairs reported that 8,000 more people were displaced in North Kivu, and 17,000 in Orientale Province.

The last attempt to deal with the rebels was Operation *Umoja Wetu* (Our Peace) in January, when the FARDC combined with the Rwanda Defence Force to try to disarm and send home the Hutu militiamen of the *Forces Démocratiques de Libération du Rwanda* (FDLR). They failed. This time the FARDC, although advised by a clutch of foreign experts (see Box), proved to be completely disorganised.

Tens of thousands of fighters from various *Mai-Mai* groups, and from the *Conseil National pour la Défense du Peuple* led by the Tutsi General **Laurent Nkunda** (now under house arrest in Rwanda) were supposed to have been integrated into the national army, but without effect. Military advisers in the European Union's EUSEC mission – for security reform in Congo (see Box) – trying to prevent officers from stealing the pay due to their men had set up a chain of command separate from the chain of pay. After not being paid for months, many soldiers were fed up, hungry and indisciplined. The results were mutiny, pillage and mass desertion. Entire companies of government soldiers turned themselves into independent raiding parties. Units whose members were mainly Hutu (from Congo or Rwanda), joined up with their fellows in the FDLR, whom they were meant to be fighting.

The FARDC's allies in Monuc did not fully join in the fight and are anyway short of men. Late last year President **Nicolas Sarkozy** said **France** would not send reinforcements until Monuc had deployed its existing troops more efficiently. Only in mid-July did UN Special Representative **Ross Mountain** announce that more blue helmets would be transferred from western Congo to the east where they are needed. On 14, July a **Belgian** C-130 heavy-lift aircraft was sent to Kisangani to move men and equipment.

Unbeaten, the FDLR's well-organised forces control land and mines, levying charges and raising taxes. They are now more mobile than ever, free to raid and harass. In early July they reached the outskirts of Goma: Monuc reported that the rebels had attacked FARDC positions at Kaseghe, along with their *Mai-Mai* allies of the *Patriotes Résistants Congolais*. On 1 July, 130 houses were burned at Miriki, an incident for which the FDLR and the FARDC blame each other.

In South Kivu an attempt was made to drive the rebels out of their lucrative

territory in Shabunda, Walungu, Kabare and Kalehe. Instead, a FARDC camp in Kabare district was burned, and 11 houses were destroyed at Walungu. On 28 June two FARDC supply trucks were wrecked, and a week later a main market was also burned. The rebels hit and run, demoralising the locals and humiliating government forces. The official aim is to force Kigali to negotiate, but nobody expects that to happen.

On 7 July the FARDC's Colonel **Léon-Richard Kasonga** issued an ultimatum calling on the FDLR to lay down its arms. Nothing happened, and a week later the rebels attacked a UN base at Mwenga, 90 km from Bukavu, wounding a **Pakistani** soldier. From Brussels, the FDLR said it had inflicted heavy losses on the government army. On 15 July the rebels used heavy weapons in an attack at Lemera.

A government victory might not improve things for civilians. On 16 July, the non-governmental organisation (NGO) Human Rights Watch accused the FARDC high command of supporting or covering up a pattern of sexual crime. A few days before, women at Mwenga had blocked roads and marched in protest against rape by uniformed FARDC soldiers.

A large part of the army's problem is that officers steal the money meant to pay the soldiers: President **Joseph Kabila** belatedly ordered that troops be paid for April and May. Sometimes, too, FARDC officers collaborate with their FDLR antagonists. In early July, forest guards

A MULTINATIONAL ROAD TO ARMY REFORM

In late April, **Britain** announced that it would give £80 million (US\$131.5 mn.) towards strengthening Congo's security forces. Half was for police reform, £30 mn. was for 'domestic and external control' of the army and police, with £10 mn. for improving army barracks and equipment. There are plenty of other contributors.

The European Union runs EUPOL and EUSEC, for the police and the army. EUSEC, under General **Jean-Paul Michel**, has been operating since June 2005, with 60 staff and a 24-mn.-euro budget. Its original mandate was to help integrate former rebels into the Congolese army. One of its initiatives has been to prevent officers stealing money meant to pay their troops; by May, 130,000 soldiers had been issued with identity cards.

EUPOL was launched in July 2007 to help restructure the police, with 6 mn. euros and 53 international and nine local staff. Nine EU members, plus **Angola**, are involved; its work, due to end in June, may be extended for a year. Unfortunately the United Nations and the EU are in competition to reform the security forces. For the UN it is part of world peacekeeping, for the EU it is a test of the embryonic external security and defence policy – and several member states (**Belgium, France, Britain, Portugal**) claim expertise in African affairs. Belgium has a special interest in the Congolese army, France in the police. The **Netherlands** works indirectly, through **South Africa**. EUPOL and EUSEC have yet to prove their worth. Both emphasise training in human rights, but do not prevent abuses. Above all, they have not inspired a fighting spirit or even basic discipline.

In April the head of the US Africa Command, Gen. **William Ward**, visited Kinshasa from his headquarters in Frankfurt. He met President **Joseph Kabila** and said he hoped to help restore stability. Africom has no plan for a US base in Congo, but is preparing a medical assistance scheme, 'Med-flag', and training some Congolese officers. South African and Angolan specialists work alongside colleagues from Europe. **China** does some military training without coordinating with other foreign agencies, and **Japan** is helping to organise a frontier police. About 200 **Tanzanians** under UN guidance are training Congolese soldiers. ●

employed by the *Institut Congolais pour la Conservation de la Nature* tried to clear the Virunga National Park on the Uganda border of FDLR militia and local residents, who were killing animals and cutting down trees to make charcoal. FARDC troops forced the forest guards to retreat and set fire to woodland between Kibumba and Kibasi to help the poachers. The fire lasted two days. **Thomas Luhaka**, a member of parliament for the opposition *Mouvement de Libération du Congo* says this shows the need for army reform. The International Crisis Group (ICG), an NGO, has appealed for the suspension of Operation *Kimia II*, saying it has neither disarmed the FDLR nor protected civilians.

In Orientale, Monuc is under regular attack by Uganda's Lord's Resistance Army. In early July, Monuc announced the deployment of four Russian Mi-17 transport helicopters and a Mi-25 attack helicopter. The insurgency continues despite the joint operations six months ago by the FARDC and the armies of Uganda and Southern Sudan, which drove 238,000 people from their homes in lower and upper Uélé. At Dungu, 700 km from Kisangani, LRA attackers in May and June killed 80 people and abducted 50. Congolese army sources say there are about 500 LRA fighters in Haut-Uélé district. Some say they are buying weapons.

Proposals are on offer to improve the situation, especially from the USA. The ICG wants a 'global strategy', with more international support for disarming the FDLR, military planning and legal action against rebel leaders living abroad.

The Enough Project, founded by **John Prendergast**, a former Director of African Affairs at the US National Security Council, wants to focus on protecting civilians, effective counter-insurgency against the FDLR, ending the trade in conflict minerals and promoting regional peace, economic cooperation and accountability.

WASHINGTON WORRIES

Russ Feingold, a Democratic Senator, has written to Secretary of State **Hillary Clinton**, saying: 'Without a clear strategy for engagement I am worried that we may witness a descent further into crisis.' He wants the State Department to help enhance Monuc's capability to protect civilians; the deployment of 3,000 peacekeepers (as resolved by the UN Security Council last December); and more attention by Monuc to abuses by the Congolese military. More controversially, Feingold urges the international community to open direct negotiations with those FDLR leaders who were not involved in the massacres of 1994.

All these suggestions assume the troubles are mainly caused by rebels. Yet it increasingly appears that the destabilisation mostly derives from the FARDC and its leadership. Feingold's idea of dialogue (inspired by a former black congressional leader, **Cynthia McKinney**) looks implausible. The Rwandan government welcomes Hutus who are ready to adapt to the country's new rules, but will never admit the FDLR as a legitimate political partner.

To hope that reinforcing Monuc will

bring a basic change is wishful thinking. Neither the USA nor any EU member state is sending reinforcements, and it is hard to see from where the extra 3,000 could come. **Egypt** intends to send an infantry battalion, a special forces company and police unit by November. **Bangladesh** will send an infantry battalion by the end of the year. **Jordan** will send a special forces company by October. It remains to be seen whether the new soldiers will be keener to protect civilians against the FARDC.

There are some new ideas for cutting off the rebels' revenue from the illegal trade in minerals. **Liberata Mulamula**, the **Tanzanian** Ambassador who chairs the International Conference on the Great Lakes Region, spoke in June about a plan to certify minerals exported from Congo. Experts from **Switzerland**, Rwanda and Congo are working on it and **Germany's** federal minerals office has an agreement with the *Office de Géologie et des Mines du Rwanda* and the geology department of Belgium's *Musée Royal d'Afrique Centrale*; **Canada** has offered to help.

These exports are hard to track. **Dieudonné Basimine Bagambana**, Chairman of South Kivu's mineral traders' association, reckons that only 29 of the 2,000 traders belong to his group. Despite *Kimia II*, the FDLR still controls gold mines in Shabunda. A Congolese Senate commission reported that 80% of minerals extracted from the Kivus, Maniema and Orientale are illegally traded. According to 2008 government figures, official gold exports weighed 123 kilogrammes, while real exports weighed five tonnes. ●

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NIGERIA HENRY OKAH, DELTA MILITANT

Released on 13 July by the Nigerian government, officially as part of an amnesty announced by President Umaru Yar'Adua and unofficially as a sop to the militants, Movement for the Emancipation of the Niger Delta (MEND) leader Henry Okah should play a crucial role in determining the future of militancy in the Delta.

It was both unlikely and inevitable that the 43-year-old Okah would become involved with a militant group. The fourth of nine children born to a Navy officer, he and his siblings had an upbringing characterised by one brother as very 'British'. They grew up in rarefied Lagos society attending private schools and reading comic books. Okah's first visit to the family home in Bayelsa did not occur until he was nineteen, and even then only after his mother's death. He studied marine engineering and joined the Nigerian Merchant Navy after he graduated. He was also a salesman in Lagos in the 1990s, selling handguns. In 2003, he left for South Africa.

Despite this privileged background, Okah became a leader of the most truculent of the Niger Delta's militant groups. According to his brother, that first trip to the family home in Bayelsa had been 'shocking'. The contrast of living conditions there with those his family enjoyed in Lagos had upset Okah greatly.

These made him very useful to MEND and garnered him an important position. This importance only increased with his arrest which has made him a *cause célèbre* of sorts among Delta militants.

In February 2008 the soft-spoken Okah was deported from Angola where he had been arrested and was brought to Nigeria. He was charged with 62 counts including treason, terrorism and gun-running, offences carrying the death penalty. His trial, which began in April 2008, was held behind closed doors on orders of President Yar'Adua. On 26 May 2008, MEND launched a reprisal attack on a pipeline in which it claimed eleven soldiers were killed.

On 13 July, after 23 months in Angolan and Nigerian prisons, he was released. According to Okah, an attack on a Lagos jetty just before his release was to 'welcome me into freedom'. This was the furthest afield of MEND's bloody attacks. Upon his release, Okah maintained he was not a militant, 'but a gentleman'. He also said he would be going abroad the next day to seek medical care.

NIGERIA UFOT EKAETTE, MINISTER OF THE NIGER DELTA

As head of the Ministry of the Niger Delta, it falls on Ufot Ekaette to begin to do, in the two years left in this administration what no Nigerian government has ever done – bring development to the Niger Delta. Ekaette's most recent turn had been as Secretary to the Federal Government (SGF) for all eight years of the Obasanjo administration. The 70-year-old Ekaette was born in Ikot Edo, an oil producing part of Akwa Ibom State.

Nicknamed Mr 'Civil Service', he joined the Federal Civil Service in 1964 after graduating from the University of Ibadan with a bachelor's in economics. He has served in various positions under every government since then. From 1968 to 1975 he was Secretary to, then head of state, General Yakubu Gowon. Under Ibrahim Babangida, he served as a secretary to the military government and then was a Director in the Ministry of Finance. In September 1994, Ekaette became Deputy Governor of Akwa Ibom. He retired from the civil service in February 1994. In 1996, he became a Non-Executive Director of First Bank. His wife Eme Ekaette, a retired manager at the Nigerian National Petroleum Corporation, was elected to the Senate in 2007.

For all his long service in various governments, one more corrupt than another, Ekaette enjoys something of a reputation for honesty, but not humour. On the day his wife was elected, Ekaette fulminated that charges he had been a liability to his state were 'false, libelous and untrue'. Strangely, the initial charge had been that Ekaette's terms as SGF had not benefitted Akwa Ibom. In London last week to drum up investment in the Niger Delta, Ekaette's prickliness was on display. A playful debate featured an executive of the Nigerian

subsidiary of a Western company and a potential investor taking opposing views on Nigerian corruption. The debate ended with an apoplectic Ekaette forcefully telling everyone of his case.

KENYA WILLIAM RUTO, AGRICULTURE MINISTER

Known for his political savvy and ruthless ambition, William Ruto has managed to propel himself from relative insignificance to a position of importance within the Orange Democratic Movement. His degree of support amongst the Kalenjin in the Rift Valley gives him considerable bargaining power and is indicative of a potential split in the ODM, although Ruto denies that his differences of opinion with Prime Minister Raila Odinga are a threat to party cohesiveness.

Born in Kamagut in 1966, in many ways, Ruto is the ultimate self-made politician. Born into poverty in the Rift Valley, he sold peanuts on the Eldoret highway to supplement the family income. Graduating from the University of Nairobi with a general science degree, Ruto soon became involved with the Cyrus-Jirongo led Youth for Kenyan African National Union '92, an outfit hastily put together to campaign for Daniel arap Moi's re-election in that first multiparty election. KANU's success saw Ruto appointed Assistant Minister for Provincial Administration, and then Minister of Home Affairs.

His relationship with Moi, who feared his ambition, was not always an easy one, but Ruto supported Moi's decision to back Uhuru Kenyatta's bid to lead KANU in 2002. Following KANU's defeat in the 2002 election, together with Uhuru Kenyatta, he broke ranks with the Nicholas Biwott faction in KANU and in the run-up to the 2005 constitutional referendum, joined Raila Odinga in the ODM.

He put himself forward as a presidential candidate in 2007, but he was beaten to the ODM nomination by Odinga. He marshalled votes in the Kalenjin community during the election, garnering significant support for the ODM. A report produced by the Kenya National Commission on Human Rights accuses Ruto of inciting, planning and financing ethnically motivated violent activity in the aftermath of the 2007 elections. He is even quoted as saying that the Kalenjin would uproot outsiders and burn them. The Philip Waki Report, which he condemned as unsubstantiated, also implicated him in the violence.

SOUTH AFRICA GILL MARCUS, RESERVE BANK GOVERNOR

Efficient and hardworking, Gill Marcus is known for her tough managerial style. Born in 1949, she was involved in politics from a young age: her parents were active in the African National Congress and were forced into exile in the late 1960s. Marcus worked for the ANC's Department of Information and Publicity in London, returning to South Africa in 1990. From 1991 to 1998, she served on the ANC's National Executive Committee. Marcus entered the Reserve Bank as Deputy to Tito Mboweni in 1999. Her relationship with Mboweni was strained and she left in 2004, staying away from government roles and taking the position of Chairwoman of Absa in 2007.

Her appointment as Reserve Bank Governor on 20 July has been welcomed by the left. Congress of South African Trade Unions General Secretary, Zwelinzima Vavi said: 'She will engage with us, and listen to different opinions. She will not take a know-it-all attitude and will not be dismissive and arrogant.' The approval of Cosatu is both useful and necessary to President Jacob Zuma, who has to be seen as making concessions to the left without rocking the markets.

Zuma's decision to get rid of former Governor Tito Mboweni was partly in response to pressure from Cosatu and the South African Communist Party. The left have long called for Mboweni's resignation and his replacement with someone who might be more receptive to the calls for a debate on inflation targeting; they want the current band of 3-6% to be significantly widened or abolished altogether.

Whatever the hopes of the left, it is unlikely that Marcus will move too far from Mboweni's conservative approach. She also needs to maintain the support of big business. Some heavyweights in Black Economic Empowerment circles have expressed reservations about her capability though her appointment has been positively received.

Sudan

ABYEI ARBITRAGE

■ The Permanent Court of Arbitration's 22 July ruling, which redrew the boundaries of the disputed Abyei area, affirmed that all the area's major oil fields and the Nile oil pipeline would remain under the control of the Khartoum government. It is also a political bonus for the ruling National Congress Party (aka National Islamic Front) which can claim a commitment to the rule of law after its victory in an international court and can use the demarcation of the Abyei boundaries to delay further the national elections and the referendum on independence for Southern Sudan.

The Netherlands-based PCA ruled that the Abyei Boundaries Commission, set up under the terms of the 2005 Comprehensive Peace Agreement (CPA), had exceeded its mandate. The ABC had not always fully explained its reasoning, said the PCA, which did not, we hear, question the five ABC experts. Both the NCP and Sudan People's Liberation Movement had loudly promised to accept the Abyei Arbitral Tribunal's verdict. The SPLM 'can probably live with it', noted one ABC expert, especially since it emphasised the dominance in Abyei of the Ngok Dinka people (widely seen as 'Southern').

The PCA told the NCP and SPLM to demarcate physically the boundaries it has (without visiting Sudan) defined. Under the 2005 CPA, the ABC's task was to investigate and define the boundaries of the nine Ngok chiefdoms as in 1905. The PCA's map shrinks Abyei to the north, north-east and north-west until it resembles the 'Road Map' the NCP devised last year, excluding Meiram and several oilfields. The SPLM had accepted this version since it believed it would win the case.

An international court – the PCA – that Khartoum does recognise has given it ammunition against one that it doesn't – the International Criminal Court which indicted President **Omer Hassan Ahmed el Beshir** for war crimes and crimes against humanity. After Khartoum flattened Abyei town in May 2008, SPLM leader **Salva Kiir Mayardit** also accused the regime of which he is First Vice-President of 'crimes against humanity' (AC Vol 49 No 12).

Fearing a repetition, diplomats sped to Abyei this week, as did United Nations forces (much criticised for inaction in last year's fighting). UN Special Representative **Ashraf Qazi** had last week accused the SPLM of sending troops in. In fact, said a UN source, both Khartoum and Juba have troops in Abyei district; only 'Joint Integrated Units' are supposed to be there, but these barely exist.

The dangers are longer term. Demarcation gives Khartoum ample opportunity for delay; the North-South border is still undecided, as are half the constituencies (based on census results which the SPLM disputes) for the delayed elections, now due next April. If polling and Abyei demarcation are further delayed, the South's 2011 independence referendum will be delayed, as the CPA says Abyei's separate referendum on whether to join the South must be simultaneous with it.

Zimbabwe

COALITION CHAOS

■ Ructions in the Movement for Democratic Change's factions are threatening its grip on parliament. After last March's elections, **Morgan Tsvangirai's** MDC faction won 100 seats, and **Arthur Mutambara's** MDC faction won ten seats, giving the two MDC factions a comfortable majority over President **Robert Mugabe's** Zimbabwe African National Union-Patriotic Front, which won 100 seats.

ZANU-PF has been encouraging its friends in the security services and the judiciary to investigate and convict MPs in the MDC-T group. Constitutional rules state that all MPs convicted of a crime and given a gaol sentence longer than six months must resign their seats. Under those rules three MDC-T MPs have been forced out of parliament, although they are appealing their sentences.

Mathias Mlambo was expelled after receiving a 10-month term on what he insisted was a trumped-up charge of public violence on 15 July. Mutare West MP **Shuah Mudiwa** was removed on 21 July after being sentenced to seven years for kidnapping; a day later, **Ernest Mudavanhu** was sacked after being convicted of illegally selling fertilisers from a government-subsidised programme.

Although some ZANU-PF MPs are accused of the same crime, none of them are facing trial. Five more MDC-T MPs are due to face charges in the farm inputs case while another, **Blessing Chebundo** faces trial for rape. So as many as nine MDC-T MPs may be forced to stand down, forcing by-elections in their constituencies.

In MDC-M, senior officials **Gibson Sibanda** and **Welshman Ncube** are criticising Mutambara's leadership skills. Mutambara has just expelled three sitting MPs – **Abednico Bhebhe**, **Njabuliso Mguni** and **Norman Mpofu** – accusing them of insubordination.

This puts at risk 12 seats from the two MDC factions. The Global Political Accord bars the three parties in the coalition – ZANU-PF, MDC-T and MDC-M – from fighting by-elections against each other. But does not ban independents and smaller parties such as the newly-revived Zimbabwe African People's Union (AC Vol 50 No 4) from contesting. And

ZAPU's support base overlaps with that of the MDC-M. Should enough of these new parties or independents win in the MDC's constituencies, it will overturn the balance of power in the power-sharing government.

Mauritania

AZIZ'S STRONG ARM VOTE

■ General **Mohammed Ould Abdel Aziz's** victory in the 18 July presidential election confirmed that the former *Bataillon de la Sécurité Présidentielle* commander turned coup leader will reinvigorate the hopes of putschists across Africa. Although the African Union has lifted sanctions and endorsed the election, the head of Mauritanian election commission, **Sid'Ahmed Ould Deye**, has resigned, questioning the 'reliability' of the vote.

Aziz won 52.6% compared to 16.3% for the leading opposition candidate, *Assemblée Nationale* President **Messaoud Ould Boulkheir**. Surprisingly, with 3.8%, Colonel **Ely Ould Mohammed Vall** had to settle for near-last place following a campaign that lasted just three weeks.

The junta leader who toppled President **Maaouya Ould Taya** (exiled in Qatar), 'Ely' led Mauritania from 2005-7 and had by many accounts been making up ground against Aziz – his cousin – in the run-up to the election. Aziz used the backing of military commanders, as well as businessmen such as **Mohammed Bouatamou** and key tribal leaders to neutralise Vall.

Opponents called for Mauritians to reject the result but Iran-style protests are unlikely despite rising social discontent. Aziz's chances of consolidating depend partly on whether his disaffected cousin is prepared to accept his victory. On 22 July, Vall joined the opposition in lodging an appeal at the Constitutional Court.

Western countries have re-engaged, with the pro- and anti-coup groups' pre-election *Accord de Dakar* allowing all sides to reassess their positions without losing face. Abdelaziz conferred with French President **Nicolas Sarkozy** ahead of the polls. Britain recently sent its first resident representative: **David Townsend's** title is 'Head of UK Office' – not a full ambassador but an unprecedented presence.

Governments and investors are interested in Mauritania's resources, led by state mining giant *Société Nationale Industrielle et Minière*; Snim might be privatised in a deal in which Abdelaziz has long taken a close interest.

Concerns about stability are growing following the appearance of *Al-Qaida* in the Islamic Maghreb in Mauritania. AQIM's implication in the June murder of an American teacher in Nouakchott has forced a rethink in Washington, where **Barack Obama's** administration had taken a lead in calling for Mauritania's isolation while coup-maker Aziz was at the helm.

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AFRICA CONFIDENTIAL

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He inspires little more confidence among his co-religionists, however. His fellow northerners seem unconvinced by his plans for agricultural and industrial development. The governors of northern states such as Bauchi and Borno have not noticeably improved things either. 'The only state governor to have made a difference is **Babatunde Fashola** in Lagos; there are no signs of development of jobs in the north,' a senior Nigerian diplomat told *Africa Confidential*.

Environmental degradation and rapid population growth drive people from the countryside into the towns, with no means of livelihood. The government has no effective response to short-term demands for jobs and services, and there is no sign of a credible long-term policy on desertification and the destruction of crop lands and grazing land.

Attempts by international Islamist groups to destabilise Nigeria through sponsorship of extremist sects are hard to discern. Nigerian intelligence sources insist that Yusuf's group and its members are home-grown (many have fled into **Chad** since his killing). Nigerian analysts say they see no evidence that groups such as *Al Qaida* in the Islamic Maghreb, which operates as far south as northern **Mali**, have teamed up with local fanatics. Islamist proselytisers from **Pakistan** are said to be at work along the Sahel belt but have not been linked to the uprising.

However, *Al Qaida's* figurehead, **Usama bin Laden**, has identified Nigeria as a resource-rich country ripe for insurrection. The danger, say officials in Abuja, is that the internal crisis could open the doors to external groups. Jihadists do

not usually work in isolation and the doors may already have been quietly opened.

This latest crisis started after *Boko Haram's* leaders were arrested and held in prison. There had been clashes in Maiduguri, the capital of Borno State, two months earlier, when police blocked a funeral procession of sect members carrying the body of a colleague, saying that the mourners on motorcycles were not wearing the regulation helmets. The resulting skirmish ended with 14 *Boko Haram* members shot dead and Yusuf vowing revenge. Following investigations, the police raided a sect compound in Biu village, 200 kilometres south of Maiduguri, where they found knives, machetes and home-made bombs, and arrested nine militants. Another raid on 25 July left a senior militant dead; the police said he killed himself and injured a colleague when a home-made bomb exploded; militants claimed police killed him.

BAGS OF EXPLOSIVES AND WEAPONS

According to the Inspector General of Police, **Ogbonnaya Okechukwu Onovo**, a search 'recovered many bags of explosives and different types of dangerous weapons'. The militants counter-attacked in Bauchi on 26 July when, according to Onovo, up to 50 militants and 5 policemen were killed. Eyewitnesses reported a greater number of dead bodies. Further attacks spread the next day to Wudil in Kano, Maiduguri in Borno and Damaturu in Yobe.

In Maiduguri, small groups of militants launched synchronised attacks across the city, starting just after midnight. An ambush on the state police headquarters resulted in a shoot-out lasting over three hours, with up to 50 militants killed. They had killed a sergeant on guard at the Police Mobile College next door and murdered five policemen in their dormitories, including Superintendent **Usman Farouk**, second-in-command of the state's anti-riot squad.

In all, there were over 100 fatalities, most of them militants. On motorcycles in the heavy downpour, they set fire to police stations and attacked police officers' homes, prison guards and prisons. With

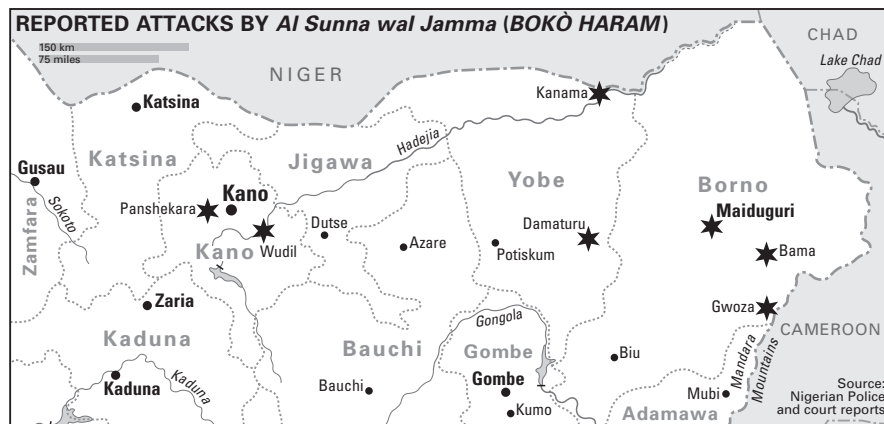
knives, machetes, bows and arrows and petrol bombs, they burned anything that seemed to represent government, shouting '*Allah Akbar*' ('God is Most Great'), stealing guns and ammunition, and emptying gaols. The security forces killed many, arrested some and cordoned off trouble spots. A dusk-to-dawn curfew the next day restored an uneasy peace, although thousands of people were displaced.

On 28 July, Yar'Adua ordered the security agencies to 'take all necessary action' against the attackers. The army shelled Yusuf's strongly defended bastion in Maiduguri and eventually tracked him down nearby. His deputy, **Mallam Shikau**, was said to have been captured alive.

Yusuf had declared his followers ready to die to ensure the institution of a strict Islamic society. 'This is a fanatical organisation that is anti-government, anti-people. We don't know what their aims are yet; we are out to identify and arrest their leaders and also destroy their enclaves, wherever they are' responded police chief Onovo. By analogy with **Afghanistan**, he called the militants '*Taliban*'. Formed in late 2003, *Boko Haram* mounted its first attack on New Year's Eve that year from a base in Kanama village, on the border of Yobe State and **Niger**. It stormed police outposts and killed several officers.

One professor at a Bauchi university thinks the militants are not so much opposed to Western education as to what they regard as its use to undermine Islam. They object that the curriculum is neither delivered by Muslims nor designed to further Islam and argue that Western ideas of democracy have failed in Nigeria.

Residents describe most sect members as poor youths with few job prospects, although some came from wealthy families or were university graduates who had torn up their degrees. This is a classic mix of Islamist activists. Others were recruited through the sect's network of *Ibn Taimiyah* schools, which were allowed to flourish and offered free education to the children of poor parents. A local official said that children often became alienated from their parents because of the ideology they were taught, a typical Islamist



madrasa model. Some ran away to Yusuf's compound, he said, while others appeared to have been tricked by being told they were being taken for further studies.

Some children just vanished, he said, and parents received a call saying, 'Your child has been taken for a holy war. He will not be coming home. Thank you for producing him.' The group's schools in the four states that suffered from violence have already been destroyed.

Jama'atu Nasril Islam, a traditional Islamic body, condemned the attacks. 'As the umbrella Islamic organisation in the country, the JNI cannot and will not fold its arms and watch the carnage and madness going on in the country in the name of Islam,' said its acting Secretary General, **Abdulkarim Mu'azu Palladan**. In Abuja, federal lawmakers called for an enquiry. From New York, United Nations Secretary General **Ban Ki-moon**, deplored 'yet another round of sectarian violence in parts of northern Nigeria'.

There is more trouble in the south, too, as the amnesty and the ceasefire that brought some respite before the *Boko Haram* riots threaten to unravel. Governors from the 'South-South', which includes the Niger Delta, have threatened to pull out of the federal government's amnesty for militants in their region. Their criticism increasingly speaks of the 'Northern establishment', just as the North's Islamist groups accuse Yar'Adua's government of kow-towing to the Christian South. The Chairman of the South-South governors, **Liyel Imoke** of Cross River State, doubts that a comprehensive, well thought-out plan exists which the region could try to implement. He was sure 'Yar'Adua could bag a Nobel Prize over amnesty', though.

One big upset, echoed by Governor **Emmanuel Uduaghan** of Delta State, was the report that a 'petroleum university' in the Niger Delta town of Warri was being relocated to Kaduna in the north, as part of Energy Minister **Rilwanu Lukman's** reforms of the industry. An official of the Petroleum Technology Development Fund, **Rabe Darma**, said the university controversy was due to 'misconceptions, misunderstanding and misrepresentation of the facts by misguided politicians who want to heat up the polity'.

Further, some southern politicians claim that top officials in the Ministry of Petroleum Resources and the Nigeria National Petroleum Corporation have a northernisation agenda for the oil and gas industry. A Delta State Elders' Forum, led by Chief **Edwin Clark**, a former federal Minister of Information, rejected the amnesty initiative, accusing the federal government of colluding with the northern oligarchy. The Forum, many of whose members are retired army officers, promised to 'join the freedom fighters in the creeks' if Abuja did not review its

policies and actions on the South-South.

No one has, it seems, yet produced evidence that Yusuf's group has links to *Al Qaida*, whose affiliates move easily through the porous borders of the Maghreb to the north. The cash washing around Nigeria's corrupt oil economy makes it more resilient to foreign funding, officials say, although the government will be keen for a promise of anti-terrorism money from the **United States** during Secretary of State **Hillary Clinton's** visit next week.

At the local Lake Chad Club, questions over possible foreign influence beyond

the neighbouring countries of Cameroon, Chad and Niger – where Yusuf allegedly told the military he bought his weapons – are met with dismissive laughter. There is no money in suicide bombing, the patrons say. However, national intelligence sources accept that the growing political and economic pressures in the north have created new opportunities for militants to exploit in their campaign to destabilise the government – and the chance for foreign-backed and organised groups to move into the region's biggest economy and most populous country. ●

INSIDE BOKO HARAM

The late *Ustaz Mohammed Yusuf's Boko Haram* group had about 2,000 members, some of whom had first attacked police stations in 2003. The group's rhetoric grew increasingly violent, said **Ibrahim Ahmed Abdullahi**, leader of the rival *Izala* sect, which Yusuf had denounced. The two men had been friends.

Abdullahi and local army commander Colonel **Ben Ahanotu** say they and many others warned the authorities about *Boko Haram's* activities, but the government did nothing. Borno State Governor **Ali Modu Sheriff** said there was not enough evidence to convict, but Abdullahi and others believe the membership of children from influential families and the group's alleged financier, Borno's former Commissioner for Religious Affairs **Alhaji Buji Foi**, helped deflect attention. Foi was also killed in the crackdown although the details are still unclear.

Yusuf's second-in-command, **Amir Abubakar Shakou**, was also killed. Like many recruits, he came from neighbouring **Niger**. The group also recruited from **Cameroon** and **Chad** and Yusuf reportedly told Ahanotu after he was captured that *Boko Haram* bought most of its weapons from those three countries, particularly Chad. Police attribute these cross-border links to kinship ties rather than Islamist networks, but they may be underestimating the jihadists.

Another official said the group was very hierarchical, with senior members wearing red armbands, lower ranking ones wearing yellow and new members or children wearing white. It appeared well-trained militarily, he said, since it managed to cut three of Maiduguri city's four main telephone lines an hour before the attack and then simultaneously attacked all the police stations in the city centre. They had training camps in the nearby Mandara Mountains, he said, not far from a police training centre.

Some police officers are out for revenge. At least 17 policemen were killed in the first two attacks. Local sources say the killers of the second-in-command of the Mobile Police in Borno were guided to his front door by his brother-in-law, a sect member. *Boko Haram* had taken out the mobile phone network by sabotaging the masts, but police listened over the radio as militants attacked. The memory of his colleagues begging for reinforcements and screaming as they died reduced one policeman to tears.

Previous attacks on police occurred in Kanama and Damaturu in January 2004, when weapons were stolen; in September 2004 in Bama, 70 kilometres from Maiduguri, when several officers were killed; and another in Gwoza, when more police weapons were stolen. *Boko Haram* was not directly responsible, but Yusuf had previously taught **Aminu Tashen-Ilimi** and **Mola Umar**, whose groups carried out the attacks. In 2002, they split from Yusuf, who enjoyed a chauffeur-driven Mercedes-Benz car and demanded money and property from his followers. The pair set up a base in Kanama on the Niger border and called it '**Afghanistan**'. An affiliated group killed two road safety officers in Kano State in May 2007 and eleven officers at Panshekara police stations.

Borno Police Commissioner **Christopher Dega** said police were aware of *Boko Haram's* relationship to the attackers but charges linking Yusuf to them had failed to stand. Nine men were arrested on bomb-making charges in Biu on 21 July, he said. Three days later, the prisoners told journalists the sect's leader had told them to make bombs to protect themselves; on the same day, two more men died in Biu when a home-made bomb detonated prematurely.

Boko Haram members were in thrall to the charismatic Yusuf. Police are investigating local businessmen to see whether he had other sources of funding. His fortified compound boasted a clinic, a crude bomb-making laboratory and a weapons stockpile – all within a stone's throw of Maiduguri's main railway station. Local officials say a joint anti-crime task force planned to raid the compound but the militants pre-empted them: accusations are flying between the police and military over the source of the leak. ●

Township protestors take on the ANC government

After weeks of angry protests in the townships, President Zuma and his ministers promise to make the problems of the poorest a priority

Pictures of police firing rubber bullets into a crowd of protestors in Thokoza township on 27 July gave President **Jacob Zuma's** three-month-old government its strongest reality check to date. Some 200 protestors stoned a local municipal office after realising it was closed due to the municipal workers' strike, which had started the day before.

Angry township residents complain that they are still living in shacks and lack running water and electricity 15 years after the African National Congress came to power. President Zuma, who has promised to create 500,000 jobs this year, pledged to improve housing and access to water in the wake of the protests. However, he bitterly condemned the wave of anti-government violence which coincided with the strike season in the depths of South Africa's winter.

A new wage deal between the country's biggest union, the National Union of Mineworkers, and gold and coal producers, forestalled a strike in the critical mining industry. So Zuma knows that the biggest, short-term economic threat has been averted. Yet some companies still worry that the mix of labour unrest and South Africa's first recession in 17 years may prompt more random disruptions.

SMILES AND WARM WORDS

Despite the smiles and the warm words of comradeship for the trades unions, Zuma has been readying his government for some tough times. That may be why he has consulted the apartheid regime's spymaster, former National Intelligence Service Director, **Neil Barnard**, and has appointed one of South Africa's toughest police officers, **Bheki Cele**, as Police Chief. Cele replaces **Jackie Selebi**, who has to defend himself against corruption charges (AC Vol 47 No 24). Cele has already stirred controversy by asking parliament to ease the restrictions on the police's use of lethal force against suspects. He told members of parliament that they needed to be sure that the law did not give criminals greater rights than their victims.

Beyond the security threats, Zuma faces a growing roster of political problems. The most pressing is the state of his relations with his supporters in the trades unions and the South African Communist Party (SACP), who are wholeheartedly backing the wave

of municipal strikes. To applause from his improbable business friends, Zuma condemned outright the strike action and made clear that the government will not submit to the strikers' demands. Coming so soon in the government's term, this crisis may force Zuma to nail down his ideological stance: many Communists and trades unionists have suspected for some time that Comrade Zuma's populism is actually rather right-wing.

This week, Zuma and his Housing Minister, the multi-millionaire ex-Communist **Tokyo Sexwale**, have been touring the toughest townships promising to address grievances systematically. Sexwale slept at the Diepsloot squatter camp on 3 August and expressed deep concern about the squalid conditions there. Zuma visited the Siyathemba township in Mpumalanga (one of his core provincial support bases) and promised to audit the municipalities, saying that those lacking basic services will get priority treatment. In fact, both Sexwale and Zuma lagged behind **Sicelo Shiceka**, the Minister of Cooperative Governance and Traditional Affairs, who sped around all the affected townships just days after the unrest started.

Most demands are localised. Some hostel dwellers are calling for the conversion of hostels into family units; elsewhere, residents want the heads of incompetent and corrupt councillors. The wave of industrial action is underpinned by demands for higher pay, even if it leads to inflation. Zuma was the people's choice in the governing ANC, largely thanks to the pro-poor rhetoric of his election campaign (AC Vol 50 No 11). In his State of the Nation Address on 3 June, his priorities included employment, with a promise to create half a million jobs by the end of the year and four million more by 2014, along with rural development and food security.

Improving public services was another priority, with two new bodies – the National Planning Commission and the Performance, Monitoring and Evaluation Ministry – to ensure performance at local, provincial and national government levels. Zuma's ascendancy was pushed through by overwhelming support from the ANC's alliance partners, the Congress of South African Trade Unions (Cosatu) and the SACP (AC Vol 50 No 12). In the new 34-member cabinet, former trades

unionists hold seven ministries, with the SACP in charge of four, including the influential Trade and Industry, Labour and Economic Development portfolios. Just a month ago, Cosatu was gloating over its increasing influence on policy. 'We are the policy-makers in the alliance and the Government implements. The Government does not lead any more...and the ANC is in charge,' claimed its General Secretary, **Zwelinzima Vavi**.

If so, why all the discontent? One independent analyst blames the widening economic gulf and historically entrenched inequalities. There is no evidence so far that the protests are orchestrated by a hidden 'third force' nor that a cohesive social movement is growing, independent of the tripartite alliance. It looks as if the poor are venting their anger and impatience at the shoddy manner and snail's pace at which services are delivered.

PARTY INSIDERS ARE PLOTTING

Meanwhile, a prominent political commentator and consultant, **Sipho Seepe**, points out that the protests did not start when the Zuma government took office in May but they have become more violent and strident. He thinks some activities may be fuelled by party insiders keen to revive their political fortunes after failing to make their mark in April's elections. Many are demanding the removal of representatives and officials associated with the previous government under President **Thabo Mbeki**.

Seepe points out that most of the anger seems to be directed at the municipal authorities, where people who did not make it on to the provincial and national lists are getting ready for the coming municipal elections in 2010. The Director of Johannesburg University's Centre for the Study of Democracy, **Steven Friedman**, says the mass protests preceded Zuma's election and attributes the problems to inefficient public services. He thinks civil servants should listen to the majority and ensure that what is done is as close as possible to its demands.

Land activist **Andile Mngxitama** says the poor feel excluded from decision-making and have been given a raw deal by the slow pace of economic transformation at the grassroots. The South African Local Government Association blames the ANC for deploying party loyalists instead of people qualified to run local government efficiently. Few of the ANC's political rivals, not even the embittered Congress of the People, have backed the upheavals; only the Democratic Alliance has called on the protestors to punish the ANC at the municipal elections. There is talk of an opposition alliance made up of the DA, COPE and United Democratic Movement to exploit the electorate's dissatisfaction

and to contest the local elections.

Small groups ride on the back of mass actions. Members of the South African Unemployed People's Movement looted retail stores including Checkers, Pick 'n Pay and Shoprite in Durban last week; the Movement claims 26 mn. unemployed members, yet only an estimated 200 people took part. The Movement is demanding a 1,500 rand (US\$190) per month payment for the jobless.

The Anti-Privatisation Forum seems to be making no significant inroads in impoverished communities. Instead of organised opposition groups, such as the racially exclusive Azanian People's Organisation, the Pan Africanist Congress of Azania and civic associations, there is an emergence of spontaneous self-organised community groups. In Tembisa township in the East Rand, residents recently formed the Duduza Tswelopele Service Delivery Forum, whose mandate is to negotiate for the informal settlements of Duduza and Tswelopele. There seems to be no formal link between these groupings and established political opponents of the government and the ANC.

The crisis has prompted a rethink of how resources are to be deployed in the national budget, with special measures to accelerate and improve services in urban areas. Minister of Performance Monitoring and Evaluation in the Presidency **Collins Chabane** told the press that in response to popular demand, the budget would prioritise the allocation of resources to the affected municipalities.

In Gauteng Province, where protests are widespread, several municipalities have moved swiftly. The Johannesburg Executive Mayor, **Amos Masondo**, has announced a plan to eradicate all squatter or informal settlements over the next five years (by 2014) with new settlements to be provided with basic infrastructure including water, electricity, roads, refuse removal, mobile clinics, libraries and ambulances. Johannesburg has an estimated 180 informal settlements, accommodating a quarter of its population in about 200,000 households.

Ekurhuleni municipality had become notorious for corruption, abuse of power by senior managers and inadequate services. Now it has sacked its city manager, **Patrick Flusk**, and appointed a highly-rated technocrat, **Khaya Ngema**, formerly Director General in Mpumalanga Province. He gained experience in services and capacity building while working in the Department of Public Service and Administration.

The world recession has compounded South Africa's long record of rising unemployment. According to Statistics South Africa's Labour Force Survey, in the second quarter of 2009 the economy shed an estimated 267,000 jobs and

almost 302,000 unemployed people gave up looking for work. The official unemployment rate (which excludes those no longer seeking employment) rose very slightly, to 23.6% in the first quarter, while the labour market shrank from 17.8 mn. to 17.5 mn. in the same period because more people dropped out. The retail and wholesale sector, which used to drive the domestic economy, lost 59,000 jobs as consumer demand fell; transport lost 30,000 jobs, financial services, 15,000. The formal sector (businesses registered for tax) lost 93,000 jobs. The informal sector, excluding agriculture, lost 41,000, while 28,000 farm jobs were also lost.

TOUGH TIMES AHEAD

The Bureau for Economic Research forecasts that the economy as a whole will contract by 2.6% next year, further worsening the spiral of unemployment. The ANC's proclaimed intention of halving unemployment by 2014 can hardly be attained. Tax revenue will obviously be much reduced, making it harder to increase services. A balance will have to be struck between good quality

services and salary rises for public service workers, particularly those in the South African Municipal Workers' Union, the Independent Municipal and Allied Trade Union and other Cosatu affiliates

The municipalities' annual wage bill is R36 billion (\$4.6 bn.) a year, with a 13% pay increase pushing it up to R40.6 bn. Furthermore, the municipalities are heaving under a growing burden of uncollected revenue. The four biggest metropolitan councils are owed R30.3 bn. for the first nine months of the 2008/09 financial year, up by 13.8% on the same period last year. Johannesburg is owed R10.7 bn., Ekurhuleni R6.7 bn. and eThekhwini and Cape Town, R4.2 bn.

Ministries will soon be involved in a fierce competition for resources, with tension between those favouring fiscal discipline and a tight monetary policy, such as former Finance Minister **Trevor Manuel** (now in charge of the National Planning Commission), and others such as **Ebrahim Patel**, the Minister of Economic Development. Zuma promised benefits for all but his government is forced to do what it can with what it has got. ●

THE POOREST PROTEST

Gauteng Province, around Johannesburg, is the most heavily industrial part of South Africa, with tightly crammed townships and informal settlements for those who came to find work. It has therefore been the scene of repeated and often violent protests.

● In Thokoza in Ekurhuleni, people living in hostels on the notorious Khumalo Street went on the rampage on 21 July, accusing the municipality of not supplying water, electricity or sanitation quickly enough. They were also angry that the hostels were not being transformed into family units.

● The residents of the informal settlement of Mkhathili protested violently about the inadequacy of public services.

● At Tembisa, people from Duduza and Tswelopele informal settlements called on their councillor, **Zodwa Mafanga**, to resign. In a memorandum, they said that 600 people share one public toilet, 400 people use one public tap and children play in an unprotected dump of clinical waste.

● At the **Harry Gwala** informal settlement near Wattville in Benoni, where more than 500 households share two water taps, the Landless People's Movement has brought a legal action that could set a precedent regarding the right to basic sanitation for residents of such settlements.

● In Soweto, residents of Tshiawelo marched to the offices of the electricity utility Eskom to protest against the installation of prepaid meters. This battle has gone on for the past two years, with the Anti-Privatisation Forum occasionally taking the lead.

● Diepsloot residents rioted after rumours that they would be relocated. The City of Johannesburg planned to remove people living in 320 shacks in Extension 1 and settle them in Extension 12 while leaking and blocked sewage pipes were repaired. The residents demanded as a precondition the Reconstruction and Development Programme houses which they say they were promised years ago.

● In Finetown informal settlement, south of Johannesburg, people went on the rampage after their councillor told them a house could not be built on dolomitic land in the path of Eskom's pylons.

● In Mpumalanga Province, violence has broken out in many districts. In Siyathemba township, protesters are calling for the removal of local officials and councillors, and demanding houses, water and proper sanitation. The protesters have also attacked local **Somali** residents. Similar protests have arisen in eight other townships and municipalities in the Province. In Mashishing (formerly Lydenburg), the Mashishing Action Forum is orchestrating protests.

● In the Eastern Cape, there have been protests in several townships, notably in KwaZakhele, Port Elizabeth. ●

The hard road to truth, justice and reconciliation

President Mwai Kibaki's 23 July appointment of Bethuel Kiplagat to chair Kenya's newly created Truth, Justice and Reconciliation Commission is problematic. Some suspect the government will use the TJRC to exonerate any senior politician convicted of election violence and Kiplagat, a senior aide to President Daniel arap Moi, lacks support and credibility, as do some other TJRC members. Furthermore, the TJRC's remit stretches back to 1963. Far from resolving postcolonial crises, this may prove yet another lengthy, expensive inquiry whose conclusions are seen as just another cover-up.

A CONTROVERSIAL APPOINTMENT

Many regard the question of Bethuel Kiplagat's independence as fundamental. He was a leading coordinator of Daniel arap Moi's survival strategy (AC Vol 31 No 24) and critics argue that he defended the regime's excesses. Kiplagat's fiercest opponents include former political detainees Koigi wa Wamwere, Wanyiri Kihoro, Paddy Onyango and Njeru Kathangu. Wamwere, a former Nakuru member of parliament and ex-detainee who fled with his family to Norway to escape the Moi regime and had also suffered under President Jomo Kenyatta's rule, said he would not bother to testify if Kiplagat retained the chair. The Release Political Prisoners Trust Fund, human rights lawyer Harun Ndubi and many others have joined the protests.

Other TJRC appointees include five Kenyans: Vice-Chairperson Betty Murungi, human rights lawyers Tom Ojienda and Margaret Shava, Retired Major General Ahmed Farah and Tecla Namachanja. They are joined by three foreigners: Zambian Judge Gertrude Chawatama, Ethiopian former diplomat Berhanu Dinka and United States law professor Ronald Slye.

The Muslim Human Rights Forum calls the composition of the TJRC 'uninspiring', criticising Kiplagat and arguing that Farah is not suited to adjudicate on regimes in which he played critical roles. He is a Kenyan Somali from North Eastern Province, where the military has been castigated for human rights abuses since the 1960s. Ndung'u Wainaina, Executive Director of the International Centre for Policy and Conflict, also raises questions about the commissioners' competence and independence.

The choice of Murungi as Kiplagat's deputy has won broad support, save from some of her colleagues who fear the government is exploiting her credibility. Her marriage to Land Minister and Orange Democratic Movement (ODM) negotiator James Orendo raises questions about conflicts of interest. Such questions are also raised about Shava's potential attitude to cases against the armed forces: Orendo serves in the Kenya Air Force.

Most criticism centres on Kiplagat, arguing that his political history means he would struggle to play the sort of moral role in which Archbishop Desmond Tutu excelled in South Africa's Truth and Reconciliation Commission (TRC). While many respect Kiplagat for his work with the National Christian Council of Kenya and his diplomatic successes in Mozambique, Sudan and Somalia, critics argue that Kenya has plenty of less ambivalent figures, such as Reverend Timothy Njoya, whom the TJRC selection committee short-listed. Njoya is a long-standing advocate for human rights and never worked for government.

At a press conference on 25 July, Kiplagat looked elderly and frail. He wept after being asked about the assassination of Foreign Minister Robert Ouko, with whom he worked as

Permanent Secretary (AC Vol 31 No 5). Moi's regime obstructed several investigations into Ouko's murder, including a probe by a Scotland Yard detective, but Kiplagat insisted he wanted to find out the truth and said he was close to Ouko's family.

Although Kiplagat said he had pushed for political reform while working for Moi, Wamwere and fellow dissident Wanyiri Kihoro regard him as a regime apparatchik. Despite the controversy, the TJRC is gearing up for action; its Secretary still has to be appointed. Former United Nations Secretary General Kofi Annan has asked Kenyans to support the TJRC, as has the UN Development Programme Coordinator in Kenya, Aeneas Chuma. Professor Ali Mazrui, Vice-Chancellor of the Jomo Kenyatta University of Agriculture and Technology, says a foreigner should chair the TJRC and suggests Chief Emeka Anyaoku, former Commonwealth Secretary General.

Some, such as former MP Paul Muite, suspect Kibaki timed the TJRC announcement to divert attention from the row over how to try those responsible for the post-election violence following Annan's passing of an envelope with the names of perpetrators to the International Criminal Court (ICC) in the Hague (AC Vol 50 No 15). Some Rift Valley parliamentarians suggested that a TJRC might substitute for judicial proceedings but Justice Minister Mutula Kilonzo insists this will not happen. However, many suspect the coalition government will try to use the TJRC as a parallel track to court proceedings; in Kibaki's announcement about trying perpetrators of political violence in local courts, he referred to 'further amendments' to the TJRC.

OBJECTIONS TO BLANKET AMNESTIES

The establishment of the TJRC was part of the 2008 agreement between Kibaki and Raila Odinga to form a coalition government. Negotiations between Kibaki's Party of National Unity and Odinga's ODM were steered by Kofi Annan and the African Union Panel of Eminent African Personalities. The agreement provided for three commissions, two of which have reported: South African Justice Johann Kriegler's Independent Review Commission (IREC) on the 27 December 2007 elections and Kenyan Justice Philip Waki's Commission of Inquiry into the Post-Election Violence. Some of Kriegler's recommendations for electoral reform are being implemented; most of Waki's have been blocked by vested interests.

The government published a bill for the TJRC in May 2008 and Parliament passed it on 23 October, despite fierce opposition from civil society organisations. Its main opponents were the Kenya National Commission of Human Rights, the International Commission of Jurists and several women's organisations. They objected to provisions for blanket amnesty (like South Africa) and the lack of attention to victims' rights, reparations and gender. Some amendments were passed this May.

The law now guiding the TJRC disallows amnesty for gross violations of human rights, crimes against humanity and genocide, and must consider victims' reasonable objections to amnesty in other cases. The amendments would compel the police to help the TJRC. Parliament and the President are to vet and appoint local commissioners. The TJRC can gather information, enter and search premises, and hold public and *in camera* hearings. Individuals who make confessions and testify will have a month to apply for amnesty under strict conditions.

The original plan was that of seven commissioners, four

would be Kenyan, selected by Parliament and the President, and three non-Kenyans, selected by the Eminent African Personalities' Panel. Then it was increased to nine, six of them Kenyan. The TJRC is gazetted to last for two years, with a possible six-month extension, and will be funded solely by the Treasury. The legal status of any recommendations it makes to Attorney General **Amos Wako** remains unclear.

Kibaki called for Kenyans to 'forgive each other over the post-election violence' just before he signed the TJRC bill into law and a month after the Waki Report was handed over in October. This suggested to some that he saw the TJRC as a way to undermine his government's commitment to establish a special tribunal to try perpetrators of the violence. Civic activists worry the TJRC might try to nullify convictions with 'healing and forgiveness'. Said Kiplagat on 27 July: 'Nobody would be punished for telling the truth about crimes and injustices they may have committed against fellow Kenyans.' This is true: the TJRC does not have the legal power to prosecute anyone but it is a peculiar promise, given that either a special tribunal or the ICC might take up cases.

FORTY-FIVE YEARS OF ABUSES

The TJRC is charged with scrutinising and investigating human rights abuses, economic crimes and ethnic discrimination from Independence on 12 December 1963 to 28 February 2008, when Kibaki and Odinga signed their power-sharing deal after two months of horrendous political violence. This could take time. Aside from election violence since the 1990s, the most contentious issues include: the political assassination of activist **Pio Gama Pinto**, former MPs **Tom Mboya**, **JM Kariuki** (1975) and Robert Ouko (1990), and other suspicious deaths, such as that of British tourist **Julie Ward** in 1998.

The TJRC is to examine detention without trial, torture, state repression, political trials, illegal land deals (partly exposed in **Paul Ndung'u's** Land Commission Report) and land expropriation. It will look at political violence (before, after and during elections) from the 1990s onwards, as well as grand corruption, such as the Anglo Leasing and **Goldenberg** scandals (AC *passim*). The great unknown is whether the government will take any action after the TJRC makes its recommendations. The precedents set by previous commissions are not encouraging.

Critics point to some 700 million Kenya shillings (US\$9.2 mn.) spent on the last four commissions: the 2003 Goldenberg Inquiry into the gold export scam (KSh500 mn.); Ndung'u's 2004 Land Commission (KSh78 mn.); Krieger's IREC, 2008; KSh49 mn.) on the 2007 elections; and the 2008 Waki Commission (KSh5 mn.).

Added to these are the 2007 Commission of Judge **Saeed Cockar** into the contentious sale of the Grand Regency Hotel (AC Vol 49 No 15) plus three other Moi commissions (on **Charles Njonjo**, on Ouko and by Justice **Augustus Akiwumi**) and one under Kenyatta (on Kariuki). Some reports have never been released, including those on the assassination of Kariuki and Ouko, and on claims that Njonjo planned to overthrow Moi. Other findings, like those in Waki's envelope, remain secret. Some argue that Kenya is not ready for a TJRC as it has not

turned a political corner, unlike South Africa, which launched its TRC after a new government was elected by universal suffrage and the apartheid era was over. In Kenya, the old guard is in place and there is little sign that the elite is interested in truth, justice or reconciliation.

Who might testify? Certainly not the apparatchiks of the Kenyatta, Moi and Kibaki regimes: many have crimes to confess and some remain in power. Maybe not even victims, who fear retribution. Some lawyers, such as **Githu Muigai**, **Okiong'o Omogeni**, **James Mwamu** and **Philip Murgor**, question the value of a TJRC in addressing historical injustices. Kenyan historian Professor **Bethwell Ogot** has consistently opposed a TJRC, arguing it would further inflame political passions.

However, Kariuki's daughter, **Rosemary Machua**, said that she welcomed Kiplagat's appointment. Mboya's daughter **Susan** said that her family would wait and see what happened, adding that she hoped the process would bring solace to those who longed for justice. However, those who expect the TJRC to produce dramatic bean-spilling might be disappointed: witnesses can ask to be heard *in camera*. ●

A 'GOVERNMENT OF NATIONAL IMPUNITY'

The fractious coalition government of President **Mwai Kibaki** and Premier **Raila Odinga** may have finally agreed on something: to let impunity reign. Kenyans speak of the transition from a 'government of national unity' to a 'government of national impunity'.

The government's 30 July announcement that it would try those accused of last year's political violence in the local courts undercuts its previous commitment to form a special tribunal (insulated from political pressure) or to ask the International Criminal Court (ICC) to take over. Independent lawyers and civic groups have repeatedly criticised corruption in the judiciary and have called for the resignation of Chief Justice **Johnson Evan Gicheru** and Attorney General **Amos Wako**.

The cabinet promises to 'undertake accelerated and far-reaching reforms in the judiciary, police and investigative arms of Government to enable them [to] investigate, prosecute and try perpetrators of post-election violence locally'. Yet the government-established **Waki** Commission said that if a special tribunal were not formed, the ICC should handle the cases. The cabinet statement said it had rejected the possibility of referring the case to the ICC under Article 14 of the Rome Statute (although Justice Minister **Mutula Kilonzo** says the ICC could still take on the cases). It would be possible for the ICC's Chief Prosecutor, **Luis Moreno-Ocampo**, to initiate proceedings himself under Article 15 of the Rome Statute, something he was trying to avoid.

The cabinet also reaffirmed its commitment to the ICC and to its obligations under the Rome Statute. Its addendum that it would 'propose amendments to the Truth Justice and Reconciliation Act that will make the Truth, Justice and Reconciliation Commission more representative and effective' is a worrying sign. The TJRC is not supposed to be a mechanism for trying perpetrators of violence and some fear that the cabinet has something else up its sleeve.

Everyone's worst fears are now being realised. Ex-detainees such as **Koigi wa Wamwere** and **Wanyiri Kihoro** say the coalition government should resign. They insist its decision to try perpetrators is not credible and is a tactic to evade justice. The government said it had exhaustively considered its options: a special tribunal; referral to the ICC under the Rome Statute's Article 14; withdrawal from the Rome Statute under Article 127 and repeal of the International Crimes Act, 2008; using the High Court under Section 8 of the International Crimes Act; or establishing a special High Court division.

One reason the cabinet settled on using the Kenyan judiciary is that a special tribunal would have required a constitutional amendment and a two-thirds majority in Parliament, something it could not muster in the past. Many members of parliament also opposed a special tribunal because they wanted a process they could control without international judges or investigators. Others wanted no judicial proceedings at all and still others wanted trials to be held at the ICC in the **Netherlands**. Additional sticking points for special tribunal legislation were the questions of lifting presidential immunity and the Attorney General's right to halt prosecutions.

When asked whether he had abandoned the idea of a tribunal, President Mwai Kibaki, quoted in the *Daily Nation*, engaged in verbal acrobatics: 'We have not abandoned anything at all, so don't bring anything that you have been imagining out there. We have not abandoned it since we have not created it.' ●

Behind the sidelining of General Martin Shalli

The General is out, SWAPO party wrangles continue, corruption is suspected and China earns a bad name

The suspension of the popular chief of the Namibia Defence Force (NDF), Lieutenant General **Martin Shalli**, on 22 July, has shocked Namibians and angered soldiers. Some regard it as an attempt to divert attention from a corruption scandal with an intriguing **Chinese** connection. Others blame divisions within the governing South West Africa People's Organisation, between supporters of President **Hifikepunye Pohamba** and those of ex-President **Sam Nujoma**. On 28 July, Information and Communication Minister **Joel Kaapanda** said such claims were 'irresponsible and dangerous'. The daily *Namibian* had reported on 23 July that 'top military and other security forces are well aware of the internal frictions within SWAPO and that those close to Nujoma would like to tarnish the image of President Pohamba'.

CERTAIN VICTORY FOR POHAMBA

At the end of November, Pohamba is almost certain to win the presidential election: he is popular with Namibians of all parties. Yet at the National Assembly elections, SWAPO will be challenged by the Rally for Democracy and Progress, led by former cabinet minister **Hidipo Hamutenya**. The RDP broke away from SWAPO in late 2007. Its core northern constituency is among the biggest Oshivambo-speaking subgroup, the Kwanyama.

Many believe Nujoma is behind Shalli's suspension. He sent him off to **Zambia** in 2005 as High Commissioner, then Pohamba brought him back in 2007 to run

the army, on the Security Commission's unanimous recommendation. Shalli replaced Lt. Gen. **Solomon 'Jesus' Hawala**, a former liberation movement commander who was close to Nujoma. His interim replacement is Major Gen. **Peter Nambundunga**, another Nujomaist; most senior army officers are both Oshivambo and pro-SWAPO. Some speculate that SWAPO's dominant Nujomaist faction may want to be ready to deploy the NDF under 'national emergency' provisions, in the unlikely event of SWAPO losing the elections. Some say Shalli quietly supports the RDP and would try to keep the army out of politics.

The suspension was announced by the Presidential Affairs Minister (and acting Attorney General), **Albert Kawana**, the cabinet's senior Nujomaist. There had been 'serious allegations of irregularities which must be thoroughly investigated', (by the Security Commission, on which Shalli sits) he said.

Shalli's long, efficient service has made him popular with the 11,000 NDF troops. After his suspension, about two-thirds of the soldiers, pleading sickness, reportedly missed morning parade at Windhoek's Suiderhof military base, at Grootfontein in the north and Keetmanshoop in the south. The Defence Ministry denied this but the government-owned Namibia Press Agency quoted the acting NDF boss as saying his soldiers' mood was 'sombre'.

Leaks from government sources link Shalli to a Chinese company which sold the NDF equipment, with large sums of money allegedly paid into his bank

account via a third party. The allegation is that, as High Commissioner in Lusaka, he used a staff member's account through which 'millions of [Namibia] dollars' were passed to him. Shalli apparently told investigators that he received US\$250,000 from Chinese people who had rented his house in Windhoek for a year.

This coincides with recent revelations of kickbacks from China's Nuctech company. A case opened in Windhoek High Court on 24 July over allegations of fraud, corruption and bribery against Public Service Commissioner **Teckla Lameck**, her business partner **Jerobeam Kongo Mokaxwa**, and Nuctech's representative in Africa, **Yang Fan**, a former Economic Counsellor at the Chinese Embassy. It relates to a \$55 million contract with the Finance Ministry for Nuctech to supply airport security x-ray equipment. The three were arrested after an investigation by the Anti-Corruption Commission (ACC), which says it may call as a witness Nuctech's former Chairman, **Hu Haifeng**, son of Chinese President **Hu Jintao**. Investigators do not suggest wrongdoing on Hu Haifeng's part, but their announcement prompted China's internet censors to filter out all references to Namibia (see Box).

CORRUPTION COSTS VOTES

China's reputation was already fading (AC Vol 49 No 24). Windhoek gladly accepts concessional government-to-government loans but many Namibians resent the way Chinese building companies import thousands of their own workers as cheap labour, undercutting local firms and workers – and ignoring 'affirmative action' programmes that Namibian employers must respect. The corruption allegations could lose SWAPO votes, especially as high-profile names are involved.

The contract for Chinese scanners was agreed in May 2008. This April, the government paid out a \$12.8 mn. 'manufacturing deposit'. Of that, \$4.2 mn. was immediately paid to Teko Trading CC (sole directors, Lameck and Mokaxwa), a locally registered company with no office, as a 'consultancy fee'; Teko had previously signed an agreement with Nuctech describing this as the initial fee. The money in Teko's account was all withdrawn within three months and spent by the two Namibians on luxury items and by Yang on property investments, according to evidence provided by the Prosecutor General's office.

The scam came to light because banking supervision has been greatly tightened under the new Prevention of Organised Crime Act, for which the case provides a first test. When the suspects were asked about the provenance of the funds, invoices were produced for services allegedly rendered, corresponding exactly

NAMIBIA'S CHINA DISAPPEARING ACT

The Windhoek corruption case has been wiped from the internet in China. It is being treated like events in **Taiwan**, Tibet or the activities of the *Falun Gong* sect. 'The search results may contain content not in line with relevant laws, regulations and policies,' is the loosely translated response from search engines.

The *China Digital Times*, a blog from the Berkeley China Internet Project at the University of California, has posted a notice issued by the Chinese Communist Party's propaganda department shortly after **Yang Fan** and his co-defendants appeared in court. It read: '**Hu Haifeng**, Namibia, Namibia bribery investigation, Nuctech bribery investigation, southern Africa bribery investigation. Please show no search results for all the above keywords.' The OpenNet Initiative reported on its website: 'According to the Chinese government, Namibia, a southern African country with a population of two million, does not exist.' The online edition of the *Financial Times* for China refers to a 'sweeping campaign to purge any mention of a corruption investigation in Namibia from the Internet because it involves a company formerly run by the son of China's president'. ●

to the sum the government had paid. Yet Finance Ministry Permanent Secretary **Calle Schlettwein** told ACC investigators that Teko had never been involved in negotiating the Nuctech contract and the government would not have paid the \$12.8 mn. if it had known it would end up with Lameck and Co.

Schlettwein recently revealed that that a \$100 mn. credit line with the China Exim Bank, which had been intended to finance the Nuctech deal, and a separate

contract for another Chinese company to complete the northern railway link to the **Angolan** border had been suspended because of 'unfavourable conditions', including a high interest rate and tough repayment conditions.

In addition, railway locomotives supplied by China under a much touted re-equipment aid programme have proved unsuitable. Last month, Works and Transport Minister **Helmut Angula** admitted to opposition members of

parliament that four locomotives supplied five years ago at a cost of N\$36 mn. (\$4.6 mn.) had been used for only 33 months and had suffered 265 breakdowns between October 2004 and June 2007. Angula claimed the decision to buy them, against a rival tender from the **United States**, had been economically justified but that due to 'a lack of a proper technical analysis' and absence of quality control, the engines were 'not suitable' for Namibia. ●

GABON

After Bongo, more Bongo

He already controls the military and now Ali Ben Bongo intends to control the whole country

The face of the late President **Omar Bongo Ondimba** still figures large on posters along the main boulevards of Libreville. Although his photographic image is fading in the equatorial sun, the Bongo legacy lives on through his son. **Ali Ben Bongo Ondimba** is using the family name, a war chest of petrodollars and a plethora of populist promises to win support in the 30 August presidential election (AC Vol 50 No 13). Many threaten to beat Ali Ben Bongo but few of the other candidates offer a real challenge.

Only the ruling *Parti Démocratique Gabonais* (PDG) has had experience in government but its recent decline mirrored the failing health of its late leader. In local elections in April 2008, less than a third of the registered electors cast a ballot. Yet under Gabon's electoral rules, the presidential candidate with the most votes wins, regardless of whether he or she gets more than 50% of votes cast in a single round. With 23 presidential candidates in the running, this is Gabon's most seriously contested election but it could be won on a relatively low minority vote, raising doubts about the eventual victor's credibility.

Ali Ben Bongo is monopolising the political stage: neither former allies nor veteran opponents of the regime seem able to fight back. Most candidates gave up their ministerial posts when they quit the ruling party to run as independents late last month; the rest were sacked.

All, that is, except for Defence Minister Ali Ben and **Pierre Claver Maganga Moussavou**, the Technical Education Minister, who withdrew from government on 3 August after the rest of the candidates called for serving ministers to step down if they wished to stand in the election. Defence ministers make strong presidential candidates in authoritarian states such as Gabon: they can freely use intelligence reports against their

opponents and perhaps organise a putsch if the election results go against them. We hear Ali Ben has been taking advice from Togo's President **Faure Gnassingbé**, who beat the opposition to succeed his late father, **Gnassingbé Eyadéma**.

In late July, independent candidate **Casimir Oyé Mba** voiced strong concerns about the transparency, credibility and organisation of the polls. Although Interim President **Rose Francine Rogombe** reprimanded the other candidates for campaigning before the official start date on 15 August, Defence Minister Ali Ben kept on politicking without censure. Rogombe and Interior Minister **Jean-François Ndongou** threatened to ban the meetings of recalcitrant candidates. Former Bongo-ally **André Mba Obame**, well covered by the private press, was a particular target. The short campaigning period makes it difficult for opponents to build up momentum: Ali Ben dominates the state media. The two-week campaign is interrupted on 16 and 17 August by Independence Day celebrations.

IS IT A CRIME TO OWN A FERRARI?

Ali Ben did not inherit his father's knack for winning over large crowds but maintains a certain political agility. He told the state-owned television station **France 24** that he was not worried about French investigations into the Bongo family empire, asking: 'Is it a crime to own a Ferrari? Have I killed someone? Have I assassinated someone?' When asked about how his presidency would be compared to the 41 years of his father's rule, he said that he would do things 'differently'.

Many smaller parties are deserting the PDG's big tent with and without Ali Ben's encouragement. The latest to quit in the face of Ali Ben's candidacy was Vice-President **Didjob Divungi Di Ndinge's Alliance Démocratique Républicaine**.

On 26 July, Ali Ben warned that, in the country that once housed the largest proportion of ministers per capita in the world, 'not all Gabonese people can be bureaucrats.' Later that day, he promised women supporters that he would increase the minimum monthly wage from 80,000 CFA francs (US\$175) to CFA150,000 and build 5,000 affordable houses per year. Sometimes Ali Ben speaks of foreign investors as economic saviours, at other times he regrets that non-Gabonese benefit instead of locals.

The PDG's selection of Ali Ben as presidential candidate on 16 July was a watershed. Although this alienated regime barons such as former Prime Minister **Jean Eyeghe Ndong**, former Premier Casimir Oyé Mba and former Interior Minister André Mba Obame, it gave Ali Ben a chance to purge the ruling party and stamp his personality on it. The biggest casualty of the Ali Ben succession plan is the party's support base among the Fang. The largest ethnic group in a country without an ethnic majority, the Fang controlled the Presidency under Independence President **Léon Mba** and some argue that they should take it back.

Oyé Mba, a Fang from the Libreville Estuary, is a former Governor of the *Banque des Etats de l'Afrique Centrale*. He promises a more technocratic and economically minded leadership for a country that may soon be without substantial oil reserves. Eyeghe Ndong, also from the Estuary, was appointed Premier in 2006 and as his nephew, claims Léon Mba's mantle. The former agitator for multiparty democracy and representative of the Estuary Fang, **Paul Mba Abessole** is standing against the PDG candidate but promising to work with the winner – his pragmatic tactic for the last decade.

While the vote of the Estuary Fang is strongly contested, the vote of the Fang of the northern province of Woleu N'Tem is left to Ali Ben's 'friend' Mba Obame. Analysts proclaimed the death of the 20-year friendship between the two, but Mba Obame's candidacy seemed more a move aimed to splinter the Fang vote than one that is nationally viable. As a former Interior Minister, Mba Obame is still

remembered by many as the Minister who considered selling the contested island of Mbanie to **Equatorial Guinea** in 2006 (AC Vol 47 No 21).

The new allies-turned-enemies initially appeared to threaten the PDG's grip on power. The quick turnaround for the election and the single round of voting mean that those without political parties must rely on their personality alone.

Omar Bongo used the PDG to balance the Fang against the smaller ethnic groups, such as the Nzébi, awarding the Prime Minister's post to a Fang but allowing the Nzébi representatives greater control over finances. In the post-Omar Bongo PDG there is an emerging alliance between the centre-south and the south-east. Ali Ben represents the continuing interest of the smaller south-eastern ethnic groups, like his Téké ethnic group, while allies such as PDG Secretary General **Faustin Boukoubi** and National Assembly President **Guy Nzouba Ndama** represent the Nzébi. With the opposition and the larger ethnic groups divided, it could still prove a winning combination.

The candidates likely to round out the top of the polls are Ali Ben, Eyeghe Ndong, Oyé Mba and Mba Obame, while respectable finishes are expected from quasi-oppositionists **Pierre Mamboundou** of the *Union du Peuple Gabonais* (UPG), Paul Mba Abessole of the *Rassemblement pour le Gabon* and **Zachérie Myboto** of the *Union Gabonaise pour la Démocratie et le Développement* (UGDD).

In abandoning the PDG, Ndong, Mba and Obame have given up the most

powerful party machine, one that is hardly separate from the state apparatus. Ali Ben is using the structures of the PDG to run his campaign with help from civil society groups such as *Génération Ali Ben Bongo Ondimba*. Bongo's campaign team is headed by Libreville Mayor and former Prime Minister **Jean-François Ntoutoume Emane**, Communications Minister **Laure Olga Gondjout** and Vice-Prime Minister **Georgette Koko**. In a sign of reconciliation with his older sister, **Pascaline Bongo**, who remains the head of the President's Office, Ali Ben's campaign team also includes Foreign Minister **Paul Toungui**, who is also Pascaline's partner.

THE SCOPE FOR THE OPPOSITION

The oppositionists have well developed parties but have scored poorly in recent elections; in 2005's presidential poll, Mamboundou took 13.6% and Myboto, 6.6%. The UPG has a wider base than its Punu support in the south-west but the UGDD gets little support from outside the Nzébi, who rival the Fang for the title of largest ethnic group in Gabon.

Mamboundou, the only major candidate who can campaign on a legacy of refusing to cooperate with the Bongo regime, is sounding warnings: he fears the election will be stolen but is unable to stop it. So far, he is the only opposition candidate to have a couple of parties backing him, in the *Alliance pour le Changement et la Restauration*. Very often on the receiving end of fixed elections, Mamboundou's UPG claims to have discovered an apartment where false

passports and identification papers are forged in the Libreville neighbourhood of La Sablière. Mamboundou also points to several 'parallel' electoral registration sites, where women and foreigners circulate to be added to the electoral register, which is thought to top 900,000 for a population of about 1.3 million people, of which foreigners comprise a sizeable proportion and children even more.

All the candidates are united in their electoral platitudes, promising economic development and anti-corruption reforms. Few candidates are enthusiastic about the late President Bongo's immigration policies and their consequences. First welcomed as much needed labourers in the 1960s and 1970s, immigrant workers now make up 20-25% of the population. The opposition claims that the PDG is passing passports and voting documents to foreigners from **Cameroon**, **Congo-Brazzaville** and Equatorial Guinea who are believed to be sympathetic to the ruling PDG.

In the meantime, PDG candidates, independents and oppositionists have all made Paris a required stop on their campaign tours. While **France** has declared itself above the fray, Ali Ben is the only candidate who can get face-to-face meetings with powerful Parisians. All have returned to Libreville without the implicit or explicit approval of President **Nicolas Sarkozy's** government, despite a bevy of promises to protect France's continued interests in the Bongos' emirate on the Estuary. ●

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A stolen election, then a coalition

President Denis Sassou-Nguesso wants to buy off his political opponents and has his numerous family members right behind him

Re-elected for a further seven-year presidential term by a crushing majority, according to the official count, **Denis Sassou-Nguesso** is thinking about forming a national government. He has floated the prospect of talks with his opponents and there are suggestions that he might invite **Ange-Edouard Pongui**, the leading (but disqualified) opposition contender, to become prime minister. Pongui served as Premier in the 1980s when Sassou-Nguesso ran a one-party military regime which called itself Marxist. Since several **French** restaurateurs had stayed on in Congo, diplomats used to joke that Brazzaville boasted the best cuisine in the socialist block.

The election on 12 July gave Sassou another seven years but failed to bolster his domestic and international legitimacy. The government claimed a 66% turnout but local civic activists point to near empty polling stations and an implausibly large electoral register. The opposition says the turnout was 5-10% and independent organisations do not even attempt to estimate the real figure. The President's official 78.61% first-round victory is an empty triumph. Two weeks later, he had received congratulations from only one foreign leader, **Togo's Faure Gnassingbé**, plus the governments of **Angola, Chad and Tunisia**. Sassou may hope, by coopting politicians and distributing ministerial posts, to secure the authority he failed to gain at the polls.

CO-OPTING THE COUSINS

Pongui was the presidential candidate of the *Union Panafricaine pour la Démocratie Sociale* (Upads), the party of exiled former President **Pascal Lissouba**, and is a native of Lissouba's home region and political base, Niari. He is married to a cousin of Sassou's. Capturing him would broaden the regime's base, marginalising its most committed opponents and drawing former foes such as **Bernard Kolélas** and **Jacques-Joachim Yhombi-Opango** further into the ruling establishment and weakening its diehard opponents.

Sassou had already attempted to defuse any Upads challenge by giving a ministerial post to **Jean-Claude Gackosso**, who had tried to revive the party locally, and by making return-from-exile deals with former party leaders **Christophe Moukouké** and **Victor Tamba-Tamba**. Yet the most charismatic Upads figure still

in good health, former Finance Minister **Nguila MOUNGOUNGA Nkombo**, remains in determined and hostile exile, as does former Oil Minister **Benoît Koukébé**. The former number two of *Kolélas's Mouvement Congolais pour la Démocratie et le Développement Intégrale*, **Paulin Makaya**, also campaigns from exile.

Such political manoeuvres may not impress ordinary Congolese, who have for decades watched oil revenue fuel elite extravagance and the recruitment of political militias, while basic needs go unmet. Few politicians of any stripe retain much respect. One who does is the retired *Gendarmerie* General, **Emmanuel Ngouelondele-Mongo**, leader of the small *Parti pour l'Alternance Démocratique*. His public criticism of his relative and fellow retired general, Sassou, is couched in non-partisan terms (see Box).

Internationally, the regime's position

has strengthened, despite the lack of post-election congratulations. Sassou has learnt from damaging corruption rows with the International Monetary Fund and the World Bank. Congo is performing solidly under its latest IMF programme and substantial debt relief is within reach.

The blatant election manipulation speaks of self-confidence, as if, in showing that it could rig the polls without interference, the regime wanted to demonstrate its invincibility. Its security forces were unembarrassed as they fired live rounds at post-election demonstrators in front of a *France 24* television crew. Opponents allege that polling cards were issued in the names of the dead and handed out to citizens of **Congo-Kinshasa** and **Rwanda**. Some government supporters were given up to six cards each. Official photographs of electors queuing to vote showed only young adult men, not a normal cross-section of people.

The European Union did not bother to send election monitors because so little had been done to rectify flaws evident at the 2002 election. The EU representative in Brazzaville, **Miguel Amado**, pointed out that the official electoral register of 2.2 million people was implausibly high for a country containing only 3.8 mn. people, a high proportion of them youngsters. ●

A GENERAL IN WAITING

Emmanuel Ngouelondele-Mongo was not the only critic of the conduct of Congo's 12 July presidential election or President **Denis Sassou-Nguesso's** record in power (AC Vol 50 No 12). Former Finance Minister **Mathias Dzon** was equally outspoken. Yet Ngouelondele, a retired *Gendarmerie* General, carries a certain moral authority as a loyal professional soldier who served both the old Marxist regime as security chief and, later, President **Pascal Lissouba's** government as head of the President's Military Office. He speaks from his home in Brazzaville, rather than from the comfort of exile. At 72, though, he is past the age limit for presidential candidates.

In May, Ngouelondele issued a ringing denunciation of the regime, couched in poetic republican language and devoid of the factionalism that turns so many Congolese off their leaders. In a theoretically prosperous oil-producing country, he has regularly focussed on practical development failures, such as the lack of water and electricity supply, and the poor education and health services.

Like Dzon and **Joseph Miokono-Hondjuila**, Ngouelondele is seen as a contender for the traditional leadership of the *Téké* people, succeeding **Charles-David Ganao**. However, his public agenda is resolutely national. 'The constitution is violated by the Brazzaville regime on a daily basis,' he told *Africa Confidential*. 'That is why I called on my compatriots not to go to vote.' Yet he is in the presidential family. His son **Hugues**, of Sassou's *Parti Congolais du Travail* and Mayor of Brazza, is married to one of Sassou's daughters and his own youngest daughter is married to **Edgar Nguesso**, presidential nephew and head of the President's Office. He is *Téké* from Gamboma, of partly *Mbochi* descent, with blood ties to Sassou, to whom he was loyal until multiparty democracy arrived in 1992. 'He was a friend and he is a relative,' he says of the President.

All this gives him a special authority to speak out and his voice could help determine how the opposition reacts to the government's offer of talks. 'If Denis Sassou-Nguesso invites them, the opposition will go to listen.' Pressed on whether he would accept a ministerial post, Ngouelondele switches to the diversion of oil money that could have been used for key development goals, such as water supply. 'It's not important that it's me or somebody else. What matters is that the means are made available to do the job.' Previous 'concertations' between government and opposition have won no concessions and Ngouelondele expects none this time. 'There are people who think the state is alive in Congo. I say the state is dead and buried.' ●

Angola/Portugal

VICENTE'S PORTUGUESE LINKS

Foreign oil companies are looking closely at the links between Sonangol Chairman **Manuel Vicente**'s holdings in the *Banco de Investimento Global* and the spate of contracts awarded by Angola's state oil company to Portuguese companies. Vicente, company records show, holds 5% of the BIG, nearly 4.4 million shares worth, one euro (US\$1.4) each.

Vicente is close to several Portuguese companies. He is a Director of Portugal's *Galp Energia*, which has lucrative tie-ups with Angolan companies (AC Vol 50 No 14). He is also Vice-Chairman of a presidential favourite, *Banco Africano de Investimentos*: Sonangol is the largest single shareholder, with an 8.5% stake.

BAI has a Lisbon-based subsidiary called BAI Europa. That is part of a Sonangol strategy to invest US\$4-5 billion abroad, prompting some analysts to describe Sonangol as sub-Saharan Africa's first sovereign wealth fund. In March, it was announced that Sonangol and Portugal's *Caixa Geral de Depósitos* would each put \$500 million into creating a new Angolan bank to finance infrastructure projects.

Vicente may raise Sonangol's 10% stake in Portugal's largest bank, Millenium BCP, in which it owns 469 mn. shares, say company accounts. In 2007, Sonangol and the Angolan-based *Banco Privado Atlântico* bought a 50% stake in BCP's local subsidiary, *Banco Millennium Angola*. In return, BCP bought a 10% stake in *Atlântico*, which lists Sonangol as its principal shareholder, along with the little-known Global Pactum SA. In January 2008, three weeks after the deal, Vicente was appointed Vice-President of BCP's advisory board. *Atlântico* has also had discussions with the central bank, the *Banco de Portugal*, about setting up a Portuguese subsidiary.

Atlântico appears to have been set up in 2007 and, like BAI and other politically connected Angolan banks, it has prospered. In June, it was involved in setting up a new infrastructure consortium with Portugal's *Mota-Engil – Mota-Engil Angola* – in which it holds 11%, with Sonangol owning 20%. Global Pactum is also on board. The previous month, *Mota-Engil* had announced a \$150 mn. deal to rehabilitate and extend Luanda's dilapidated *Avenida Marginal*.

In late July, Portuguese electricity company *Energias de Portugal* signed a five-year partnership agreement with Sonangol to manage and implement power projects nationwide: *Atlântico* owns a 30% stake, as do Sonangol and EDP, with *Finicapital* of Portugal holding 10%.

Zimbabwe

PARLIAMENTARY PROSECUTIONS

A rowdy session is in prospect following parliament's return after the winter recess and President **Robert Mugabe**'s determination to regain control of it. His strategy – and that of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) – is to involve Movement for Democratic Change members of Parliament in court cases that force them to resign and tie them up in legal proceedings (AC Vol 50 No 15). If enough MDC MPs are snagged (twelve have been hit so far), the party could lose its parliamentary majority.

MDC backbenchers are attacking Attorney General **Johannes Tomana** for his partisan prosecutions. Most MDC MPs are charged with corruptly handling last year's famine relief programme, Operation *Maguta*, coordinated by the army. Tomana launched cases against ten MDC MPs on this issue alone and another three on unrelated issues. No one from ZANU-PF has been charged, although all parties were accused of abusing *Maguta*.

Three MDC MPs have been found guilty and sentenced to over six months' gaol, so losing their seats. Although Clerk of the House **Austin Zvoma** has declared the seats vacant, the MPs have appealed and are challenging their unseating in the High Court. Tomana makes no secret of his ZANU-PF loyalties but claims they do not affect his pursuit of miscreants.

One MDC MP is on charges involving an underage girl, which have all the marks of a honeytrap. Meanwhile, the case docket on a rhinoceros horn-trading prosecution, in which Defence Minister **Emmerson Mnangagwa** and Information Minister **Webster Shamu** were to give evidence, has disappeared in the Prosecutor's office.

When Mugabe's nephew and Deputy Science Minister, **Patrick Zhuwayo**, and the Minister for Youth, **Saviour Kasukuwere**, were coordinating the disruption of the constitutional consultative forum in Harare, their henchman, sometime war veteran and farm invader **Joseph Chinotimba**, mislaid his mobile telephone. Police immediately mounted a countrywide search.

When they tracked down the SIM card (replacement cost US\$4) in Hwange, almost 1,000 kilometres away, they immediately arrested the MDC's Deputy Youth Minister, **Thamsanqa Mahlangu**, although he had handed the phone to Kasukuwere. The concept of *de minimis non curat lex* (a common law principle whereby judges will not sit in judgement on extremely minor transgressions) does not colour the Attorney General's thinking. But the MDC is waiting to see whether Tomana manages to convince even an acquiescent court that this merits a sentence of over six months, so creating another vacancy.

Somalia

WASHINGTON BACKS THE TFG

Even before President Sheikh **Sharif Sheikh Ahmed** of Somalia met United States Secretary of State **Hillary Clinton** on the first leg of her seven-nation African tour, Washington had made it clear it was ready to supply more assistance to his Transitional Federal Government (TFG). This is additional to 40 tons of military aid in the last two months. Assistant Secretary of State for African Affairs **Johnnie Carson** said that the USA would continue to support the African Union Mission in Somalia (Amisom) as well.

The USA provided the logistics for a third **Burundian** battalion, which flew to Mogadishu last week, to join two **Ugandan** and two **Burundian** battalions. This brings Amisom to 5,100 personnel of a planned 8,000. Units from **Ghana** and **Sierra Leone** are possible, and more Ugandans should follow. President **Yoweri Museveni** recently said he could make up the total, but no one has yet offered the necessary equipment, logistics and finance. TFG training is in its infancy and the kidnapping of two **French** officials in Mogadishu on France's national day, 14 July, has disrupted it further: they were to set up training in **Djibouti** for a TFG battalion. The TFG has, however, finally set up its Joint Security Committee, made up of senior security and military officials, plus Amisom officers and representatives of the United Nations Political Office for Somalia and donors. It will oversee security sector aid and coordinate training.

The failure of May's Mogadishu offensive by **Al Shabaab** and **Hizbul Islam** showed they had neither the support nor the firepower to drive out the TFG or Amisom. Despite continued arms supplies from **Eritrea** and elsewhere, and jihadist fighters arriving from abroad, this is unlikely to change. The two groups' alliance remains one of convenience (AC Vol 50 No 11). They have significant political differences and both are largely clan-based; **Hizbul Islam** itself is a four-group coalition. Amisom can hold the capital's key areas and the TFG made a pact in June with **Ahlu Sunna wal Jama'ah**, which strongly opposes **Al Shabaab**. Problems remain but **Ahlu Sunna** gives the TFG military and clan strength. It benefited from abandoned **Ethiopian** weaponry and has defeated **Al Shabaab** several times, with heavy losses in central Somalia.

TFG forces have just retaken Belet Weyne in Hiran, lost in June after Internal Security Minister **Omar Hashi** died there in a suicide bombing. The town is only 30 kilometres from the Ethiopian border and Ethiopian forces briefly deployed at Kela-Beyr, a strategic road junction just 20 km. from the frontier. Ethiopian troops regularly carry out reconnaissance along and over the border but will continue to be careful to avoid any action.

BLUE LINES

Presidential holidays in Africa now involve political calculation beyond the customary trip to the village to fire up the political base. Older leaders – such as Senegal's Abdoulaye Wade – prefer to leave the continent; Wade holidayed in Switzerland, famed for its discreet physicians and private bankers. Fellow octogenarian Robert Mugabe took a break in Dubai, but his loyal retainers had to quickly dismiss reports of a presidential health crisis there as the work of 'evil minds'. Cameroon's Paul Biya, a mere septuagenarian, met French President Nicolas Sarkozy in Paris before a side trip to Bordeaux to see former Premier Alain Juppé, now trying to rebuild his career after a corruption conviction. Congo-Brazzaville's Denis Sassou Nguesso enjoyed a Spanish post-election sojourn.

Nigeria's Umaru Yar'Adua flew to Saudi Arabia for a check on his troubled kidneys. His Ghanaian neighbour John Atta Mills regularly flies to Lagos to see his inspirational Pastor TB Joseph at the Synagogue Church of All Nations at Okota. From neighbouring Côte d'Ivoire Laurent Gbagbo had a longish stay in Mohammed VI's Moroccan kingdom where he may have come across his northern neighbour, Burkina Faso's Blaise Compaoré, also seen holidaying in Morocco. But those leaders planning to fight contentious elections and unsure of the military's support – such as Guinea's Captain Moussa Dadis Camara and Niger's Mamadou Tandja – extol the patriotic virtues of a domestic break.

NIGERIA

After the boom, a purge

A Central Bank audit has uncovered evidence of fraud and mismanagement which implicates some leading politicians and their business partners

Like a family of latter day Medicis, Nigeria's top bankers have been prospering thanks to their acute political instincts and abilities to exploit their dominance in a tightly controlled market; now it seems that some, again like the Medicis, have overreached themselves. The unruly political system they tried to influence has at last turned on them. The consequences for Nigeria's economy and politics will extend far beyond the careers of the half-dozen bankers helping police with their inquiries and the multi-billion dollar institutions they helped create.

This month's purge by the reforming governor of the Central Bank of Nigeria (CBN), **Sanusi Lamido Sanusi** (AC Vol 50 No 14), appointed in June, has exposed the venal business practices of many in the corporate elite and how their political connections have protected them. Corrupt politicians looted state treasuries, then set up front companies and contracted billions of naira in loans from banks to buy local assets; but despite their wealth, these politicians and their front companies have neglected to service the loans. Bankers and their political affiliates lived in a rarefied world of luxury property holdings, helicopter rides into the city and weekend jaunts to **South Africa** on company jets.

As those caught in Sanusi's net try to fight back using their political protectors, the stage is set for the most important battle of **Umaru Musa Yar'Adua's** presidency: if he backs Sanusi, then some of the key financiers of the ruling People's Democratic Party could fall from grace. If Yar'Adua jibs at the prospect of the messy political battles ahead, he risks the collective resignation of technocrats such as Governor Sanusi, Finance Minister **Mansur**

Muhtar and the new head of the Securities and Exchange Commission, **Arunma Oteh**. Yar'Adua and his advisors had recruited these professionals to push through unpalatable reforms, and they have all made clear their independence from party political pressures.

In spite of that non-partisanship, Sanusi argues that central bank governors in developing economies have to develop a bigger vision beyond determining money supply and interest rates, given that the health of the financial system is fundamental to a country's economic growth. He saw a special set of risks for Nigerian banks beyond the effects of the global slowdown.

The Nigerian Stock Exchange lost 65% of its value between March 2008 and March 2009, due to massive withdrawals of portfolio investments, according to Lagos-based analysts Afrinvest. Over the same period, the banks lost 67% of their value on the NSE in naira terms. So along with the pressures from the economic slowdown and their shaky risk management procedures, Nigeria's banks were badly exposed to margin lending, that is by lending to stockbrokers investing on the NSE and lending to retail stock market investors – some of whom used bank credit to buy shares in the institutions extending the loan, a risky transaction at a time of tumbling markets.

Sanusi's revolution started auspiciously with an emergency meeting of the Bankers Committee at the Central Bank of Nigeria on 14 August. The committee had just received the first results of an audit that Sanusi had commissioned two months earlier. The first alarming figure presented was that out of the banking system's total loan exposure of N2.4 trillion (US\$15.6 bn.), some N1.2 trn.

NIGER DELTA BOX	2	GHANA	3	ZIMBABWE	4	SUDAN	6	SUDAN/US BOX	7
Theatre, peace and votes		A new economic team emerges		Greed, gold and grit		A return ticket for Salah Gosh		SOUTH AFRICA	8
Choreographed surrenders under the new amnesty hide the unhappy reality in the Delta.		Facing a downturn and needing an oil strategy, President Mills picks his own experts.		Mugabe and his party find new ways to thwart the MDC as both sides prepare for a month of by-elections.		The 13 August sacking of security chief Gosh comes at a critical time for the National Congress Party.		KENYA	10
								KENYA WHO'S WHO	11
								POINTERS	12

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of the loans were non-performing; the second disturbing figure was that this crisis would require the CBN to inject about \$2.6 bn. into five of the worst run banks to make good its assurance that no

bank would be allowed to collapse.

Then came the purge. That day, Sanusi announced that five of Nigeria's super-bankers would be dismissed from their chief executive positions with immediate effect and replaced by his nominees, adding that the dismissed executives should stand ready to help Central Bank auditors and the police with further investigations. The purged five were on Nigeria's banking A-list: **Erastus Akingbola** (Intercontinental Bank), **Cecilia Ibru** (Oceanic Bank), **Okey Nwosu** (Finbank), **Sebastian Adigwe** (Afribank) and **Bartholomew Ebong** (Union Bank).

For other Nigerians, the good news is that the five rescued banks had about

90% of the most questionable loans on their books, and CBN officials reckon that subsequent audits and investigations are unlikely to uncover a similar level of risk. The five banks had made a disproportionate amount of loans to the capital market and to local oil marketing companies, both areas of the economy that had sustained huge losses.

On 27 August, Ibru surrendered herself for questioning by officials from the Economic and Financial Crimes Commission (EFCC), which had sent 100 of its agents to deal with the fall-out from the banking crisis in Lagos. Akingbola is proving harder to track down with reports in Lagos suggesting he has been unavoidably detained on business in London. He seems likely to return given his strong sense of his own reputation: 'Some are born great, some achieve greatness and some have greatness thrust upon them,' proclaims Akingbola's website. He is also President of the Chartered Institute of Bankers, a position which he has used to attack 'mischievous' foreign critics of Nigeria's banking practices.

Neither Ibru nor Akingbola were happy about Sanusi's appointment as CBN governor. We hear they had both sent emissaries to Yar'Adua arguing that then incumbent Governor **Chukwuma Soludo** would be best placed to oversee the financial system. After Soludo had raised the capital requirement rules in 2005, the country's more than 80 banks were consolidated into just 25; that attracted over \$25 bn. in new capital in the next three years, confirming Soludo's popularity among the bankers.

Soludo made little secret of his close relations with the leading bank chief executives and saw nothing wrong with his launching and chairing the board of the privately owned \$1 bn. Africa Finance Corporation while he was still the country's chief financial regulator.

Yar'Adua's backing of Sanusi has surprised critics who have watched the antics of Attorney General **Michael Aondoakaa**, who without presidential censure mounted a determined defence of some of the most corrupt politicians.

Sanusi's style is different: he told the management of First Bank, where he was formerly Chief Executive, to switch all his loans to the commercial rate from the concessional interest rates given to banking staff: he did not want anyone to accuse him of conflicts of interest. It seems Sanusi is prepared for a harsh fightback from the many enemies he has made in the past two weeks.

One explanation for Yar'Adua's position is that the damage to the financial system has been so grave that Sanusi has convinced him that the government's survival – let alone Nigeria's international reputation – depends on radical surgery

THEATRE, PEACE AND VOTES IN THE DELTA

The surrender of about 1,000 militants in the Niger Delta was superbly choreographed. With hundreds of guns behind him, **Ebikabowei Victor Ben** – better known as '**General Boyloaf**' – took off his camouflage jacket to reveal a T-shirt reading 'peace is golden' before embracing Bayelsa State Governor **Timipre Sylva**, who helped negotiate the 60-day amnesty.

Beyond the theatrics, the reality is less happy. Boyloaf was one of three top state commanders for the region's main militant group, the Movement for the Emancipation of the Niger Delta (MEND). He surrendered with four generals – the five had argued military ranking before agreeing to promote Boyloaf to 'Field Marshal'. One of the four, **Joshua Makaira**, whose followers wear T-shirts proclaiming 'Great Joshua', has been living in Government House for a year since his followers were defeated in inter-gang fights. The state government pays each camp commander about US\$67,000 a month in protection money, a policy started by Governor Sylva's predecessor in Bayelsa, **Goodluck Jonathan**, now federal Vice-President.

MEND refuses to back the amnesty because the government is not serious about tackling poverty and corruption. Boyloaf claims MEND is holding out because its spokesman, **Henry Okah**, wants to continue his lucrative arms trading business. Boyloaf complains that Okah is yet to pay him for weapons ordered prior to his arrest. MEND threatens to resume attacks when its ceasefire ends on 15 September; the amnesty is due to end on 4 October.

MEND's top leaders are **Government Tompolo** in Delta State, the most powerful commander in the Delta, and **Farah Dagogo**, who leads operations in Rivers State in coordination with veterans **Ateke Tom**, **Soboma George** and **Alhaji Mujahid Dokubo-Asari**. Militant leaders in Rivers State have temporarily put aside internecine battles to face the common threat of the well-equipped Joint Task Force. Tompolo is unlikely to accept amnesty following a May revenge attack by soldiers on his Camp 5 headquarters.

In Rivers, Asari still gripes over a claimed underpayment in the 2004 amnesty and his own supporters accuse him of cheating. Ateke Tom, widely seen as psychotic, is wanted for bombing two police stations during the 2007 elections and he has quarrelled with Okah over payments for arms.

Governor Sylva argues the amnesty in Bayelsa has worked because of the year-long preparations; the two neighbouring states favoured military operations against the militants rather than negotiations. Sylva says that details of Bayelsa's income and expenditure are now published on the internet in an initiative headed by former Ijaw activist **Dimieari von Kemedi** to promote transparency. *Africa Confidential* caused a storm when it revealed that former Rivers State Governor **Peter Odili** had budgeted more for his office expenses than education in the state. Unrest and lower oil prices have decimated revenue in Bayelsa; the state government struggles to meet recurrent costs, let alone pay for development projects. Little of the \$64 million promised by the federal government for the amnesty has arrived yet.

Boyloaf is hedging his bets. Most of the arms handed in were old – some 50 machine guns, a few larger pieces, elderly rocket-propelled grenade launchers, rusty rifles and some broken radios. However, the surrendered weapons allowed Governor Sylva to burnish his credentials as peacemaker – and perhaps a presidential contender in 2011. He told his audience that it should be the turn of the South-South. If he did run, his relations with the militias might help him. Bayelsa is due to hold local elections, postponed because of fighting in 2007, and some militants plan to stand for office. ●

on the banking sector. But it is stage two of Sanusi's revolution that is causing Yar'Adua's concern: the publication of the biggest delinquent debtors in the country.

The list includes more than 200 individuals including two of Nigeria's much-fêted dollar billionaires – **Aliko Dangote** and **Femi Otedola** – as well as high profile companies such as former President **Olusegun Obasanjo's** pet business project, Transcorp Ltd., which he had hoped would develop into a **South Korean-style chaebol** or mega-corporation. Dangote and Otedola, who have fallen out over an oil deal, angrily deny they owed the debts claimed by the CBN.

Undaunted, the Chairwoman of the EFCC, **Farida Waziri** says the debtors have another week to settle their debts or they will face prosecution. One of the prickliest cases for Waziri, who has appeared close to the former Police Chief **Mike Okiro**

and Attorney General Aondoakaa, is the appearance of former Governor of Delta State **James Ibori** on the debtors' list.

Ibori and an associate called **Mike Orugbo**, according to the list, borrowed almost \$200 million from Oceanic to finance their takeover of the National Fertilizer Company of Nigeria; its factory was built in the mid-1980s by the US's Kellogg, now defending itself against allegations of multi-billion dollar corruption in the building of Nigeria's first gas export plant. Although Ibori and Orugbo's company, Notore, bought a private jet, the CBN says they have neglected to service the loan.

Similarly, Ibori borrowed another \$200 mn. to finance his purchase – through Ascot Offshore – of the oil services company Willbross Nigeria from its US parent company, Willbross Inc. Willbross Inc. had to close its Nigeria operations

after a federal court had found it, together with **Germany's** Bilfinger Berger and **Anglo-Dutch** Shell, guilty of fraud and corruption. So disturbed was Ibori by the CBN move, he rushed back from a holiday in South Africa to consult his lawyers.

With Sanusi embarking on an international tour to calm investors' nerves, many of the repercussions have yet to play out. But some of the obvious questions are already being asked: if Sanusi could see these failures of risk management and billions of dollars in non-performing loans, why did so few analysts and financial institutions sound the alarm bells? And why did those business publications continue to hand out 'Best Bank of the Year' awards to banks in such chronic difficulties? Perhaps like the myopic bandwagon accompanying US and British banks, the money just seemed too good and too easy at the time. ●

GHANA

A new economic team emerges

Facing a downturn and needing an oil strategy, President Mills picks his own experts

For his Council of Economic Advisors, President **John Atta Mills** has picked a team with wide experience of Western financial and academic institutions. They are academics, more used to public service than to business, and more centre-left than the strident pro-market enthusiasts who worked for ex-President **John Kufuor** – but companies have long complained that successive governments will not listen to them.

One of the ten members is the President's brother, **Cadman Atta Mills**, formerly a Director of the World Bank's Legal Department; another, Professor **K. N. Afful**, is a brother-in-law. **Emmanuel Ablorh** and **Joel Hyde** were classmates of Mills at Achimota College. **Kingsley Y. Amoako** was formerly Executive Secretary of the Economic Commission for Africa and now runs the United Nations African Centre for Economic Transformation in Accra; he and the President were graduate students together in California. Amoako and the Council's chairman, **Gobind Nankani**, both worked for the World Bank. After serving in Latin America and Asia, Nankani was appointed the Bank's Vice-President for Africa and left during **Paul Wolfowitz's** brief and unhappy reign as its President (2005-07); he also runs the new London School of Economics-Oxford International Growth Centre in Britain.

The advisors' role is strategic, to review policy and major projects, to suggest new initiatives and to help to coordinate the

government's development strategy. In particular, they will help to shape the country's oil and gas development as local production starts next year. Complex questions include deciding which are the best companies to work with – one current investor, Kosmos of the **United States**, is trying to sell its stake. How should a domestic gas business be financed and built? How much crude oil should be refined in Ghana for local and regional use? Most importantly, how can Ghana avoid following African oil producers such as **Angola** and **Nigeria**, where the industry has dominated the economy to the detriment of wider development and sparked conflict?

The former Chief Executive of the Ghana National Petroleum Corporation, **Tsatsu Tsikata**, still has influence on energy policy, particularly on the development of a gas network. He was pardoned by the Kufuor government, after being gaoled in a controversial case for causing 'financial loss' to the state (AC Vol 49 No 16). He remains determined to clear his name by overturning his 2008 conviction. His cousin, the long-term National Security Advisor Captain **Kojo Tsikata**, was once feared as an influence on the then President, **Jerry John Rawlings**, and still plays a discreet advisory role in government.

The global downturn has worsened Ghana's ballooning trade and budget deficits, so the advisors will be kept busy.

There will be tough questions about how closely the government should follow the policy prescriptions of the World Bank and International Monetary Fund, for which several of the advisors have worked and which have just agreed to lend the country more than US\$1.5 billion to ease the effects of the downturn.

The role of the Bank of Ghana will be crucial, and on 1 October, former Deputy Finance Minister **Kwesi Bekoe Amissah-Arthur**, 58, will become its new Governor. He has lectured in universities in Ghana and Nigeria, and was a *protégé* of **Kwesi Botchwey** who, as Finance Minister, pioneered the country's economic reforms and Structural Adjustment Programmes in 1982-1996. Amissah-Arthur's predecessor as Governor was **Paul Amoako Acquah**, who was himself preceded by the current Finance and Economic Planning Minister, **Kwabena Duffuor**. Under Acquah, the number of banks increased to 26, six of them Nigerian, following the arrival of Access Bank in August 2006. Competition is stiff and capital requirements have been revised; electronic banking services and cheque clearing are bringing the banks many new customers.

Amissah-Arthur, a technocrat and a successful business consultant, helps to balance Mills's team. It remains to be seen whether he will jettison Acquah's inflation-targeting strategy. Government spending spiralled out of control in the run-up to the last elections and the outgoing New Patriotic Party left a fiscal deficit of \$941 million, about 15% of gross domestic product. The Mills government has promised to bring this down to 9.4% in 2009 through increased revenue collection, stricter auditing and tighter controls on government spending – policies that carry a high political risk and, in the words of one World Bank official, are 'extremely ambitious'. ●

Greed, gold and grit

Mugabe and his party find new ways to thwart the MDC as both sides prepare for a month of by-elections

More arrests, more vexatious court verdicts against the Movement for Democratic Change, thanks to President **Robert Mugabe's** loyalists in the judiciary. The Zimbabwe African National Union-Patriotic Front is paving its route to renewed political domination. Both ZANU-PF and the MDC are divided, but Mugabe's team is the one with a plan. Over the last week, police have arrested

ten more opposition MPs.

Although the terms of the Global Political Agreement (GPA) were broadly settled a year ago, ZANU-PF continues to use bureaucratic zealotry and brute force to obstruct the MDC's efforts to consolidate power in the new dispensation. Leading the charge are Reserve Bank Governor **Gideon Gono** and Attorney General **Johannes Tomana**; Gono with his

financial schemes to counter MDC efforts to reform the economy and reduce ZANU-PF's powers of patronage; and Tomana for his selective legal pursuit of MDC MPs.

After six months of power sharing, Mugabe and his loyalists want the West to admit defeat and lift sanctions. Improbable as that seemed a few months ago, several international institutions are edging towards direct budgetary support for the power-sharing government.

The rows over sanctions and financing put the MDC in an awkward position: it cannot campaign for sanctions against itself, and without new funds the economy's fragile revival could falter and prompt more tension and violence. With important by-elections looming, the MDC cannot take its popularity for granted. If it is seen to fail on the economy, Zimbabweans could rapidly lose enthusiasm for the brave new dawn of six months ago.

Gideon Gono, the irrepressible Governor of the Reserve Bank of Zimbabwe, has proposed relaunching the Zimbabwe dollar, backed by the country's growing gold reserves. This economically dubious plan makes sense only for ZANU-PF's political ambitions. When the MDC Finance Minister and chief strategist, **Tendai Biti**, suspended the national currency in February, it took away ZANU-PF's capacity to print local money and control the foreign exchange markets, thus shutting many of its political friends out of the economy. Gono claims that the Zimbabwe dollar should be reinstated as a matter of national pride and also for the practical reason that finding change and smaller denominations of US dollars or **South African** rand is difficult. However, Biti has threatened to resign if Gono tries to reintroduce the Zim dollar unilaterally.

The party's big remaining asset is its continuing control of the police, armed forces and intelligence services, as well as many of the mining projects from which it and its senior officials draw substantial revenue. Without control of the currency, ZANU-PF would find it hard to raise funds for its 2013 election campaign (although the MDC is in a much worse financial state). ZANU-PF seems confident it can regain a parliamentary majority through by-elections made necessary by the death, suspension or court conviction of opposition MPs (AC Vol 50 No 16).

Raphael Dube, MP for Emakhandeni in Bulawayo, died on 15 August. Meanwhile, three members of Premier **Morgan Tsvangirai's** MDC faction have already been convicted and a dozen face various charges. The Global Political Agreement signed by ZANU-PF and the two MDC factions last September guaranteed that any parliamentary vacancies would not be contested for the following twelve months. That provision expires on 15 September. Chaos in **Arthur**

AFTER MSIKA – A NEW PECKING ORDER

Following the death on 4 August of **Joseph Msika**, the new Second Vice-President is likely to be the Chairman of the Zimbabwe African National Union-Patriotic Front, **John Nkomo**. He is Ndebele and already sits in the Presidium, among the ruling party's top four officials. President **Robert Mugabe** regards him as dependable and studiously neutral in the factional fighting between supporters of the former Zimbabwe Defence Forces chief, General (retired) **Solomon Mujuru**, and current Defence Minister **Emmerson Mnangagwa**. Nkomo is clever but not politically bold and is likely to return Mugabe's favour with strong support for the 85-year-old President at ZANU-PF's congress in December.

Arguments that Nkomo's health is poor are shrugged aside. He has three main qualifications for the vice-presidency. The post is usually occupied by ZANU-PF's most senior member and Nkomo is the man. The most senior person in the former Zimbabwe African People's Union was **Welshman Mabheha** who, as its General Secretary, was the party's number three just before it was swallowed up by Mugabe's organisation in 1988; the two above him were the late **Joshua Nkomo** and Msika. **Naison Ndlovu**, currently Deputy President of the Senate, was ZAPU National Chairman and ranked number six, with John Nkomo number eight, as Secretary for Information and Publicity. Mabheha has lost favour with Mugabe; Ndlovu has not displayed presidential ambitions.

The old ZAPU rankings no longer matter so much in ZANU-PF, as it confronts the Movement for Democratic Change. Yet the party constitution adopted after the unity accord stipulated that one vice-president had to be from ZAPU and the merged parties were to share the top five positions, in a three-to-two ratio. This implies that if Nkomo becomes national Deputy President, the party Chairman will have to come from the former ZAPU, not from ZANU-PF. There are many contenders, including Ambassador to **South Africa** **Simon Khaya Moyo**, Mines Minister **Obert Mpofu**, **Sikhanyiso Ndlovu** (in the Politburo, not government) and even **Kembo Mohadi** (co-Minister of Home Affairs).

Nkomo's only credible opponent from the former ZAPU was **Dumiso Dabengwa**, who had political clout and was a member of the Politburo. He had been number three in the party, after Msika and John Nkomo, whom he sometimes overshadowed. Yet he left the coalition; first, last year, he joined Mavambo-Kusile-Dawn with **Simba Makoni** and later that year, he revived ZAPU and declared that the unity agreement was over.

So far, all the provincial delegations at the ZANU-PF congresses have endorsed Mugabe as the sole presidential candidate. The provinces are formally led by political lightweights, but in fact, each province is dominated by a Politburo member. Vice-President **Joyce Mujuru** is in charge of Mashonaland Central, her husband Solomon of Mashonaland East. **Didymus Mutasa** rules the roost in Manicaland; **Nathan Shamuyarira** in Mashonaland West; **David Karimanzira** in Harare; Emmerson Mnangagwa in the Midlands; **Stan Mudenge** in Masvingo; and John Nkomo in Matebeleland.

One ZANU-PF strategist claims that the party is aiming for stability: 'Yes, there are factions within the party but these only demonstrate vibrancy within the party, not that it is disintegrating, as some people claim.' Another analyst said the ZANU-PF fights were based on personalities and factions, not on policies: the succession will be determined by whom the party barons believe will deliver victory in the next elections. For now, however much they privately carp about their octogenarian leader, the barons cannot agree on his successor. That means only one thing at December's congress. ●

Mutambara's MDC faction has not helped. The party has suspended three MPs.

If Attorney General Tomana can win convictions against all the MDC-Tsvangirai legislators who face charges, there could be as many as 20 by-elections. If ZANU-PF won them all it could end up with 119 or 120 seats, giving it a comfortable majority. Notwithstanding reports that the party will resort to violence, the campaigns might be smoother than last year's.

The debate surrounding by-elections hinges on an untested clause of the GPA. Article 21 states that when a seat becomes open for any reason, 'only the party holding that seat prior to the vacancy occurring shall be entitled to nominate and field a candidate to fill the seat.'

The timing of the by-elections is critical: it appears that if the by-elections are held after 15 September this year, all parties can contest. If vacancies were announced before then, parties should be able to replace their MPs unchallenged. ZANU-PF strategy is to produce as many vacancies as possible for its opponents after the end of the year-long period of uncontested by-elections.

So far, two MPs have been sentenced to over six months in gaol, the tariff at which they lose their seats. Another ten prosecutions were in prospect until the Army Commander in Masvingo, Brigadier Gen. **Douglas Nyikayaramba**, gave evidence in the trial of the MDC MP for Gutu East. The magistrate found the general dishonest in his evidence and reprehensible in his conduct in court: he threatened a major for giving evidence favourable to the accused. The judge then threw the case out as one which should never have been started. The chances on appeal of the two MPs already convicted would now seem good and some expect the Attorney General to take the reprimand and drop the charges against the others.

ZANU-PF is not likely to scuttle the unity agreement. The main reason why it did not win the 2008 parliamentary elections – the economic devastation in the country – has not been addressed but handed over to Tsvangirai and the MDC. Mugabe's team may hope to prolong the life of the inclusive government, let the dust settle, wait for signs of economic improvement and hope the voters forget ZANU-PF's record of violence and incompetence at by-elections in September or February, after the moratorium has ended. The MDC factions will not want to take on ZANU-PF with the electoral ground tilted against them; the current ZANU-PF provincial congresses still hail Mugabe as 'Supreme Leader'.

The prosecutions, with one exception, are directed at members from the south of Manicaland Province or the contiguous eastern part of Masvingo, where MDC-Tsvangirai made its breakthrough to the

rural areas in 2008. In ZANU-PF's internal struggle, both provinces are in the camp that follows **Emmerson Mnangagwa**; around the Chipinge district of southern Manicaland, the Shangaan-Ndau people had remained unswervingly loyal to Mugabe's predecessor as party leader, the late **Ndabaningi Sithole**, offering the MDC a base on which it swept all but four of the province's seats last year. It is also aiming for the governor's post.

Air Marshal **Perence Shiri**, who commanded the notorious Fifth Brigade during the Matebeleland massacres thirty years ago, is the regime's military supremo for Manicaland, where there is a strong military presence as the army secures its interests in the Marange diamond fields. There are reports of illicit diggers being massacred. Former Finance Minister **Simba Makoni** hails from north-central Manicaland but his young Mavambo-Kusile-Dawn party is not yet geared up for a bruising election battle.

Next door in Masvingo, the MDC breakthrough was less spectacular but the party won half of the parliamentary seats and is also claiming the governor's post. All but two of its wins were in the adjoining districts of Bikita, Zaka and Gutu. It is the MDC-Tsvangirai MPs from these districts who face prosecution. Few of them are well-known off their home turf. In Bikita and Zaka, there is a sizeable Shangaan-Ndau minority but Gutu is overwhelmingly Karanga, Mnangagwa's group, once the bailiwick of the late Vice-President **Simon Muzenda**. Attorney General Tomana has

an interest in Masvingo, where he acquired a game conservancy after the latest round of farm invasions.

MDC-Mutambara has other problems in Matebeleland North. The faction is in danger of disintegrating after the expulsion of three of its MPs. **Job Sikhala**, one of the three expelled, claims he has deposed Mutambara and now heads the party. Even if Mutambara can stitch things up, his faction would face an uphill battle, with the expelled MPs likely to stand as independents or for MDC-Tsvangirai. On top of that, **Dumiso Dabengwa's** recently relaunched Patriotic Front-Zimbabwe African People's Union (PF-ZAPU, usually known as ZAPU) could enter the fray and transform politics in Matebeleland.

There are three vacancies in the Senate. The MDC's flamboyant **Patrick Kombayi** died in June. (The Central Intelligence Organisation tried to kill him during the 1990 election and the perpetrators got a presidential pardon.) On the ZANU-PF side, Politburo member and Senator **Richard Chemist Hove** died on 21 August. ZANU-PF lost another senator with the election as Senate President of **Edna Madzongwe**, known as the 'Deadly Orange Blossom' after her violent seizure of a citrus estate in last year's land grabs.

If the by-elections take place, they will provide a snapshot of public sentiment and probably some degree of violence. The Shangaan-Ndau initiation schools will be assembled over the coming months and their area, with its military presence, is dominated by the relentless Shiri. ●

SHIRI SALUTES, SORT OF

The military parades and razzamatazz over the Heroes and Defence Forces weekend in August dovetailed with Vice-President **Joseph Msika's** state funeral and saw the junta on its best behaviour. To ensure everyone knows who is boss, a directive to the state media decreed that **Robert Mugabe** must always be referred to as President and Commander in Chief. The state and independent media gave full coverage to the fact that Air Marshal **Perence Shiri** and Lieutenant General **Philip Sibanda** gave ostentatious full salutes to Prime Minister **Morgan Tsvangirai** and, although other service chiefs managed to stick to their guns by saluting only Mugabe, it was done in a manner that was inoffensive.

Shiri, whose wounded saluting hand still gives him problems, on the first attempt managed something which looked like a cross between a 'Sieg Heil!' and the open palm greeting of the Tsvangirai's Movement for Democratic Change. By the second day, though, the therapeutic exercise had worked it up to an impeccable salute. As Commander of the notorious Fifth Brigade during the Matebeleland conflict, Shiri probably has the most to be uneasy about from a vengeful MDC.

The Zimbabwe National Army Commander, Lt. Gen. Sibanda, on the other hand, has always been an advocate of apolitical armed forces. In this, he is at one with Central Intelligence Organisation chief **Happyton Bonyongwe**, who is in the happy position of never having to wear uniform and so avoids the dilemma. Of the other key members, Zimbabwe Defence Forces Commander **Constantine Chiwenga** and Chief of Staff **Martin Chedondo** greeted the Prime Minister only on the first day and then opted to appear in civilian dress on the second. Police Commissioner-General **Augustine Chihuri** and Prisons Commissioner **Paradzai Zimondi** managed to avoid an encounter.

As if to emphasise the new cosyness, pictures appeared of Tsvangirai in jovial exchanges with his immediate neighbour on the podium, former Army Commander Gen. **Solomon Mujuru**. Cynics may think this a piece of mischief-making by the government protocol office to smear his wife, **Joyce Mujuru**, as someone closer to the MDC than to Mugabe's Zimbabwe African National Union-Patriotic Front. ●

A return ticket for security chief Salah Gosh

The 13 August move of Lieutenant General Salah Abdullah Mohamed 'Gosh' from Director of the National Intelligence and Security Service (NISS) to Presidential Security Advisor comes at a critical time for the National Congress Party (aka National Islamic Front) regime. President Omer el Beshir is fending off arrest for war crimes and crimes against humanity by the International Criminal Court and the party's leading tacticians are determined to secure total victory in national elections and a referendum on the future of the South, both due in the next two years.

CULTIVATING SALAH

In the eyes of Western intelligence agencies, Salah Gosh was an important figure to cultivate. He was, according to British, French and United States officials, a source of valuable intelligence about terrorist cells planning to attack Western targets. This Western view of Gosh was based partly on his role as liaison officer to Usama bin Laden when the *Al Qaida* leader lived in Khartoum in the early 1990s and more generally because of his active role in Islamist politics in Sudan and the region (AC Vol 50 No 13).

Gosh's release of selective intelligence about overseas Islamist cells to Western officials and his well-reported meetings with Central Intelligence Agency staff in the US and the Secret Intelligence Service in London were certainly approved by Khartoum as part of the elaborate chess game that produced Western backing for the Comprehensive Peace Agreement (CPA) in 2005 and perhaps the latest calls by US Special Envoy to Sudan Scott Gration for the lifting of sanctions on Khartoum.

Sudanese officers who have served under Gosh insist he is an astute and ideologically committed Islamist (albeit with a strong sense of self-preservation), however many technical intelligence skills he may have inculcated. They note that his ruthless pursuit of the relatives of those exiled Sudanese who were thought to have provided evidence to the ICC about the involvement of senior Khartoum officials in war crimes in Darfur marks him out as a core regime stalwart. Many go further and blame Gosh for the planning of the mass killings in Darfur, particularly in 2003 and 2004. Few people have a convincing explanation about why Salah Gosh's job was changed. He was chronically overweight and had a heart condition. It may have been poor health that made Gosh move to a less demanding post. 'He just worked too hard,' said one Western source.

This did not still the febrile speculation in Khartoum, where there was more speculation about his politics than his health. Salah Abdullah Gosh was being sacked – no, his new job as Presidential Security Advisor was a promotion... No, he was being kept in the Palace so that President Omer el Beshir could keep an eye on him... No, he was being prepared to succeed Omer, probably at US instigation. However, few Sudanese expected Gosh's move to presage political change. Like his predecessor, Nafi'e Ali Nafi'e, Salah Gosh had survived sanctions against Khartoum and its security apparatus for planning the 1995 assassination attempt on Egyptian President Hosni Mubarak in Addis Ababa.

Many believe he was shifted sideways to please the Sudan Armed Forces (SAF), which he had publicly criticised after the Justice and Equality Movement's May 2008 attack on Omdurman. NISS paramilitaries had won the glory for defending the capital (AC Vol 49 No 11), publicly confirming that the multiple security organs are at the heart of the NCP^(*).

Some in the SAF objected to Salah because he is not a military professional: until the NIF's 1989 coup, he rose through the party rather than security. His replacement and former deputy, Gen. Mohamed Atta el Moula Abbas, may not impress the army either. A couple of years younger than Gosh at 52, he did not join the security services until he was 35; his early career remains obscure. Like Gosh, he is a committed party man.

Also like Gosh, Mohamed Atta el Moula is an engineering graduate from the University of Khartoum (his hometown). After two years in General Security, he joined Foreign Security in 1994, which gave him experience in the NIF's operations abroad. In 2000, he was in the Palace, as what the government's Sudan Media Centre called 'Secretary General for peace consultancy'.

This was the year when US Senator John Danforth was negotiating the Nuba Mountains ceasefire, which preceded the Machakos negotiations leading to the CPA in 2005. Mohamed Atta el Moula saw it all, being 'Peace Bureau Manager' in the Nairobi Embassy in 2001 and, after three years when he rose to Deputy General Manager of the NISS, headed the security dossier in the Kenya peace talks in 2004. Gosh trusted Mohamed and so does the NCP: he was at the Darfur peace talks in Abuja in 2006 and has attended the most recent ones in Qatar.

ELECTORAL EXPECTATIONS

The same issues – Darfur and the South – still confront the new Security chief, plus a Northern opposition showing signs of resurgence in preparation for elections due in eight months. The elections follow the recent and disputed census and precede the 2011 referenda in the South and Abyei.

Britain, the US (US\$21 million last month) and the United Nations, back the elections as a means to restore democracy and human rights. Yet it is widely assumed that the regime will rig the vote, not a hard task for an oil-rich Islamist regime in power for 20 years.

Since the CPA, the Sudan People's Liberation Movement has been slow to challenge the NCP. Instead, the SPLM has concentrated on protecting the Southern referendum on independence and consolidating its government in Juba. As one of the two parties to the CPA, a junior 'partner' of the NCP in the Government of National Unity based in Khartoum and the dominant party in the Government of Southern Sudan (GOSS) in Juba, the SPLM wants to be seen to be sticking to the spirit of the CPA and following the rules. In October 2007, the SPLM briefly pulled out of the GNU to protest against the NCP's failure to honour the CPA – by, among other things, not fully withdrawing its troops from the South and withholding oil revenue.

The SPLM says the census under-counted Southerners (affecting oil revenue) and over-counted people in Darfur (where most people were not counted). Several opposition politicians have said they and their families were not counted in the North. This prepares the ground for massive fraud in the electoral register and electoral boundaries, which foreign monitors will have difficulty detecting.

Already 1,000-2,000 people have been killed in ethnic clashes in the South this year. The SPLM accuses Khartoum of fuelling this fighting, with weapons and money. Both independent and SPLM sources say they have seen weapons, seized by the GOSS, which were apparently supplied by Khartoum to its local proxies.

Khartoum supplied and trained militias during the North-

South war and some are believed to be involved in recent fighting. One obvious suspect is **Uganda's** Lord's Resistance Army, which operated out of the Juba garrison when it was in NCP hands.

Many still believe that the helicopter crash which killed SPLM Chairman **John Garang de Mabior** in 2005 was no accident and there is fear that his successor, GOSS President and national Vice-President **Salva Kiir Mayardit**, could be the next target. The appointment of **Gier Chuang Aluong** as Internal Affairs Minister, replacing **Paul Mayom Akech**, in May's GOSS reshuffle reflects a tightening of security in Juba. An influx of Northerners with no obvious affiliations is also causing concern.

COUNTING THE CONFLICTS

Another looming dispute between SPLM and NCP is over the North-South border. The CPA accepted the colonial border inherited at Independence in 1956. The problem is, it has been moved. President **Ja'afar Mohamed Nimeiri's** regime claimed a chunk of the Southern region of Bahr el Ghazal for Darfur (around Hofrat en Nahas), and the NCP's demarcation is said to include part of the oilfields from the South.

This is closely linked to the Abyei question which, despite the 22 July ruling by the Permanent Court of Arbitration in the Hague, is by no means settled. Although the PCA accepted the Abyei Boundaries Commission's (ABC) definition of Abyei's southern, south-western and south-eastern borders, the physical demarcation of the boundary will raise new problems. Due to start next month, this demarcation will depend on agreement on the precise location of the North-South boundary, both adjoining Abyei and beyond. There is plenty more scope for disagreement and delay (AC Vol 50 No 15).

Equally explosive is the situation around Heglig, which the PCA declared was not in Abyei, as the ABC had determined. Khartoum immediately claimed Heglig for Northern Sudan, although historically it has been considered in the South. Heglig lies at the heart of an oilfield believed to have reached its peak; quality and output are declining. Khartoum's main oil partner, **China**, lacks the technology to extract the remaining oil but one of the troika watching over the CPA (Britain, **Norway** and USA) could help. Oslo has, we hear, offered to help the NCP regime with enhanced recovery techniques; this will not please Juba.

In the North, the regime has launched a ferocious anti-SPLM campaign; it highlights corruption, tribal fighting, 'mass starvation' and inability to run a country. The head of the SPLM Northern Sector, **Yasir Arman**, a Northerner, has been declared an 'infidel' and 'apostate', which for some Islamists is a licence to kill. The message for Northerners is: 'You thought John Garang was your saviour, but the SPLM now cannot save you.'

The Sudan Communist Party has also been declared 'infidel', which could be awkward since it is a leader of the new opposition alliance that includes the man who established Islamist rule, **Hassan Abdullah el Turabi**. His Popular Congress Party is one of three parties in a still unnamed group, the other being the Umma Party of **El Sadig el Mahdi**, whom the NIF deposed as elected Premier in 1989.

His traditional rival, the Democratic

Unionist Party, plays a discreet role in the alliance: after nearly 20 years of exile, its leader, **Mohamed Osman el Mirghani**, quietly made peace with the regime this year. Many (perhaps most) in his party do not agree and, led by stalwart oppositionist **Ali Mahmoud Hassanein**, joined the new alliance. So have a couple of dozen other parties.

The opposition insists it will boycott the elections unless 'laws opposing freedom' are repealed and the regime accepts that, under the CPA, it can no longer claim to rule Sudan after 5 July. Many Northerners are horrified about the prospect of more NCP rule but lament the failure of the mainstream parties, which have had the same leaders for three decades or more. They would back any promising new alternative but for now that is not in prospect. ●

☞The security service's plan was to suck JEM into an ambush and also uncover JEM sleeper cells. (JEM leader **Khalid Ibrahim Mohamed** was not an NIF Security Minister for nothing.) JEM's advance was certainly known to the regime, since a police statement warned two days earlier of an impending 'sabotage attempt' after fighting in Kordofan, on the Darfur-Khartoum route. Sudanese sources say that Salah Gosh and his colleagues, including army officers, watched the JEM advance on video screens linked to unmanned aerial vehicles (drones), which Sudan now assembles with **Iranian** help (AC Vol 49 No 18).

AN AMERICAN ROAD TO KHARTOUM

The road to Sudan is littered with the **United States'** special envoys and the most criticised, **Scott Gration**, is determined not to join the list of those who failed to persuade the Sudan government to make peace. He may find it easier to convince the rebels.

On 18-22 August in **Ethiopia**, Gration presided over a unity agreement among Sudan Liberation Movement (SLM) factions from Darfur, plus the United Resistance Front. The URF is lead by **Bahar Idriss Abu Garda**, who broke with the Justice and Equality Movement last year and who, after being indicted by the International Criminal Court, was sent back to Darfur. The ICC will probably issue a ruling on him in October.

The SLM groups of **Abdel Wahed Mohamed el Nur** (minus their leader), **Abdullah Yahya** (SLM-Unity) and **Ahmed Abdel Shafi'e** (SLM-Shafi'e) had been trying to reconcile long before the retired US Air Force General arrived (AC Vol 50 No 5). However, US pressure may have given them the push they needed – and may give them the logistics and protection they need for the next stage. This is a full-scale gathering in Darfur that will bring in both civil society and SLM fighters 'within 60 days', **Sharif Harir**, political head of SLM-U, told *Africa Confidential* this week.

Before that, a joint committee will go to meet the leader of the remaining SLM faction, **Khamis Abdullah Abakr**. Other 'factions' are mostly miniscule government-created fronts. No doubt both SLM-**Abdel Wahed** and Gration will be trying to bring Abdel Wahed himself on board: the agreement was signed by six of his commanders, who were brought from the field to Addis Ababa and appear to represent sentiment among the mainly Fur followers of the faction.

Gration has been seeking a success (so that his resignation will not be seen as a failure, say some in Washington). He is disappointed with JEM; he initially enthused about them, but they have lost ground this year and he has learned that many in Darfur oppose the JEM leaders' Islamism. Gration may now focus on the SLM, which if it fully merges under one structure as leaders intend, may again become Darfur's most politically and militarily powerful opposition.

JEM leader **Khalil Ibrahim Mohamed** accuses Gration of 'acting like the Foreign Minister of [Sudan's President **Omer Hassan**] **El Beshir**'. Many Sudanese regard Gration's hopes of influencing the ruling National Congress Party as naïve; so do some in the US government. Republicans and Democrats in Congress were among those giving Gration a hostile reception, and he has dropped calls for sanctions on Khartoum to be lifted. He appears to think Khartoum wants friendly relations, but all it wants is not to be bombed. Removal from the terrorist-sponsor list would help it in the Arab world, though.

Gration's backtracking on sanctions has upset Khartoum. Presidential Advisor **Ghazi Salah el Din Atabani** – who handles US relations since Washington made it known that then security chief **Salah Abdullah 'Gosh'** was now unwelcome Stateside – declared, 'If the government came to the conclusion that the dialogue with the US is detrimental to its interests and principles it would not continue.' ●

SOUTH AFRICA

So far, so Zuma

Economic downturns, rising joblessness and a wave of strikes and protests fail to dampen the rising popularity of the new President

The standard criticism of **Jacob Gedleyihlekisa Zuma** was that he was a populist, seeking the presidency mainly to protect himself against prosecution for corrupt enrichment in South Africa's US\$6 billion arms deal (AC Vol 49 No 16). That idea has been promptly abandoned. His first 100 days in office, marked by several astute appointments, reveal him as a shrewd operator who wants to leave a political mark on behalf of his working-class constituents, while not alienating Afrikaners and big business. It is a delicate balancing act and he may not pull it off, but he is making a far better go of it than many had predicted.

Liberals, anti-corruption campaigners and journalists suspect it will all end in tears, but the government has other voices to heed. It must manage South Africa's deepest recession for more than two

decades – mainly externally caused – and try to rescue jobs and living standards. Few dispute Zuma's admiration for the common people. His biographer **Jeremy Gordin** says: 'Zuma has been accused of being a greedy careerist, a chameleon, a puppet of leftist forces.' Others call him a marauding Zulu warrior of yore, illiterate, an inveterate womaniser and an amoral populist. This has gone into reverse. A political scientist from the University of the North, Professor **Tinyiko Maluleke**, says his presence among ordinary people shows he cares about their plight and speaks the language they understand very well.

Some fear a personality cult. Free State Premier **Ace Magashule** recently told a meeting in his province that 'Jacob Zuma is like **Chris Hani**. Jacob Zuma is like **Oliver Tambo**. He is like **Moses Kotane**. He is like **J.B. Marks**.' **Mcebisi**

Ndletyana, a political analyst at the Human Sciences Research Council says Zuma has effectively addressed the gap created by the 'cold and aloof' style of his presidential predecessor, **Thabo Mbeki**, and compares him tentatively to former President **Nelson Mandela**. The Presidency is well resourced, though, with a Deputy President and two ministers – of National Planning and of Monitoring and Evaluation – as well as a Director General and other top officials who take care of day-to-day affairs.

At the end of his first 100 days (AC Vol 50 No 9), a poll by TNS Research Surveys, using a sample of 2,000 adults from the seven major metropolitan areas, found that Zuma's approval rating levels were rising sharply. By late June, 57% of this urban sample thought he was doing a good job, up from 52% over the election period in April. Mbeki's approval ratings were in the middle to low 30s from 1999 to 2002, hitting a high of 66% in 2004 and 2005, and a low of 34% at the end of his term. Among black South Africans, Zuma's rating has risen sharply, to 64% in April and to 71% by June. Among whites, his disapproval rating was 62% in April and 12% in June – a dramatic improvement. Among Coloured and Asian people, too, the President's approval score has sharply risen. Regionally, he scored highest in the urban areas around Johannesburg, lowest in Cape Town. Young people rated him much more highly than the over-sixties.

Looking forward, the political research company Markinor has been examining some likely challenges. The formidable list includes meeting the rising expectations of the people and the many promises made during the election campaign. Among tricky issues are finding ways to do more business in Africa, implementing the Bus Rapid Transit system in Johannesburg and introducing a national health insurance scheme. All that must depend on maintaining a stable macroeconomic and pro-employment environment, an effective counter-cyclical fiscal policy with low inflation, creating employment with opportunities for the poor and promoting small and medium-sized enterprises.

A 14 August implementation report from the Presidency claimed that various public works programmes have created 45,000 jobs since Zuma's inauguration. The Congress of South African Trade Unions is scornful: 'These jobs are not sustainable. They do not change people's lives. How do you plan your life around a few months' job?' argues Cosatu President **S'dumo Dlamini**.

The report says that some 14 billion rand (US\$1.8 bn.) has been allocated for projects which will create 240,000 jobs and R400 million more will be spent in the social sector to create 80,000 work opportunities, 60,000 of them

SUING THE MESSENGER

Jacob Zuma rarely hides his distaste of journalists – particularly those who ridiculed his presidential ambitions and his political commitment – and his supporters rail against media enemies who portrayed him as a populist buffoon. His landslide election allows him to claim the people's support and he styles himself a defender of free speech, but he has several libel actions pending against South African journalists.

● A four million rand (US\$514,000) defamation suit against *The Citizen*, **Martin Williams** and **Paul Kirk** for an article published in December 2006 about Zuma using the services of a prostitute.

● R4 mn. for defamation and R1 mn. for infringement of dignity against *The Independent News and Media*, **Jovial Rantao** (*Sunday Independent* Editor and *The Star* Deputy Editor), **Andrew Walker** and ex-President **Thabo Mbeki's** biographer, **William Mervin Gumede**, for an article published on 16 April 2006.

● R4 mn. for defamation and R1 mn. for infringement of dignity against Johnnic Communications, former *Sowetan* Editor **Thabo Leshilo** and journalist **Bareng-Batho Kortjaas** for an article entitled 'Zuma clock' in December 2005.

● Two separate claims for R4 mn. for defamation and R1 mn. for infringement of dignity against *Independent News*, *The Star* Editor **Moegsien Williams**, **Rantao** and **Jonathan Shapiro** aka **Zapiro** for a 4 April 2006 cartoon in *The Star* and another the next day.

● R1 mn. for infringement of dignity against *The Independent Newspapers*, **Williams**, **Rantao**, **Vuyo Bavuma**, **Moshoeshe Monare**, **Angela Quintal**, **Thokozeni Mtshali** and **Lebogang Seale** for a December 2005 article in *The Star*.

● Two claims against *Media24*, one for defamation in a cartoon published by *The Sunday Sun* during Zuma's rape trial (R5 mn.), the other for R1 mn. for a story published by *Rapport* about involvement with a prostitute in December 2005.

Zuma's relationship with the media is ambiguous, or confused. Formally favouring a free press, he even visited one of the biggest media houses, Avusa (formerly Johnnic Communications). Addressing the influential South African National Editors' Forum during the **Nat Nakasa Awards** in July, he declared: 'The media is an important vehicle through which citizens should be able to freely express themselves. It is not only a struggle to give voice to ordinary South Africans to depict their lives as they truly were, to allow their concerns and views to receive free expression. We seek reporting that is credible and honest and informative. We seek comment and analysis that challenges us and provides a fresh insight into our world and the challenges we face.' ●

by December. Expanded community programmes are to reach a target of 60,000 jobs. Yet the country is short of skilled people to run such projects.

Over half of all South Africans live in rural areas, far from the cities which are integrated into the mainstream economy. A new ministry has been created for rural development, to speed up reforms that should enhance food security, provide amenities in the countryside and bring land reform, incorporating post-settlement support for the beneficiaries. This will be expensive and funds are short.

In education, the challenge over the next five years is to double the number of children under four in preschools, increase secondary school enrolment to 95%, improve the pass rate in post-school education by 20% and promote universal access to first-grade education. In health, the aim is to phase in the controversial insurance system by 2014 and to halve the incidence of HIV/AIDS by 2011, with anti-retroviral therapy available to 80% of those who need it.

In the justice sector, Zuma must deal with the legacy of his past legal woes and questions of racial balance. One of Zuma's close allies, Judge **John Hlophe**, Western Cape Judge-President, is embroiled in a controversy with the 13 Constitutional Court judges who allege that he improperly attempted to influence them to rule in favour of Zuma when the president brought the case to the court relating to the constitutionality of the raids by the defunct Scorpions investigative unit on his residence. The raids were conducted as

part of corruption and fraud investigations. The Judicial Service Commission (JSC), a body charged with appointing judges as well as their discipline, is dealing with this matter. Hlophe is also said to have labelled Chief Justice **Pius Langa** a 'white man' (whose hand he will not shake) in an interview with *The Mail & Guardian's Sello Alcock*.

Hlophe was widely tipped to succeed Chief Justice Langa. In a surprising turn of events, Judge **Sandile Ngcobo**, a judge at the same court, has been nominated to replace Langa. However, critics argue that Ngcobo is just warming the bench for Hlophe. They say that the appointment is meant to allow Hlophe time to deal with his opponents and clear his name. In terms of the rules governing appointments of judges, if a strict reading is applied, then Ngcobo may serve only 20 months.

This matter is complicated further by the perceived snub of Deputy Chief Justice **Dikgang Moseneke**, who was widely seen as the next chief justice. Moseneke served time at Robben Island for his activities as a member of the Pan Africanist Congress in the 1960s. He may have shot himself in the foot by criticising Zuma last year.

In a speech at the University of Witwatersrand, former Constitutional Court judge **Johann Kriegler** pointed to the awkward balance between prioritising the appointment of African and mixed-race judges, and questions about their technical training and experience, as required by the JSC's constitutional mandate.

Crime is a huge issue, the more so since the 2010 Football World Cup

tournament is due in under ten months. **Bheki Cele**, the former Transport, Safety and Security boss in KwaZulu-Natal, supports national Safety and Security Minister **Nathi Mthethwa** in his bid to give police more powers to use force. First, though, many more police are needed. The government plans to increase their numbers from 180,000 to 200,000 and to train 12,000 detectives over the next year. The opposition Democratic Alliance has used United Nations' guidelines to point out that South Africa needs a minimum of 250,000 police and 50,000 detectives to function effectively.

Local government, responsible for delivering many government services, has been the focus for the latest mass protests (AC Vol 50 No 16). The national government is reviewing local government structures and has intervened in several municipalities, notably in North West and Eastern Cape provinces. It is hoped that all 284 municipalities will achieve clean audits by 2014 and one immediate task is to turn around ailing town councils, such as the capital's Tshwane Metropolitan Council, which needs R700 mn. to meet its immediate cash-flow requirements.

On the eve of his election, Zuma promised to halt the new transport service for Johannesburg until the concerns of taxi drivers were addressed. The drivers are threatening mass action when Rea Vaya Bus Rapid Transit starts operating. Cape Town and Nelson Mandela Bay Metro are preparing a similar service. Such are the details that, in due course, could push Zuma's support back down again. ●

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Who (if anybody) will try the killers?

A fair trial for murderous politicians seems as unlikely as ever, despite the latest proposal

The effort continues to keep the post-election violence of 2007, and those responsible, out of the International Criminal Court. One favoured way of doing that is to set up a Kenyan special tribunal, so that the Hague-based ICC could decide that the country's legal system had the matter in hand. That attempt had seemed doomed until **Gitobu Imanyara**, member of parliament from Meru and staunch supporter of Prime Minister **Raila Odinga's** Orange Democratic Movement, had another try. His new private member's bill, the Constitution of Kenya Amendment Bill 2009, is endorsed by the ODM's two key cabinet members, Odinga himself and Justice Minister **Mutula Kilonzo**.

Imanyara says that 83 other (undisclosed) MPs also favour the Bill, including a few ministers. Public support has come from **Olago Aluoch** (Kisumu West, ODM); **Martha Karua** (Gichugu, President **Mwai Kibaki's** Party of National Unity); **Mithika Linturi** (Kenya African National Union, Chairman of the Public Investment Committee); **Otieno Kajwang** (ODM, Immigration Minister); **James Orengo** (ODM, Lands Minister); and **Peter Anyang' Nyong'o** (ODM, Medical Services Minister). The Bill also has the support of lawyers' groups, including the International Commission of Jurists, Kenya's Federation of Women Lawyers, the Law Society of Kenya and the Kenya National Commission on Human Rights.

Imanyara and his allies claim that his www.endimpunityinkenya.org website received 3,800 comments and more than 100,000 hits in four days. MPs can state online whether they would vote for or against the Bill, something most have not done. In Parliament, though, the Bill's implications for the constitution mean that it would require a two-thirds majority, 148 of 222 votes.

Hitherto, Imanyara had been staunchly in favour of the ICC trying the main instigators and planners of the violence. In March, he led the parliamentary vote against anchoring a special tribunal in Kenya's constitution (AC Vol 50 No 7), ensuring that the proposal failed to secure the necessary two-thirds majority. Then, like many others, he insisted that any attempt to try perpetrators locally would be vulnerable to political interference, even in a special tribunal with a mix of foreign and local judges and investigators.

Some of his past supporters wonder why he has shifted his stance.

He claims that his new bill closes many loopholes and still allows the ICC 'to have concurrent jurisdiction...to investigate, indict, and prosecute persons bearing the greatest responsibility' for genocide, crimes against humanity and gross violations of human rights. The tribunal would be entitled at any time to 'make a referral to the ICC' under Article 14 of the Rome Statute.

Odinga has once again said that a special tribunal should also try those alleged to have rigged the 2007 elections, and his ODM colleague, Agriculture Minister **William Ruto**, insists that the new bill will not pass unless it covers those who 'stole the election'. This idea has been rejected by the ICC Prosecutor,

Luis Moreno-Ocampo, and offends some Kenyans who are against equating election-rigging with crimes against humanity. President Kibaki has not yet commented, but Imanyara's relations with the First Family are frosty at best.

On 30 July, the cabinet decided to kill the idea of a special tribunal, proposing that high-level perpetrators should be tried in Kenya's own courts (AC Vol 50 No 16). The cabinet also suggested that the recently established Truth, Justice and Reconciliation Commission might either try suspects or allow an amnesty for them. *The Nation* newspaper says that Justice Minister Kilonzo has been asked to draw up legislation to widen the TJRC's scope but insists that he does not support such changes. **Betty Murungi**, the TJRC's Vice-Chairperson, and Foreign Affairs Minister **Moses Wetang'ula** agree with him.

The cabinet also objected to clauses that would have done away with presidential immunity and prevented the attorney general from interfering with court cases. Both provisions are contained in Imanyara's Bill and would require a constitutional amendment and another unlikely two-thirds majority in Parliament. Equally, the Bill would insulate the special tribunal from political interference by the

MIXED MESSAGES AND SANCTION THREATS

Western governments responded swiftly when last month Kenya failed to set up a special tribunal to try those responsible for the 2007 post-election violence and suggested it might use the new Truth, Justice and Reconciliation Commission instead (AC Vol 50 No 16). Both the European Union, in a statement supported by 20 diplomatic missions in Kenya, and the **United Kingdom** declared they would not fund the TJRC if this happened. Britain also said it might bar Kenyans involved in the violence from travelling to the UK. **United States** Secretary of State **Hillary Clinton** said the US also had sanctions up its sleeve, although only as a last resort. This followed earlier warnings from **Sweden** that if Kenya did not form a special tribunal, it might reconsider its hefty aid package. It is unclear how much clout the West has. Past aid and travel bans have not yielded much by way of policy reform.

Clinton was in Kenya to open a trade conference on the US's African Growth and Opportunity Act. She spoke more about Kenya's problems than about trade. Just before she arrived, the US Embassy chastised Nairobi for deciding to use its own courts instead of setting up a special tribunal. It also said that changing the TJRC's role was not a credible alternative.

Tired of these public rebukes, Premier **Raila Odinga** told donors to stop lecturing Kenya on governance, where it did not need advice, and instead to help it improve trade. Clinton insisted the US would not interfere in Kenyan politics and there was very little it could do apart from pressuring government.

The Standard and *Nation* newspapers wrote that in private meetings with President **Mwai Kibaki**, Odinga and others, the US pressed for the dismissal of Chief Justice **Evans Gicheru**, Police Commissioner Major General **Hussein Ali**, Attorney General **Amos Wako** and Anti-Corruption Commission chief **Aaron Ringera**. Spokesman **Alfred Mutua** said the government was not prepared to sack its officials on the basis of another country's preferences, which 'would make us puppets'.

The US Assistant Secretary of State for African Affairs, **Johnnie Carson**, said that Kenya was the US's 'most important partner in East Africa and the greater Horn of Africa'. He stressed Kenya's strategic importance and their 'very good military-to-military ties'. Later, on the State Department website, Carson, an Ambassador to Kenya under ex-President **Daniel arap Moi**, discussed the problem of corruption and how this has affected Kenya's economy and judiciary, stymieing reform and producing a 'lack of action' on prosecutions over the 2007 violence. ●

president, attorney general or judiciary. Kibaki's PNU stalwarts are likely to resist the Bill because of these clauses. Ruto has declared that he and 15 other MPs and assistant ministers from the ODM, PNU, ODM-Kenya and National Alliance Rainbow Coalition would not support the Bill. Imanyara is unlikely to find enough votes to pass it.

The Bill has been amended on technical advice from Parliament's legal department. An earlier version had attempted to bypass the President entirely, by dispensing with the constitutional requirement for his assent to it, so that the Speaker could gazette it immediately after it was passed. The idea of sidelining the President has been dropped but the revised Bill would give him only three days rather than the usual 23 days to agree or disagree, after which the House would have three more days to reconsider it. The thinking appears to be that even if Kibaki vetoed a bill passed with the necessary two-thirds majority, Parliament could quickly muster the 65% needed under the existing constitution to override a presidential veto.

The full implications of the new Bill are still unclear. Imanyara told the *Daily Nation* that he is still in favour of trying high-level perpetrators at the Hague. The new Bill would allow that, while not preventing them from being tried for lesser crimes by a special tribunal. A poll by Strategic Public Relations and Research found that 70% of those interviewed were against immunity for the President and the Prime Minister.

Parliament was due to start a two-month recess on 27 August. Even if the Bill were published before then, 14 days must pass before it is tabled and debated. Meeting the ICC's deadline of the end of September would mean recalling Parliament – normally a task for the President. Kibaki or the House Business Committee, where government has a number of supporters, might refuse a recall. New parliamentary rules allow the Speaker to bring the House back for a few days' debate and there is talk of persuading Speaker **Kenneth Marende** to do so. To complete the complexity, Imanyara was hospitalised for an undisclosed ailment on 18 August, by which time his Bill was supposed to have had a public reading in the House.

If nothing decisive has happened by the end of September, it will be up to the ICC to decide whether, as the Kenyan cabinet wants, the national courts should be left to try the perpetrators of violence – or whether they should face trial in the Hague. The ICC could even do nothing. Moreno-Ocampo's discussions with Kenya allow him to decide if Kenya is making acceptable progress in trying to establish an 'alternative judicial mechanism'. The process could run and run. ●

THE COMMISSIONERS OF THE TJRC

On 3 August, the government swore in nine commissioners for its Truth, Justice and Reconciliation Commission, including six Kenyans and three foreigners.

The Commission's Chairman is **Bethwel Kiplagat**. He worked with the National Christian Council of Kenya in 1971-78. A Kalenjin, he served in ex-President **Daniel arap Moi**'s government for 13 years (1978-1991). He was Ambassador to **France** and then High Commissioner to **Britain** in 1978-83. Next, he was appointed Permanent Secretary in the Ministry of Foreign Affairs under **Robert Ouko**, 1983-1991, until the torture and murder of the Foreign Minister, apparently by allies of President Moi.

Those critical of the Moi government's investigations into Ouko's death have criticised Kiplagat for not doing more to press the issue; they also raise questions about his relations with the late British businessman **Rolan 'Tiny' Rowland** and his Lonrho conglomerate, and with the **Mozambican** rebel group turned political party, *Resistencia Nacional Moçambicana*. Internationally, Kiplagat's reputation remains high: he is Chairman of the African Peer Review Mechanism of the New Partnership for Africa's Development. He has been on the Board of the International Crisis Group.

Kiplagat left government in 1991 to concentrate on business and civic work. He chaired the Board of the African Medical and Research Foundation and then the Nairobi Stock Exchange, until 2003. In 2003-2005, he was Kenya's Special Envoy to the **Somalia** peace process and worked on other peace initiatives, including **Sudan**'s. He is the Executive Director of the Kenya-based Africa Peace Forum and Concerned Citizens for Peace, and formerly was Chancellor of Egerton University.

Betty Murungi was an unambiguously popular choice as the TJRC's Vice-Chairperson. She is an Advocate of the High Court of Kenya whose focus has been on human rights, civil society and women's rights. From Meru, and known as a stalwart defender of human rights, she is Director of Urgent Action Fund-Africa, which supports women's peace-building initiatives. Awarded the Order of the Burning Spear in 2003 by President **Mwai Kibaki**, she also received an award as an International Advocate for Peace from the Cardozo School of Law in New York in 2005.

She is on the boards of the Kenya National Commission for Human Rights and the Women's Initiative for Gender Justice. She was a member of the International Coalition for the International Criminal Court and has worked as a consultant on women's rights in **Rwanda** and **Sierra Leone**. She has been a legal advisor to the Women's Rights Program at Rights & Democracy in Montreal and a Fellow at Harvard Law School.

The other Kenyan Commissioners include **Tom Ojienda**, former Chairman of the Law Society of Kenya. A graduate of the University of Nairobi, with a Master's in Law from Kings's College London, Ojienda did his pupillage at Waruhiu and Muite in 1993. He practices law in Nakuru at Odhiambo and Odhiambo Advocates and is a Lecturer in the Faculty of Law at Moi University in Eldoret. He also worked as a consultant to the **Ndungu** Commission of Inquiry into the Illegal/Irregular Allocation of Public Land in Kenya and with a task force on HIV/AIDS.

Joining him is **Margaret Wambui Ngugi Shava**. A lawyer, who is the Chairperson of Women in Law and Development in Africa, Shava has worked with International Alert on peace building in 20 countries and on conflict transformation in the Great Lakes. She has a law degree from the University of Buckingham and a master's degree in democracy studies from the University of Leeds, both in Britain. She has worked in the corporate world, including for Kenya Breweries, and consulted with the United Nations High Commissioner for Refugees.

Retired Major General **Ahmed Sheikh Farah**, a Kenyan Somali, ran unsuccessfully as MP for the Wajir South seat in North Eastern Province. He is also a commissioner, as is the largely unknown Kenyan lawyer **Tecla Namachanja**.

There are three foreign Commissioners. One is the former Registrar of the High Court of **Zambia**, Judge **Gertrude Chawatama**. She sat on a commission of inquiry into allegations of torture against individuals arrested following an attempted coup in Zambia in 1997. Chawatama is on the governing council of the Commonwealth Judicial Education Institute and is a trustee of the Children in Need Network.

Another Commissioner is **Berhanu Dinka**, **Ethiopian** former Ambassador to the United Nations. Under Secretary General **Kofi Annan**, Dinka was UN Special Representative to **Burundi** and, before that, to Sierra Leone, as well as the Secretary General's Special Representative and Regional Humanitarian Advisor for the Great Lakes.

Ronald Slye, from the **United States**, is a Professor of Law at Seattle University with a law degree from Yale. His specialities are human rights, truth commissions and the sensitive matter of amnesty. Between 1996 and 2000, he worked as a legal consultant to **South Africa**'s Truth and Reconciliation Commission. He is writing a book about the TRC and its amnesty process. ●

Uganda

HAUNTING MUSEVENI

■ The return of former **United Nations** Under-Secretary General **Olara Otunnu** to Uganda this month after 23 years in exile could galvanise the country's fractious opposition parties against President **Yoweri Museveni's** plans for another sweeping victory in the national elections due in 2011. But Otunnu will face an onslaught from Museveni loyalists who have already tried to link him with the murderous Lord's Resistance Army, which, with backing from **Sudan**, has been attacking government garrisons and civilians in the north for the past two decades.

Born in Kitgum, one of the most devastated towns in the north, Otunnu declared himself a lifelong member of the Uganda People's Congress party. He has been discreet about his political ambitions but insisted that the best way forward would be a united front between the UPC, which has substantial support in the war-torn north and east, and the other opposition groupings.

Otunnu's return was welcomed by his fellow oppositionists: the Forum for Democratic Change led by ex-Museveni ally **Kizza Besigye**, which draws support from the west and dissidents from Museveni's National Resistance Movement; and the long-established Democratic and Conservative Parties, which draw support from the south-west. As with most exiles, Otunnu will face criticism that he is out of touch and lacks a political base. He may also struggle, first to unite the factionalised UPC, then to promote a united opposition front against Museveni and the NRM.

Otunnu, who has held several high-level UN posts including leading an international campaign against the recruitment of child soldiers, detests Museveni and the sentiment is enthusiastically reciprocal. If Otunnu runs for the presidency – on the UPC or another ticket – the 2011 election will be one of Uganda's liveliest.

Museveni claimed that Otunnu had participated in killings in the Luwero triangle; he was Uganda's Ambassador to the UN while Museveni was leading a guerrilla insurgency against President **Milton Obote's** United People's Congress regime in Kampala. Otunnu replied with claims that Museveni was guilty of genocide against the Acholi people of northern Uganda, many of whom have been herded into military-run camps, ostensibly for protection against the LRA. The Acholi are the core supporters of UPC leader Obote and would likely back Otunnu should he run for office.

Congo-Kinshasa

SWEET FREEDOM

■ Congolese former warlord **Jean-Pierre Bemba Gombo** could soon be freed by the International Criminal Court. The ICC will meet on 7-14 September with governments that might host him: **South Africa, Belgium, Germany, Italy and Portugal**.

On 14 August, the ICC granted Bemba freedom while awaiting trial; ICC Prosecutor **Luis Moreno-Ocampo** immediately appealed. Bemba's *Mouvement de Libération du Congo* fighters are accused of crimes against humanity (murder, rape, pillage) between October 2002 and March 2003 in **Central African Republic**. It was then-President, **Ange-Félix Patassé**, now exiled in **Togo**, who invited in the MLC.

Amnesty International notes that Bemba must be considered innocent until found guilty, if the ICC is to continue to function. This points to one of the most difficult (and often avoided) issues affecting leaders accused of mass crimes.

In Congo, the ICC's decision is viewed as an MLC victory. In Mbandaka, capital of Bemba's home province of Equateur, rejoicing prevailed. On 8 July, no fewer than 20 parliamentarians had flown to Brussels to pay homage to him, out on licence for the funeral mass of his father, Senator **Jeannot Bemba Saolona**, friend of **Mobutu Sese Seko**.

Bemba is the unchallenged boss of the MLC and no one doubts his militia committed the atrocities cited. The problem, observed a source close to the case, is to prove that Bemba ordered them. 'It's a political issue,' said MLC member of parliament **Jean-Lucien Mbusa**. Bemba's supporters seem surprised that he is the only subject of an arrest warrant. The CAR *Cour de Cassation* (Supreme Court), which triggered the ICC case, also reported Patassé, Colonel **Abdoulaye Miskine** (accused of having massacred dozens of **Chadian** civilians at a market north of Bangui in November 2002) and Captain **Paul Barril**, French counter-terrorist officer and later private security operative in the three countries concerned and beyond. Meanwhile, CAR human rights activists note that rebels led by the man now President, **François Bozizé**, also committed atrocities.

Somalia/United States

LET MY PEOPLE GO

■ Somalia's Transitional Federal Government (TFG) will ask the United States to release a Somali terrorist suspect from Guantánamo Bay. **Ismail Mahmoud Mohamed** was a friend of and former advisor to President **Sharif Sheikh Ahmed**, and they worked together within the Islamic Courts Union (ICU).

After meeting US Secretary of State **Hillary Clinton** for the first time in Nairobi on 6 August, Sheikh Sharif held an hour-long meeting with Ismail's lawyer from

the London-based organisation Reprieve, seeking to expedite his release.

When the TFG replaced the ICU in late 2006, Ismail helped launch the Alliance for the Re-liberation of Somalia (ARS), which he reportedly envisaged as a governing coalition of ex-ICU figures, TFG dissidents and intellectuals from the diaspora.

ARS was launched in **Eritrea** in September 2007, but Ismail Mahmoud did not arrive there. He had been arrested in **Djibouti** whilst in transit in early June and was handed to the US Combined Joint Task Force-Horn of Africa and interrogated at Camp Lemonier, Djibouti. On 6 June, he was transferred to Guantánamo, accused of serving as a weapons courier between *Al Qaida* groups in **Pakistan** (where he had lived and studied) and Somalia.

Ismail has not been charged with any crime and Sharif thinks that his 'moderate views' would be useful to his government, we hear. That may also strain his ties with the US, which has been plying him with military aid (AC Vol 50 No 16).

Côte d'Ivoire

TRAFIGURA IN COURT

■ Swiss-based oil trader Trafigura will have an eventful September before it goes on trial on 6 October in **Britain's** largest class action lawsuit. At the centre of this is the ship *Probo Koala* and its visit to Côte d'Ivoire in 2006 (AC Vol 48 No 4).

On 10 September, the British Broadcasting Corporation, which Trafigura is suing for libel, will submit its defence documents, seeking to corroborate a news report which claimed that the *Probo Koala* offloaded toxic waste at Abidjan, maiming thousands of people.

On 12 September, the United Nations Human Rights Commission meets in Geneva for a week. We hear that **Okechukwu Ibeanu**, the UN Special Rapporteur on Toxic Waste, will release a report on the *Probo Koala* critical of Trafigura and the situation in Côte d'Ivoire.

Ibeanu visited the country in August 2008 and said the toxic waste had still not been cleaned up. Last November, he visited the **Netherlands** where, amongst others, he met representatives of environmental movement Greenpeace, which is investigating Trafigura.

Next month, Greenpeace plans to petition Netherlands' public prosecutors to prosecute Trafigura President **Claude Dauphin** and levy additional charges on the firm. Amsterdam prosecutors are already investigating accusations of it illegally exporting/importing toxic waste and falsifying papers for a trial expected to begin in April.

Trafigura denies responsibility for the sickness of people in Abidjan. It says the *Probo Koala* was carrying harmless slops that were later illegally dumped by an Ivorian firm, *Compagnie Tommy*.

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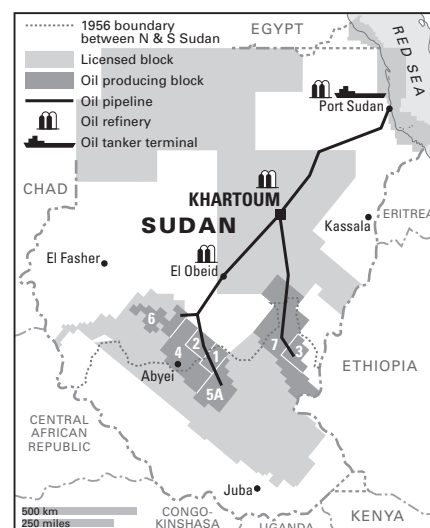
The report argues that without greater transparency, more timely reporting and proper mechanisms for checking by independent third parties, suspicion will grow and the peace deal could be jeopardised. The CPA officially 'ends' in 2011, with the referendum in the South on independence and a simultaneous one in Abyei Area (also oil-producing) on joining the South or staying with the North.

Global Witness does not take a position on which sets of figures – both from official sources – are correct. The Khartoum figures, from the Finance Ministry, were produced for reporting to the International Monetary Fund (oil has not prevented Sudan from having the

world's largest debt per head). The CNPC figures are from its annual reports.

There are two possibilities. Either Khartoum is underreporting oil production figures, in order to pay less to the South, or CNPC is overstating oil production in its reports, for which there seems no incentive. Since 2005, US\$6 billion has been transferred from North to South under the wealth-sharing agreement. If Khartoum is under reporting, even by a conservative 10% (some findings suggest a disparity of 26%), then \$600 million is owed to the South – more than three times the combined health and education budgets of the Juba government.

There are other ways in which the money due to the South is being diverted. For example, Khartoum charges pipeline fees, which amounted to \$44 mn. in September 2008 alone. It is not clear to whom this money goes. Meanwhile, Khartoum retains a 'management fee' of 3% of the total revenue. Again, it is unclear what this is spent on and, although service costs presumably remain the same, this management fee rises with oil prices. Oil companies operating in the South employ oil service companies from



the North, many of which are linked to the ruling NCP. Oil consortia then claim back expenses for employing these companies: the more costs they claim, the less money is available for revenue sharing. So this is another way in which a larger share of oil revenue goes north than the Peace Agreement specifies.

Sudan's state-owned oil company, Sudapet, has equity stakes in all the oil blocks, which means it gets a share of both oil and profits. Yet, the South's state-owned company, Nilepet, has no stake in productive oil blocks. Clearly, this situation threatens the CPA and the NCP must be aware of that. A return to conflict looks all too likely: armies are massing on either side of the North-South border. Agreement on demarcating that border (again, under the CPA) seems unlikely any time soon.

Even if peace holds, a deadline looms which is not just that of the referendum. If, in less than two years' time, the South votes for independence, as seems likely if the NCP doesn't block the referendum, the new country will be landlocked. Its only way of exporting oil, at least for the first few years, will be via the North. The newly independent Southern government would have to work with Khartoum, which could use its well practised obstruction skills.

Even if Southerners vote for a united Sudan, the wealth sharing agreement will need to be re-negotiated. There has been little planning for either of these eventualities. The NCP's track record suggests it will have well honed strategies to thwart the referendum or failing that, to control the aftermath. The South may not. Many doubt that the CPA's international guarantors – especially the USA, Britain, Norway and the African Union – can match the NCP's strategic sense.

The Southern government is ill-prepared to be oil-rich. It faces a stark and extreme version of the 'resource curse' and will need technical help to manage revenue. It has no Auditor General at

KHARTOUM AND BEIJING DISAGREE

Global Witness found mismatches between the Sudan government's figures and those of the Chinese National Petroleum Corporation (CNPC) and other company figures on oil production for all blocks which include acreage in the South. Significantly, Khartoum's production figures from the one block located entirely in Northern Sudan (therefore not subject to revenue-sharing with the South) match those of the operating company there. The discrepancies are:

- A gap of 9% in the figures for blocks 1, 2 and 4 in 2007. These blocks are licensed to the Greater Nile Petroleum Operating Company (GNPOC), a consortium of Chinese, Indian, Malaysian and Sudanese state-owned companies. CNPC is the operator. CNPC's 2007 annual report states: 'Daily oil production remained at 270,000 barrels' for these blocks whereas Khartoum's Finance Ministry says production varied from 230,130 barrels per day (November) to 256,273 bpd (March) in 2007. Khartoum says even the most productive month was less productive than the CNPC figure. Throughout 2007, the Finance Ministry says average production was 245,614 bpd – 9% lower than the operator's figure.

- 14% for blocks 3 and 7 in 2007. These blocks are licensed to the Petrodar Operating Company, a consortium of Chinese, Malaysian and Sudanese state companies and Kuwait's Kharafi Group. CNPC is operator. Its annual report for 2007 says oil production 'reached 10 million metric tons' for these blocks. This equates to 74.5 million barrels, whereas the Finance Ministry gives 64 mn. barrels, 14% less than the CNPC figures. Some figures had to be converted from weight to volume but, as oil densities are widely known, this would not explain a 14% difference.

- 26% for blocks 1, 2, 4 and 6 in 2005. These blocks are licensed to both GNPOC and Petro Energy – sometimes known as China National Petroleum Company International, CNPCIS, reflecting the fact that the CNPC owns 95% of the consortium. State-owned Sudapet owns the rest. CNPC is the operator of all these blocks. Its annual report for 2005 states that '[In] Our projects in Sudan... crude production reached 16.38 million metric tons'. This equates to 122 mn. barrels. Khartoum has published figures for the volume produced in blocks 1, 2 and 4 in 2005 but not for block 6. Three estimates for block 6 were obtained and the largest, from the CNPC website, was used. The Finance Ministry website says production in blocks 1, 2 and 4 in 2005 was 75.8 mn. barrels. This put the maximum total production in blocks 1, 2, 4 and 6, according to Khartoum, at 90.7 mn. barrels – 26% less than in the CNPC annual report.

These findings cover six of the seven productive oil blocks in Sudan. Comparisons for the other blocks and other years were impossible because the companies have not revealed how much oil they have produced. ●

present, although the constitution requires one. The GOSS oil company, Nilepet, has little experience and operates under a clear conflict of interest. Energy Minister **John Luk Jok** (a lawyer, former SPLM London representative and short-term member of **Riek Machar Teny Dhurgon's** breakaway faction in the early 1990s) sits on the Nilepet board and is therefore responsible both for selling oil and regulating its sale.

China weighs conflicting interests. CNPC is state-owned and Beijing backs the NCP regime, voting in its favour at the United Nations Security Council. It also supplies arms, many of which end up in Darfur in breach of the UN arms embargo there. Beijing's relations with the South remain tentative, although there has been grandiose talk of China financing a pipeline to Mombassa port in Kenya (once a project beloved of Lonrho's **Roland 'Tiny' Rowland**), which would help an independent Southern Sudan to break its dependence on Port Sudan.

Technically, there are straightforward solutions. Global Witness's report calls for independent audits of the oil sector, so that both sides can trust the figures, and for legislation requiring companies to disclose the payments they make to governments. Khartoum has shown interest in the Extractive Industries Transparency Initiative, which promotes accountability in natural resource extraction. The EITI requires civil society to play a watchdog role; that is impossible in Northern Sudan for the NCP relentlessly suppresses civil society. As a 'sub-national government', Southern Sudan cannot join.

The political will to make changes is the main challenge. It is unlikely to come from Khartoum. Meanwhile, China gets 5% of its oil from Sudan, worth \$6.3 bn. in 2008, and has made substantial investment in the country. Its energy security and investments are at stake if the CPA breaks down. **Japan** is, quietly, a main purchaser of Sudanese oil, as it has refineries which can deal with the highly acidic Sudanese Dar blend. The other main refineries with this capacity are in the USA and currently barred by US sanctions.

Norway is deeply involved in Sudan's oil industry, providing oil-related technical assistance to North and South, which could be worth millions of dollars in extra oil revenue. Although Norway has an international reputation for promoting accountability and the effective management of oil revenues, it has failed on both these counts in Khartoum, as the Global Witness report suggests. Indeed, Norway's critics say its assistance to Khartoum may simply be helping the NCP raise funds to buy arms for the next round of fighting with the South. ●

* 'Fuelling Mistrust: the Need for Transparency in Sudan's Oil Industry', Global Witness, London, September 2009.

NIGERIA

Back to the politics

Taken aback by the seriousness of the Central Bank's efforts to reform the financial sector, some politicians and debtors are plotting their revenge

The targets of Central Bank of Nigeria Governor **Lamido Sanusi's** banking purge are beginning to fight back. Four bank chief executives have been arraigned on criminal charges and a fifth, **Erastus Akingbola**, remains at large in **Britain**. The trouble started on 14 August when Sanusi announced the sacking of five bank chiefs and the appointment of new management to run them – under the CBN's supervision (AC Vol 50 No 17).

Akingbola has been using his presidency of the Chartered Institute of Bankers as a platform to condemn Sanusi's actions as 'pandering to foreign interests'. Others, such as former state governors, several of whom have been investigated and charged with money laundering, are accusing Sanusi of running a witch hunt. All of them are trying to pressure the National Assembly to bring him to heel.

Sanusi seems unfazed by the political and financial ramifications as several of the bad debtors run for cover. According to Sanusi, President **Umaru Musa Yar'Adua** has been kept informed of the actions taken against the banks and their chief executives. He also won support for the bank purge from an unexpected source, Nigeria's richest former military leader, General **Ibrahim Babangida**, who presumably hasn't got any bad debts. Sanusi has annoyed industrialists, executives and lawmakers, though. 'We are taking on a few groups of people giving the country a bad name', he insisted.

Nigerian banks lent US\$754 million to the oil and gas sector; five suspect banks represent half of this and of almost 1 trillion naira (US\$6.5 billion) in outstanding margin loans. Eurasia Group, a research company based in New York, reported in May that Nigerian banks may hold as much as \$10 bn. of 'toxic' assets, most of the money spent and lost on equities, which had risen by 1,300% since 2000 before crashing in 2008.

Sixteen executives have been removed from the five banks. 'Some (debtors) did not pay because they are rich and politically connected. We will go after them', warned Sanusi. On a trip to London to reassure international investors, he added: 'In the unlikely event of a default, we will pay. No bank will be allowed to fail'. He went on to say that the government has 'no intention to nationalise banks.'

Several industrialists on a 'name-and-shame' debtors' list took to the

newspapers and the courts in protest. Some company officials have accused the Governor and the Central Bank of error or worse. **Arumemi Johnson-Ikhide** of Rockson Engineering claimed that the National Integrated Power Project would suffer and that foreign manufacturers of project equipment were spurning CBN letters of credit and disputing the Bank's assessment of its debt.

SANUSI STANDS FIRM

Sanusi insisted the purge has no aim other than to clean house and denied that he was promoting the interests of northern businesses. Since all but one of the 24 banks are run by southerners, it would be hard to find a regional balance in a banking purge. Sanusi promised that audits would be completed soon on eleven more banks and said that he would resign if the courts overturned his decisions. He refused to comment on claims last October by his predecessor, **Charles C. Soludo**, that all local banks were safe.

The Economic and Financial Crimes Commission is showing new life. Its Chairwoman, **Farida Waziri**, has moved to Lagos to lead several hundred investigators and police; EFCC Spokesman **Femi Babafemi** said that by 2 September, it had recovered N66.7 bn. of the N747 bn. owed to the five banks and it has started proceedings in several cases. On 4 September, 14 bank executives were charged with offences including falsifying monthly returns to the CBN and conspiring to manipulate bank share prices.

Two days previously, the House of Representatives Committee on Banking and Currency had grilled the CBN Governor; its Chairman was seen with notes written on paper with the letterhead of Rockson, a major debtor, and a shouting-match ensued. Sanusi insisted that he had been authorised to act by recent legislation. He needs to be on good terms with the National Assembly, which could reduce or even remove his brief. We hear that President Yar'Adua quietly supports Sanusi's efforts. When the Attorney General, **Michael Aondoakaa** (who has close relations with some big debtors) flew off to New York without signing arrest warrants for some of the bankers, Yar'Adua ordered him by telephone to make the necessary authorisations immediately.

The CBN reports that the economy grew by 5% in the first half of 2009 and is

expected to continue at that rate. External reserve levels are now stable, inflation is on its way down and interbank lending rates have fallen. However, the banking crisis has caused a plunge in private-sector credit growth, which is bound to slow the economy.

Capital inflows are declining and oil production hit a low of 1.2 mn. barrels per day in July; the oil and gas sector now contributes less than 20% of the country's gross domestic product. Unless it reforms its banks, Nigeria's economic plans will be further constrained. Insurance

companies and the money markets need a clean-out, too.

Governor Sanusi has made a start on the banks. Now he needs the full backing not only of the EFCC but also of the government and the Assembly, where many old scores are still to be settled. ●

FRANCE/AFRICA

Remaking an old relationship

Paris tries out new policies on aid and trade in a bid to confront the growing power and influence of Asian economies

France hopes to diversify its trade with Africa and also to hold on to its traditional influence in its former African empire. This tricky balance is reflected in a report on overseas aid sent to Prime Minister **François Fillon** on 5 June. Sub-Saharan Africa still received 46% of the E4.5 billion (US\$6.5 bn.) bilateral aid budget in 2007, according to the *Agence Française de Développement* (AFD), with another 10% for North Africa. In 2008, **Senegal** was the largest recipient, followed by **Burkina Faso** and **Kenya**.

The Mediterranean Union is a pet project for President **Nicolas Sarkozy**. Yet the aim is to target bilateral aid at sub-Saharan countries in the traditional sphere of influence – **Benin**, **Burkina**, **Central African Republic**, **Comoros**, **Guinea**, **Madagascar**, **Mali**, **Niger**, **Senegal**, **Chad**, **Togo** and **Côte d'Ivoire**. Aid would be increased for **Congo-Kinshasa** and **Ghana**. **Cameroon**, **Congo-Brazzaville**, **Gabon** and **Equatorial Guinea** would get concessional loans, although the presidents of the last three face criminal investigations in France. **Angola** and **Nigeria** are also being courted.

Despite stiff competition from other European Union members and from resource-hungry **China** and **India**, France's Africa trade has grown, broadly in line with that of the European Union, which in 2006 was worth over E218 bn. The EU is still Africa's largest trading partner, with France exporting 23% of that in 2006, the last year with available figures. **Germany** had 18%.

France took E20 bn. of African (including North African) imports; **Italy** and **Spain** took more. In 2000-06 French exports were driven by energy and infrastructure investors such as **Areva**, **Total** and **Lafarge**; imports from Africa rose from E14.1 bn. to E19.7 bn. as volumes and prices of commodities soared.

Last year, **Angola** was France's fifth-biggest oil supplier (behind **Libya**) having nearly doubled its share in 2006. **Nigeria**

was eighth but should grow as **Total's** giant offshore **Akpo** field came on stream in March. French imports from Africa leapt by E6 bn. in 2007-08, to E27.4 bn.

African trade with the Asian giants is at some \$157 bn., says **Standard Bank**, up from \$16 bn. in 2000. **India's** trade grew by 285% in 2004-08. France's share has therefore shrunk. In **Senegal**, for example, France's **Bolloré** lost out to **Dubai World** in the bid to extend **Dakar** port. The **Indian Farmers' Fertiliser Cooperative** leads the revival of the phosphate miner, *Industrie Chimique du Senegal*, and **ArcelorMittal** is developing iron deposits. In **Côte d'Ivoire**, French investment is dwarfed by **Singapore-based Olam International** and **Wilmar International** in agriculture, **Russia's Lukoil** in offshore oil and **India's Tata Steel** in mining.

China is challenging French infrastructure giants such as **Vinci**, **Bouygues** and **Razel**. In **Congo-Kinshasa**, **Lafarge** is negotiating to restructure the state company **Cinat**, with **Nigeria's Dangote** and **Australia's Scancem**. **Alexandre Vilgrain**, head of French Agriculture Group **SOMDIAA**, says investors were hard to find for a decade but now it is starting projects in **Cameroon**, **Burkina**, **Gabon** and **Congo-Brazzaville**. Fresh competition is waking French companies up.

President **Sarkozy** takes a trader's view of Africa. He has twinned the aid department, the AFD, with the private *Conseil Français des Investisseurs en Afrique* (French Council of Investors in Africa, CIAN), and happily uses aid to secure contracts for French companies, often outside the French-speaking sphere. Last year, **Ghana** became France's fourth largest trade partner in West Africa (after **Nigeria**, **Senegal** and **Côte d'Ivoire**), with trade worth E536 million, a rise of nearly 30% on 2007. **Ethiopian-French** trade passed E100 mn. last year. France is **Kenya's** third biggest trading partner and a big recipient of aid; 50 French companies

operate there and French holdings on the **Nairobi Stock Exchange** total E1 bn. Recent big investors include **Bamburi** (a **Lafarge** subsidiary), *France Télécom* (owning **Telkom Kenya**) and **Total**.

The state-associated giants **Total** and **Areva** show Africa's importance to France. **Total's** African branches produce over 800,000 barrels per day (bpd) of petroleum, some 35% of its production; that could rise to 40% within five years, as fields come on stream in **Nigeria** and **Congo-Brazzaville**. In **Niger**, **Areva** recently opened its E1 bn. **Imouren** mine, although it has lost its uranium monopoly to the **China National Nuclear Corporation** at **Azelik**. **Congo-Kinshasa's** recent decision to award **Areva**, not **China**, uranium exploration licences showed, says one French government investment advisor, that 'unlike the Chinese who deserted their mines, African governments know us and know we'll stay here'.

IT'S POLITICAL TOO

France's economic interests trump personal relations with African leaders. Yet **Sarkozy** still has advisors associated with the old ideas. He has handed preparations for Francophone Africa's 50th Independence anniversary in 2010 to **Jacques Toubon**, Minister for Francophone Africa in 1993-5 under President **François Mitterrand**. **Toubon** is a member of the opaque and influential political Club 89 – as is **Maurice Robert**, who worked with the *Françafrique* dinosaur **Jacques Foccart** and lawyer **Robert Bourgi**, **Sarkozy's** current Africa go-between. Others involved include **Olivier Stirn**, who looks after relations with the Mediterranean Union and African Union; **Bruno Joubert**, a former Africa head at the Foreign Ministry; **Rémi Maréchaux**, **Romain Serman** and **Stéphane Gompertz**, who heads the Africa Department at the *Quai d'Orsay*.

In **South Africa** in February 2008, **Sarkozy** announced a review of all military agreements in Africa. **Ivorian** President **Laurent Gbagbo** has called the postcolonial defence agreements hypocritical but **Senegal's Abdoulaye Wade** fears countries could slide into civil war without the stabilising effect of French troops, who dominate EU peacekeeping forces in **Chad** and **CAR**. France's big contribution to the United Nations' Operation Unicorn in **Côte d'Ivoire** should end in November.

Journalist **Stephen Smith**, author of *Sarko en Afrique*, says Sarkozy plans to close all France's Africa bases by the end of 2010, except for Libreville and **Djibouti**, whose 2,800 troops are overshadowed by the nearby **United States'** Camp Lemonier. Others think Dakat will also remain, complimented by the Réunion base, with Djibouti scaled down in favour of the base in Abu Dhabi which opened in May, to **British** chagrin. That would leave some 4,000 French troops in Africa, half the current figure. Yet 'military-technical' agreements with 27 African countries guarantee France the use of transit, logistical and weapons support, and staff at local bases. Chad has no full defence treaty but Paris has several times rescued President **Idriss Déby's** government.

THE NEW AFRICAN ALLIES

In May 2008, Sarkozy visited Angolan President **José Eduardo dos Santos**, with representatives of Total, Air France, Castel, Thales, European Aeronautic Defence and Space Company (EADS), Bolloré and *Société Générale*; a month later, a treaty followed on reciprocal investment protection. Dos Santos won't be visiting Paris until the 'Angolagate' (AC Vol 49 No 19) trial finishes in the autumn, but trade prospers. Most of the 70-odd French companies in Angola work in oil and gas, a few in agriculture and consumer goods. France is Angola's sixth largest commercial partner. French imports, overwhelmingly oil, rose by 35% in 2007 to E1.7 bn.

Total is Angola's third biggest oil company (after Exxon Mobil and Chevron), pumping an average of 500,000 bpd., with much more to come from offshore block 17. The AFD, having written off Angola's debt arrears, returned last September and there are *Alliances Françaises* in Luanda, Cabinda and Lubango to promote French language and culture.

France has been involved in Nigeria since that country was invented; the *Compagnie Française de l'Afrique Occidentale* (CFAO, French West Africa Company) opened in 1902 and in the 1940s Nigeria, with its Peugeot factory in Kano, was France's biggest trading partner in Africa. South Africa takes that place now but 22% of Franco-African trade is with Nigeria; in 2008, when President **Umaru Yar'Adua** visited Paris, Franco-Nigerian trade passed E4 bn., much of it in oil and infrastructure. In 2005, France disbursed E1.15 bn. in aid to Nigeria, including writing off debt arrears, making it Africa's prime beneficiary of French aid. Sarkozy's predecessor, **Jacques Chirac**, assiduously courted South Africa, despite differences with the then President, **Thabo Mbeki**. The arms manufacturer Thales was alleged in court to have paid 500,000 rand (then \$100,000) to **Jacob Zuma** (now President) during a multibillion

dollar deal in 1999. France's share of the SA market (estimated at 3%) fell as China's rose to 10%. South Africa bought more than E1.6 bn. of French imports in 2007 and in 2008, French aid was worth E100 mn., two-thirds of it concessional loans, making France the largest donor after the USA. Areva, Bouygues and *Electricité de France* were commissioned by energy parastatal Eskom to build several overdue power stations.

France's E9 bn. of annual exports to **Algeria** is nearly half of its total value of exports to sub-Saharan Africa. France's share of Algeria's market slid, though, from 26% in 2003 to 17% in 2007; of **Morocco's**, from 26% in 1998 to 15.8%; of **Tunisia's**, from 26% in 2001 to 21.9%. All three are top French aid recipients.

In Algeria, France's loss is mainly China's gain; since 2000, Chinese exports have grown by an average of 34.5% a year, to 8.1% of the total. In Morocco, France is

still the largest foreign investor and trade in 2007 reached a record E6.2 bn. but has declined by 10% over the past decade as countries such as **Iran**, **Kuwait**, **Turkey** and Russia move in. The squeeze is on in Tunisia, too, driven by the expansion of China, Italy, Spain, the USA and Gulf countries that invest petrodollars in tourism, finance and telecommunications. In the partial privatisation of *Tunisie Télécom* in 2006, *France Télécom* lost out to a rival from the United Arab Emirates.

French exports to the Maghreb are flourishing but in 2004-8, less than E5 bn. of French foreign direct investment went there, of E10.8 bn. for the whole Mediterranean region. US investment was \$29.2 bn., UAE investment \$17.8 bn. The inflow of Gulf money – mainly in property and tourism – grew by nearly four times in 2004; the same went for China in industry and energy. With major banks reluctant to lend, competition gets tougher. ●

THE FLAG FOLLOWS THE TRADE

● Bouygues: Went to Africa in the 1960s; by 2008, Africa operations had a turnover of over 1.6 billion euros (US\$2.3 bn.), led by infrastructure subsidiary Colas (E707 million) and *Bouygues Construction* (E627 mn.). Contracts include 500 kilometres of power-lines between Pointe-Noire and Brazzaville in Congo; Cairo's underground railway; **Côte d'Ivoire's** power and water utilities; **Senegal's** water utility; the British Embassy in Algiers; an E825 mn. deep-water port in Tangier, **Morocco**. In **South Africa**, it has completed the N4 toll motorway from Johannesburg to Maputo, **Mozambique**, and is building the 25 bn. rand (US\$3.3 bn.) high-speed Gautrain railway linking Johannesburg's suburbs and Tshwane (Pretoria), hopefully in time for June's football World Cup. The 45,000-seat, E150 mn., Nelspruit Stadium is to be finished this year. Bouygues hopes to join Areva and electricity parastatal *Electricité de France* (EDF) to build nuclear power stations.

● Bolloré: **Vincent Bolloré's** company handles some 80% of West Africa's non-oil exports and 25% of East Africa's. Its container terminals include Cotonou, Abidjan, Lagos (Tincan), Accra, Douala and Libreville. Work has begun on a new E570 mn. container terminal at Pointe-Noire, by subsidiary SDV Congo, with local partners. Bolloré operates Sitarail, linking Côte d'Ivoire and **Burkina Faso**, and plans a \$300 mn. upgrade to **Cameroon's** railway, Camrail. It is said to be interested in managing Somaliland's Berbera port, equipping it to compete with Dubai World in the Horn. In 2007, Bolloré Africa Logistics contributed \$2 bn. of the group's \$10 bn. revenue and aims for 12-17% annual growth for the next five years. Bolloré plans to link Francophone and Anglophone economies via a 26,000 km. network, using existing routes and barges on the **Niger**, Congo and Nile.

● Alstom: Bouygues has a 30% stake. Its subsidiary Alstom Africa does business of over R6 bn. in **South Africa**, and has a E1.4 bn. contract to supply six turbines for Eskom's coal-fired Limpopo Power Station. In March, it won a E125 mn. contract for a turbine at the Koeberg nuclear plant. The company is building a E317 mn. gas power station in north-west **Algeria** and (with Bouygues) is extending the Cairo Metro. It has supplied power stations in **Nigeria** and **Zambia**; last year, it won a E160 mn. contract for a hydroelectric plant at **Uganda's** Bujagali Dam and is tipped as part of a consortium for the Inga Dam in **Congo-Kinshasa**.

● Lafarge: has 21 cement plants in Africa; Bamburi is East Africa's largest producer and **Kenya's** largest manufacturing exporter. This year, for R1.2 bn., it will increase its South African cement production by 1 mn. tonnes a year.

● Banks: The 'Holy Trinity' of French banks – *Société Générale*, BNP (ex-Banque Nationale de Paris) Paribas and *Crédit Agricole* – is expanding retail subsidiaries in North Africa. In 2007, BNP Paribas allied with **Libya's** second largest bank, Sahara Bank. BNP's Ivorian subsidiary, the *Banque Internationale pour le Commerce et l'Industrie de Côte d'Ivoire*, launched West Africa's first mobile-telephone banking service in partnership with France's Orange. Yet South of the Sahara, French banks have given ground. In November, *Crédit Agricole* sold stakes in banks in Congo-K, Côte d'Ivoire, Cameroon, **Gabon** and Senegal for E250 mn. to Morocco's *Attijariwafa* Bank. All three banks have made oil-backed loans to Angola's national oil company Sonangol, including a \$1 bn. loan underwritten by *Crédit Agricole* subsidiary Caylor in July. ●

HORN OF AFRICA

Dangers and dilemmas

The most dangerous corner of Africa is its north-eastern Horn, where instability reigns and terrorism thrives on the antagonisms of its governments. The fate of Somalia is in the balance, as the Transitional Federal Government struggles for control against Islamist insurgents. Eritrea and Ethiopia are engaged in an unrelenting struggle. This season's drought is threatening lives throughout the region and killing the chance that prosperity might ease the chronic conflicts.

AMERICAN ENGAGEMENT

Much will depend on the expected new policies of United States President Barack Obama's government. Yet 10 months after his election, his line-up for Africa has barely started to take shape. He has visited Ghana to praise its exemplary election and Secretary of State Hillary Clinton made her seven-nation tour last month. More significant are President Obama's diplomatic appointments. An experienced Africa hand, Johnnie Carson, former Ambassador to Kenya, is his Assistant Secretary of State for African Affairs and his principal deputy will be Donald Yamamoto, former Ambassador to Ethiopia; Phil Carter, current number two, will replace Yamamoto in Addis Ababa.

First though, a recent, critical, report by the US Office of Inspector General on the State Department's Bureau of African Affairs is taking much of the Bureau's time and energy. Washington has been slow to announce an expected shift of policy on Sudan. It is clear that overall, Washington hopes to move towards engagement rather than confrontation and to focus more closely on what it perceives to be the root causes of terrorism. In contrast, Khartoum's Islamist regime has been quick to seize on this.

There has been speculation about an effort to improve relations with Eritrea, with the appointment of a Special Envoy but, *Africa Confidential* understands, the subject has not even been seriously considered and no names have been mentioned. The USA has lost patience with Asmara's support for *Al Shabaab* ('Youth') in Somalia and its refusal to meet the United Nations Security Council's demand that it withdraw from Djibouti following its June 2008 border incursion.

ERITREA: A MILITARISED STATE

President Issayas Afewerki's regime does not seem to care. It still holds four locally recruited US Embassy staff, detained without charge or trial, two of them since 2001. The State Department recommends that all US citizens stay away because of travel restrictions outside Asmara, a growing risk of arbitrary arrest and continuing tension along the border with Ethiopia.

Congressman Donald Payne, a member of the House Foreign Affairs Committee and Chairman of the Subcommittee on Africa and Global Health, has encouraged Asmara towards moderation but this has failed to persuade Issayas to soften his loud anti-American propaganda or his insistence that Washington, not his own government, must change its policies. He regularly accuses the USA of responsibility for Somalia's problems and claims that the US Central Intelligence Agency bribes young Eritreans to flee their country. Hundreds cross into Sudan and Ethiopia every month; the *Sudan Tribune* website claims that 10,000 have crossed into Sudan this year. Most leave to avoid conscription.

Eritrea's army has 200,000 regulars, plus 200,000-250,000

conscripts. They are nominally called up for two years but most serve much longer, many since before Eritrea's attack on Ethiopia in May 1998. With its population of some five million, Eritrea competes with North Korea as the world's most militarised country; a recent Military Balance report from the International Institute of Strategic Studies placed Eritrea second but did not include its conscripts. Conscription helps Issayas to keep down dissent (someone tried to assassinate him last month), restrains fractious students, reduces unemployment and provides unpaid labour for state companies and senior officers.

NO DEMOCRACY HERE

Issayas claims that Eritreans do not want free elections and he will certainly not allow them. He exploits the border conflict with Ethiopia to refuse to implement the 1977 constitution, allow independent media or tolerate political parties apart from his own People's Front for Democracy and Justice.

While Eritrea blames the USA for all the region's problems, Ethiopia blames Eritrea for the various troubles in the Horn. Though Khartoum and Asmara have an uneasy rapprochement of convenience, Sudan's National Congress Party (NCP, aka National Islamic Front) still supports Eritrean opposition movements and Issayas backs the Sudanese opposition movements, armed and unarmed, as well as other violent opposition groups in Djibouti, Ethiopia, Somalia and possibly Yemen. Currently, the most dangerous is Somalia's *Al Shabaab*. Issayas seems to think that neither Ethiopia or Sudan can long survive as federal structures – or at all. In the mid-1990s, he was involved in Washington's half-hearted efforts to remove the Khartoum government and several times sent Eritrean troops across the border.

Eritrea has supported, for example, Sudan's Justice and Equality Movement and Hassan Abdullah el Turabi's Popular Congress, both offspring of the NCP. In Asmara in 2006, Eritrea helped to set up the (Darfur) National Redemption Front, that briefly brought together JEM, the Sudan Federal Democratic Alliance and part of the Sudan Liberation Movement. It long backed Sudan's civil opposition coalition, as well as the Sudan People's Liberation Movement. In May this year, though, Issayas unexpectedly denounced corruption in the SPLM, which now dominates the Government of Southern Sudan.

Ethiopian opposition groups that Eritrea has backed for many years include the Oromo Liberation Front, Ogaden Liberation Front, Tigrayan People's Democratic Movement and the Ethiopian People's Patriotic Front: all have received arms and training.

Issayas's perpetual target is Ethiopia and its government under his former ally, Prime Minister Meles Zenawi. Eritrea says that the core of its frustration is Ethiopia's failure to implement the decisions of the 2002 Eritrea-Ethiopia Boundary Commission, which was supposed to resolve the frontier dispute that in 1998 had led the neighbours into a disastrous two-year war. Eritrea refuses to discuss normalising relations until Ethiopia hands over the territory that the Commission awarded to it. Ethiopia, for its part, complains that the United Nations Security Council merely criticised Eritrea for expelling the UN force from the Temporary Security Zone along the border.

Ethiopia claims it is equally frustrated by the UNSC's failure to stop Eritrea's persistent spoiling activities in Somalia. The African Union, Inter-Governmental Authority on Development, Arab League, Organisation of Islamic Conference and UN have all

condemned these. IGAD and the AU have asked the UN to impose sanctions on Eritrea, a step that contrasts with their acceptance of Sudan's operations at home and abroad.

Ethiopia also complains about the Security Council's reluctance to act on Eritrea's incursions into Djibouti. Eritrea's behaviour long predates the border war and the EEBC's decisions. Last month, when detailing its decisions on war reparations, the Eritrea-Ethiopia Claims Commission repeated that it was Eritrea that had attacked Ethiopia in May 1998.

Eritrea's own security is less obviously related to its moves against Djibouti. In June 2008, Eritrean forces crossed into Djiboutian territory at Ras Doumeira and have since ignored UNSC demands to withdraw or even to allow a UN fact-finding mission into Eritrea. After initially claiming (despite clear photographic evidence) that the episode was merely a US invention, Eritrea has begun to reactivate its support for a Djiboutian Afar opposition movement, the *Front pour la Restauration de l'Unité et de la Démocratie* (FRUD), which took up arms in the 1990s.

TRYING TO REVIVE THE ARMED OPPOSITION

Most FRUD members have long since rejoined the political process, except for an Eritrean-backed faction headed by **Mohamed Kadamy**, who remains in exile and has until lately done little politically. FRUD now claims ownership of the forces that have invaded northern Djibouti, denying the Djibouti government's claims that they are 'foreign intruders'. In the past, Eritrea supported FRUD to deter President **Ismail Omar Guelleh** from getting too close to Ethiopia. It is doing so again.

Last year's legislative elections (in February) were uncontested with FRUD participation in the governing coalition, the *Union pour la Majorité Présidentielle* (UMP). The opposition coalition, the *Union pour l'Alterance Démocratique* (UAD) boycotted. FRUD dissidents, backed by Eritrea, may undermine Afar cooperation with the Somali Issas but any serious political threat will require Issa support and Eritrea has also been talking to exiled Issa politicians, including the wealthy and highly influential businessman **Abdurahman Boreh**, a former close associate of President Ismail Omar Guelleh, who is now in exile. He has close personal links with President Issayas and strong commercial ties with the Eritrean Red Sea Trading Corporation.

Eritrea hopes a side-effect of pressure on Djibouti will be a switch of some Gulf State economic interests from Djibouti to Eritrea. Djibouti Ports World operates Djibouti port, under a \$400-million contract, and it has also invested heavily in the new container terminal at Doraleh. The **Emirates National Oil Company** has built an export terminal for oil, gas and chemicals and the **Kuwait Fund** supports road and water development. Eritrea – with its plans for free trade zones at Massawa and Assab – would like to attract some of this funding. Earlier this year, it did persuade the Abu Dhabi Fund for Development to provide a \$20 mn. dollar loan.

Djibouti of course remains France's largest base in Africa, and France provided immediate, if low key, logistical and reconnaissance support following Eritrea's incursions last year. It will continue to do so. Djibouti now also hosts 2,500 US and joint allied forces involved in the anti-terrorist Combined Joint Task Force – Horn of Africa at Camp Lemonier and is a centre for extensive maritime operations against piracy in the Gulf of Aden and the Indian Ocean. In July, the US navy set up a harbour security force for Djibouti port. A similar pattern appears to be emerging over Yemen. Eritrea and Yemen went to war in December 1995, when Eritrean forces unexpectedly and without provocation seized Yemen's Greater Hanish Island, capturing 200 soldiers and killing a dozen. In 1998, the Permanent Court of Arbitration at the Hague pronounced that the islands attacked by Eritrea belonged to Yemen; despite a further decision over maritime boundaries a year later, Asmara still regularly seizes Yemeni fishing boats and Sanaa regularly protests.

There are now reports that Yemeni opposition leaders who



fled after the civil war in 1994 are planning to move to Asmara and a Yemeni former Vice-President, **Ali Salim**, has announced he is setting up a new southern Yemen secessionist movement. **Oman**, where he was living, therefore asked him to leave; he now seems to be seeking Eritrean support; Eritrea would see this as another chance to take on the signatories of the Sanaa Accord: Ethiopia, Somalia, Sudan and Yemen (AC Vol 45 No 1).

STIRRING UP SOMALIA

Eritrea has no direct security interest in Somalia but backs any Somali organisation that opposes Ethiopia: the Islamic Courts Union (ICU) in 2006, the Alliance for the Re-Liberation of Somalia, formed (in Asmara) in September 2007 and now, Sheikh **Hassan Dahir 'Aweys'** and his *Hizbul Islam* coalition, a significant opponent of Somalia's TFG (which the Eritrean government describes as a 'so-called, illegal Transitional Government imposed on the Somali people').

This April, Eritrea backed an armed insurrection in Mogadishu. It flew in Sheikh Aweys, in exile in Asmara since early 2007, and sent two aeroplane-loads of weapons to K50, an airstrip near Mogadishu. The aim was to drive the TFG and the African Union Mission in Somalia (Amisom) out of the capital. Aweys, with his weapons, persuaded the militant Salafi-Wahabi *Shabaab* to launch a joint offensive in Mogadishu. The USA calls *Shabaab*, which has worldwide ambitions, a terrorist organisation. Last month, three **Australian Al Shabaab** members were arrested for allegedly planning a suicide attack on a Melbourne barracks in retaliation for Australian military involvement in **Afghanistan**. Sheikh **Sharif Sheikh Ahmed's** TFG, also Islamist, constantly stresses that its own ambitions are purely national.

Aweys and *Al Shabaab* brought in allies from outside Mogadishu but President Sharif's forces managed to blunt the attacks, with support from Amisom, whose 5,100 troops from **Burundi** and **Uganda** may soon be joined by 500 from Djibouti, followed by others from **Nigeria** and **Sierra Leone**. Amisom is now authorised to pre-empt attacks, as well as respond to them.

Ethiopia withdrew its last troops from Somalia in February and insists they will not return in any great strength or for any length of time. They may, however, cross the border and otherwise support the TFG. A two-day battalion-strong incursion at the end of August helped to push *Al Shabaab* and *Hizbul Islam* forces out of Belet Weyne. Other brief operations have taken place in Gedo region. Ethiopia says it will carry on training troops and civilians for the TFG and support it in other ways, such as

the indirect supply of weapons for *Ahlu Sunna wal Jama'ah* (AC Vol 50 No 16). *Hizbul Islam's* efforts to win support by claiming it is resisting invaders seem to be weakening; when the Hiran Governor, Sheikh Abdirahman Ibrahim Ma'ow, rejected the TFG because Ethiopia supported it, he was promptly slapped down by local elders, who insisted on supporting the government.

The fighting ebbs and flows and the TFG still looks fragile; US support is of doubtful value in Somalia, where anti-foreign rhetoric has a strong appeal. The threat of *Al Shabaab* suicide bombings remains high. President Sheikh Sharif's team could still turn itself into a broad-based multi-clan government. Prime Minister **Omar Abdirashid Sharmarke's** cabinet reshuffle last month brought in two Abgal/Hawiye ministers.

The Abgal, Sharif's own clan, had complained that it had too few ministries. The reshuffle strengthens representation for it and the Majerteen, who dominate the government of Puntland, with which the TFG has agreed to set up joint political, security and economic committees. Other clans will be less happy. The government is, however, stronger since it received some of the money promised by a donor meeting in Brussels in April; the USA is to send it weapons worth US\$40 million and promises more.

Al Shabaab's calls for international support have not so far had much effect. *Al Qaida* has given its blessing to the jihadists but no more than 100 or so non-Somalis have appeared, we understand, mostly from Arab states, along with a greater number of ethnic Somalis, some with US or European passports. The only significant outsider is Sheikh **Abu Mansur 'al Amriki'**,

a US national, as his name suggests, who has been in Somalia since 2006. Like so many Somali groups, *Al Shabaab* operates largely on a clan basis. It also pays its fighters better than the TFG. *Africa Confidential* understands that \$200,000-500,000 a month is funnelled in for *Al Shabaab* and *Hizbul Islam* by Eritrea. The funds come from Libya, Iran and Qatar. Some are moved by Somali businessmen from Kenya to Kismayo or Mogadishu. The Kenyan government last month closed down two charities linked to *Al Shabaab* and made several arrests. The border is porous despite efforts to tighten it.

The tension between Ethiopia and Eritrea restricts the hope of regional development. It is unlikely that fighting will break out again, though. Asmara has its own internal political and economic problems, and finds acting through proxies a cheap way of upsetting Ethiopia. Addis Ababa believes it has proved that many regional problems are directly caused by Eritrea and does not want to change international perceptions that are broadly favourable to its cause. Premier Meles raised his profile as a spokesman for Africa at April's Group of 20 summit in London and heads the African delegation to December's UN Climate Change Conference in **Denmark**, the first time Africa has been represented in such a way.

WHAT ABOUT ELECTIONS?

Meles, too, has domestic problems. Next May, Ethiopia will hold national and federal elections, at which high standards will be expected, not least by Obama's government. Members of the Ethiopian Partners Group have attended recent discussions on an election code of conduct between the ruling Ethiopian People's Revolutionary Democratic Front and opposition parties. Ethiopia's new press and charity laws, and its antiterrorist legislation, do not look friendly to democracy. Ethiopia has yet to demonstrate that there is enough political space for free elections.

Electoral uncertainties also threaten Somaliland, until recently a rather successful (if unrecognised) democratic state. A twice-postponed presidential poll is due on 27 September and rows between government and opposition threaten to derail the whole political process. In August, Ethiopia sent its Foreign Ministry Minister of State for almost a week to mediate; the **British** Embassy in Addis Ababa has offered help, without much success.

Much-needed regional solidarity is also disturbed by arguments over the perennial issue of the use of the River Nile. Earlier this year, the riparian states agreed on a framework partnership for Nile development, which was accepted in August at a Nile Basin ministerial meeting by Burundi, **Congo-Kinshasa**, Ethiopia, Kenya, **Rwanda**, **Tanzania** and Uganda.

However, the most affected countries, **Egypt** and Sudan, rejected the proposed formula. They have six months to agree or to come up with alternatives, after which the implementation of the framework by the signatories becomes automatic. That is not a good basis for cooperation. To add to the region's troubles, this season's rain has been short and Eritrea, Ethiopia, Kenya, Somalia and Southern Sudan all need substantial help if they are to feed their people. ●

FOOD CRISIS IN THE HORN

Food security in the wider Horn of Africa has worsened dramatically over the past year. Some 24 million people are now unable to meet basic food needs across East Africa and the Horn. The global financial crisis is intensifying the effects of drought, conflict and the high cost of food; promised food aid has been slow to appear, leaving governments torn between stressing the extent of the crisis and running the public relations risk of declaring famine.

At the moment, they can legitimately say that a food crisis is not a famine. In the Somali region of **Ethiopia**, which has been the area worst hit so far, infant mortality is up to 2 per 10,000 per day; the widely used standard for famine is when infant mortality reaches 5 in 10,000 per day. Famines in the Horn tend to have long gestation periods, but early signs can be ambiguous and so the degree of required response can be difficult to gauge. Ethiopia's government believes it has the situation under control and is reluctant to declare a famine, which would be tantamount to an admission of the failure of food security policies, in the run up to next year's presidential elections. Eritrea allows virtually no activity by international agencies and is yet to admit even to a food crisis. However, the prospects look bleak and the United Nations World Food Programme is facing a US\$450 million funding shortfall for the next six months.

This year has seen the *Belg* (short) rains virtually fail northern Ethiopia and **Eritrea**; the *Krempt* (long) rains started three weeks late and have been erratic. This quarter's harvest will be below average in Southern **Sudan**, in central and western **Kenya**, and north and central **Uganda**, as well as Eritrea and Ethiopia.

Eritrea allows only a minimal international presence yet a third of its people need food aid. Djibouti and Somaliland have had serious droughts. **Somalia** is in its fourth year of failed Gu (April to June) rains and with 1.3 million people displaced, around 3.8 million people – half the population – need food aid. The crisis is intensified by fighting and the threat of piracy preventing aid from reaching large areas.

Failed rains have left the pastoral areas of the eastern Horn, of Ethiopia and Kenya, with acute shortages of pasture and water. Livestock is dying. Kenyan pastoralists told one *Africa Confidential* source that their way of life was no longer sustainable.

Kenya will need emergency food aid for about 3.8 million people up to next February, with another 6 million needing various humanitarian assistance. Ethiopia has identified over 6 million people needing emergency food aid to add to a similar number already receiving government relief.

The situation in eastern pastoral areas may improve with normal or above normal rains in September to December, with an expected moderate *El Niño* event. Yet this may be a mixed blessing, as it carries the risk of excessive flooding. ●

NIGERIA CECILIA IBRU, EX-CEO, OCEANIC BANK

■ The fall of the First Lady of Nigerian banking, Cecilia Ibru, has been as spectacular as her ascent. At her arraignment in court on 31 August, she collapsed after a weekend in custody. Cecilia is the second of five wives of Olorogun Michael Ibru, patriarch of one of the wealthiest families and founder in 1990 of Oceanic Bank.

Cecilia's supporters say she saved the bank she is now accused of undermining. When in 2004 the Central Bank of Nigeria (CBN) required all banks to have a capital base of N25 billion (US\$200 million), she took Oceanic Bank from fledgling family bank to the top. Oceanic was ninth biggest in terms of market capitalisation on the Nigerian Stock Exchange. In 2000, it had 12 branches, by 2007, 320. Corners were cut. It had bad loans of about N1 bn., many extended to friends and relatives. Though close to its former Governor Charles C. Soludo, Cecilia has few friends at the CBN today. She led an unsuccessful campaign to stop Lamido Sanusi replacing Soludo. Babatunde Lemo, whom she fired from Oceanic, is now CBN Deputy Governor.

The first of nine children, Cecilia Ibru was born on 22 March 1946 to Chief Edward Sido, a barrister, and Chief Victoria Sido in Oota, Delta State. She has a BSc in Sociology from London University and an MPhil. from North East London University. Returning home in 1978, she joined the Ibru Organisation as a project director in manufacturing. In 1993, she became Oceanic's Executive Director, Finance and Administration, and in 1997, its Chief Executive Officer.

NIGERIA ERASTUS AKINGBOLA, EX-CEO, INTERCONTINENTAL BANK

■ The most vociferous defender of Nigerian banks, the sacked Chief Executive of Intercontinental Bank, Erastus Akingbola, is the only one of the five banking chiefs wanted for questioning by the Economic and Financial Crimes Commission who has not handed himself in. He is now sheltering in London. He claims Central Bank Governor Lamido Sanusi's 14 August sanctions against Intercontinental and four other banks were unnecessary and says that Sanusi was 'de-marketing' Intercontinental to promote his own financial interests.

Scepticism about the creditworthiness of some local banks was fuelled, Akingbola contended, by foreign financial institutions wanting to buy into Nigeria at bargain prices. Nigerian banks come in two types, he says: those like Intercontinental that want to promote the development of industry and others that are simply agents for foreign interests. Akingbola tried and failed to buy space to proselytise his views in the London daily, the *Financial Times*, we hear. Until recently he could point to an assessment by the international banking conglomerate Renaissance Capital and several international financial publications that Intercontinental Bank could comfortably manage its risk.

Born on 26 October 1950 at Okeigbo, Ondo State, Akingbola ran Intercontinental from 1989 to 2009. His career began in January 1971 with Barclays Bank (now Union Bank Nigeria). An assistant accountant in 1977, he left for NAL Merchant Bank, to be an executive assistant in the Operations Department. In 1987, he joined First City Merchant Bank as Contoller of Operations. He left in 1989 to co-found Nigerian Intercontinental Merchant Bank, which became Intercontinental Bank.

He has an MBA from the Lagos Business School and was President of the Institute of Chartered Secretaries and Administrators of Nigeria. In 2001, President Olusegun Obasanjo, awarded him the Order of the Niger for his contribution to the economy. In 2008, he became President and Chairman of Council of the Chartered Institute of Bankers of Nigeria. He promised to push for 'self-regulation' by the sector and urged bankers to be 'the embodiment of discipline and integrity'. He has a reputation for religiosity and usually carries a Bible. He is a senior member of the Redeemed Christ Church of God, an influential Pentecostal church to which Cecilia Ibru also belongs.

SOMALILAND DAHIR RIYALE KAHIN, PRESIDENT

■ President Dahir Riyale's Unity, Peace and Independence Party (UDUB) is heavily criticised amid repeated delays to the presidential election, which was due on 27 September; this week he postponed it again.

Problems began in April 2008 when the Upper House, the *Guurti*, extended the mandate by a year. The *Guurti* is regarded as being in the presidential pocket and this infuriated the opposition. It took two months to resolve the crisis and reschedule the election for April 2009. There were further difficulties over electoral registration, which began in October; 1.3 million people were registered, though most estimates suggested 700,000 would be more plausible.

Facial recognition technology is supposed to iron out inconsistencies and there were claims the count would be at least 90% accurate. This meant further delays and another extension of Riyale's mandate, to September. His government also expelled Interpeace, a United Nations-partnered organisation overseeing electoral registration due to monitor polling.

The government also caused uproar by announcing it would hold elections without the electoral register. Both opposition parties threatened a boycott. Ethiopia despatched its Minister of State for Foreign Affairs to Hargeisa and the number two in the British Embassy in Addis Ababa tried to mediate in the crisis, which damages Somaliland's hopes of international recognition.

Born in 1952, President Dahir Riyale Kahin is Somaliland's third President. A member of the feared National Security Service under the late Somali President Mohamed Siad Barre, as Vice-President of Somaliland he took over after President Mohamed Ibrahim Egal died in 2002. He narrowly won the 2003 presidential election, amid claims of manipulation. From the minority Gadabursi people, he benefits from divisions in the majority Isaaq clan.

SOMALILAND AHMED MOHAMED SILANYO

■ The leader of *Kulmiye* (Peace, Unity and Development Party), Ahmed Mohamed 'Silanyo', was widely expected to win the 2003 presidential election. He lost to the Unity Peace and Independence party candidate Dahir Riyale Kahin by just 80 votes. Silanyo was expected to win the next election but his party has problems. Always an autocratic Chairman, younger activists are challenging Silanyo, particularly since the party's March 2009 convention. Some senior members left and Kulmiye is weaker than in 2003.

Silanyo is from the Habr Jaalo/Isaaq and respected in Somaliland politics, as he was when a minister under Somali President Mohamed Siad Barre. He is around 70 and has kept the younger generation largely out of the party leadership.

SOMALILAND FAISAL ALI WARABE

■ Faisal Ali Warabe, leader of the second opposition party, the Justice and Welfare Party (UCID), has no political baggage from ex-President Mohamed Siad Barre's regime. This has worked in his favour and he has cultivated a successful, if relatively low key, media profile. Popularity remains second to clan links in Somaliland and Faisal's own Eidigalla/Isaaq is smaller than the Habr Jaalo.

Much will depend upon the inroads Faisal has made into Habr Awal support. This is the clan of former President Mohamed Ibrahim Egal and has tended to support the UDUB as the party of government. Faisal formed UCID in 2001. It came third in the 2003 elections, with only 16% of votes.

Since then, the UCID has won 21 of 82 parliamentary seats and with the Kulmiye party in some disarray and increasing concern over President Dahir Riyale's commitment to democracy, Faisal's comparative youth – in his fifties – and his relatively clean political image could even carry the day.

Nkurunziza's formula for victory

Election rules seemed to have been agreed but the President wants new ones to make sure he wins

With a year to go before presidential, parliamentary and local elections, President **Pierre Nkurunziza** is trying to ensure that he and his party win. Diplomats are worried as the National Assembly prepares to vote on a new electoral code very different from the one that seemed to have been agreed between the government and opposition parties, brought together by the United Nations mission in Burundi (AC Vol 49 No 10).

At the last minute, the Chairman of the Assembly's Commission on Justice and Human Rights, **Fidèle Mbunde**, introduced a rival set of rules. Mbunde belongs to Nkurunziza's party, the *Conseil National pour la Défense de la Démocratie*-

Forces pour la Défense de la Démocratie (CNDD-FDD).

Oppositionists fear that three of the CNDD-FDD's proposals would substantially increase the opportunities for fraud and intimidation. The main opposition parties are the *Front pour la Démocratie au Burundi* (Frodebu – 25 members of parliament, mainly Hutu); the *Union pour le Progrès National* (Uporna – ten MPs, mainly Tutsi) and **Léonard Nyangoma's** *Conseil National pour la Défense de la Démocratie* (CNDD – 4 MPs). The CNDD-FDD, with 59 MPs, used to be with Nyangoma but he renounced the guerrilla war first and his former comrades are now the majority group.

THE VOTE AND THE MONEY

The good news for Burundi is that 80% of the cost of next year's elections – US\$45 million, about 5% of the budget – will be paid by foreign donors. The bad news for President **Pierre Nkurunziza** is that those donors will watch to see that the elections are free and fair. They do not like the arrangements his party is now proposing (see Feature).

Burundi is desperately poor. The International Monetary Fund reported last year that only 18% of the population enjoys food security and that it is unlikely that any of the Millennium Development Goals will be reached by 2015. In a 'letter of intent' to the Fund in June, the government said it expected gross domestic product growth of 3.2% in 2009, down from 4.6% last year. That sounds wildly optimistic. The state coffee agency, the *Office des Cultures Industrielles du Burundi*, reported in August that the main export crop was likely to fall this year by 55% to 11,000 tonnes, worth just \$21.8 mn.; last year's harvest fetched \$58.9 mn. In the first quarter of this year, imports fell by 24%, from \$241 mn. to \$128 mn. – a sure indicator of economic weakness. Donors pay half of the 2009 budget. The government says it is confident of continued IMF support, which should be an incentive for Nkurunziza to behave acceptably.

For the longer term, several large foreign companies are watching political developments attentively. **China's** leading nickel company, *Jin Chuan*, was invited four years ago by **Australia's** Andover Resources (a subsidiary of Vancouver Argosy Minerals) to visit its nickel deposits at Musongati, Nyabikere and Wagga, said to contain 185 mn. tonnes of reserves, with 1.31% of nickel and 0.08% of copper. Such deposits would represent 6% of the global total but have not been developed because of the civil war, which ended in 2006. In 2007, the government cancelled Argosy's three permits and in 2009, the Minister for Water, Energy and Mines, **Samuel Ndayiragije**, announced that the concessions had been granted to a Chinese company (*Jin Chuan* is said to be still interested).

The concession is subject to two awkward conditions. A power supply is required, which would mean progress on the long-delayed Ruzizi Dam works in **Congo-Kinshasa**; and an export route would entail building a 700 kilometre railway line via Kigali to join the existing line to Dar es Salaam, as studied by a Chinese company in 2006. Another Australian firm, Dwyka Resources, holds a nickel permit at Muremera and follows developments closely.

There could be oil, too. Exploration is under way by a **British** company, Surestream, in Block D under the waters of Lake Tanganyika. The **South African** Mineral Resources Corporation (Samroc) has a permit in Block C. Both hope that next year's election campaign will produce a government under which they can bring their offshore work to dry land. ●

One agreed proposal was that each voter would receive a single ballot-paper, on which to tick the chosen candidates. This was intended to reduce the opportunity to identify, and therefore intimidate, individual voters. The ruling party's preference is that voters should mark as many separate ballot papers as there are candidates or lists. This, it is said, would enable party enforcers to know who voted for whom, an electoral technique widely used in Burundi in the past, and also in the late President **Mobutu Sese Seko's Zaïre**. Both Hutu and Tutsi say that, under this system during the last elections in July 2005, CNDD-FDD militants threatened to restart their armed campaign if rural people did not vote as the party wished.

There is also disagreement about the order of the elections. The opposition would prefer that the presidential poll be held before the parliamentary and local elections, as in 2005. Then, Nkurunziza was elected by the new Parliament in a joint session, with 162 MPs and senators supporting him, nine votes against and two abstentions. This time, both sides agree that the President should be directly elected by universal suffrage. The CNDD-FDD wants the presidential vote to be held first; Nkurunziza seems to assume that both candidates and voters will then back the winner in hope of favours to come.

NARROWING THE FIELD

The ruling party also wants to place a financial barrier in the candidates' way. The CNDD wants to discourage frivolous candidates by making them all put down a deposit of 15 million Burundi francs (US\$12,400). The opposition wants the deposit set at BFr3 mn., as in 2005. Frodebu's representative in Europe, **Gilbert Nibigirwe**, reckons that under the CNDD proposal, only three parties would be able to raise enough cash.

Parliament had not voted on the issue when we went to press. The debate should have started on 31 August but the Assembly Speaker, **Pie Ntavyohanyuma**, postponed it after the United Nations, **United States**, **South Africa** and **Tanzania** all said they would contribute only to elections that were free and fair. Moreover, the CNDD-FDD needs time to get its act together.

Party unity has been shaky since February 2007, when its Secretary General sacked **Hussein Radjabu** (who was close to **Sudan**). During the civil war, he was the FDD's chief strategist; now, he is in the grim Mpimba prison in Bujumbura, having been judged guilty of plotting against the state. About 20 of his party's parliamentarians have been purged and replaced by Nkurunziza's supporters. Those affected include the Assembly Vice-President, **Onésime Nduwimana**, who resigned in 2007 in protest against the rising influence of **Tribert Rujigiro**,

a **Rwandan** businessman close to his country's President, **Paul Kagame**.

In March, at the CNDD-FDD party congress in Kayanza, disagreements appeared between Nkurunziza on the one hand and Senate President **Gervais Rufyikiri** and party President **Jérémie Ngendakumana** on the other. On the surface, the row was over the criminalisation of homosexuality and ended in April, when Nkurunziza promoted a law imposing penalties of up to two years in gaol. The two dissidents opposed it at the congress and voted against it in Parliament, worried that it would cause unnecessary offence to the foreign governments that pay most of the state's bills.

THE DANCING PRESIDENT

Nkurunziza promptly organised a demonstration by the party's Youth League, who paraded shouting 'Abasenateur muri ibihemu!' (Senators, you are traitors!). To avoid a further split, the President kept the two dissidents in their jobs, while strengthening the position of his own key supporter, Secretary General **Gélase Ndabirabe**. Nkurunziza prefers to appeal to the public by 'prayer crusades' and matches involving his *Alléluia* Football Club; last August, he even played a game himself against an official Rwandan delegation, with Kagame among the spectators. In August, thousands of people attended one of his prayer crusades in a Bujumbura stadium, when he washed the feet of the poor and handed out pairs of shoes. In a black suit and T-shirt,

microphone in hand, he sang and danced with his choir, *Komeza Gusenga* (Don't stop praying), as a backing group.

Donors tend to disapprove of that sort of show; criminalising gay people is normally illegal. The European Union's new Development Commissioner, **Karel de Gucht**, told the European Parliament on 1 September that he condemned the President's moves. Bujumbura's intellectuals often agree but the 'born-again' President's performances go down well with his own poor people, who tend to favour faith and enjoy any distraction from their poverty.

For **Domitien Ndayizeye**, President of Frodebu and formerly of Burundi, the intimidation is all too real. Ndayizeye, who next year is again standing for President, told *Africa Confidential* on 8 September that gangs of CNDD-FDD youths known as 'Imbonerakure' (those who see a long way), threaten and beat up opposition party supporters. Frodebu had received complaints from people harassed in Muyinga, he said, and the gangs were receiving military training in Nyanza-Lac and elsewhere. The *Imbonerakure* attacked Uprona's office in Kirundo, he added.

This militia situation is especially serious, said Ndayizeye, because such abuses are happening in broad daylight, to the point where even the Defence Minister, Lieutenant General **Germain Niyoyankana** had complained. Ndayizeye said some politicians, with 'a feeling of despair', were using militia to terrorise people, which was destabilising the state and those attempting to organise fair

elections. Anyone who was really strong, who really enjoyed popular support, could not be involved in such abuses, he said.

Civil society also remains under pressure, especially groups lobbying for human rights or good governance. In April, **Ernest Manirumva**, Vice-President of the anti-corruption lobby *Observatoire de Lutte contre la Corruption et les Malversations Economiques* was murdered at his home in Bujumbura. In June, Human Rights Watch criticised harassment by the militia who paraded, armed with sticks and clubs, in Kayogoro, in Makamba Province. The HRW report confirmed that the youngsters were using Kalashnikov rifles and grenades during their training.

In a confidential policy document on Burundi, the Secretariat of the EU Council of Ministers notes that an authoritarian regime might seek to control whatever it does not already control. The paper, issued in July, speaks of the danger of police and 'specially recruited groups' intimidating people during the election campaign. European diplomats think that is more likely than quiet acceptance of whatever result the elections may produce. They fear violence or even a coup.

If that occurred, the EU would not hesitate to invoke 'consultations under article 96 of the Cotonou agreement', which in Europeak means suspending development assistance. The President, though, may reckon that with re-election under his belt, he could soon persuade European leaders to reopen their wallets, as they have done for **Mauritania** and **Togo**. ●

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Zimbabwe

SODOM AND TOMORROW

■ The death of Vice-President **Joseph Msika** has wrecked the succession strategy of the Zimbabwe African National Union-Patriotic Front. The plan had been to hold a party congress – delayed by 2008's cholera outbreak – in December, with no changes in the main leadership posts. Most provincial congresses would vote for no change, with President **Robert Mugabe** as First Secretary, Msika as Senior Second Secretary, **Joice Mujuru** as Junior Second Secretary and **John Nkomo** as Chairman.

Provided the elderly leaders made it to the congress, they could have skated over ZANU-PF's factional problems. Remarkably fit at 86, Mugabe reportedly had a health panic in late August; Nkomo, 76, has been treated on and off in **South Africa** for an undisclosed ailment; Mujuru, 53, has high blood pressure. It had seemed that Msika could be nursed through until congress. Turning off his life-support system was an affair of state and Mugabe had to dash to the West End Clinic to endorse it.

The provincial delegates have no mandate for the vacant seat on the praesidium. The obvious candidate would be Nkomo (AC Vol 50 No 17), to be replaced as Chairman by someone senior from Matebeleland. Yet **Dumiso Dabengwa** left ZANU-PF last year and has relaunched the old Zimbabwe African People's Union. Another old ZAPU man once detained by Mugabe, **Kembo Mohadi**, now joint Home Affairs Minister, is not Ndebele but Venda, from the Beit Bridge area.

The Zimbabwe Electoral Commission Chairman, **George Chiweshe**, says there is no money for by-elections; five Matebeleland seats are vacant and ZAPU wins would upset all ZANU's schemes. Meanwhile, Young Turks are gathering around Mugabe's nephew **Patrick Zhuwayo** and Youth Minister **Saviour Kasukuwere**. They aim to rejuvenate ZANU and for now, seem to tilt towards Mujuru.

A smear campaign over an alleged sodomy incident a decade ago may deter Nkomo from a campaign where no holds are barred. Nobody knows who started the story but given former President **Canaan Banana's** disgrace and Mugabe's homophobia, it could be politically significant. Some blame **Emmerson Mnangagwa's** supporters, others **Didymus Mutasa** (74) and his one-man mass movement. The smear resembles the way Mugabe's friend, the **Malaysian** Premier **Mahathir Mohamed**, dealt with his deputy, **Anwar Ibrahim**. Meanwhile, Mugabe flies around as the party's ambassador at large.

Côte d'Ivoire

TRAFIGURA AND THE TOXIC WASTE

■ The United Nations Special Rapporteur on Toxic Waste, **Okechukwu Ibeanu**, is challenging claims by oil-trader Trafigura and its Ivorian subcontractor Tommy that the waste they dumped in Abidjan in August 2006 could not have caused widespread illness and the death of at least 15 people. In an unedited official report seen by *Africa Confidential*, Ibeanu questions Trafigura's claims just a month before the firm is due to defend itself against a class action in London's High Court by thousands of Ivorians claiming damages for the waste dumping (AC Vol 50 No 17). The Ivorian Health Ministry found 34,408 confirmed and 63,296 probable cases of exposure.

Ibeanu quotes from both the UN Disaster Assessment and Coordination team that visited Côte d'Ivoire shortly after the incident and the Basel Convention Secretariat (which governs the shipping of toxic waste) that the waste on board the ship *Probo Koala* was 'hazardous' and 'can be harmful to humans... if serious exposure takes place'.

There is, Ibeanu's report concludes, 'strong *prima facie* evidence that the reported deaths and adverse health consequences are related to the dumping of the waste from the *Probo Koala* (the ship leased by Trafigura)'. It challenges Trafigura's claim that Abidjan port could handle the chemical slops it claims were aboard the vessel. According to the Basel team, Abidjan is 'not equipped with the necessary facilities for the offloading and treatment of [the] wastes.' Other oil companies which dump such slops in Abidjan will be watching the London case extremely closely.

Namibia

ELECTION GLOVES OFF

■ Candidates are preparing for a rough campaign for the presidential and national elections on 27-28 November. The governing South West African People's Organisation is almost certain to win. Last month, the SWAPO Youth League told opposition parties they would be hit by a SWAPO 'Tsunami'. Ex-President **Sam Nujoma's** supporters have made SYL SWAPO's top faction.

SWAPO suspended SYL former Secretary **Paulus Kapia** in 2007 over the 30 million Namibian dollar (US\$4 mn.) Avid investment scam. He has now been readmitted and he will probably be elected. At last month's SWAPO electoral college to draw up candidates' lists, Regional and Local Government Minister **Jerry Ekandjo** was fourth on the list. Nujoma's son **Utoni**, the Deputy Justice Minister, was fifth.

For SWAPO, the Rally for Democracy and Progress, a breakaway under ex-

minister **Hidipo Hamutenya**, is the main opposition, as it targets SWAPO's northern heartland, especially Hamutenya's fellow Kwanyama, who comprise two-thirds of around 1.2 million electors.

SWAPO also targets critical civil society groups, notably the National Society for Human Rights. SWAPO loyalists post abusive blogs about NSHR head **Phil Ya Nangoloh**, who campaigns for SWAPO to apologise for killing and torturing thousands of dissidents, accused of spying for **South Africa** in the 1970s and 1980s in southern **Angola**. The NSHR has found mass graves just north of the border; SWAPO accuses the human rights activists of desecrating them.

Malawi

GLASS HOUSES

■ Questions have arisen about the financing of President **Bingu wa Mutharika's** palace and mausoleum in Thyolo District. The contractor is **Portugal's** *Mota-Engil* (AC Vol 50 No 16), which has huge interests in road building, waterways and uranium-mining in Malawi.

Mutharika won May's elections partly by condemning his opponents as highly corrupt. His campaign portrayed his presidential predecessor, **Bakili Muluzi**, as an embezzler of state funds who would be convicted in court. The campaign also painted opposition alliance leader **John Tembo** as vicious and dictatorial.

Mutharika's personal extravagance and grandiosity have proved lucrative for engineering company *Mota-Engil* but may eventually provoke a political backlash. Following the collapse of Muluzi's property empire amid charges of grand corruption, he has been buying property in the Blantyre-Limbe area, including the former Lonrho offices, business sources say.

Government officials pointed to the blurred distinctions between state and personal financing under Muluzi as they prepared corruption charges against him. Mutharika's critics say the problem has continued. Auditor General **Reckford Kampanje's** reports to Parliament on massive state fraud and contempt for financial procedure are treated no more seriously now than under Muluzi, whose Director of Public Prosecutions freely admitted that about a third of government money was lost to fraud.

Parliament's Public Accounts Committee fails to provide effective oversight because it is dominated, like Parliament itself, by Mutharika's Democratic Progressive Party. The Anti-Corruption Bureau spends much of its time chasing Muluzi's allies. Despite Mutharika's oft-repeated 'zero tolerance for corruption', last year Malawi slid steadily down Transparency International's Corruption Perception Index to the position of 115th of 180 countries.

BLUE LINES

Despite its US\$46 million settlement in London on 20 September of a class action brought on behalf of 30,000 Ivorians, British-based oil trader Trafigura still faces criminal charges in Norway and the Netherlands relating to the illegal dumping of toxic waste in Abidjan in 2006. In the settlement, Trafigura accepted no liability for the victims who, according to a UN investigation (AC Vol 50 No 18), had died or become ill after exposure to the waste.

The action against Trafigura in the Netherlands, where its leased ship the *Probo Koala* tried to offload the waste before sailing to West Africa, is the most important. On 16 September, Greenpeace submitted a request to the Dutch prosecutor asking for Trafigura and its Chief Executive Claude Dauphin to be tried for illegally dumping toxic waste and corporate manslaughter.

For now, Trafigura faces charges of forging documents to conceal the toxic nature of the cargo from Amsterdam port officials. Greenpeace argues that company emails, seen by *Africa Confidential*, show that Trafigura personnel were aware of the dangers caused by 'caustic washing' on the *Probo Koala*. A 28 December 2005 email to Dauphin says that 'caustic washes are banned by most countries due to the hazardous nature of the waste', and that the only plant capable of processing the waste safely was in Rotterdam. On 17 August 2006, an email was sent to Trafigura's Abidjan subsidiary Puma Energy, saying that the *Probo Koala* was on its way and wanted to dump the slops in Côte d'Ivoire.

NIGERIA

Why the banks stay optimistic

Oil, gas and Africa's biggest market keep the investors interested despite the increasingly desperate politics in Abuja ahead of the 2011 elections

After six weeks of billion dollar bail-outs, high-level sackings and the arraignment in court of five top executives, Nigeria's financial sector is still robust enough to prompt paeans of praise from banks such as Goldman Sachs, Renaissance Capital and Standard Chartered. Not far behind in their pursuit of Nigerian business are South African banks such as Standard, ABSA (now controlled by Britain's Barclays Bank) and First Rand – all of which are looking at buying stakes in troubled banks such as Intercontinental, Union and Oceanic.

Analysts at Renaissance Capital call it the numbers game in Africa's biggest market with a population of 150 million and note that Nigerians are still spending. One barometer, the sales of first- and business-class air tickets on flights between Lagos and Europe, indicates the elite is awash with cash. More contentiously, Renaissance predicts that Nigeria's gross domestic product will hit US\$308 billion in 2011; the IMF's projection for South Africa is \$262 bn.

For most Nigerians, the problems of the banks may seem irrelevant. The banks are yet to develop a mass retail market in a country in which cash transactions are the norm and only the favoured few have access to credit. There are few mortgages in Nigeria, sub-prime or otherwise. All this limits the direct effects of both the local and international financial crisis. Central Bank Governor Lamido Sanusi sees a reformed financial sector as a launch pad for the development of a modern and diversified economy. The sharp fall-off in foreign credit lines and lending to the private sector (See Graphs on page 2) has been shadowed by a decline in overall economic growth. After a tough year, former Finance Minister and current

Managing Director of the World Bank, Ngozi Okonjo-Iweala told *Africa Confidential* that Nigeria's services and construction sectors were ripe for take-off.

Officials in Abuja say the adoption of oil industry reforms currently before parliament will boost local banks: under the new rules, the government will stop financing the Nigerian National Petroleum Corporation, which will have to raise finance from capital markets on a commercial basis. The reforms face a bruising passage in the National Assembly. Big oil companies oppose provisions for higher taxes on deepwater exploration and production, as well as government rights to renegotiate contracts and to repossess unused exploration acreage. Local vested interests fear provisions that might improve the accountability of bids, contracts and payments.

Although it generates just 17.5% of GDP compared to agriculture's contribution of 42.1%, oil and gas production earns more than 95% of Nigeria's foreign exchange and remains key to broader economic growth. Oil production has been far lower than the government forecast, but prices have been better than assumed in the budget. A hefty drawing down on reserves and the Excess Crude Account have also softened the blow, but big changes in economic and political strategy cannot be delayed for much longer.

With the ceasefire faltering in the Niger Delta, the army is set to pursue the militants, but with a substantial effect on crude oil production. Prolonged disruption in the Delta will further damage output, exports and new developments in gas production. A successful strategy could double production, running at 1.7 mn. barrels a day. That will require a combination of a political

ISRAEL/AFRICA 3

Strategic forays

As Iran spreads its influence in Africa, Israel tries to return to a continent where it once had many friends.

KENYA 4

The row over Aaron Ringera

KACC chief Ringera's reappointment opens a rift between president and parliament.

KENYA 5

Bondo welcomes Kibaki

Premier Odinga fêtes President Kibaki in his Bondo home in a rare spirit of amity.

LIBYA 6

Diplomatic deals

The upset over Al Megrahi's Libyan homecoming shows Gaddafi's rehabilitation is far from complete.

LIBYA/BITAIN 7

LIBYA/WHO'S WHO 8

CONGO-BRAZZA 9

UGANDA 10

POINTERS 12

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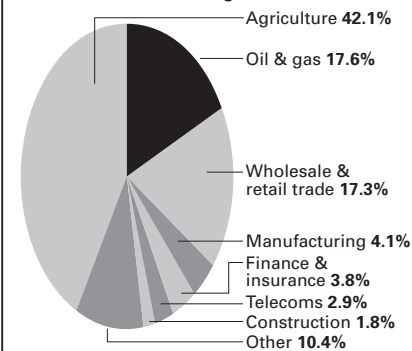
settlement and better security in the Delta, along with wide support for the government's oil reforms. Currently, six state governors in the Delta oppose the reforms because they do not change the revenue sharing formula. Nigeria depends on international markets: another drop in oil prices could squeeze the system – and the political system with its expensive campaigns and conventions – more than state spending on social services, which has become a derisory part of the economy. To secure a second term, President **Umaru Musa Yar'Adua** must persuade state governors to stick together and back the ruling People's Democratic Party again. That may be harder in 2011 than it was in the last two elections.

On policy, Finance Minister **Mansur Mukhtar**, Oil Minister **Rilwanu Lukman** and Bank Governor Sanusi are modernisers but operate under tough conditions. Sanusi's purge exposed high level corrupt deals but Nigerians are sceptical that the guilty will be brought to account. Some important tests of Yar'Adua's reform commitment loom: firstly, his willingness

NIGERIA'S CHANGING ECONOMIC REALITY

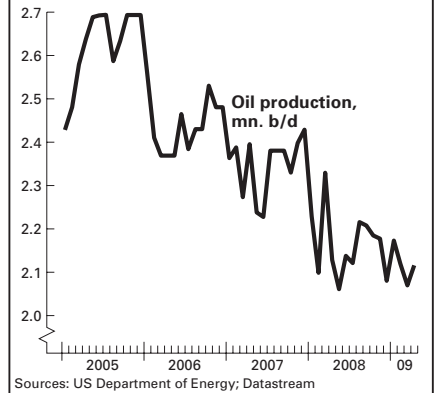
OIL AND GROWTH

Contributions to Nigeria's GDP, 2008

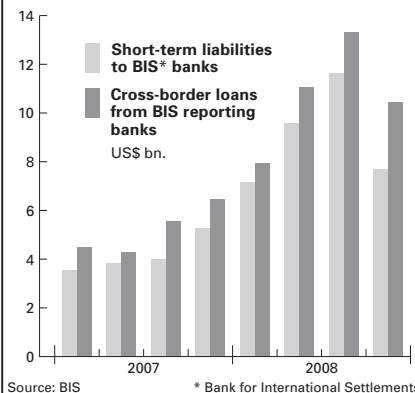


Sources: SCB Global Research; NBS

FALLING OIL PRODUCTION

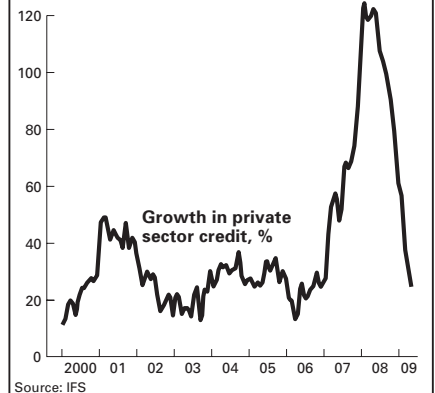


FOREIGN CREDIT LINES DECLINE



to sack the widely reviled Attorney General **Michael Kaase Aondoakaa** in the coming reshuffle. That would remove one of former Delta State Governor **James Ibori**'s greatest cheerleaders in the

PRIVATE SECTOR CREDIT FALLS



government. This month, three of Ibori's female associates face trial in London for laundering of funds stolen from the Delta State treasury. The outcome will shape the future of Yar'Adua's government. ●

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A business and strategic foray

As Iran spreads its influence in Africa, Israel tries to return to a continent where it once had many friends

Foreign Minister **Avigdor Lieberman's** five-country trip to Africa on 2-9 September showed the extent of diplomatic ground which Israel has lost over the past three decades, since the heyday of multi-million dollar agricultural development projects and almost ubiquitous 'security cooperation'. Israel's diplomatic efforts in Africa have been hugely damaged (albeit less so than in the Middle East) by its policy on Palestine.

As Lieberman's trip was the most senior delegation to Africa since the late 1980s, Israeli officials insisted it had modest ambitions, which it achieved. 'The days of Israel's altruism and idealism are gone, domestically and internationally,' commented one Israeli analyst. 'The visit has not produced any immediate and tangible results and wasn't intended to do so.' It was intended to re-establish Israel's presence on the continent, he said, and had some success in this.

The trip brought out the contradictions in Israeli foreign policy. A major recipient of aid, especially from the **United States**, Israel gives little aid itself and makes less noise about it than its Middle East competitors. Yet the Israel Export Institute believes it could add US\$1 billion to the \$3 bn. a year in trade it does with Africa.

Israel wants to be seen – and often sees itself – as a Third-Worldist country that pulled itself up by its bootstraps and is eager to share the copious expertise thus garnered with other countries, especially in Africa and Latin America. Much of its aid and investment is therefore focussed on agriculture and water management. Yet its major export, again reflecting its history, is military matériel and expertise. This is usually carried out by private companies, noted an Israeli former official. It is hard to measure and easy to deny.

Lieberman's foray was seen as an attempt to counterbalance **Iran's** expanding presence in Africa. 'When we see who's meddling in the continent, it's not just Iran; it's Iran and extreme groups, trying to put their fingers wherever possible,' said another Israeli source. Iran, and the Islamist movements it backs (*Hezbollah* and *Hamas*), is seen as the biggest threat. Israeli aid was helping to build and equip a hospital in **Mauritania**, one of the few Arab League members that have diplomatic relations with Israel, but the new Nouakchott government gave the project to Iran early this year.

More broadly, Tehran is reviving the Non-Aligned Movement, attempting to establish an anti-Western, pro-Southern spearhead for its own interests, both economic and political, often in tandem with **Libya**, its ally of convenience. President **Mahmoud Ahmadinejad's** regime also helps to orchestrate the campaign for its close Islamist ally, **Sudan**, and against the International Criminal Court, which indicted President **Omer Hassan Ahmed el Beshir** for war crimes and crimes against humanity. Arguments that Israel should be brought to account for its military operations in Palestine find resonance internationally, especially in Arab and Muslim states. The ICC's investigation of Israel's military operations in the Gaza Strip last year have dented the anti-ICC campaign on Sudan a little.

All the countries which Lieberman visited – **Ethiopia, Kenya, Nigeria, Ghana and Uganda** – have substantial Muslim populations and, Ghana having shifted its position, all except Uganda back President Omer against the ICC. Three border both Sudan and the River Nile: water supply is causing rocketing anxiety as climate change hits worldwide. Israel's African neighbour, **Egypt**, and its neighbour, Sudan, recently refused to sign the new Nile Waters Treaty agreed by the other Nile Basin states, including Ethiopia, Kenya and Uganda.

Like Western governments, Israel speaks about reducing the causes of instability, of which global warming is internationally perceived as one. 'We can't afford the gap that is growing between the North and the South,' the Deputy Director General of Israel's Foreign Affairs Ministry, **Haim Divon**, told *Africa Confidential*. 'It's a moral issue and a practical one, too. We are all paying for that growing gap. Desperation and despair is a proven recipe for instability,' said Divon, the head of Israel's aid and development agency, the Centre for International Cooperation, who accompanied Lieberman on his tour.

African politicians were not all convinced. At the Israeli delegation's first port of call, Addis Ababa, some found Lieberman's approach patronising, we hear. Government hackles were raised when officials were told they needed help with water and food; the feeling is that Ethiopia has had a good few years. The greenhouses lining the road south out of the capital are taken as evidence

of this: fruit, vegetables, flowers and even temperate-climate seedlings for garden plants proliferate there before being exported to rich countries, including Israel. Most of the businesses working there are Kenyan or Israeli, part of the global trend of growing food for the First World in the Third.

'It was important for Mossad regional representatives to be seen with Lieberman', noted one Israeli analyst. Mossad is Israel's foreign intelligence agency. Lieberman's companions from the Defence and Intelligence departments and a covey of arms dealers may not have seemed as threatening as development experts to Premier **Meles Zenawi's** military-security minded regime. War in neighbouring **Somalia** and the ever present attentions of *Al Qaida* and other Islamist organisations make it easy for Ethiopian and Israeli defence and security officials to understand each other. Israel sees Ethiopia as its closest friend in Africa, said one Israeli source.

Bordering both Ethiopia and Somalia, Lieberman's second destination, Kenya, has similar security concerns to Ethiopia. No one has forgotten the *Al Qaida* attacks on Kenya's and **Tanzania's** US embassies in 1998 or on an Israeli-owned hotel in Mombasa in 2002. President **Mwai Kibaki's** government has been particularly concerned this past year about Islamist infiltration across the desert border with Somalia. Divon, a former Ambassador to Ethiopia, spoke of a 'long tradition of excellent relations' with Kenya.

The close ties between Israel and Nigeria on trade, especially oil, and security scarcely change whether the incumbent leader in Nigeria is Muslim (Generals **Muhammadu Buhari** and **Ibrahim Babangida**) or stridently Christian (Gen. **Olusegun Obasanjo**). Serving and retired Israeli military officers have provided security services to successive Nigerian regimes. Most spectacularly, a retired Mossad agent, working with the Buhari regime in 1984, organised the kidnapping of Nigerian former minister **Umaru Dikko** from his London mansion to face trial on corruption charges in Nigeria; just before the kidnappers were about to load a sedated Dikko on to a Nigerian cargo plane at London Stanstead Airport, the plot was thwarted by **British** police.

Some Nigerian officials want to widen the relationship beyond high-price military equipment such as the sale of aerial drones to patrol the Niger Delta (AC Vol 47 No 12). No reliable figures are available for arms sales and military training but **Yossi Melman**, a specialist on Israel's security operations, has criticised the militarisation of Israel's Africa policy and estimates Nigeria has spent as much as \$500 million on Israeli arms in recent years. Arms companies accompanying Lieberman,

who is also Deputy Prime Minister, included Israel Aerospace Industries, Israel Military Industries, Silver Shadow Advanced Security Systems, Soltam, Israel Shipyards and Elbit Systems.

Several Israeli governments and arms companies have provided military aid to some of Africa's most autocratic regimes, including Angola, Côte d'Ivoire, Congo-Brazzaville, Congo-Kinshasa and Equatorial Guinea. This did not prevent the 15-nation Economic Community of West African States from signing an economic accord with Lieberman at Ecowas headquarters in Abuja. A special triangular relationship, based on mutual interests in security and oil, has developed between Angola, Côte d'Ivoire and Israel. Israel's formal aid budget is only about \$25 mn. a year, mostly for training, and 'just over half' is spent in Africa. However, Israel's commercial ties with Luanda and Yamoussoukro generate several hundreds of millions of dollars. Angolan government troops used Israeli technology (and perhaps personnel) to track and kill rebel leader **Jonas Savimbi** in 2002.

Ghana and Israel have no diplomatic ties but Israeli business people operate there and its diplomatic stance is ambivalent. 'The economy is moving fast; it's pretty impressive,' said Divon. President **John Atta Mills** spoke of 'an enabling atmosphere'. Soon after the departure of Lieberman, a hardliner on Palestine, Vice-President **John Mahama** opened a photographic exhibition on Palestine at Accra's Freedom Centre. Photos included Israel's bloody assault on Gaza, estimated to have killed nearly 1,000 civilians. Mahama, a member of the Palestine Solidarity Campaign, spoke out against new Israeli settlements on Palestinian land. Yet Ghana police had arrested 20 PSC demonstrators at the airport.

Lieberman and his 40-strong delegation were welcomed in Kampala. **Yoweri Museveni's** government shares Israel's enthusiasm for a tough line on jihadist groups. **Chad** and **Uganda** are alone among Sudan's nine neighbours in their refusal to engage with the National Congress Party (aka National Islamic Front). Israeli interest was revived by Khartoum's arms convoys to Hamas this year, which it bombed (AC Vol 50 No 7).

The Uganda links date back to the 1976 Entebbe raid: three Hercules-loads of Israeli special forces stormed an Air France jet held hostage at Uganda's main airport. The lightning raid surprised Ugandan forces, the Palestinian kidnappers and their **German Baader Meinhof** supporters. Over 100 Israeli and other passengers were rescued, but 20 Ugandan troops and three hostages died, as well as the leader of the assault, **Yonatan Netanyahu**, brother of Israel's right-wing Premier, **Binyamin Netanyahu**. ●

KENYA

The row over Aaron Ringera

The reappointment of the anti-corruption chief opens a rift between Parliament and President Mwai Kibaki as top politicians come under fire

For the first time in Kenya's history, Parliament has voted to reject a presidential order, duly noted in the official *Gazette*. At stake is the survival both of the Kenya Anti-Corruption Commission and of President **Mwai Kibaki's** government. The President's order was to reappoint the KACC chief, Justice **Aaron Ringera**. As pressure mounted on the Judge to resign, pro-Kibaki ministers publicly vowed that the appointment would be maintained and his ally, Finance Minister **Uhuru Kenyatta**, quietly juggled with a bill whose rejection would starve the Commission of resources.

Parliament's victory over the executive is hailed as a major step towards curtailing what pro-democracy activists call the 'imperial presidency'. Parliament, much vilified for its members' self-rewarding personal perks and salaries, appears to be possessed of a new activist spirit and set on chipping away the President's powers.

The controversy began on 31 August, when Kibaki ordered the reappointment of Ringera as Executive Director of the KACC, two weeks before his five-year term ended. The presidential order surprised everyone and was seen as yet another decision that went against popular opinion, confirming Kibaki's reputation for acting above the law. The law that established the Commission says that the President can appoint an executive director only on the recommendation of its advisory board and on Parliament's approval.

Side-stepping both institutions, Kibaki had reappointed a Director whose record in bringing the corrupt to book is dubious. The KACC Board protested and refused to endorse the decision. A parliamentary committee produced a report recommending that Parliament revoke the *Gazette* notices of the reappointments of Ringera and his deputies, **Smokin Wanjala** and **Fatuma Sichale**.

While Parliament took a six-week recess, legal and political analysts mulled over the implications of its victory. Kibaki's government has often disregarded due process and failed to keep its end of a bargain. His first government fell apart when he reneged on a 2002 pre-election memorandum of understanding that was to form the basis of a power-sharing arrangement between his National Alliance Party of Kenya (NAK) and **Raila Amolu Odinga's** Liberal Democratic Party. After his controversial re-election

in December 2007 and the countrywide bloodshed that followed, Kibaki regularly broke the terms of the National Accord that established the coalition government, often pushing the country back to the brink of renewed violence (AC Vol 50 No 17). The stickiest issues have concerned cabinet appointments and agreements related to power-sharing within the coalition government, and Kibaki's failure to abide by the accord led to the standoff between himself and Parliament.

Lawyers say the President has three choices. He can wait and see, ignoring the annulment and hoping that his opponents will lose their impetus amid fratricidal warring. For this the debate on the Appropriations Bill, cleverly postponed until Parliament reconvenes, will be crucial. There is talk of an imminent Kalenjin-Kikuyu alliance brokered by **Uhuru Kenyatta** (regarded by many as Kibaki's preferred successor as Kikuyu leader) and the Kalenjin leader, Agriculture Minister **William Ruto**. That alliance could push through the Appropriations Bill and give the KACC a lifeline.

Kibaki's second option is to persuade the courts to rule against Parliament. Before the house debated the Ringera affair, a group of lawyers had challenged Kibaki's decision in court but two judges recused themselves from hearing the case and the ruling was delayed. Yet the judiciary is stacked with Kibaki's appointees and the High Court might rule in his favour. That would be a constitutional nightmare but allow Kibaki to keep Ringera in office. A third, less likely scenario is that Kibaki himself rescinds Ringera's appointment.

At the KACC offices a few days after Parliament's victory, panic was beginning to set in. Many of its 267 employees (plus Ringera and his two deputies) fear that the organisation could be disbanded. It has enough money to run until December but may not get any more if Ringera keeps his job. Ordinary employees have mortgages and car loans to service, school fees to pay. Their worries deepened when, two days after the annulment, Deputy Director Wanjala tendered his resignation. A legal scholar who regularly criticised the government of President **Daniel arap Moi** in the 1990s, he said he was devoted to the KACC and would give up his job to save it from total disintegration.

The KACC's capacity had already been undermined by constant accusations

between Ringera and Attorney General **Amos Wako** about who is to blame for the slow pace of prosecution of those accused of corruption. The KACC defends itself by pointing out that it has no authority to prosecute but insiders claim that the tussles between Ringera and the Attorney General are part of the effort to frustrate a breakthrough on corruption. Winding up the KACC would be an even greater setback to that fight, though.

Wanjala's resignation will be commended, but Ringera is not likely to do likewise soon. The past is at stake, specifically the corruption scandals surrounding Kibaki's first government. As parliament challenged Kibaki's unilateral reappointment of Ringera, many remembered the Judge's past role in shielding the executive from scrutiny over corruption. A former aide said that he 'has always curried favour with the executive'.

In 1989, at the height of the clamour for multiparty democracy, Ringera was a partner at **Kamau Kuria** and **Kiraitu Advocates**, a leading pro-democracy law firm, and sued the Law Society of Kenya, another critic of Moi, arguing that it had no business engaging in political activity. He resigned from Kamau Kuria and Kiraitu and joined a rival firm, **Oraro and Rachier**, which later collapsed after being involved in the Karura Forest land-grab scandal.

By that time, in 1994, Ringera had been appointed a High Court judge. His role in the dismissal of the first anti-corruption boss, **John Haroun Mwau**, who had seemed to be making some headway, was rewarded when he was made Solicitor General. As the donors intensified their pressure on the Arap Moi government to do more about corruption, Ringera was appointed to head the Kenya Anti-Corruption Authority, but it was wound up prematurely when two civil servants charged with corruption successfully challenged its prosecutorial authority.

In 2004, at the height of the post-Moi euphoria, Parliament passed the Anti-Corruption and Economic Crimes Bill. Ringera was seen as a victim of intrigues in the late Moi era; few faulted his independence, he was favoured by former anti-corruption advisor **John Githongo**, and his report on corruption in the judiciary in 2003 had led to the suspension of 23 judges. Yet his nomination ahead of the new KACC got through Parliament only on a close vote, after challenges by pro-Odinga forces, mostly because they regarded him as a Kibaki ally. There was a scramble for the post, which carries a salary of more than US\$30,000, designed to keep the director safe from the temptation of bribery. The job is constantly in the media spotlight and Ringera's eventual appointment was generally considered a good idea.

In mid-1994, when the Anglo Leasing security procurement scandal broke, Githongo came under attack from pro-Kibaki forces. Ringera's apparent reluctance to support Githongo's crusade began to damage his reputation (AC Vol 50 No 12). After Githongo's resignation in 2005, Ringera turned the search for the Anglo Leasing villains into a farce. He once spent several days in London taking depositions from Githongo and then

returned to Kenya with the news that his team's tape recorders had malfunctioned.

Ringera's apparent protection of the Anglo Leasing culprits, some closely allied to the President, ensured his enduring value to the Kibaki regime. A new KACC director not beholden to Kibaki might reopen investigations on Anglo Leasing as well as other corruption scandals. This would frighten the President more than anything. ●

BONDO WELCOMES KIBAKI

A spirit of amity, barely two months old, appears to have stabilised the coalition government. It was ushered in by President **Mwai Kibaki's** trip to Nyanza, Prime Minister **Raila Odinga's** Luo stronghold, the first such visit since his controversial re-election in December 2007. Not much was achieved but the trip signalled Kibaki's intention to deepen his relationship with the Prime Minister.

Kibaki was feted in Odinga's Bondo home and for a few days Kibaki was left without the advice of his hawkish, longtime civil service chief **Francis Muthaura**, who had suffered a mild heart attack in June. Muthaura's absence may have contributed to the warming relations between Kibaki and Odinga. Kibaki's wished-for cooperation with Odinga would shift the perennial struggle for dominance between the Party of National Unity (PNU) and Odinga's Orange Democratic Movement (ODM) to their lieutenants. The coalitions that emerge will define the post-Kibaki dispensation.

Within Kibaki's PNU, Finance Minister **Uhuru Kenyatta's** growing closeness to Agriculture Minister **William Ruto**, the putative Kalenjin leader and an old pal from the Kenya African National Union, gives him a slight edge in the race to succeed Kibaki. During recent debates in Parliament over the eviction of Kalenjin settlers in the Mau Forest and Kibaki's reappointment of Kenya Anti-Corruption Commission chief **Aaron Ringera**, the two agreed to back each other and lessen the potential damage to both. The plan was unsuccessful but raised the prospect of a more substantial future alliance.

Vice-President **Kalonzo Musyoka**, whose loyalty to Kibaki has always been predicated on Kibaki backing his 2012 presidential campaign, appears temporarily bereft of potential allies. In a recent foray into the Rift Valley, Musyoka tried to set up as a peacemaker between Ruto and ex-President **Daniel Toroitich arap Moi**, who is increasingly vocal on the country's politics but still smarts from the Kalenjin people's rejection of his 2007 endorsement of Kibaki's re-election – a revolt that Moi rebuffed. Another possible successor to Kibaki is Moi's former Vice-President Professor **George Saitoti**, now Internal Security Minister and PNU Chairman; he is playing his cards close to his chest. Hamstrung by widespread insecurity in the country as well as by a series of ministerial gaffes, Saitoti has not yet made a real stab at power within the PNU.

The party is plagued by disunity. Its leading candidates repeatedly embarrass themselves on the national stage. At the recent by-elections in western Kenya and Gusii, where the rival parties had almost evenly divided up the vote at the 2007 general elections, the ODM managed to present a united front, although one fractured by internal disagreements over the post-election violence and the planned eviction of Kalenjin squatters from the Mau Forest Complex. Yet the PNU's campaign was half-hearted and in Bomachoge, where its candidate should have been an automatic choice, it managed a narrow and unexpected loss. The PNU blamed it on the President's refusal to campaign for the party, while Odinga successfully led the ODM campaign.

The ODM has in recent months been riven by tension between Odinga and Ruto. Its two by-election victories paled over those internal rows, without resolving the differences between the two. Ruto is losing credibility as a leader with a national outlook. He has been isolated by a series of scandals in his Agriculture Ministry and his frequent denunciation of the International Criminal Court, which is investigating the post-poll violence. He has often said that he believes himself to be on the list of post-election perpetrators in the envelope handed to the ICC. His rumoured alliance with Kenyatta could be useful in the long-term but has still to be sold to his Kalenjin supporters.

The steady rise of the ODM's other deputy leader, the understated Minister of Local Government **Wycliffe Musalia Mudavadi**, further complicates the leadership struggles as the party prepares itself for the next election. Mudavadi, often depicted by cartoonists as a scaredy-cat, was instrumental in ODM's win in the Western Kenya by-election. He has positioned himself as a capable, though quiet, ally of Odinga. He too, though, has presidential ambitions. If, as in the by-election campaigns, he can rally the big Western Kenya vote behind him, he will be a serious candidate for the top seat. ●

A new diplomatic deal after four decades in power

Forty years after his El Fatah Revolution, Libyan leader Colonel Moammar el Gadaffi gave his first address to the UN General Assembly on 23 September with a meandering, 94-minute speech from which Western leaders made sure they absented themselves. The upset caused by the homecoming celebration for Abdelbaset Ali Mohamed Al Megrahi, convicted of the Lockerbie bombing, showed that Gadaffi's diplomatic rehabilitation was far from complete, despite his regime's abandoning its nuclear weapons programme in 2003 and reopening its oil industry to foreign investors.

RHETORICAL EXERTIONS

Sporting a rust-brown robe and a black cap, Moammar el Gadaffi opened his address to the General Assembly with a greeting to 'our son Obama' on behalf of the 1,000 African kings he claims to represent. 'We are happy and content if Obama stays for ever as President,' said Gadaffi, to the embarrassment of the remaining United States delegates in the hall. Washington's diplomats went to extraordinary lengths to prevent any chance encounter between President Barack Obama and Gadaffi, whose association with the 1988 bombing of Pan Am Flight 103 still provokes furious protests in the USA. New York City Council barred him from pitching his tent and demonstrators hurled abuse at his entourage outside UN headquarters.

Gadaffi's marathon peroration to the Assembly, which Libya currently chairs, ranged over whether swine flu had been manufactured in a military laboratory and why the UN Security Council, on which Libya currently sits, should be renamed 'Terror Council'. In his current capacity as Chairman of the African Union, Gadaffi also demanded US\$7.77 trillion in reparations from the former colonisers of Africa. Libya's own economic conditions, despite boasting the biggest oil reserves in Africa, remain parlous, with decrepit infrastructure and a generally low standard of living for the vast majority outside the corrupt nomenklatura.

Libya's slow progress towards openness and reform may yet stall if the regime decides to revert to its former revolutionary values. Analysing which of his sons could follow Gadaffi as Leader has become shorthand for this power struggle between traditionalists and reformists. Fundamental reforms of the government structure are discussed but never implemented. These include a draft constitution whose publication has been endlessly delayed and Gadaffi's vision of a state without a government, distributing oil money directly to the people.

At home, the dominant figure in Libya's economic renaissance has been Seif el Islam el Gadaffi, the Leader's second son and the eldest from his second marriage. While many of the emerging entrepreneurial elite privately regret that Seif el Islam and his siblings have such a hold over business, they simultaneously praise the role he plays in guaranteeing the new openness in which commerce can thrive.

Seif's position as most likely heir is in question. His declaration last year that he was withdrawing from public life coincided with the emergence of his younger brother Mu'atassim in a more public role. Diplomatic sources have confirmed that he continues to intervene on important matters, as he did over the return of Al Megrahi. However, his father nationalised his *Al Ghad* media group, including newspapers and a satellite television station, earlier this year and his decision to purchase a large house in London, where he is said to have spent a lot of time, has fed

speculation that the influence of his liberalising and reform agenda is on the wane. One of the most important projects he supports was sidelined this year – a new constitution, which Seif wanted to launch at the celebrations of the 40th anniversary of his father's *El Fatah* Revolution this month. It would have combined El Gadaffi's Green Book philosophy with reformist ideas and created the position of head of state.

An indication of Mu'atassim's growing importance was his meeting with US Secretary of State Hillary Clinton in April. Appointed head of Libya's National Security Council in January 2007, he is the only family member with an official position endorsed by the General People's Congress (parliament). He is supported by the Revolutionary Committees Movement, the guardians of Gadaffi's revolutionary ideals.

Gadaffi's own attempts to reform the state have stalled. In March 2008, he said the General People's Committee (the government) should be abolished and oil wealth handed directly to the people. Regime officials resisted with unaccustomed determination. Some version of the plan, or part of it, may yet be enacted but the changes are most likely to be watered down to relatively small scale tinkering at a few ministries.

THE PROBLEM OF DEMOCRACY

The *Jamahiriya* (State of the Masses) system was invented by Gadaffi after his coup to solve 'the problem of democracy'. He described the ideas behind the system in the Green Book, which states that 'Popular congresses are the only means to achieve popular democracy.' Every Libyan belongs to a basic popular congress, which elects a secretariat and sends delegates to larger congresses culminating in the General People's Congress, which meets once a year in March. The Congress decides on policies and appoints a General People's Committee to fulfil the role of executive. This is a technocratic institution whose sub-committees are effectively ministries. Gadaffi, the Brother Leader, is not the head of state but guides the decisions of the Congress and his annual speech to it sets the agenda for the year. The system is supposed to give every Libyan a say in decisions affecting the country. In practice, the Congress almost always decides to do what the Leader says.

Another effect of Gadaffi's political philosophy has been a deliberate mushrooming of committees and organisations. The Green Book calls for 'No democracy without popular congresses and committees everywhere.' The result is that there is always another committee whose approval is needed before a decision can be carried out. Part of the strength of the Leader and his family is their ability to take decisions which are not questioned.

Although the most significant opponents of Gadaffi are clandestine Islamist groups, none have been able to challenge the regime in recent years. Libyan Islamists have been active in Iraq in the past and may also be active in other parts of the Maghreb. Gadaffi's formidable state security apparatus – ranking with those of Saudi Arabia and Sudan in its ruthlessness and efficiency – has crushed overt Islamist opposition to the regime.

The current weakness of the Islamist opposition is reflected by the capitulation of the Libyan Islamic Fighting Group, whose leaders have been imprisoned in Tripoli. Seif's Gadaffi International Charity and Development Foundation has led lengthy negotiations with the group, which now says it has abandoned violence. Seif el Islam has also encouraged many

opposition figures in exile – including Islamists – to return home but such initiatives may have unpredictable results. Benghazi is the base for an underground Islamist movement. After years of deliberate neglect, the government has started investing in infrastructure and attempting to boost the economy in the city and the surrounding Cyrenaica district.

OIL POLITICS AND INEQUITIES

Gaddafi may never have intended to carry out his threat early this year to renationalise the oil industry but it did mark a shift to a more aggressive nationalist approach to resources. When **Canada's** Verenex, the most successful company to start exploration in Libya in recent years, tried to sell itself to **China** National Petroleum Corporation in February for \$462 mn., the National Oil Corporation (NOC) blocked the deal. It has now agreed to buy the company itself for a lower price of \$316 mn., while accusing Verenex of obtaining its licence improperly.

Such manoeuvres may be more common after the resignation of **Shukri Ghanem** as NOC Chairman on 26 August following a row with the conservative GPC Secretary (Prime Minister) **El Baghdadi Ali el Mahmoudi**. A permanent successor has yet to be appointed. Ghanem, a veteran oil industry expert, was one of Libya's most capable economists and one of the few officials committed to structural reform. He made enemies at NOC by placing his own people across the organisation and by closing foreign branches that he believed were inefficient. He was unpopular because of his advocacy of cuts in subsidies on fuel and staple foods. His main political asset was the support of Seif; they became close while Seif was studying in Vienna and Ghanem was at the Organisation of Petroleum Exporting Countries.

Income disparities are among the greatest challenges. The elite is taking advantage of influential connections to start businesses in the newly open economy, driven by fresh investment in oil and gas. Yet most ordinary Libyans see little benefit from oil wealth, either in income or in better hospitals, schools or roads. Many public infrastructure projects are planned. These are run by a handful of state organisations with multibillion-dollar budgets, notably the Housing and Infrastructure Board, a \$5 bn. fund which is developing residential projects on the outskirts of Tripoli.

AFRICAN UNIONS AND FUNDS

Gaddafi's vision of a united continent played a key role in the celebration of his 40-year rule. Exactly ten years after he declared the United States of Africa, he achieved his ambition of becoming President of the African Union. Aside from the opportunity to grandstand at the UN and be hailed 'King of Kings' by a delegation of 200 African monarchs in February, it is unclear how far this vision can advance. One of the main tools Gaddafi has used for influencing Africa is a massive investment programme. The most important is the Libyan African Investment Portfolio, which may be worth \$8 bn. Until recently, LAIP was headed by **Bashir Saleh Bashir**, formerly Gaddafi's Chief of Staff

and said to be very close to him. Saleh came to London in June to present the fund to over 100 potential investors at St. James's Palace under the patronage of **Britain's** Special Representative for International Trade and Investment, Prince **Andrew**.

Investment and partnerships the fund has agreed over the past year include a \$175 mn. recycling centre in Kampala, a joint venture with **Russia's** *Technopromexport* for power projects across Africa and joint energy projects with Gazprom. LAIP's **Mauritian**-registered subsidiary, Libya Oil Holdings (formerly Tamoil Africa Holdings), owns over 1,200 petrol stations in more than a dozen countries. It has also signed numerous African deals, including a joint venture with the **Egyptian** General Petroleum Corporation for a \$5 bn. oil refinery, an investment in AIM-listed Circle Oil, which is exploring for oil in North Africa, and a pipeline project in **Congo-Kinshasa**.

Another Africa-focused fund is the Libyan Arab African Investment Company (Laaico), which is developing property, agriculture, trade and mining projects in more than 25 countries. Laaico Deputy Managing Director **Salam Serkik** presented possible joint ventures to investors in Paris in June, organised by the **French** international development agency *Ubfirance*. ●

BRITAIN'S DEMANDING ALLY IN TRIPOLI

Britain's release of convicted terrorist **Abdelbaset Ali Mohamed al Megrahi** has prompted widespread criticism (especially from Washington), but Whitehall officials judged it worth the price of closer security ties with Colonel **Moammar el Gaddafi's** regime and commercial gains.

● **Intelligence cooperation:** Libya has provided substantive information on *Al Qaida* and other armed Islamist groups to the British, **French** and **United States** governments. A senior source described the relationship between the British and Libyan intelligence services as 'very open'. Tripoli's foreign intelligence agents face fewer official obstacles when they monitor and harass the regime's opponents in Western states. *Al Qaida* is yet to wreak revenge on Gaddafi for cooperating with his former Western foes.

● **Security cooperation:** British opposition politicians are against a plan under which officers from the Metropolitan Police and the Police Service of Northern Ireland provide training to Libyan police. They argue that the murder of Woman Police Constable **Yvonne Fletcher**, shot dead from the window of the former Libyan Embassy in St James's Square in London in 1984, is unresolved and the families of the victims of **Irish** Republican Army semtex bombs supplied by Libya are yet to be compensated by Libya, as were the families of those killed in the Lockerbie bombing.

● **Defence cooperation:** Britain is competing hard with France, **Russia**, **Italy** and even the USA to sell military technology to Tripoli. Its greatest success to date has been General Dynamics UK (GDUK)'s US\$165 million deal to supply its C41 tactical communications and data system to the elite 32nd Reinforced Brigade of the Armed People. This unit is led by 29-year old Captain **Khamis Abu Minyar el Gaddafi**, one of the younger sons of the Libyan leader. Several officers from the unit have been training with GDUK in Britain.

● **Oil exploration and production:** Executives at BP and Shell remained quiet as the Al Megrahi saga unfolded, well aware that any attempts at advocacy could backfire. BP's Libya relations are being handled exclusively by a BP special advisor and former Middle East Director of the Secret Intelligence Service (MI6), Sir **Mark Allen**. Both Shell's ambitious gas development project in the Sirte Basin and the biggest single exploration programme in BP's history were likely to have suffered had Al Megrahi stayed in Scotland. Shell's project faces technical difficulties, but BP is optimistic about the prospects for more oil and gas discoveries.

● **Finance and investment:** the City of London has been waiting for more than 18 months for Libya's \$100 billion sovereign wealth fund, the Libyan Investment Authority, to open an office there. A number of LIA employees are being trained at placements at City institutions. One figure involved in this relationship has been Lord **Jacob Rothschild**, who served on the LIA advisory board for two years until mid-2009 when, according to his office, he 'retired from a number of boards to reduce his commitments'. Another is the London School of Economics Director and former UK Financial Services Authority chief, Sir **Howard Davies**, who also served on the LIA advisory board, and was Prime Minister **Tony Blair's** economic envoy to Libya in 2007. Both are close to **Seif el Islam**, who completed a PhD in corporate governance at LSE. He has now made a large donation to its Centre for the Study of Global Governance. Rothschild entertained Seif at his Corfu villa this summer in the same party as UK Business Secretary **Peter Mandelson**. ●

COLONEL MOAMMAR EL GADAFI

■ Colonel **Moammar el Gaddafi**: the 67-year old Brother Leader of the Revolution is still in complete command. All speculation about his children's influence must be put in the context of the Leader's ultimate control of his family and country. Gaddafi has allowed Libya to open itself to the West and permitted elements of global market economics to dilute the revolutionary Green Book philosophy which underpins the *Jamahiriyah* (State of the Masses) system. Yet limits to the extent of reform suggest that he has not completely abandoned his ideals. Periodic shake-ups of the government reflect his frustration at the difficulty of using the system to implement the outcomes he desires.

MOHAMED EL GADAFI

■ **Mohamed el Gaddafi**: the Leader's only son of his first marriage, to **Fatiha**, daughter of an officer in the army of King **Idriss el Sanusi** (whom Moammar el Gaddafi overthrew in September 1969) has no involvement in politics. Instead, he has been allowed to create a fiefdom in telecommunications. He chairs the General Post and Telecommunications Company and also controls the two state-owned mobile telephone networks, *Al Madar al Jadeed* and *Libyana*, and the internet provider, *Libya Telecoms and Technology (LTT)*.

SEIF EL ISLAM EL GADAFI

■ The Leader's eldest son from his second marriage, to **Safiya Farkash el Barassi**, **Seif el Islam** ('Sword of Islam') has become the standard-bearer of reform, styling himself the spokesman for Libyan youth. Observers say he is genuinely committed to liberalising human rights although, along with his siblings, he personifies the future of his family's rule over the *Jamahiriyah*. In July 2008, he made a televised speech in which he said the regime needed to admit to the unlawful killing of dissidents in the past. In common with many other of his projects, this initiative, named the Gaddafi Call, has not advanced. Seif has no formal role in the *Jamahiriyah*. Gaddafi International Charity and Development Foundation, which acts as a kind of safety valve for the human rights abuses committed by his father's regime.

HANNIBAL EL GADAFI

■ Gaddafi's reaction to the **Swiss** police's arrest of his son **Hannibal** for assaulting a servant in a Geneva hotel last year shows that even minor members of the family are influential. A year after the event, Switzerland is still feeling the diplomatic repercussions – including a block on oil exports and the detention of two Swiss businessmen for a year. Hannibal is said to run the General National Maritime Transport Company, which ships Libyan oil around the world.

AISHA (AEYSHA) EL GADAFI

■ Gaddafi's only daughter, **Aisha el Gaddafi**, founded her *Waatasemu* Charity Organisation in 2001 to assist women, children, handicapped people, the poor and the victims of natural disasters. A lawyer, she took part in the defence of the late **Iraqi** President, **Saddam Hussein**.

ES SAADI EL GADAFI

■ **Es Saadi**'s importance in regime politics has declined in recent years. In the early 2000s, he was active diplomatically. A graduate of the Military Academy, he was chosen to set up an elite military unit in 2005. His younger brother **Khamis** has since superseded him in this role. Associated with football, he has appeared in a minor way in various **Italian** teams. He also runs the Free Trade Zone in Misurata.

MU'ATASSIM EL GADAFI

■ **Mu'atassim** is a strong candidate to eventually succeed his father. He has the support of conservatives within the regime, notably

the Revolutionary Committees Movement. His return to political prominence after a period of exile in Cairo began with his appointment to the NSC. This made him the only member of his family to have been elected to a formal position within the *Jamahiriyah* by the General People's Congress (GPC). He was then appointed to the committee responsible for planning the abolition of the government proposed by his father in 2008.

KHAMIS ABU MINYAR EL GADAFI

■ The youngest son to have a political role, **Khamis** leads the army's elite 32nd Brigade. He is said to be popular with his men and to have studied his profession seriously. Although in his 20s, he has completed military courses normally attended by much more experienced officers. Although considered a potential candidate for the succession, he has carefully stayed out of politics.

MOUSA KUSA

■ In March, the veteran former head of the External Security Organisation (AC passim) **Mousa Kousa** became General People's Congress Secretary for International Cooperation (Foreign Minister). In the 1980s, he orchestrated the 'Stray Dogs' campaign against dissidents living abroad. He was Secretary of the Libyan People's Bureau (Embassy) in London, until his expulsion in 1980. In recent years, he has taken a lead role in the negotiations with the UK over Libya's rehabilitation. Widely seen as the man behind the 1988 bombing of Pan Am Flight 108 over Lockerbie, he visited Scotland at least twice to meet officials over the release of the man convicted of that bombing, **Abdelbaset Ali Mohamed el Megrahi**. On his second visit in January, he appeared as Security Minister but on his first recorded visit in October 2008, he was listed in the minutes as 'interpreter'.

AHMED IBRAHIM

■ Head of the World Centre for Green Book Studies, **Ahmed Ibrahim** is the most prominent torchbearer for Gaddafi's revolutionary ideals and opponent of liberal reform. He was moved to his current position in early 2008 at the conclusion of a lengthy conflict with Seif el Islam. Previously, he had held the powerful position of Assistant General Secretary of the GPC. He was a key founder of the Revolutionary Committees Movement.

EL BAGHDADI ALI EL MAHMOUDI

■ **El Baghdadi Ali el Mahmoudi**, the Secretary of the General People's Committee, is a conservative who has resisted the reforms championed by Seif el Islam and his liberal protégé, **Shukri Ghanem**. He was Ghanem's deputy and succeeded him as Prime Minister in 2006. Although written off as weak and incompetent by critics, and widely tipped for the sack before Gaddafi announced he would abolish the government in 2008, he has kept his place while rivals such as Ghanem have now gone.

ABDELHAFEZ EL ZLEITNI

■ **Abdelhafez el Zleitni** is arguably the most powerful politician in Libya today. At every reshuffle, his responsibilities increase. In March, he added the Finance portfolio to his brief as Planning Minister. As Executive Chairman of the Libyan Investment Authority Management Board, he negotiated with the Italian government on many deals.

MOHAMED LAYAS

■ The Libyan Investment Authority Chief Executive, **Mohamed Layas**, is one of the *Jamahiriyah*'s most skilled financial technocrats. His cautious management of the LIA since it was set up in 2006 kept it from investing at the peak of the boom, so its credit-crunch losses have been minimal.

Which vulture flies?

President Sassou spends millions of his country's money on trying to stop vulture funds preying on bad debtors – like Congo

President Denis Sassou-Nguesso has spent nearly US\$6 million on lawyers and lobbyists in the United States in the past three years. He wants Congress to pass legislation against 'vulture funds'. These are firms which buy up the bad debt of poor countries at a massive discount, then pursue them through the courts for the original amount, plus penalty payments and compound interest.

Documents with the US Department of Justice detail these and other lobbying that Sassou pays for with cheques from the state oil company, the *Société Nationale des Pétroles du Congo* (SNPC). The proposer of the US bill to outlaw such practices, Congresswoman **Maxine Waters**, says she was not aware of the connection to Sassou, who is currently fighting a civil anti-corruption case in Paris.

Elliott Associates, a 'vulture fund' with which Congo-Brazzaville was in litigation for years until it settled the debt in early 2008 is trying to undermine the bill. The Congo-Elliott settlement was for \$39 mn. Shortly after the revelations in 2006, Sassou instructed his Washington lawyer and lobbyist, **John Thorpe Richards Junior** of law firm Trout Cacheris, to push for a law to outlaw the activities of Elliott and other vultures. The lawyer's brief included 'advocacy concerning the activities of the creditors of the Republic of Congo and issues of debt relief for the Republic of Congo before International Organisations and Departments of the United States Government'.

Soon afterwards, Richards's partner **Plato Cacheris** was seen in a well known, power-broking Washington restaurant discussing the creditor's legal actions against Congo with **Robert Weisberg**, then about to become Ambassador in Brazzaville, and with a controversial neo-conservative, **Michael Ledeen**, who receives funds from Sassou-Nguesso. The lobbyists also hoped to ease Congo-B's path into the category of countries that receive maximum debt-relief, the Highly Indebted Poor Countries (HIPC).

Ledeen, who was active in President **Ronald Reagan's** White House, is an influential lobbyist. In the two years after February 2006, he earned \$600,000 from Sassou. He had influence in **George W. Bush's** White House, too, and helped to prepare the ground for Sassou to meet – and be photographed with – Bush in June 2006. (Elliott had hired its own neo-con,

Kenneth Adelman, to lobby against the visit.) Over the same period, Sassou paid \$600,000 through the US firms to **Jean-Yves Ollivier**, a South African-based oil trader and *éminence grise* of *Françafrique*, the nexus of political and economic interests between France and Africa.

Ollivier took commissions on oil-backed loans he set up for Congo. Oil companies lent cash to the state and were repaid by sales of oil. The interest rates on many loans were ruinous and the International Monetary Fund has since forbidden Congo to take out such loans, because they deliver such poor value. Ollivier admitted he had loaned hundreds of thousands of dollars to build a house for **Blaise Elenga**, who runs Congo's oil-marketing company, *Congolaise de Trading SAU*, along with Sassou's son **Denis Christel Sassou-Nguesso** (AC Vol 50 No 16). The two were involved in the shell companies Congo-B had set up to keep oil funds out of Elliott's reach.

By 2007, the Trout Cacheris lobbying brief had expanded and the firm claimed it had 'evaluated potential legislative remedies for the problems created by vulture fund profiteering in defaulted sovereign debt, including the researching and drafting of recommended legislation'.

US Justice Department documents show that Richards and his colleagues contacted staff members of the Congressional Black Caucus and prominent non-governmental organisations such as TransAfrica Forum and Jubilee USA about the proposed legislation. Those approached included **John Conyers**, **Donald Payne**, **Alcee Hastings**, **Maxine Waters** and **Jesse L. Jackson Jr.** Waters introduced a bill to outlaw vulture fund activity in August 2008. It failed but was reintroduced as 'Stop Vulture Funds Act' this June and is currently in committee.

Questioned last May on the role of the President in preparing the legislation, Waters said, 'I do not know that to be true', although Richards had been in frequent contact with one of her aides and had sent her office a draft anti-vulture fund bill. In accordance with the law, facsimiles from Richards were stamped: 'Trout Cacheris PLLC is a registered agent of President Sassou-Nguesso of the Republic of Congo'.

In January 2009, Richards spoke at a public meeting of a British affiliate of Jubilee USA, the Jubilee Debt Campaign UK, in the House of Commons. A notice of the meeting said that Richards had 'helped to draft the Stop Vulture Funds Bill which was initially introduced to Congress last summer.' Later, **Sally Keeble**, a Labour member of parliament, introduced a Private Member's Bill: 'Developing Country Debt (Restriction of Recovery)'. The latest figures show that Sassou has spent nearly \$6 mn. on his Washington operation since early 2006, possibly more. The money comes from the SNPC and the client is not the Republic of Congo but Denis Sassou-Nguesso himself. ●

WASHINGTON LOBBYISTS STAKE CLAIM

In the run-up to last year's **United States'** presidential election, the neo-conservative **Michael Ledeen** persuaded Democratic Party politicians (normally his sworn opponents) to support the 'Stop Vulture Funds Bill'. He claimed that the billionaire behind the Elliott Associates 'vulture fund' was **Paul Singer**, a main financial backer of the bid for the US Presidency by **Rudy Giuliani**, the popular Republican former Mayor of New York.

Ledeen wanted to keep the debate around the anti-vulture fund bill in the news, thanks to public relations agents paid through Trout Cacheris, a reputable legal firm whose clients include Congo-Brazzaville President **Denis Sassou-Nguesso**. There would be talk about Singer's role in Elliott, which might damage Giuliani and the Republican cause generally and help the candidate of the Democrats, who were thought likelier to be against the vultures. In the end, Giuliani did not win the Republican nomination.

Among the US Department of Justice documents recording activities on Sassou-Nguesso's behalf, there are records of public relations work by Chlopak Leonard Schechter and Associates, a firm subcontracted by Trout Cacheris and publicising Singer's role. One PR worker noted that she had telephoned reporter **Carl Campanile** at the *New York Post* on 26 July 2007 about Elliott Associates. On 30 July, the *Post* published an article by Campanile headlined: RUDY'S 'VULTURE' \$\$ MAN 'PROFITS OFF POOR'. The PR worker e-mailed copies to a number of influential non-governmental organisations.

Ledeen has described Sassou as a 'terrific African diplomat' and a personal friend. Ironically, until 2008 Ledeen was 'Freedom Scholar' at the citadel of US neo-conservatism, the American Enterprise Institute where, down the corridor, could also be found the 'Visiting Scholar' **Paul Wolfowitz**, who as World Bank President wanted Sassou held accountable for the fate of his country's resources. ●

A King takes on the President

The Baganda people and their monarch are turning on the government and hurting its election prospects

The most serious challenge to Yoweri Museveni's presidency was always going to come from within his own coalition and that seems to have started in Kampala this month. A dispute between Museveni and **Kabaka Ronald Muwenda Mutebi**, the titular king of Uganda's largest ethnic group, the Baganda, sparked off riots on 10-12 September during which more than 20 people were shot dead. The riots erupted after the government blocked King Ronnie's visit to a district of his Kingdom. The consequences are likely to be far-reaching. The most obvious one is that President Museveni would struggle to win a free election without substantial support from the Baganda.

Two months ago, President Museveni was firmly on his way to re-election in 2011 (AC Vol 50 No 17). The opposition was divided, broke and lacking a coherent message. Economic growth was slowing but still bullish after the discovery of oil, while regional trade was growing. Museveni's political standing in opposition centres in the north and east seemed to have been helped by three years of political stalemate in the regions and a growing sense of desperation. Moreover, there was less pressure from the rebel Lord's Resistance Army which, backed by its sponsors in Khartoum, had moved north to massacre and kidnap civilians in Southern Sudan, before heading West to attack civilians in Congo-Kinshasa and Central African Republic.

Although Museveni has been irritated by Western criticism of his policies and his intolerance of domestic opponents, the United States and Europe have kept up substantial aid disbursements and

make their points about corruption and arbitrary rule as mildly as they can. On 21 September, Museveni arrived in New York for the opening of the United Nations General Assembly and was formally welcomed by the US Ambassador to the UN, **Susan Rice**, and the US Assistant Secretary of State for African Affairs, **Johnnie Carson**, who have praised the Ugandan military's peacekeeping deployment in Somalia.

ELECTORAL ARITHMETIC

None of this can much help the President to deal with his country's awkward ethnic and electoral arithmetic. There are 15 main ethnic groups, of which the Baganda are the most numerous. National elections can be won only with strong support either from Buganda in the south-west or from the Acholi and Langi people of the north and east, who tend to support the Uganda People's Congress and Museveni's ageing and exiled rival, ex-President (twice) **Milton Obote**. Since he seized power in 1986, Museveni has had few friends in the north and east.

Museveni's solid support has been from his own Banyankole people in the west and the Baganda in the south-west. Banyankole support has dwindled because of the challenge from Museveni's former doctor, **Kizza Besigye**, candidate for the opposition Forum for Democratic Change. If Besigye and his activists joined forces with the increasingly strident dissidents in Buganda, they might outvote Museveni and his National Resistance Movement (NRM). Museveni won 62% of the vote in Buganda in 2006 and his 1.9 million votes there were

almost half of his total of 4.1 mn. Without those votes, he could lose the election or be forced into a run-off (from which he was about 600,000 votes away in 2006).

Museveni and Buganda have had an uneasy marriage of convenience, held together largely by some leading Baganda. Mutebi, whom Museveni-supporters now mock for his mood swings and upper-class English manners, led Buganda's support for the 1981-86 war that brought Museveni's NRM to power and which was largely fought in his kingdom. The writer and cricketer **John Nagenda**, who remains a key spokesman for Museveni, did much to mobilise Baganda support behind the NRM.

As a reward, Museveni restored in 1993 some of the traditional royal privileges that had been abolished under Obote in 1966 and returned some property taken by the central government. Buganda has voted for Museveni and his NRM in the last three elections and been rewarded with several ministries and a Vice-President, Professor **Gilbert Balibaseka Bukenya**.

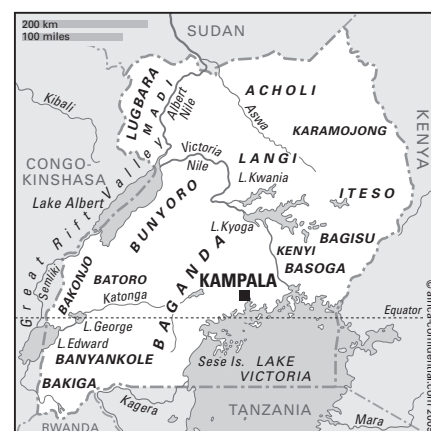
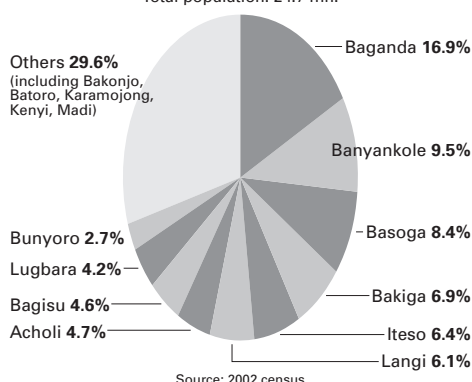
Museveni's government thought it was giving back some ceremonial dignity. Some of the *Kabaka's* advisors thought they had been promised a federal system of government and the return of large tracts of land given to the kingdom by the British colonial government. Museveni has sought to balance Buganda's discontent by an alliance with its old rival, the Bunyoro Kingdom, whose newly discovered oil fields have increased its importance. He also wants to cut down to size Buganda's landed gentry, with legal reforms that would give serfs ownership of land and by encouraging smaller tribes – including one that opposed the *Kabaka's* visit – to break away from Buganda.

The law bars 'cultural' leaders from politics but the *Kabaka* has been speaking out and his courtiers have spearheaded campaigns to undermine government programmes, including land reform. The riots have made the *Kabaka* a rallying point for his loyalists



MAJOR ETHNIC GROUPS IN UGANDA

Total population: 24.7 mn.



and for other disaffected Ugandans tired of corruption, unemployment, and the accumulation of wealth by presidential cronies. Museveni has claimed that Kizza Besigye and his FDC helped to organise the riots. In private, intelligence officials admit that the trouble was spontaneous and a sign of growing dissent.

The President has also accused an unnamed foreign state of sponsoring the trouble; more quietly Ugandan Intelligence officers point to **Libya's Colonel Moammar el Gaddafi**, who initially backed Museveni and the NRM until they fell out over what Kampala saw as the Libyan leader's duplicitous role in Sudan and impractical schemes for a United States of Africa. Other African leaders are similarly worried by the Brother Leader but are more prone to diplomatic inaction than Museveni. The falling out seems real – Museveni has cancelled two trips to Libya and blocked a Libyan firm from buying a 60-acre cattle ranch near the oil fields of Bunyoro.

ETHNIC TAPESTRY FRAYS

The President, who claims to be non-sectarian, has for many years relied heavily on people from his home ground, appointing members of his tribe to top positions in the army, cabinet and government agencies. The ethnic tapestry is beginning to come apart though. In August, a leaked letter from Museveni exposed his proposal to 'ring-fence' elective positions in Bunyoro for indigenous people, a blatant attempt to buy support that earned the wrath of the numerous Ugandans who have moved freely around the country. Museveni has backtracked on his proposals but the dispute with Buganda leaves his country dangerously polarised.

During the September riots, people from the President's people were targeted in several areas, as happened in Kenya's ethnic violence after the 2008 elections. Museveni wants to ensure that Buganda, with its large electorate and central location in and around the capital, does not turn against him. He has shut four local-language radio stations, including one belonging to the Buganda Kingdom, vowed to bring a law to keep cultural leaders like the *Kabaka* firmly out of politics and offered a watered-down version of a federal system that was stillborn in 2005.

Voices critical of the regime face growing repression. Attacks on the media have doubled over the last two years and at least 14 journalists are facing charges of some sort. Yet Museveni badly needs friends before the next election. His courting of the Banyoro has cracked his stronghold of western Uganda. If Buganda voted for the opposition, he would need to win in the east – an opposition target because of its poverty – and in the north,

where his regime is still hated. He needs to keep the ethnic groups divided, so that they do not gang up against him and his western-dominated regime.

He must also address the growing unemployment and socio-economic imbalances that feed youth militancy in the towns. He has announced plans for patriotism classes in secondary schools and a US\$15 mn. fund to create jobs for young people. Uganda produces five college and university graduates for every job created

annually, so this investment can have no impact before the 2011 elections.

A few days after the blocked trip, Ronald Mutebi visited Wakiso outside Kampala, an uncontested part of his Kingdom. His visits are usually low-key affairs attended by a few people; this time, thousands turned up and he was cheered all the way. The *Kabaka* could have gone, in two weeks, from cultural king to political kingmaker for the coming election. ●

LEADERS IN WAITING

There are no credible challengers to President **Yoweri Kaguta Museveni** within the top ranks of the governing National Resistance Movement. The respected Foreign Minister **James Wambogo Wapakhabulo**, who had been a serious candidate for the presidency, was pressured to quit as Speaker of Parliament and take a backroom job, before he died in 2004.

With Vice-President **Gilbert Balibaseka Bukenya's** nocturnal exploits much reported by Kampala's gutter press, few rate his chances in a succession battle; NRM Secretary General and Security Minister **John Patrick Amama Mbabazi** was badly damaged by a Pension Fund scandal. **Ruhakana Rugunda**, Ambassador to the United Nations in New York, where Uganda has a two-year seat on the Security Council, is regarded as too affable for the presidency. The most ambitious NRM politicians are from the younger generation, including members of parliament **Henry Banyenzaki**, **Mary Mugenyi**, **Adolf Mwesigye** and the tough **Theodore Ssekikubo**.

The younger opposition MPs are politically weightier. From **Kizza Besigye's** Forum for Democratic Change, **Nandala Mafabi** is the most effective and as head of Parliament's Public Accounts Committee, unrelentingly pursued ministers and officials for explanations and official records. His replacement as PAC Chairman, **Reagan Okumu**, has a strong following in the north. The most ambitious oppositionists are FDC's **Gregory Mugisha Muntu** and the Democratic Party's **Norbert Mao**. Major General Mugisha Muntu used to command the National Resistance Army (now Uganda People's Defence Force) and is a member of the East African assembly. He lost the FDC presidency to Besigye this year. Meanwhile 'Chairman Mao' left his parliamentary seat to become Mayor of Gulu District. He wants to run for the presidency in 2011, a dry run for the 2016 elections.

Academics are getting more outspoken, notably Professor **Venasius Baryamureeba**, a computer science guru who runs the Information and Computer Technology Faculty at Makerere University, and Prof. **Augustine Nuwagaba**, a poverty and development consultant. Prof. **Joe Oloka-Onyango**, who runs a human rights think tank at Makerere, is a fierce critic of Museveni's regime while his wife and fellow law don, **Sylvia Tamale**, staunchly defends civil rights. Leading civic activists include **Beatrice Anywar**, an MP and environmental activist who successfully campaigned against government handing part of a protected rain forest to a sugar conglomerate; **Godber Tumushabe**, who monitors wasteful public spending; and former minister, MP and spy chief **David Pulkol**, who tracks MPs' performance. Besigye's wife, **Winnie Byanyima**, keeps a low profile since quitting Parliament for the African Union in Addis Ababa and then the UN.

Most of the richest companies, controlled by Ugandan Asians or multinationals, claim they try to avoid politics. However, **Sudhir Ruparelia** is important as the richest living Ugandan; **Hassan Basajjalabala**, a wealthy kingmaker who has fallen out with Museveni, also remains politically relevant.

The military remains hugely influential, although Museveni insists he has retired from the army. His son, Lieutenant Colonel **Muhoozi Kainerugaba**, heads the Special Forces and guards his father's back. Also important is Museveni's brother (and sometime critic), Gen. **Caleb Akandwanaho** aka **Salim Saleh**, former Reserve Army Commander and now Military Advisor to Museveni. Others include the Chief of the Defence Forces, Gen. **Aronda Nyakairima**; Police Inspector General Maj. Gen. **Kale Kayihura** and the Chief of Military Intelligence, Brigadier **James Mugira**. Col. **Moses Rwakitarate**, Air Force Chief of Staff, and Brig. **Patrick Kankiraho**, who commanded the ill-fated Operation Lightning Thunder against the Lord's Resistance Army in **Congo-Kinshasa**, are part of the ambitious military elite around Muhoozi, as is Col. **Octavious Buturo**, once the Deputy Military Intelligence Chief, who is now on study leave. ●

Zimbabwe

WOMEN AT WAR

■ The fifth congress of the Zimbabwe African National Union-Patriotic Front in December will shape the party's leadership and policies for the next five years. National delegates are picked at provincial conferences, the Youth League on 12 September and the Women's League on 19 September. In Harare and Bulawayo, ZANU-PF structures are moribund, so their delegates will have observer status, as will Youth and Women's leagues' delegates.

Youth League members must now be under 30, so it was the swansong of **Saviour Kasukuwere**, the Youth Minister. The candidates for his post were both from Midlands; **Emmerson Mnangagwa's** supporter **Edison Chakanyuka** beat **Anastancia Ndhlovu**, a member of Parliament linked to **Joice Mujuru's** faction. Mnangagwa's faction won the support of Matebeleland North and South, Midlands, Masvingo and Manicaland; Mujuru's of Mashonaland East, Central and West.

In Matebeleland and in Manicaland ZANU-PF has few MPs; Mnangagwa's support comes from Karanga-dominated Midlands and Masvingo with only 40 or so parliamentarians. Mujuru's three Zezuru-dominated Mashonaland provinces give her about 60 MPs. This would be critical if **Robert Mugabe** doesn't finish his term and Parliament has to choose his successor.

At the Women's League, a four-way battle erupted between rival factions and uniformed and plain-clothes police. Batons and chairs were swung as delegates backing **Oppah Muchinguri** tried to force their way into the hall. A score of women needed treatment at an improvised casualty station, and a few went to hospital.

Inside, National Chairman **John Nkomo** threatened to evict the Mashonaland West delegates as they fought over who to back for secretary of finance. After an unprecedented secret ballot, the pro-Mujuru **Olivia Muchena** from Mashonaland East beat **Shuvai Mahofa**, a Mnangagwa loyalist from Masvingo and a colourful old lady who during the liberation struggle ran a rest and recreation network. She probably knows more about the leaders' peccadillos than they would like; she was compensated with the security portfolio.

Sudan

HYBRID JUSTICE

■ The African Union Panel of Experts is to propose the establishment of 'hybrid courts' – which would include both Sudanese and international judges – to try those accused of war crimes in Darfur, *Africa Confidential* has learned. The Panel

has concluded that Sudan's courts are incapable of fair trials. The word 'hybrid' has unfortunate connotations, especially in Darfur, where the United Nations-AU hybrid mission has been criticised for failing to protect civilians and stand up to intimidation from Khartoum.

Headed by **South African** ex-President **Thabo Mbeki**, the Panel is expected to reject proposals that Sudanese officials should enjoy immunity from prosecution. (That option would have been rejected anyway by the Panel's veteran human rights activists **Rakiya Omaar** from **Somaliland** and **Tiébilé Dramé** from **Mali**.) It will stress the seriousness of the crimes committed but is unlikely to classify them as genocide as this would suggest a main perpetrator – the ruling National Congress Party (NCP, aka National Islamic Front).

The diplomatic approach reflects the preferred style of Mbeki and two former presidents, **Burundi's Pierre Buyoya** and **Nigeria's** General **Abdulsalami Abubakar**, and **Egypt's** ex-Foreign Minister **Ahmed Maher**. The Panel is also set to call for a South African-style Truth and Reconciliation Commission, which Khartoum would accept in the belief that it could neutralise it.

Somalia/United States

AMERICAN AIRLIFT

■ When United States special forces landed near the *Shabaab*-held Somali town of Barawe to assassinate and carry off several members of the *Al Shabaab* jihadist group on 12 September, they changed the rules of engagement in the war in Somalia. This will force both Somalis and outsiders to reassess tactics and strategy. *Al Shabaab* had welcomed foreign fighters, including Americans, with open arms and is now searching for spies. The US Central Intelligence Agency had been intercepting telephone calls.

More such operations can be expected, not least – but probably not only – by **French** forces to rescue the security officer whom *Al Shabaab* kidnapped on 14 July (with a comrade who later escaped).

The main US target was **Saleh Ali Saleh Nabhan** (28), a **Kenyan** on the US 'most wanted' list. Both Washington and Nairobi believe he coordinated the 2002 attack on the Paradise Hotel in Mombasa and had fired a missile at (and missed) an aeroplane of **Israeli** tourists. Both governments also think he was involved in the 1998 bombing of US embassies in **Tanzania** and **Kenya**, when over 250 people, mainly locals, died. He had gone to **Afghanistan** for training that year with chief embassy bombing suspect **Fazul Abdullah Mohamed** (aka **Harun Fazul**), now also believed to be in Somalia after escaping from Kenyan police in August 2008.

US forces had tried to kill Saleh Ali Nabhan in a June missile attack and

nearly failed this time, too, we hear, after increased activity in the area by unmanned aerial vehicles (drones) and helicopters aroused suspicion. Sheikh **Sharif Sheikh Ahmed's** government, which had already invited French troops to land to rescue their colleague, increased its international 'moderate' credentials by welcoming Saleh Nabhan's killing.

Curiously, there had been reports from Puntland early this month that aircraft from the anti-piracy fleet off Somalia were landing and wildlife was being stolen. This improbable story has a historical basis: in colonial times, foreigners really did invade and steal wild animals. A major reason for **Britain's** colonisation of Northern Somalia was to provide meat for its garrisons in South **Yemen**. Whether these more recent sightings were misinformation, disinformation or other counter-terrorist landings is still unclear.

Angola/France

A TWIST IN THE THALES

■ French defence company Thales has won US\$150 million of business in Angola in partnership with **Manuel Vicente**, Chairman and Chief Executive of state oil company Sonangol, and **Miguel da Costa**, Angola's Ambassador in Paris. Angolan law bars the manager of a public company from 'other duties that involve the representation of private interests, of self or on behalf of others in the management of any other company'. The Law on the Crimes Committed by High Office Holders forbids government officials to profit from state business contracts. Both are frequently violated.

In April, Thales agreed to sell mobile radio equipment to the armed forces, the *Forças Armadas Angolanas*, in joint-venture with a little-known local company, Sadissa. The deal had been agreed by the Council of Ministers, with the blessing of President **José Eduardo dos Santos**. Simportex, a private arms-import company owned by the FAA, countersigned two contracts, worth 141.6 mn. euros (US\$209 mn.).

According to documents obtained by human rights activist **Rafael de Moraes**, Vicente and da Costa founded Sadissa in 2003. It has no offices. Its other partners include da Costa's son **Wilson**; **Anabela Chissende**, wife of General **Adriano Makevela Mackenzie** (head of training at the Chiefs of Staff); and **Catarina Marques Pereira**, Deputy Chairwoman, representing the state's shareholding, of diamond-mining company *Luó-Sociedade Mineira do Camatchia-Camagico*. Sadissa's Chief Executive is ex-Public Works Minister **José Alberto Puna Zau**. He says Thales sells equipment to the FAA and Angolan companies install and maintain it; he told local journalists that Sadissa 'is a kind of non-governmental organisation to help the comrade freedom fighters'.

BLUE LINES

The prosecution of Britain's Mabey & Johnson for corrupt payments and overpricing in Angola, Ghana, Madagascar and Mozambique appears to have emboldened London's Serious Fraud Office. Within days of the conclusion of the case under a plea bargain in which the company's management paid some £6.5 million (US\$10.5 mn.) in fines and made full disclosure of its payments, the SFO said it would use the same tactics against BAE Systems, Britain's largest arms manufacturer.

The stakes are much higher for BAE, which faces investigations on corrupt payments and contract overpricing in South Africa, Tanzania, Saudi Arabia, Czech Republic, Qatar and Chile. If the SFO had secured a plea bargaining deal with BAE in those cases, BAE would be liable for hundreds of millions of pounds in fines. Instead, it refuses to negotiate with the SFO, perhaps calculating that as one of Britain's biggest companies it can rely on protection from Whitehall. In 2006, Prime Minister Tony Blair intervened to stop the SFO's investigation into BAE's £43 bn. Al Yamamah contract with Saudi Arabia.

Now the SFO will bring charges against BAE, which may be helped by pressure from its foreign clients on Whitehall to stop the cases. An associate of South Africa's former President Thabo Mbeki, who presided over the BAE deal, told *Africa Confidential* that 'under present conditions I don't think the British government will be very keen to destroy one of their country's most profitable companies.'

CONGO-KINSHASA

Mines, dollars and dams

A decade after the fall of Mobutu Sese Seko, the Kinshasa government is still plagued by grand corruption and its reform efforts look hollow

Several inconvenient facts are undermining President **Joseph Kabila's** ambitious 'zero tolerance' anti-corruption campaign. Recent reports highlight the failure of efforts to reform Congo's state and the continuing pillage of its mining industry by local and foreign interests. On 26 September, the Senate published a 122-page report on mismanagement in the mining business. Congo made just US\$92 million from this key industry in 2008 but lost some \$450 mn. through under-invoicing, tax evasion, smuggling, fraudulent contracts and poor accounting.

The Chairman of the Senate Commission, **David Mutamba Dibwe**, said most of the mineral exports are not declared and the poorly equipped taxation authorities are unable to track the trade or the revenues. In North Kivu and South Kivu Provinces, some 80% of exported metals, which include Africa's largest tin shipments, are not registered. Only 1.09% of the tax due was paid on the \$74.73 mn. claimed by the tax authorities, the *Direction Générale des Impôts*. DGI officials prefer to let debts accumulate, with arrears subject to heavy penalties whose amount they can then 'negotiate'. Statistics bear little relation to reality and are compiled using 'only one computer, which is old and has a very weak capacity'.

Then on 30 September, the 70-year-old Canadian mining lawyer **Paul Fortin** resigned as Managing Director of the state-owned copper mining company *Gécamines* after four difficult years. 'Frankly, I'm tired,' Fortin explained. He had tried to resuscitate the company's finances and administration: his declared aim was to revive *Gécamines'* production of copper, cobalt, zinc and lead

in tandem with foreign partners while ensuring that employees were paid and that its debt was manageable. Fortin's critics accuse him of failing to tackle the rampantly corrupt political elite which pushed through mining deals for private benefit, further undermining *Gécamines'* position.

Sources in Kolwezi said Fortin saw the limits of his own efforts when he visited Kamoto in western Katanga and discovered the factory had been producing 50 tonnes of copper a month without his knowledge for a year. The ownership papers were appropriately opaque, and the metal was transported to Lubumbashi and sold privately. Another report suggests that company directors were selling the state's capital equipment privately, including machinery that Fortin needed to rebuild *Gécamines'* dilapidated factories.

The new man to watch at *Gécamines* is **Calixte Mukasa**, Fortin's former deputy and now Managing Director. Mukasa is the uncle of **Augustin Katumba Mwanke**, a powerful advisor to President Kabila who was named as corrupt by the 2002 United Nations Expert Panel on the Illegal Exploitation of Natural Resources of Congo, after which he was briefly sidelined by Kabila. Mukasa is not thought to be enthusiastic about reform and accountability in the mining business.

Like previous *Gécamines* managing directors such as **Billy Rautenbach** and **George Forrest**, Fortin is likely to return to Katanga in a private capacity, but he is legally obliged to stay away for a year. We hear he gets on well with former banker **Rebecca Gaskin**, who now heads United Resources and its joint venture operation with *Gécamines* at Kipushi.

CONGO-KINSHASA 2

Dam intrigues

Kabila invites regional states and others to help develop the Inga Dam.

CONGO-KINSHASA 3

The big five mines

Astute and well-connected companies profit from the chaos and opacity.

SIERRA LEONE 4

Winning some, losing some

President Koroma is under pressure to speed up reforms and growth.

POPULATION 6

In the billion club

Africa's booming population offers it the chance of demographic dividends in the slipstream of China and India.

KENYA 8

WHO'S WHO

GUINEA 10

SUDAN 11

POINTERS 12

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The troubles in Congo's mining business are matched by concerns about political developments. It was recently revealed that Kabila is planning to change the constitution (adopted in December 2005) to abolish presidential term limits. For many Congolese this suggests a return to the pattern set by **Mobutu Sese Seko**.

In mid-September, Kabila set up a commission to 'evaluate' the constitution, with a dozen representatives from the Senate, House of Representatives and Supreme Court. Under a senior lawyer, **Néhémie Mwilanya Wilondja**, the Commission held its first meeting on 18 September and jettisoned a proposal to create 15 extra provinces, in addition to the present eleven. Radically, it will consider extending the presidential term from five to seven years, with the possibility of further terms.

The President would also chair the

body in charge of judicial matters, the *Conseil Supérieur de la Magistrature*, thus breaching the separation of powers. The constitution prohibits alterations to the presidential term and guarantees the independence of the judiciary. Parliament is to consider the Commission's report next March.

On 21 September, Communications Minister **Lambert Mende Omalanga** denied that the Commission existed; the following day, the Senate President, **Léon Kengo wa Dondo**, said it did exist and a week later, Mende said it was just a 'cogitation of experts'. None of this has prompted criticism from the European Union which, with the **United States**, provided much of the \$500 mn. to pay for the national elections in 2006. 'I am not about to pay for a dictatorship here,' said **Louis Michel**, the Belgian minister who was then European Union Development Commissioner, before the elections; now he believes in 'quiet diplomacy'.

At the end of June, Kabila declared that he intended to remodel the justice system. Soon after, 90 judges were told to retire or be fired. Next in line was the Ministry of Property Affairs; more than 80% of legal cases in Congo are about property rights and a piece of land may have several registered owners. Yet so far, reform has touched only the lowest rungs of the ladder. The much-criticised Finance

Minister **Athanase Matenda** and advisor **Katumba Mwanke** hold on to their jobs despite repeated accusations by parliament and civil society. Katumba Mwanke faces criminal charges in **South Africa**.

The apparent perpetuation of the Mobutu-style system of political patronage, pillage of state assets and impoverishment of the citizenry provides the backdrop to a new study by academics in three continents, who argue that the Congolese state is beyond reform⁽¹⁾. Edited by **Theodore Trefon**, the American who directs the Belgian Reference Centre for Expertise for Central Africa in Tervuren, Belgium, the study concludes that foreign-backed reforms have not produced any sustained improvement – rather tens of billions of dollars have left the country through capital flight and fraudulent sales of state assets. Foreign lending – amounting to more than \$15 bn. in political loans for the pro-West Mobutu regime – further impoverished Congo.

The United Nations peacekeeping force, the *Mission des Nations Unies en République Démocratique du Congo*, costs over \$1 bn. a year, yet ordinary people do not live in safety, especially in the east where there is fighting against the Lord's Resistance Army from **Uganda** and the *Forces Démocratiques de Libération du Rwanda* (AC Vol 50 No 15). Unrest persists in Goma and Lubero, involving soldiers of the national army. Hundreds of thousands of people have been chased from their homes.

Grand macroeconomic reforms meant to reduce poverty have done nothing for Congolese, says Trefon. The UN Food and Agriculture Organisation reckons that at least 17% of the population is malnourished, even in Kinshasa, where there is no systematic conflict. The FAO reckons that a crisis exists when malnutrition is at 10%. Trefon argues that aid givers have exacerbated the calamity. As different agencies pursue different agendas, he says, 'the international community has no master plan'. Some want to pool their contributions, others to supervise the spending of their funds, allowing their Congolese partners to drive wedges between them, a strategy inherited from Mobutu.

One example is the 2002 forestry code – a carbon copy of an agreement developed by Canada for **Cameroon** in 1994, which did not work there. The aim was to involve local communities in improving welfare; the result was more rivalry between communities. Forest concessions were to be reallocated but the same players ended up controlling the same resources. The process, intended to be transparent, was not. A review of mining contracts began in 2007 and is still not complete (AC Vol 48 No 20). Louis Michel says it launched 'a new dynamic of corruption'.

DAM INTRIGUES

Congo-Kinshasa's government has for ten years made no progress towards building a new dam to replace the underused hydropower stations at Inga on the Congo River. The existing Inga-1 and Inga-2 hydroelectric dams exploit less than 5% of the site's 40,000-megawatt potential, which could solve Southern Africa's chronic power shortages. The neighbouring countries seem at last to be taking the matter in hand.

In 2005, Congo-Kinshasa created, in partnership with **Angola, Botswana, Namibia** and **South Africa**, the Western Power Corridor Company (Westcor). It aimed to build a huge new Inga-3, with an output of 4,320 MW, plus an interconnector some 2,500 kilometres long through Angola and Namibia on its way to South Africa, with a spur to Botswana, for US\$7.6 billion (not including the transmission line). Repairs to Inga-1 and -2 have been delayed; the *Société Nationale d'Electricité Congolaise* (SNEL) now claims it would be unfair to share the benefit equally between the five participating countries.

SNEL prefers an alternative which would eliminate its contribution to the \$2 bn. cost of the interconnector. Its scheme would involve building, near the Inga site, a \$2.5 bn. aluminium smelter by the **Australian** mining giant BHP Billiton, which would sell SNEL 2,000 MW and build a new deep-water port at Banana on the Atlantic for some \$400-500 mn. In early September, SNEL's boss, **Daniel Yengo**, said he wanted to pull out of Westcor and develop Inga-3 without the partners from the Southern African Development Community (SADC).

At the 2-8 September SADC summit, President **Joseph Kabila** tried to square the circle by 'inviting' the Westcor partners and regional states to share in developing Inga. A SNEL official says Congo prefers the BHP Billiton option, not giving up on Westcor but shifting its emphasis towards the 6,000 MW Grand Inga Dam. To complicate matters, **Nigeria's** power authority wants a 1,000 MW line from Inga to Calabar.

Waiting until the Grand Inga Dam is built could take ages. Westcor's Chief Executive, **Pat Naidoo**, would like to start gradually with a 400-kilovolt line to Luanda and the installation of two turbines, at 220 MW and 250 MW, producing a cash flow that would help finance further development. In fact, he wants Inga-3 to match both Westcor's plans and those of BHP Billiton, with which he is ready to talk in Johannesburg. A decision is as likely to come from there as from Kinshasa. ●

Trefon's team reports that corruption, at every level, has become a 'way of life' – and, in its way, a source of development, since public servants must be paid for private services. Civil servants are often not paid their small official salaries. The public domain has been privatised into the hands of anyone with an official stamp. The budget of \$4.9 bn. is absurdly small. Nobody knows what happens to receipts from forestry concessions, farm production or electricity from the Inga Dam. Anyone with a small slice of power is reluctant to swap it for donors' peace kits and templates, which endanger the *matabiches* (tips) that flow his way.

The academics retell an old fable. The scorpion asks the crocodile for a ride across the river, promising not to use its sting during the journey. Halfway across, the scorpion strikes. As they both get ready to drown, the crocodile asks why and the scorpion replies: 'Because I am a scorpion. Don't try to understand, we are in Congo.' The parable applies to the commercial and state corruption of the 1990s, which destroyed Congo's economic fabric and brought no investment.

The book says the problems are known and the remedies acknowledged but things get worse while aid continues. External finance provided more than half of the 4,182 bn. Congolese francs (\$4.9 bn.) of the draft 2010 budget. Trefon calls the reforms a 'masquerade'. He says Congo needs external finance only because it fails to make proper use of its own vast riches, including its hydroelectric potential (see Box). Democratisation, also financed from outside, is another masquerade, exemplified by Kabila's recent attempt to hold on to power and do away with judicial independence.

Presented on 17 September to the Belgian Parliament in the presence of the Foreign Minister, **Yves Leterme**, the study drew a startled reaction from Kinshasa, whose Ambassador in Brussels, **Henri Mova Sakanyi**, produced a booklet in refutation, also published by *L'Harmattan*⁽²⁾. Sakanyi said his own figures showed improvements in security, development and the re-establishment of the state. He accused Trefon of claiming that Congolese were incapable of economic rationality and called on intellectuals to produce a volume showing how well things were going in their homeland.

Many mining companies share Trefon's conclusions in private but prefer to keep quiet. There are exceptions. **Israeli** magnate **Dan Gertler** is a vociferous supporter of Kabila's regime and has prospered. He reaped further dividends when he switched from his already lucrative diamond marketing contract for the state-run *Société Minière de Bakwanga* in Eastern Kasai to operating Katanga's copper mines. He moved into the Central

CONGO-KINSHASA'S BIG FIVE MINES

● **Tenke Fungurume Mining**: The world's largest, publicly-traded copper miner, Freeport McMoRan Copper & Gold Inc., and Lundin Mining Corporation control the fabled Tenke and Fungurume deposits. Uncertainty over its contract review has not stopped it from pushing ahead and completing mine construction. The mine is still in test production.

● **First Quantum**: Vancouver-based First Quantum Minerals announced on 16 September that it would not continue with its US\$553 million Kingamyambo Musonoi Tailings project after its deal was cancelled by the government. This makes it unlikely that copper and cobalt production will start as planned in early 2012. First Quantum is convinced it can win the case against the government if it goes to international arbitration.

● **CAMEC**: The Central African Mining & Exploration Company, run by **Billy Rautenbach's** young, hyperactive and forceful protégé **Laurent Decalion**, may be Katanga's most flamboyant operation. Despite temporarily losing its license after clashing with **Israeli** mining speculator **Dan Gertler** (who enjoys a close relationship with Congolese President **Joseph Kabila**), CAMEC continued to slice off the top of the Mukondo Mountain, which it says is the world's richest cobalt deposit. It is currently producing 30,000 tonnes of copper and 8,000 tonnes of cobalt a year, which it says it can raise to 100,000 tonnes and 12,000 tonnes respectively, if demand warrants it. **Kazakh** miner Eurasian Natural Resources Corp. bought CAMEC for some \$955 mn. With another \$1 billion to spend, Eurasian is looking for further targets.

● **Katanga Mining Limited**: Katanga Mining operates the Kamoto underground mine, which was in its heyday *Gécamines'* flagship mine. It partially collapsed in 1990, taking *Gécamines* down with it. The company bought Nikanor Plc, allowing it to consolidate with the adjacent open pit mine, thus plugging the holes in what a former General Manager called a 'Swiss cheese operation'. The world's biggest metals trader, Glencore, is now the majority owner, with Dan Gertler also taking a stake. Glencore was looking for another investor to manage the mine; some **Chinese** companies appeared to be interested but no contracts have been signed.

Kamoto started producing copper in December 2007, but was hampered by underinvestment, a messy merger and lethal rockfalls. Katanga last month said it was now accelerating work to finish its Kamoto Concentrator and Luilu Refinery in mid-2011, rather than 2013. It passed the government's contract review easily enough, once it had hived-off the Dima pits. The government needed those resources to trade with the Chinese for the \$9 bn. infrastructure-for-minerals deal. The government still owes Katanga Mining \$825 mn. for this deal.

● **Sicomines**: *Sino-Congolaise des Mines* is the joint-venture resulting from Congo's giant deal with the China Railway Engineering Corporation and Sinohydro, both state-owned conglomerates. Last month, they finished their geological study and confirmed the nearly 10 million tonnes of copper and 600,000 tonnes of cobalt they had hoped for. China's Export-Import Bank is financing the project to the tune of \$3 bn. The pits are filled with water and the mine will not be operational until 2014. The government says the project will produce up to 400,000 tonnes of copper and 19,000 tonnes of cobalt a year at its peak. On paper, this is Congo's best deal. The government owns a 32% stake in the venture, which none of the Western companies offer. The Chinese will also build \$6 bn. worth of roads, railways, hospitals and universities. ●

African Mining & Exploration Company and sold his stake for some \$340 mn. when **Kazakhstan's** Eurasian Natural Resources Corporation bought the company.

Other companies find it harder to work with the government. In August, the government cancelled the contract of Canada's First Quantum Minerals flagship Kingamyambo Musonoi Tailings in Kolwezi and gave Freeport McMoRan 60 days to budge or face the same prospect. The government wants a greater share in – and higher royalties from – the ventures.

First Quantum realised the government's seriousness when judicial authorities ordered its Kolwezi office to be shut. So it declared *force majeure* and stopped building its factory. The two parties are continuing negotiations. The government is wary of international

arbitration, whereas First Quantum is certain it will win. The company also believes that the World Bank's Investment arm, the International Financial Corporation, which has a stake in the project, will press its case internationally.

The decision of whether the cancellation is final rests with Kabila, who may want a more compliant business partner. Some favour awarding the concession to **Shiraz Virji**, the Lubumbashi-based owner of Chemaf. Since adding mining to his pharmacy and clinics bow, Virji has considered floating his company to raise funds. ●

⁽¹⁾ Réforme au Congo (RDC): Attentes et Désillusions, Musée Royal de l'Afrique Centrale, Brussels et Editions L'Harmattan, Paris, 2009.

⁽²⁾ Réformes au Congo (RDC): Pour un regard alternatif, L'Harmattan, Paris 2009.

More power for Freetown

Security has improved but political reforms and economic growth are moving too slowly to win much support for President Bai Koroma's government

Two years into his presidency, **Ernest Bai Koroma** of the All People's Congress (APC) can claim some successes. The Bumbuna hydroelectric dam will soon supply the capital, Freetown, with electricity and the government is fighting corruption more effectively. A former insurance executive, Koroma always said he wanted to run Sierra Leone like a business. So he issues ministers with performance contracts and his catchy 'Agenda for Change' keeps donors tied in to the country's second poverty reduction strategy, which requires US\$1.9 billion and runs until 2012, when the next elections are due.

The priorities are to provide power, boost agriculture (which provides half the paltry gross domestic product [GDP] of \$1.7 bn. and only 69% of the staple, rice) and transport (only 8% of roads are paved). The President acknowledges in private that the first year was almost wasted but on his second anniversary, he

switched on the final testing phase of the Bumbuna hydroelectric dam, sending the national grid 25 megawatts of power from a reservoir flooded by the late but heavy rains in the north. Electricity immediately reached parts of downtown Freetown and government offices, including the eight-storey, **Chinese-built** Youyi Building, which houses several ministries. Plastic covers have been peeled off lifts in state offices, which now whirr up and down.

The dam took over 30 years to build. During this time, it has been mired in corruption, protected by armed guards and looted for its transmission lines. When the power is switched on for good, probably at the end of October, Bumbuna should send 50 MW to the grid. That is just half of what the capital – never mind the rest of the country – currently needs and once power flows consistently, Freetown will probably want more of it. At present, less than 10% of the population has access to electricity; most rely on paraffin. Given

enough investment and donor funds, the hydroelectric dam could produce 300 MW, making a real dent in energy needs. As it is, getting Bumbuna up and running should save \$2 million a month for the diesel imports that kept the nation's largest generators running in western Freetown.

The economy depends on donors, with aid supplying 12% of GDP and about 45% of the government budget. Around 70% of young people are unemployed and more than half are illiterate, so the country, although stabilised after its 1991-2002 civil war, faces potential unrest for a long time to come. Distrust of the police (see Box) doesn't help. About 60% of the economy is informal.

Koroma is mostly considered a good egg but a slow boiler, far less dynamic than his next-door neighbour in **Liberia**, President **Ellen Johnson-Sirleaf**, an ex-United Nations official who has the donors in thrall. Koroma has had his hands full with matters at home but is beginning to show himself more widely. He won repeated applause from the UN General Assembly in New York in September, labouring his point about the great impact of the world downturn on poor African countries, as Western families tighten their belts a little.

He invited Sierra Leoneans abroad to return home and met philanthropic financier **George Soros** and **British** former Prime Minister **Tony Blair**, whose African Governance Initiative has nine advisors in Freetown. They help to establish priorities for each department and are planning and tub-thumping for a trade and investment and conference in London on 18 November. Koroma knows outsiders think him slow but he has his eye on a second term after the 2012 elections, which means keeping his once-warring party as solid as he can. He sorely lacks competent public servants. When the APC won in mid-2007, even Koroma was surprised, so he cobbled together a cabinet reinforced by new faces with experience from abroad. Its quality is mixed, even after a reshuffle in February.

A RENEWED ARMY, AN OLD-STYLE POLICE

Britain has spent millions helping to create Sierra Leone's security apparatus from scratch. The army and police protected the elections in 2007 and triumphed over smugglers in July 2008, when 700 kilogrammes of cocaine were intercepted at Lungi airport and the President told his friend and Transport Minister, **Kemoh Sesay**, to resign. The army was disbanded entirely in 1997 and later incorporated former rebels, including youngsters from the Revolutionary United Front (RUF); the Kamajors, who used potions to protect themselves against bullets; and the Armed Forces Revolutionary Council.

The police are still too ready to shoot. Despite crowd control training for a few, they rarely use rubber bullets. In December 2007, police shot dead two rioters protesting against the Koidu Holdings diamond operations in Kono. This September, they shot down youths protesting against police corruption in Rotifunk, near Lungi airport; the government confirmed three dead and eleven wounded but witnesses said that many more were injured. Crime is relatively low, although armed robberies and break-ins are not infrequent. Vigilantes regularly beat thieves to death.

The reconstruction of the army has been much more successful. Britain's Department for International Development channels £50 mn. (US\$79.53 mn.) of aid a year to Sierra Leone, including £15 mn. as direct budget support, and is proud of it and its Defence Minister, **Palo Conteh**. Under Brigadier **Alfred Claude Nelson-Williams**, Chief of Defence Staff since late 2008, the army has been reduced from 15,000 troops in 2000 to about 10,500 in 2007 and is headed for 8,500 next year. It looks forward to sending out its first international peacekeepers, from a country that was for a while host to the world's largest United Nations peacekeeping force, with 17,000 troops.

About 130 well-equipped soldiers will leave for **Sudan** in December, to join the African Union-UN Mission in Darfur. The UN will pay the government \$1,028 a month a man and more for the equipment bought or donated by Britain, **Canada**, the **Netherlands** and **United States**. The 45 members of the British-led International Military Advisory and Training Team do much of the technical back-up. To meet UN peacekeeping standards, the Defence Ministry requested donor money far in excess of what it needed for equipment. Yet donors insist that no budgetary support has gone to pay for ammunition. ●

THREE MUSKETEERS

Trade Minister **David Carew**, Foreign Minister **Zainab Bangura** and Defence Minister **Palo Conteh** like to call themselves 'The Three Musketeers'. They enjoy their status as movers and shakers and are slick operators, well regarded by donors. Carew was bumped out of his earlier role as Finance Minister, where he lacked political clout, but is considered a success at Trade and Industry. His better qualified replacement at Finance, **Samura Kamara**, was moved from his post as Governor of the central bank, the Bank of Sierra Leone, to which the President had lured him in 2007 from a well-paid job at the International Monetary Fund in Washington. He is thought to be doing as

good a job as the lack of cash allows.

Among the duds of cabinet are several has-beens from Koroma's northern-based APC. The Attorney General is still **Abdul Serry-Kamal**, a ruthless operator whom Koroma has to keep on side for party unity. **Alpha Kanu**, the new Minister of Mineral Resources who replaced Alhaji **Abubakar Jalloh** in the cabinet shake-up, is no more trusted by the development agencies than his predecessor, although he is a more effective operator.

Despite being censured by the Anti-Corruption Commission, led by the able **Alpha Tejan-Cole**, **Haja Afsatu Kabba** is Fisheries Minister, having been shunted from Energy after the ACC found fault with an energy contract with **Nigeria**. Sierra Leone's fish stocks could be a top earner if carefully patrolled and packaged; an estimated \$29 mn. a year is lost to piracy. Tourism Minister **Hindolo Trye** is one of the drags on tourism potential; his greatest achievement has been to move office. Some estimates suggest tourism could earn \$50 mn. by 2012 and Soros and Koroma discussed it when they met. About 4,000 visitors arrive every year; before the war it was 70,000 or more.

THE 'HYDRA-HEADED SCOURGE'

At the ACC, Tejan-Cole pursues small fry in public and bigger fish in private. Koroma constantly proclaims 'zero tolerance' for corruption but the big operators are hard to find, stashing their money overseas. The ACC, which is forging links with African counterparts in **Kenya**, **Tanzania** and **Zambia**, finds it easier to catch 'ghost' public-sector workers, mostly in education and health, and to bring the private sector to account, thus reducing what Tejan-Cole terms a 'hydra-headed scourge'.

In the first six months of 2009, 1.1 bn. leones were recovered, about 30% more than the total amount for the whole of 2008. Tasks included naming and shaming **Lebanese** business people such as the diamond dealer **Ahmed Mackie**, who returned Le4.176 mn., Fawaz Building Materials (Le24.6 mn.) and Ashtar Marine Agency (Le914.6 mn.). The ACC called in Jalloh, then Mineral Resources Minister, for questioning and issued a damning statement against the then Energy Minister, **Asfatu Kabba**. This year, it may indict a serving minister, which would play well for Koroma internationally.

An Anti-Corruption Act in 2008 gave the ACC powers to prosecute offences from nine to 29. The law is not retroactive, so the old guard – and Afsatu Kabba – get off. Public officials, including their spouses and children, will soon have to declare their assets and the Commission offers whistle-blowers 10% of the proceeds recovered. However, the Attorney General's Office remains within the Justice Ministry, so

Abdul Serry-Kamal still rules the roost.

The economy is fairly dire. A foreign currency shortage has driven down the leone by a third since the beginning of the year. The Bank of Sierra Leone desperately tries to introduce more dollars into the economy, without much effect. Foreign reserves of about \$200 mn. amount to just over four months' worth of imports. The main reason for the foreign exchange shortage is that the two largest mines, Koidu Holdings (diamonds) and Sierra Rutile (a source of titanium) have met technical and political problems.

The government put a halt to operations at the **Israeli-owned** Koidu Holdings after riots there at the end of 2007, during which police shot two people dead. The government then commissioned a review which suggested that the state should take a 40% stake in the company but it declined. At Sierra Rutile, the collapse of a dredge stopped plans to double production this year and the insurance claim for a second-hand dredge is delayed.

Meanwhile, remittances from exiles have fallen as the global economic crisis bites. There is even less cocaine cash on the market, after a drugs bust in mid-2008 resulted in several prosecutions. According to the World Bank's annual survey of the ease of doing business, however, Sierra Leone now ranks 148th of a total 183 economies, up from 156th last year and ahead of its neighbours **Liberia**, **Côte d'Ivoire** and **Guinea**. The growth forecast for 2009 is a respectable 4.2% – Koroma says 10% growth is needed to reduce poverty significantly. An import/export zone east of the capital, plus the new power from Bumbuna, might help



manufacturing. The capital requirements for all 14 banks will be doubled to Le30 bn. by December 2014. There is a new stock exchange but it is not yet open.

A few private equity investment funds are interested in Sierra Leone and one has made three investments. After their New York meeting, Koroma is keen to encourage Soros's Economic Development Fund, which in turn plans to encourage entrepreneurs; it already funds BRAC, a non-governmental, microfinance organisation on **Bangladeshi** lines that began lending in rural Sierra Leone in June. It also fosters agricultural investment (and works in **Sudan** and **Tanzania**).

Sierra Leone stands at the bottom of the UN's Human Development Index, with the world's worst official rates of infant and maternal mortality, but those statistics are for 2005. Donors like to point out that, despite the poverty and corruption, most Sierra Leoneans are better off today than they were before the 1991-2002 war (AC Vol 50 No 15). ●

A FAMILY BUSINESS

Oppositionists lambast **Ernest Bai Koroma's** government for favouring the north-west region in its appointments, specifically the President's own Limba people and their Temne and Krio allies. Koroma's first cousin **Edmund Koroma** was put in to head the Finance Ministry. His elder sister, **Admire Koroma**, dumped her civil service job to become a big government contractor as soon as her brother became President. The younger brother, **Sylvanus Koroma**, enjoys an overdraft facility for millions of dollars at the state-owned Sierra Leone Commercial Bank and is a main importer of rice, the staple food.

As for the presidential mother, **Alice Koroma**, she boasted in a BBC interview by reporter **Umaru Fofana** in January that she influences political appointments, as well as contracts and mining leases, such as that given to African Minerals, which lavishly welcomed her at Marampa Mines last December. The Information and Broadcasting Minister, Alhaji **Ibrahim Ben Kargbo**, hails (like the President) from Makeni township and is the government kingpin; he said it was politically expedient to favour the regions and ethnic groups which voted for the All People's Congress. Sierra Leone has more than 14 ethnic groups and senior political appointments have always reflected that. It is Koroma's patronage of the north and west that divides the nation.

Since Koroma took office in 2007, more than 200 qualified, competent south-easterners have been fired from public services and replaced by his kinsmen, cronies and party stalwarts with little regard for their competence, experience or qualification. Those sacked from appointments advertised and won on merit include former Bank of Sierra Leone Governor **J.D. Rogers**, Commissioner General of the National Revenue Authority **John Karimu**, Vice-Chancellor of the University of Sierra Leone **Aiah Gbakima** and Vice-Chancellor of Njala University College **A.M. Algali**. ●

Africa joins the billion club

The population of sub-Saharan Africa will exceed one billion this year so the African nations entering the 2010 World Cup can hope for a large fan base. For optimists, billionaire status offers the opportunity for the continent to follow in the footsteps of China and India (which, however, have one government each) and reap a demographic dividend. Others argue that it will intensify the pressure on land, food, water and job opportunities, as many governments increasingly fail to meet demand for basic social services such as education and health care.

THE CHALLENGES AHEAD

The United Nations Population Fund (UNFPA), which made the one-billion prediction, says sub-Saharan Africa faces serious political, economic and social challenges. Twenty years of population growth at almost 3% have outpaced economic gains, leaving Africans, on average, 22% poorer than they were in the mid-1970s. The United States-based Population Reference Bureau (PRB) says that Nigeria's population, currently at 148 million, is set to rise to 282 mn. by 2050, which would make this the world's sixth most populous country. By 2050, Egypt's population will rise from 75 mn. to 118 mn., Ethiopia's from 79 mn. to 148 mn., Kenya's from 38 mn. to 65 mn. South Africa will grow a bit more slowly, from 48 mn. to 55 mn. Uganda's population is set to rise from 29 mn. to 56 mn. by 2050. President Yoweri Kaguta Museveni, long a pro-natalist (that is, encouraging a high birth rate), saw a large population as an engine for economic growth.

World Bank figures show that the gross domestic product of many African countries is growing faster than their populations. Yet the UNFPA observes that, despite improved economic performance in recent years, most African GDP growth rates are below the 6-8% required over ten years to reduce poverty. Poverty may in fact be on the increase, as the poor have the highest birth rates. According to Jean-Christophe Fotso of the African Population and Health Research Centre in Kenya, poor women there have three times as many children as well-off women.

Africa's farmers will struggle to feed a continent with 1.1 bn. people. A research fellow at the London School of Economics, Gabi Hesselbein, points out that most farming is unmechanised and poor infrastructure means that when there are surpluses, food rots because it cannot be transported to market in time. In

her analysis, underproductive farming pushes millions of people into starvation.

Without huge investment in tools, fertilisers and technology, it is hard to see how farm yields can increase fast enough. The World Bank says that African yields are among the lowest in the world. The sector's growth rate rose from 2.3% in 2000 to 3.8% in 2005 but that is because more land is being farmed. The area available for expansion is increasingly limited. (See the World Bank website, under 'Africa', for a fact sheet: 'The World Bank and Agriculture in Africa'.)

As well as famine, food shortages can cause social unrest; the growth of population in the Horn of Africa and in Darfur has helped to foster militancy there. Mass migration as a result of famine could be a tinderbox for war. The conflicts in eastern Congo-Kinshasa are fired by tension between local residents and Rwandan refugees. Elliott Green of the Development Studies Institute argues that unemployment and conflict go together and that a rebel group may offer poor young men their only chance to earn a living.

Productive farming does not create many jobs, indeed efficient mechanisation can mean that fewer people produce much more food. Countries such as Tanzania are set to double in population by 2050, from 40 mn. to 82 mn. Despite GDP growth of 6% in 2007, it is unlikely that Tanzania's economy will generate employment opportunities for the larger workforce.

YOUTH IN THE MAJORITY

A youth bulge typifies the demographic profile of many African countries, with a high proportion of the population under the age of 15. In Angola and Burkina Faso, for example, those aged under 15 account for 47% of the population. If they are offered no work, the young may turn to crime or war.

With a high proportion of young voters may come a push to see younger people in powerful positions. Joseph Kabila became President of Congo-Kinshasa at the age of 35, President José Eduardo dos Santos of Angola first took office when he was 37. Would-be leaders may find they have to appeal to the young.

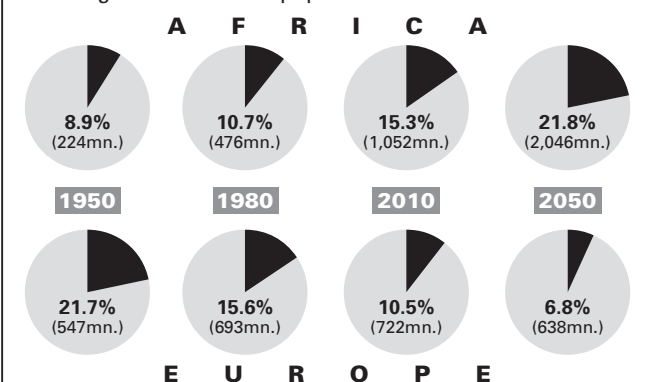
Some argue that, given the right conditions, the African continent could reap the benefits of a demographic dividend. In China and India, the entry of more young people into the workforce has helped to bring economic transformation. A report from the Harvard Initiative for Global Health was optimistic for Côte d'Ivoire, Ghana, Malawi, Mozambique and Namibia. It reckons that in those countries corruption, inefficient bureaucracy and under-investment in infrastructure are less marked than elsewhere, positioning them to benefit from a sharp increase in the working-age population over the next 20 years.

However, it is no use having a larger working-age population if there are not many opportunities to work. Even with political and institutional stability, new industries need to emerge and employment opportunities need to expand to absorb the growing workforce. For that to happen, governments need to invest enough to ensure that more people are skilled, educated and healthy. The HIV-AIDS epidemic, ravaging those who are most sexually active, has a particularly harsh effect on people of working age.

The international comparisons are not encouraging. According to Kaushik Basu, a Professor of Economics at Cornell University, USA, the total fertility rate (TFR, the average number of children per woman) in India was 3.8 in 1990, at the start of its boom. It is

AFRICA AND EUROPE COMPARED

Percentages of total world population



Source: United Nations

Europe includes USSR / former USSR

now 2.9. In China, the fertility rate of just under two children has remained unchanged since the one-child policy was introduced in 1978. Before that, the rate was five children per woman. China, paradoxically, may have benefitted from a demographic dividend thanks partly to a policy that has potentially prevented 400 million births.

Fertility rates in Africa are much higher. According to the PRB, the fertility rate for **Niger** is 7.1 children per woman, for **Burundi**, 6.8. In Kenya, where family planning services are more widely available, the TFR is 4.9 and in Malawi, it is 6.3 per woman. In Ghana, which has more family planning services, the TFR is 4.3 and in Côte d'Ivoire, 4.9.

The World Bank reports that 62% of Africans live on less than a dollar a day; the figure for Bangladesh is 29%. It is hard to see how a growing but impoverished workforce can have the spending power to create a vibrant consumer economy, without which countries must depend on exports and inward investment to create meaningful work opportunities outside the informal economy.

Some demographers say the youth bulge (0-15 years) has already had a detrimental effect. Professor **John Cleland**, a medical demographer at the London School of Hygiene and Tropical Medicine, says the high proportion of children and teenagers in many African countries means that nearly half of the population is unproductive. Resources needed for modernisation of industry and agriculture are directed towards the needs of the very young, for schooling and healthcare.

A population policy is bound to be a sensitive issue wherever women have traditionally had large families. Rival tribes may each hope for a growing population, to make them more powerful. Large numbers of children may be seen as their parents' future supporters. Religious groups – notably Roman Catholics and strict Muslims – may use their political strength against artificial birth control. A UNFPA report says that one in four married women in sub-Saharan Africa had an unmet need for family planning, the highest number in the world. Women may want more children for fear that those they have may die. According to the World Bank, 115 babies die in Ghana for every 1,000 that are born. UNFPA says an increased time between births reduces maternal deaths and allows women of childbearing age to contribute more to the economy.

CITIES ON THE RISE

People who live in cities tend to have fewer children than those in the countryside. In **Gambia**, World Bank figures show that 54% of people live in towns and the urban population is growing by just under 6% a year. In South Africa, it is 59%, in **Zambia** 35%. In all, sub-Saharan Africa's cities will add another 440 mn. people by 2030. Many demographers note the shift from a farming community, where children can contribute to the family budget, to a shantytown setting where there is less work for children, means that the cost of rearing them increases.

The availability of family planning services depends on the will of governments. In Niger, there are virtually no family planning centres and the country has one of the highest fertility rates in Africa. Where family planning services are available, it is often in reproductive health centres, which also offer inoculation for babies, treatment

to reduce the risk of passing HIV to the new-born and safe births to reduce mortality among mothers and children. A spokeswoman at Marie Stopes International (MSI), which provides mother and child healthcare, said it is keen to show that reproductive health centres are not just about family planning; a one-stop approach is more politically acceptable.

Most reproductive health centres are paid for by Western partners, such as the International Planned Parenthood Federation (IPPF) and MSI, whose funds come from the European Union, UNFPA and many bilateral donors. Some African governments contribute matching funds. Over the last 15 years, though, international funding for population and reproductive health programmes has significantly declined as a proportion of overall health aid. The USA's 'global gag rule' (now lifted by President **Barack Obama**, see Box) banned funding reproductive health providers that even discuss abortion. In many African countries, such as Nigeria and Kenya, abortion is illegal unless the mother's health is at risk; it is estimated that around 300,000 illegal abortions are carried out in Kenya each year, often using crude instruments such as metal wire. Women who therefore develop health complications may then seek treatment from the clinics – whose funds can be cut off if they treat them.

With the change in US policy, many demographers hope that family planning is back on the discussion table for international aid agencies, even in some countries with pro-natalist traditions. In Uganda, the Population Secretariat, a semiautonomous body under the Ministry of Finance, recently launched a policy aimed at slowing the population growth rate. The Harvard report says that in the worst case, where an increase in the working age population is not matched by increased job opportunities, many countries in Africa will face 'costly penalties'. At the same time skilled Africans will find an increasing demand for their labour in Europe as populations decline there. ●

FAMILY PLANNING UN-GAGGED

A key donor of funds for reproductive health is the **United States** Agency for International Development (USAID). Its work was hampered by the global gag rule until, as one of his first acts in office, President **Barack Obama** abolished it. The gag rule (sometimes called the 'Mexico City policy') prohibited clinics that receive US health funds from providing any abortion services or advice. They even told health centres not to discuss post-abortion care for women whose health was affected by an operation carried out elsewhere. The Planned Parenthood Association of **Ghana** lost its US funding under the rule and condom distribution fell by 40% overnight.

The non-governmental organisation Marie Stopes International is one of the world's largest family planning and reproductive health agencies and operates in 17 African countries. In **Kenya**, where it has 25 clinics, MSI services cover male circumcision and HIV-AIDS prevention, as well as family planning. The host country pays MSI for the services it provides and local people are given vouchers which they exchange for services. The clinics distribute contraceptives paid for with US funds but have otherwise been subject to the gag.

The International Planned Parenthood Federation is a large international organisation. Through its associate members, it has around 55,000 clinics and it provides clinically sound abortion services; the global gag cost it an estimated US\$100 million. It estimates that under the gag, 80,000 women's lives could have been saved: they died as a result of dangerous, illegal abortions using crude instruments. In 2004, the **British** government raised its contribution to the IPPF from £4.5 million (US\$7.16 mn.) to £6 mn.

The United Nations Population Fund is the UN body which promotes reproductive health and gender equality. It contributes to the Millennium Development Goal of ensuring universal access to reproductive health services by 2015. The economic downturn makes that goal look further off but progress is being made. UNFPA says that better education for girls helps women to improve the quality of their lives and opt for smaller families. It spends much effort on advocacy, believing that if village elders and religious leaders are against contraception, men will tell women not to use birth control. It supplies contraceptives and lost its US contribution under the global gag rule but the European Union stepped in to match the funds that the USA had refused. ●

Leaving the door open

Eighteen months after the murderous clashes, the government remains ambivalent about trying the sponsors of the post-election violence

Kenya's politicians continue to obstruct the efforts of the International Criminal Court to try those most responsible for last year's political violence. This comes despite the recent hopeful pronouncements by ICC Prosecutor **Luis Moreno-Ocampo** and former United Nations Secretary General **Kofi Annan**, who was visiting Kenya on 5-7 October. According to Annan, both President **Mwai Kibaki** and Prime Minister **Raila Odinga** 'unequivocally supported' the referral of the most serious cases of political violence to the ICC.

Both Odinga and Kibaki spoke of 'leaving the door open for suspects... to be tried by the ICC', which hardly suggests a determination to refer cases to the Court. 'I have always seen a three-tier approach. The Truth Justice and Reconciliation Commission, a special tribunal as recommended by the Waki Commission or another effective local mechanism, and then the International Criminal Court,' Annan said on 7 October. 'It is not either the ICC or a local mechanism. It must be both.'

Last month, Moreno-Ocampo told *Africa Confidential* that he envisaged a three-pronged approach 'in which the ICC will do the bigger cases'. He said that two days before his meeting with Kenyan officials on 3 July, he had received several boxes of investigative material from the Waki Commission, along with an envelope containing a list of those suspected of bearing 'most responsibility' for the violence. Although some of Moreno-Ocampo's colleagues said that developments in Kenya were of critical concern to the ICC, it has not yet announced that it will initiate an 'investigation' of high-level perpetrators under Article 18 of the Rome Statute.

This would be the next formal step after the ICC's preliminary examination of the evidence. Moreno-Ocampo says that the Kenya evidence it has received is compelling, suggesting that it may reach the ICC's threshold of 'crimes against humanity'. Moreno-Ocampo is due in Kenya to see President Kibaki and Prime Minister Odinga following Annan's visit this week.

Minister of Justice **Mutula Kilonzo** said last month he was prepared to hand over all those charged by the ICC but the cabinet remains divided. Many members of Parliament prefer trials by a Kenya-

based special tribunal or other local courts. Odinga is ambivalent and under pressure to keep the fractious Orange Democratic Movement (ODM) together: at times he backs use of the ICC, at others he calls for trials in 'reformed' local courts.

At Harvard University in the **United States** last week, Odinga reiterated the ODM's view that the violence was 'spontaneous' and would be addressed by political reform, not an interpretation supported by the Waki Commission or the Kenya National Commission on Human Rights. Kibaki has been conspicuously silent. Allies in his Party of National Unity have consistently voted against a special tribunal, claiming it would compromise presidential immunity.

The bid by the Kibaki-Odinga coalition (locally called the 'government of national impunity') to frustrate the establishment of a special tribunal by batting the issue between Parliament, executive and cabinet may be close to exhaustion. The last attempt was a bill presented by MP **Gitobu Imanyara**, published just before Parliament went into recess. The ICC looks unlikely to hold off much longer. Imanyara's bill is no more likely to pass than others that were stopped earlier.

'UNABLE AND UNWILLING'

These continuing delays suggest that Kenya is both 'unable and unwilling' to prosecute those responsible for the post-election violence. This paves the way for the ICC as it is a court of last resort. Under Articles 17 and 18 of the Rome Statute which established it, the ICC acts only if a country is 'unable and unwilling' to pursue justice itself and if the evidence submitted to it meets the ICC's threshold under Articles 6, 7 and 8. Kenya appears to qualify on both counts.

Britain, the USA and the European Union are increasing pressure on Nairobi. The US Assistant Secretary of State for African Affairs, **Johnnie Carson**, sent a letter to 15 Kenyans on 23 September raising concerns about their role in blocking political reform and in the post-election violence. *The Nation*, a Nairobi daily, reports that **Uhuru Kenyatta**, **William Ruto**, **Franklin Bett**, **Mutula Kilonzo**, **John Muchiki** and **George Saitoti**, two Chief Whips, **George Thuo** and **Jakoua Midiwo**, and the head of the civil service, **Francis Muthaura**, have been barred from visiting the USA. Of those, only Kilonzo

admitted having received a letter. Kibaki has written to President **Barack Obama** complaining about a breach of diplomatic protocol. Britain's High Commissioner, **Rob Macaire**, said Whitehall had banned the issue of visas to 20 senior Kenyans but would not identify them.

The battle of wills over the ICC's involvement continues. Those politicians most at risk from prosecution may calculate that continued delay gives them more time to destroy evidence and intimidate witnesses, although we hear some of the key sources have already left Kenya.

In mid-September, several Kenyan human rights groups went to the Hague to press Moreno-Ocampo to begin investigations. Then Justice Minister **Kilonzo** called the ICC's bluff: he said the government would not set up a special tribunal by 30 September, so it was free to act on the post-election violence. Months earlier, he had questioned whether the ICC had the evidence to prosecute.

Although press reports had suggested that the ICC would take over if a special tribunal had not been set up by 30 September, Kenyan officials and Moreno-Ocampo had in fact agreed only that the government would have to report back on the 'current status of investigations and prosecutions', on 'measures put in place to ensure the safety of victims and witnesses' and on 'the modalities for conducting national investigations and prosecutions of those responsible for the violence' over the next twelve months. Judging from Annan's statement on 7 October, there has been little progress on any of these issues.

If the ICC decides to investigate high-level suspects, it will face two big challenges. First, it will have to verify the evidence it has, almost two years after the political violence. Second, it will have to guarantee the safety of witnesses. As shown by the pursuit of **John Githongo** in Britain, Kenya's political thugs have a long reach. After a visit to Nairobi by **Philip Alston**, the UN Special Rapporteur on Extrajudicial Killings, some of those who had spoken to him were killed.

Many senior politicians and business people have links to the gangs and militias; they use violence and contract killings to win elections. The stakes at an ICC trial are much higher. Retribution for going against the grain, even on relatively small matters, is a Kenyan staple. The thugs are quick to act against their political opponents: 'burglars' recently broke into Imanyara's offices.

Kenya's Witness Protection Unit is under the office of Attorney General **Amos Wako**, long criticised for supporting rather than tackling impunity for those involved in election violence since the 1990s. As in **Congo-Kinshasa**, **Sudan** and **Uganda**, the ICC's credibility will be on the line in Kenya. ●

MADAGASCAR ANDRY RAJOELINA

■ This week's political agreement (see Pointer) enables Andry Rajoelina to consolidate his position as leader of the transitional regime in Madagascar and gives him international recognition. Many remain sceptical about his brand of populism. At 34, Rajoelina is constitutionally too young to be President but his youthful enthusiasm may have helped win support from the young; many older people doubt his political abilities.

Born to a wealthy family on 30 May 1974, Rajoelina was a disc jockey at various clubs in Antananarivo; he soon moved into promotion and then started *Viva Radio*. Ambition and energy earned him the nickname 'TGV' (*train à grande vitesse*, France's high speed train).

Rajoelina used these initials in his campaign: *Tanora malaGasy Vonona* (Determined Malagasy Youth). Elected Mayor of Antananarivo in 2007, Rajoelina saw relations with President Marc Ravalomanana's government quickly sour. It closed *Viva Radio* after the station broadcast an interview with ex-President Didier Ratsiraka. Street demonstrations followed in the capital and government forces shot over 100 protesters. After weeks of protest, Ravalomanana handed power to the army, paving the way for Rajoelina's provisional government. For now, he has the support of much of the army.

MADAGASCAR MARC RAVALOMANANA

■ The latest political deal opens the way for a return from exile by deposed President and 'Yoghurt King' Marc Ravalomanana. Some wonder if he will steer clear of the next election if he can win guarantees for his extensive business interests.

Born in 1949 in Imerinkasinina, a small village near Antananarivo, Ravalomanana attended a Protestant school in Sweden. He is prominent in the Church of Jesus Christ in Madagascar. His fortune was made from dairy produce and his business group, *Tiko*, still holds the monopoly on all dairy and oil products.

In 1999, Ravalomanana launched his political career and was elected Mayor of Antananarivo, the capital. He became President in 2002 after disputed elections. Foreign investors flocked in, encouraged by his pro-market reforms and anti-corruption measures. He was accused of attending to his private businesses before the business of state.

Until October 2009's political deal, Ravalomanana and his party, *Tiako-i-Madagasikara*, had insisted that he was the sole legitimate President. He stayed in South Africa and Andry Rajoelina's self-proclaimed government sentenced him to four years in gaol for abuse of office for private gain (notably a presidential jet, worth US\$60 million).

Talks held in Maputo in August were intended to negotiate an amnesty for him that would have let him return home and possibly stand for election. No deal was reached. His political future depends on how much Rajoelina can maintain domestic support amid foreign disapproval. He, former President Didier Ratsiraka and ex-Premier Albert Zafy could not agree a transitional government after Rajoelina had appointed one without consultation.

NIGERIA MICHAEL KAASE AONDOAKAA, ATTORNEY GENERAL

■ The second most remarkable detail about Michael Aondoakaa's time as Attorney General is that most efforts to prosecute Nigerians for corruption have come from jurisdictions abroad. The first is that he has tried to thwart them all. In August 2007, he wrote to a British court asking that Delta State ex-Governor James Ibori not be prosecuted for money laundering (the letter was used to unfreeze Ibori's accounts). In September 2007, he

asked a French judge not to charge former Oil Minister Dan Etete with corruption. He denied a June 2009 Mutual Legal Assistance Treaty request from Britain regarding the investigation of three former governors (Ibori, Bola Ahmed Tinubu and Obong Victor Attah). They are suspected of a US\$38 million fraud but Aondoakaa refused.

Aondoakaa was born in Benue on 12 June 1962 and graduated from the Maiduguri University in law in 1985. He was called to the Bar in 1986. In 1993 he opened his own firm, M. K. Aondoakaa and Company. He was recruited (at Ibori's instigation) in 2007 as President Umaru Musa Yar'Adua's Attorney General.

Since then, controversy has dogged Aondoakaa. He was behind the sacking of Nuhu Ribadu, the effective former head of the Economic and Financial Crimes Commission. He gutted the Uwais electoral reform white paper, removing the crucial point that the head of the Independent Electoral Commission be independent and not picked by the President. And he has refused to release funds for a task force panel set up to investigate the Nigerian end of a \$190 mn. bribery scandal involving United States oil services giant Halliburton.

July's deadly, militant attack on an Atlas Cove oil depot occurred after Yar'Adua had ordered Aondoakaa to release Henry Okah, a leader in the militant group. Aondoakaa left for São Tomé e Príncipe without releasing Okah. Suspecting a ruse, the militants attacked the depot, killing nine navy personnel and civilians. Aondoakaa hurried back and ordered the release.

GHANA TSATSU TSIKATA

■ As the Accra government decides how to develop its oil and gas sector, Tsatsu Tsikata has re-emerged in public life, this time as a key advisor to President John Atta Mills on how to reform the Ghana National Petroleum Corporation (GNPC). Tsikata had a distinguished career as an academic and legal practitioner, and went on to become Chief Executive Officer of the GNPC. Then came the fall.

In June 2008, a Fast Track Court sentenced Tsikata to five years' prison. The charge was wilfully causing financial loss of US\$230,000 to the state and misappropriating public property. Valley Farms had borrowed the sum from the *Caisse Française de Développement*. The company defaulted and the guarantor, GNPC, paid the debt.

In January 2009, in one of his last acts in office, the then President, John Kufuor, pardoned Tsikata. Tsikata rejected this, saying he would clear his name in court. He was released by President Mills days after his inauguration. In gaol, he had suffered severe bouts of asthma, a lifelong ailment.

Born in Keta and raised in Adabraka, one of seven children, Tsikata was 18 years old when he graduated from the Legon with first class honours. At 22, he was a junior research fellow and tutor at Oxford University, England, where he graduated with another first.

Tsikata was an advisor to Flight Lieutenant Jerry John Rawlings (then Chairman of the Armed Forces Revolutionary Council) in 1979, then again in 1982 when the Fourth Republic began. He defended Rawlings after his arrest after the May 1979 uprising.

Before joining GNPC, Tsikata lectured in law at the University of Ghana (Legon). His former students include parliamentarians, Supreme Court judges, lawyers and top government officials.

Tsikata ran GNPC from October 1988 to December 2000, also advising regional governments on oil development. He advised Equatorial Guinea on forming Gepetrol, the national oil company. Through the United Nations Centre for Transnational Corporations, he also advised Benin on developing Seme oilfield and its oil industry.

Many viewed the recent charges against Tsikata as politically motivated and an attempt by the Kufuor government to tarnish a key member of the opposition. President Mills, another Legon product, agreed, saying that Tsikata deserved a national award, not prison.

Gunning down democracy

Condemned for massacring its own people, the junta negotiates an economic lifeline with China

More than 157 unarmed demonstrators were shot down on 28 September by soldiers using rifles, daggers, machetes and iron bars. It was a straightforward massacre. Those killed had been protesting against military ruler **Moussa Dadis Camara's** plan to stand for election as president next year. Many others were injured and tortured. Some soldiers raped women, shoving rifle barrels and sticks into their genitals.

The authorities claim that 'only' 57 people died in the stadium (four of them shot). However, we hear that a lorry-load of corpses was seen during the night of 28 September at Almamy Samory Touré camp, escorted by the red berets of the Presidential Guard. The bodies are said to have been buried behind the camp, just outside the capital. Other eyewitnesses say there were several dozen corpses in the stadium and human rights groups want an international inquiry. **France**, the **United States** and the African Union are urging the junta to organise elections open to all political parties except Dadis, the CNDD and members of the present government. The opposition is calling for an international force to protect civilians.

China and Russia have interests to safeguard. Moscow was upset when Guinea's courts prevented the Fruguia aluminium refinery (650,000 tonnes a year) from falling into the hands of Rouski Aluminii (Rusal) and could try to use its support at the UN Security Council to get that decision reversed. President **Dmitri Medvedev** was the only foreign head of state whose letter to Dadis congratulating him on Independence Day on 2 October was read out on state television. China's Chinalco is close to securing a stake in the US\$6 billion Simandou iron ore project in eastern Guinea (Africa-Asia Confidential Vol 2 No 10) and the China International Fund (70% of which is owned by Hong Kong-based New Bright International and 30% by Angola's Sonangol) are negotiating with Camara on the management of a \$1.6 bn. investment fund for mining and infrastructure (AAC Vol 2 No 11). Camara may use the Chinese deals to deflect growing pressure for sanctions.

Camara's ruling circle ordered soldiers were to attack demonstrators with extreme violence. Assaulted oppositionists included ex-Prime Minister **Cellou Dalein Diallo** (*Union des Forces Républicaines de Guinée*), **Sidya Touré** (*Union de Forces*

Républicaines), **François Lonseny Fall** (*Front Uni pour le Développement et le Changement*) and ex-Information Minister **Aboubacar Sylla** (*Union des Forces du Changement*). Among those beaten, injured and humiliated were **Jean-Marie Doré** (*Union pour le Progrès de la Guinée*), **Mamadou Bah Badikko** (*Union des Forces Démocratiques*), **Mohamed Diané** (*Rassemblement du Peuple de Guinée*) and the leader of the citizens' protest during last year's general strike, **Mouctar Diallo** (*Nouvelles Forces Démocratiques*).

Dalein Diallo, with three broken ribs, survived by playing dead, say medics. Doré and others were seriously hurt. The other leaders had head injuries. The trades unions, which had begun by supporting the political 'forces vives' (living forces), backed out of the march to Conakry's main stadium. The ruling *Conseil National pour la Démocratie et le Développement* (CNDD, AC Vol 50 No 13) banned the march and closed the stadium. Sports Minister **Fodéba Isto Keira** claimed he wanted to keep the pitch in good condition for the coming match against **Burkina Faso**.

CAMARA'S CRACKDOWN

Army sources say the crackdown was planned a week in advance by Captain Moussa Dadis Camara's team. He denies ordering the crackdown but must have known about it. His aide-de-camp, Capt. **Aboubacar Sidiki Diakité** ('**Toumba**'), led the death squad at the stadium, with Capt. **Théodore Kourouma** (Dadis's nephew), **Claude Pivi** (Minister of Presidential Security) and **Moussa Tiegboro Camara**, (Minister for Special Services in charge of suppressing the drugs trade and organised crime), Dadis's hard man. Other names mentioned are '**Marcel**' and '**Fofana**'. The soldiers ringed the stadium and closed the gates before firing on the crowd.

Some believe that Dadis and his senior associates will end up before the International Criminal Court. *Africa Confidential* has seen mobile telephone footage of women being stripped and tortured; eyewitnesses swear they saw women fleeing naked from the stadium.

Most of the killers belonged to Dadis's personal guard, with some gendarmes from Tiegboro. Doré told journalists that he had also identified **Liberians** from the old United Liberation Movement of Liberia for Democracy (Ulimo), sporting their characteristic red scarves with

cowrie-shells. Others said the attackers were sometimes masked, wearing plain army t-shirts and carrying, along with their rifles, clubs or machetes for finishing off their victims. A Guinean working for the United Nations said he had heard men speaking English 'with a strong Liberian accent, drunk and drugged'.

Sources claim foreign fighters had been offloaded at Conakry airport the day before the massacre, by the *Compagnie Aérienne du Mali*. On the orders of Toumba and Pivi, former Ulimo rebels, mostly from the Toma, Konianké or Guerzé ethnic groups, had been recruited into the regular army – perhaps 600-1,000 of them. During Liberia's civil war Pivi, who is Toma, supported the rebels in their harassment of **Charles Taylor's** regime in Monrovia. Toumba, who is also from the forest area of southern Guinea, was just a sergeant major when the junta seized power on 23 December 2008.

Pivi recruited non-Guinean Toma or Konianké troops as a counterweight to the men who follow **Sékouba Konaté** ('**Le Tigre**'), military sources say. 'Tiger' was suddenly promoted from Lieutenant Colonel to Brigadier General and Defence Minister after the coup (AC Vol 50 No 2). Some officers had wanted him to head the junta but he refused. Dadis came out on top, supported by Pivi and Lt. **Sâa Alphonse Touré**, who is now in gaol for 'planning a coup d'état'. The soldiers recruited by Pivi and Toumba are said to have undergone rapid training at Kalia, in Forécariah region, about 100 kilometres from Conakry, with promises of guns and recruitment into the regular army.

During the December coup, Konaté commanded the airborne battalion at Camp Alpha Yaya Diallo, the base of the elite corps of the Guinean army, which the corps which took back in December 2008. Dadis is from that battalion and he claims that Konaté was sent back to the camp by former army commanders to kill him, but he refused and joined Dadis to take power. The two established an uneasy alliance. On the day of the massacre, Konaté was away from Conakry, sparking a rumour that the junta's chiefs are divided. If so, the massacre may widen the division.

Western governments have condemned the slaughter but **China** and **Russia** have not. The question is whether the Tiger will stand by his friend Dadis; each may be wondering who will fire first. Konaté has fought on the frontline. Dadis was essentially a logistics officer, deployed in the peacekeeping force in **Sierra Leone** before his officer training in **Germany**. Much will depend on the the strength of Pivi's and Toumba's forces. If Dadis were to get rid of Konaté, Guinea would become a stereotypical dictatorship. If Konaté got rid of Dadis, there might be a faint glimmer of hope of a return to civilian rule. ●

Opposition in search of unity

The Northern opposition and the SPLM combine to pressure the Khartoum government on elections and human rights

The Sudan People's Liberation Movement's unprecedented hosting of Northern opposition parties in Juba last week points to some important shifts in political alignments. The Juba Declaration on Dialogue and National Consensus sent a clear message to Khartoum that the parties back 2005's Comprehensive Peace Agreement and will boycott next April's elections en bloc if, by 30 November, it doesn't implement the human rights and democracy laws in the CPA, signed between the ruling National Congress Party (NCP, aka National Islamic Front) and the SPLM (AC Vol 20 No 18).

It remains to be seen whether the parties can resist the divide-and-rule tactics in which the NCP excels. 'We have to stick with it [the boycott threat], we have no choice,' the National Umma Party Chairman for Britain and Ireland, Mohamed el Ansari, told *Africa Confidential*. The rival Democratic Unionist Party saw its Chairman, Mohamed Osman el Mirghani, snipe at Juba from Khartoum, fuelling speculation about an election pact with the NCP. DUP Vice-President Ali Mahmoud Hassanein, a lawyer and human rights activist who

has not always agreed with Mohamed Osman, promptly flew to Juba for the All Political Party Conference (APPC).

Clerics gathered for the funeral of Episcopal Church of Sudan Bishop Joseph Marona Biringi on 25 September were astonished when Hassan el Turabi, in town for the APPC, arrived. The man who had presided over jihad in the North and South chatted about religious dialogue. Contrary to hallowed Sudanese custom, he did not offer condolences.

The NCP had refused to attend the APPC, which had been delayed by a fortnight to give it time to prepare, and was furious. Its media condemned the 'conspiracy' during the gathering but showered the public with promises of democracy and development once it had ended – and the NCP national congress had begun on 1 October. The NCP accused the APPC of a foreign agenda: this didn't stop it boasting that 33 governments, including Iran, plus Hamas and Hezbollah, attended its own conference.

The APPC was held on 26-30 September but many delegates, including Umma leader El Sadig el Mahdi, spent much longer in Juba, belatedly trying to build

bridges and stop the South from seceding. It will take more than that. However, the Juba Declaration's call to 'document... and apologize for' the 'historic grievances... particularly in southern Sudan and Darfur since independence' is a start on the 'truth and reconciliation' route which the African Union Panel of Experts is expected to call for (AC Vol 50 No 19). 'We do our best to make unity attractive' (a CPA stipulation), said the Umma's Mohamed el Ansari, 'but it needs to come from the people itself.'

It is assumed that if the referendum takes place in 2011 despite NCP blocking, Southerners will overwhelmingly vote for independence, yet some in the SPLM still want John Garang de Mabior's 'New Sudan', as do many Northerners. SPLM leaders know even an independent South could not live in peace while the Islamist NCP rules in Khartoum.

What next? After two decades of opposition inaction, it won't be easy, despite widespread hatred of the regime. 'People are still getting killed, starved, raped,' Amin Mekki Medani, a Khartoum-based human rights lawyer who headed one of the APPC's five committees, told AC. 'Reality on the ground is beyond anyone's imagination.' Though enshrined in the Constitution, peaceful assembly is impossible, Ali Mahmoud told us: 'The next elections are a fight between the nation and the enemies of the nation.' There is at last some action but, while the international community backed the Juba APPC, other interested governments have not been swift to criticise Khartoum or show interest in its opponents. ●

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Nigeria

BANKABLE ASSETS

■ The introduction by the Central Bank of Nigeria of polymer banknotes on 1 October has been blighted by accusations that millions of pounds in illegal commissions have been paid to bank officials through offshore tax havens to secure the currency contracts. When asked about the matter at the International Monetary Fund and World Bank Annual Meetings in Istanbul, **Turkey**, on 7 October, CBN Governor **Lamido Sanusi** said he did not know any details about the companies supplying material to produce the banknotes. *Africa Confidential* understands the contracts were agreed by his predecessor, **Charles C. Soludo**.

Nigerian officials are yet to act on these latest accusations of corruption at the CBN. **Australian** police, however, have been investigating the involvement in the case of two **British** businessmen, who have been representing Securrency, jointly owned by the Reserve Bank of Australia and Britain's Innovia Films, in Africa. The two businessmen, **Benoy Berry** and **Mike Harding**, were helping to market Securrency's polymer currency around Africa in an aggressive campaign that has already resulted in an anti-corruption case and the sacking of a minister in **Uganda**.

Nigeria first introduced polymer banknotes in 2007. **Nick McKenzie**, a journalist for the *Australian Age*, says that more than US\$1 million in commissions has been paid into accounts linked to companies overseen by Harding, who has operated several businesses in Africa and has ties with Britain's Conservative Party. Harding says all the 'negotiations' in Nigeria were handled by Berry. Harding and Berry are the only two listed shareholders in a British-registered company, Global Secure Currency, established in 2004.

Competition for the banknote business in Nigeria is fierce. Market leader Delarue of Britain has been losing business to newcomers such as Securrency. With a population nearing 150 million and the second biggest economy in Africa, Nigeria is a key market for currency printers.

Madagascar

OLD HAT, NEW HAT

■ The choice of academic **Eugène Mangalaza** as Prime Minister after a marathon meeting in Antananarivo on 6 October has broken the deadlock over the make-up of the new interim government, which is to run Madagascar until elections in 15 months' time. Before the new regime can be established, however, the accord must be signed by the current protagonists – ousted President **Marc Ravalomanana** and

his usurper, 34-year-old **Andry Rajoelina** – and former Presidents **Didier Ratsiraka** and **Albert Zafy**. All four were present at the signing of an accord backed by the African Union in Maputo, **Mozambique**, on 9 August, which laid out an agenda for power-sharing in Madagascar.

Although he has close ties to former President Ratsiraka, Mangalaza appears to favour neither Rajoelina nor Ravalomanana. **France**, which has maintained project aid throughout the crisis, will now press other countries to resume aid worth several hundred million dollars, officials in Paris told *Africa Confidential*. France argues that the people should not have to wait for an elected government for more financing.

Under the agreement, Andry Rajoelina retains the presidency of the *Haute Autorité de la Transition* and **Emmanuel Rakotovahiny** will be Vice-President. The real battle was over the Premiership, which will exercise greater powers under the HAT. The hard-liners behind Rajoelina were insisting that **Monja Roindefo** remain Prime Minister, but African and other governments rejected Rajoelina's unilateral announcement last month of a reshuffled 31-member cabinet led by Roindefo.

The members of the new transitional cabinet will be not allowed to take part in the presidential election; this could discourage some barons, such as **Roland Ratsiraka**, nephew of the ex-President, from seeking transitional posts. Rajoelina, as HAT President, is outside the government and not covered by the ban. There are doubts that Ravalomanana will contest the presidency again if he is assured that his business interests will be left alone.

World Bank

CONDITIONAL LOVE

■ World Bank President **Robert Zoellick** is 'confused if not frustrated', according to his officials, by threats from **Britain's** Minister for International Development, **Douglas Alexander**, to block fresh capital-raising attempts by the Bank unless it cuts bureaucracy and reduces loan conditions. Alexander, who met Zoellick at the Annual Meetings of the Bank and the International Monetary Fund in Istanbul, **Turkey**, on 6-7 October, said that disbursements to Africa have dropped by US\$500 million, about 10%, in the last financial year.

Bank officials were surprised by Alexander's stance because they thought his meeting with Zoellick had gone 'very well' and Britain had not raised concerns about conditions on loans for over 18 months. Britain is now the single biggest contributor to the Bank's soft loan International Development Association facility. One official said that contrary to Alexander's figures, emergency food aid and agriculture programmes last year had added some \$1 billion in disbursements to Africa. Alexander's position will, though,

play well with Britain's civic activists and aid agencies, an important part of the ruling Labour Party's support base.

Zimbabwe

IN AND OUT

■ The return of the mercurial **Jonathan Moyo** to full membership of the Zimbabwe African National Union Patriotic Front (ZANU-PF) could prompt further splinters in the party. Several Politburo members have failed to block the move, which is seen as a victory for Defence Minister **Emmerson Mnangagwa** in his quest to succeed President **Robert Mugabe**.

Moyo was Information Minister in the last parliament but overplayed his hand in the Tsholotsho declaration which attempted to impose Mnangagwa as leading succession candidate (AC Vol 45 No 24). After a furious Mugabe demanded retribution, Moyo was expelled from the party and Mnangagwa was isolated; now it seems both men are back in presidential favour. Moyo won the Tsholotsho North constituency as an independent in 2008 against the official ZANU-PF nominee.

Thenjiwe Lesabe resigned from the Politburo last month to return to Bulawayo and help **Dumiso Dabengwa** rebuild the Patriotic Front Zimbabwe African People's Union in Matebeleland. ZANU-PF National Chairman **John Nkomo**, who is being sued by Moyo, failed to attend the Politburo meeting which readmitted Moyo – although neither he nor his supporters on the Politburo are likely to follow Lesabe. It was left to Politburo Secretary for Information **Nathan Shamuyarira** to oppose Moyo but his efforts failed in the face of the glowing endorsements from President Mugabe, Defence Minister Mnangagwa and party factotum **Didymus Mutasa**.

In Mashonaland West, the ZANU-PF provincial hierarchy is accused of an ethnic cleansing as Karanga – the Shona subgroup to which Mnangagwa belongs – in the provincial leadership are being replaced by Zezurus, who predominate in the province. About 35% of Zimbabweans are Karanga; less than 25% are Zezuru. Tensions in the ZANU-PF Women's League have been only partially resolved by Mugabe's order that his ailing sister **Sabina** not be nominated to any position in the province. The other contestant, member of Parliament **Sarah Mahoka**, a Karanga, has been suspended. The disputed position is now to be filled by **Barabara Zhuwawo**, Sabina's daughter-in-law.

ZANU-PF provincial leaders – Shamuyarira, Local Government Minister **Ignatius Chombo** and Media Minister **Webster Shamu** – are not yet openly aligning with kingmaker **Solomon Mujuru** and backing his wife **Joice Mujuru** for the presidency but are keen to block Mnangagwa and keep options open until the party congress in December.

BLUE LINES

No one emerges with much credit from the announcement that the judges of the Mo Ibrahim leadership prize could not agree on a suitable candidate among the latest crop of retired African presidents – no one apart from the Sudanese telecoms billionaire himself, who has at least got the world talking about how Africa is run. It also says much about the politicised nature of business in Africa, with almost all the possible candidates embroiled in heated, unresolved controversies over multinational companies making corrupt payments and inflating contract prices in Africa.

The frontrunner was Ghana's John Kufuor, who had already won the Chatham House Award for Statesmanship at a lavish ceremony in London in 2008, in which British Development Minister Baroness Shriti Vadera gushed with awe at his achievements. Ghana's political openness in the past decade won him foreign admirers but some Ghanaians demur. With his opponents now in power, Kufuor faces claims of impropriety over two big oil and telecoms contracts (see page 3) and accusations that he did nothing to stop the sharp rise in drug trafficking there.

Other contenders included South Africa's Thabo Mbeki (rejected for HIV/AIDS denialism and pending criminal investigations in the BAE Systems arms deal); Nigeria's Olusegun Obasanjo (ongoing investigations into Halliburton's US\$10 billion gas export contract); and Sierra Leone's Tejan Kabbah (claims of massive mismanagement of British aid funds).

ZIMBABWE

Tsvangirai's walkout puts Mugabe on the backfoot

The MDC sees some success in its efforts to push a divided ZANU-PF back into talks by appealing to regional leaders to pressure President Mugabe

For once, Prime Minister **Morgan Tsvangirai** and the Movement for Democratic Change appear to have scored a palpable hit against President **Robert Mugabe** and his allies. Following a meeting with Tsvangirai on 21 October in Cape Town, **South African** President **Jacob Zuma** declared that 'the country should not be allowed to slide back into instability, and that he was ready to assist the parties in implementing the Global Political Agreement (AC Vol 50 No 17). Tsvangirai's temporary walkout of the power-sharing government came on 16 October, as the faction-fighting around Mugabe and the Zimbabwe African National Union-Patriotic Front seemed to be reaching a crescendo (AC Vol 50 No 20).

Mugabe's dismissal of the walkout as of 'little consequence' rings hollow. His own ZANU-PF is in crisis in the lead up to its December congress, with open warfare between the **Joice Mujuru** and **Emmerson Mnangagwa** factions battling to succeed Mugabe. ZANU-PF's organisation in the three Matebeleland provinces is in a shambles, partly because of the administrative bumbblings of Mugabe's ultra-loyalist, **Didymus Mutasa**. At the last count, five ZANU-PF grandees were battling to take over the national Vice-Presidency after the death of **Joseph Msika**.

After suspending cooperation with Mugabe and his ministers, Tsvangirai embarked on a tour of neighbouring states to call for pressure on Mugabe and ZANU-PF. The pretext for walking out was the indictment of the MDC's Treasurer, Deputy Agriculture Minister **Roy Bennett**, on

terrorism charges (after a string of vexatious cases against other MDC members of parliament). The latest episode in the long-running Bennett show saw him back in the cells, albeit for only one night, but it was enough for Tsvangirai and the MDC to ramp up international concern about the wider progress of the government.

Tsvangirai points to a lengthy list of ZANU-PF's blocking and delaying tactics. None of the issues highlighted by the Southern African Development Community (SADC) summit on Zimbabwe in January have been resolved: the row over ministerial duties and powers; the illegal appointments of Reserve Bank of Zimbabwe Governor **Gideon Gono** and Attorney General **Johannes Tomana**; and Mugabe's failure to ratify the appointment of provincial governors; along with a lack of progress on constitutional reform, liberalisation of the media and a national audit of land holdings.

Indeed, the two sides cannot even agree on the government's title: the MDC rejects ZANU-PF's appellation – Government of National Unity (GNU) – as grossly misleading. There are elements in ZANU-PF whose aim is to bring about the collapse of the power-sharing government by continually harassing and humiliating MDC MPs. The fear of such hardliners is that the MDC will get the political credit for the government's limited economic successes and further undermine ZANU-PF. This time, the incarceration of Bennett appears to have backfired.

By violating the spirit of the accord, the ZANU-PF hardliners want to bait the MDC into pulling out of the government.

ZIMBABWE	2	GHANA	3	IMF/WORLD BANK	4	SUDAN	6	SUDAN/UGANDA	8
Matebeleland fallout		Corruption claims and rows		A year after the crash		Washington's new policy		BOTSWANA	9
The knives are out as ZANU and ZAPU candidates compete for the vice-presidency.		Oil deals, political intrigue and grand corruption conspire to undermine Ghana's record.		Facing high food prices, rising joblessness and cuts in investment, Africa lags behind the Asian recovery.		As Sudan reaches a crossroads, the USA hardens its policy towards Khartoum.		CONGO-BRAZZA	10
								SOMALIA/KENYA	11
								POINTERS	12

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Tsvangirai, in the best trades unionist tradition, operates on the sound principle of 'never resign from anything; the longer you stay the stronger you become'.

ZANU-PF drags its feet on all the political and economic reform proposals but pushes through appointments which suit it. The most blatant is appointing Professor **Tafataona 'Dotty' Mahoso** as Chairman of the Broadcasting Authority, despite his dismal performance before the parliamentary panel choosing nominees for the Media Commission.

Media Minister **Webster Shamu** announced the appointment of army officers and other ZANU-PF loyalists to several media bodies within his gift without consulting the MDC. When it was pointed out that, for a publicly quoted company, appointments to the Zimpapers board were the prerogative of shareholders, Shamu said someone had mixed up the files on his desk. Under his *nom de guerre* of '**Ndhlovu**', he served in the 1980s both as a junior minister and time in prison for corruption. A streetwise activist from Mashonaland West, as ZANU-PF spin doctor, he is proving something of a disaster. With the return of **Jonathan Moyo** to the fold, his time may be up.

Among Shamu's blunders was allowing Mutasa to be interviewed by the **United States** television station CNN, where he blurted out, 'Supporting white farmers is insupportable. If that is what human rights means, you can keep them. We don't want them in Zimbabwe.' Earlier this year, Mutasa had explained that his interpretation of the unity government was that 'everyone should do what President Mugabe says'.

There is an obsession with destroying Bennett. This gives the issue the sharp profile that the other outstanding breaches lack, which is why it works against ZANU-PF. The issue is not whether Bennett is guilty but whether his bail would be reinstated by a higher court. The judiciary is asserting some independence. The case of **Justina Mukoko**, head of the Zimbabwe Peace Project, who was wrongly detained for three months and then freed on judicial order, is an indication of this. Again, the judicial order to free Bennett on bail ran counter to ZANU-PF pressure and wishes. In both cases, the Judge was **Charles Hungwe**, who has impeccable political credentials as a fighter in the liberation war and cannot be dismissed as an MDC or **British** placeman.

The political damage was immense – the bail refusal was broadcast around the world by the international news networks. Mugabe and ZANU-PF were portrayed as mean-spirited, with no intention of operating the GNU in a spirit of goodwill. SADC leaders were embarrassed by another example of ZANU-PF's bad faith. Tsvangirai was given a perfectly plausible excuse for withholding MDC cooperation with ZANU-PF at ministerial level, without resigning from the government, until

Bennett's status and other outstanding issues were addressed.

ADC Secretary General **Tomaz Salamá** was on an unpublicised visit to Harare to set up a meeting between Tsvangirai and **Mozambican** President **Armando Guebuza** on 15 October. Tsvangirai then expanded that to a ten-day tour taking in **Angola**, **Congo-Kinshasa**, **Mozambique** and possibly **Botswana** and **South Africa**. He told Mugabe about it on his way to the airport.

For now, ZANU-PF looks snookered by Tsvangirai's move. If it expels the MDC from the power-sharing government, it will have to take responsibility for the breakdown. Botswana's President **Seretse Khama Ian Khama** insists that a purely ZANU-PF government would have no support within the region, let alone internationally. On this point, few of his peers are likely to demur. Even Mugabe's older comrades, such as Angolan President **José Eduardo dos Santos**, are tiring of the continuing crises in Zimbabwe and their negative effects on the region.

For ZANU-PF to re-establish a modicum of political goodwill, it will have to make some credible concessions. MDC insiders hope that the outcome will be the long delayed appointment of some MDC provincial governors and some movement on the Reserve Bank issue. What emerges from the crisis is that, apart from faction leaders Mujuru and Mnangagwa, who themselves can hardly wait for him to go, Mugabe is surrounded by a team of political incompetents.

When Justice Minister **Patrick Chinamasa** objected to the SADC tribunal ruling in favour of white farmers and tried to pull out, the SADC officials pointed out that there were procedures for abrogating international treaties and a ministerial letter was not one of them. When the **Spanish** Ambassador made a pointed analogy with the last days of General **Francisco Franco**, Zimbabwe's Foreign Ministry issued a directive that ambassadors should not make political speeches on their national days. In fact, embassies enjoy extraterritorial immunity which allows ambassadors to say anything they like – until, in *extremis*, the host government demands their exit.

The dearth of political talent in ZANU-PF is encouraging people to re-examine the political prospects. After 29 years of effective single-party rule and a decade of calamitous economic decline, the slow collapse of ZANU-PF shows Zimbabweans that there is life after Mugabe and they will have to live it. Gradually, people are seeing that subservience to the Mugabe leadership is no longer the only route for advancement. No one can see clearly the shape of the country's emerging politics, but many Mugabe followers are preparing their excuses and their exit lines. ●

THE MATEBELELAND FALLOUT

The hoped-for seamless assumption of the late Vice-President **Joseph Msika**'s positions by **John Nkomo** is teetering on the brink of farce. Thanks to **Didymus Mutasa**, the Secretary for Administration of the Zimbabwe African National Union-Patriotic Front, the three Matebeleland provinces have each come up with a different nominee. Nkomo, who is ZANU-PF National Chairman, has the nomination of the debilitated party in Bulawayo; Minister of Mines **Obert Mpofu** has that of Matebeleland North, where he was Governor until last year; Matebeleland South has reneged on its pledge to Nkomo and has now put forward **Naison Ndhlovu**, the Deputy Speaker of the Senate.

As a special surprise, retired Brigadier General **Ambrose Mutinhiri**, an MP in Mashonaland East, tossed his hat into the ring, capitalising on the claim that the Zimbabwe African People's Union-Patriotic Front, for which he fought, was never a regional party. Then followed **Cain Mathema**, the Governor of Bulawayo. Apart from Nkomo, none are household names. The issue now has to be decided on the basis that whomsoever is endorsed by six of the ten provincial parties goes forward. With Matebeleland divided and the remainder split between the **Joice Mujuru** and **Emmerson Mnangagwa** factions, the permutations are endless.

Mutinhiri has risen without trace. He was once Chief of Staff of the Zimbabwe People's Revolutionary Army, the armed wing of **Joshua Nkomo**'s ZAPU-PF. If one of the two major factions were to back him, that would open the possibility of Matebeleland losing another key post, which would play into the hands of **Dumiso Dabengwa** and his resurging PF-ZAPU. Once this issue is laid to rest, the next excitement will be over the post of ZANU-PF's National Party Chairman, when similar rivalries are set to emerge. ●

Corruption claims and rows tarnish Accra's record

Oil deals, political intrigues and grand corruption conspire to undermine the country's image of economic and political rectitude

For several years, Ghana has been praised internationally as a model of political pluralism and rational economic reform, even if some of its more introspective nationals dispute this accolade. The country's relatively cool response to last year's knife-edge national elections and **United States** President **Barack Obama's** visit in June reinforced its status (AC Vol 50 No 17). That happy picture is now threatened by a series of politically charged corruption cases – on both sides of Parliament – and a messy row with America's Kosmos Energy over plans to sell its stake in Ghana's Jubilee Field for some US\$4 billion to the US oil giant ExxonMobil.

On coming to office in January, the National Democratic Congress government began to investigate EO Group, a small company with no track record in the oil business which had secured a 3.5% stake in the Jubilee Field from Kosmos. The NDC claims that the prime movers in EO – **Kwame Bawuah-Edusei** and **George Owusu** – are placemen for the New Patriotic Party and are close to ex-President **John Kufuor**. Edusei, a member of the NPP, was appointed Ambassador to **Austria** and **Switzerland**, and then to the USA. Owusu became the Kosmos country manager for Ghana. Kosmos officials deny any wrongdoing and say they thoroughly investigated EO Group.

The Bureau of National Investigations is not convinced and last week raided Owusu's properties in Accra, taking away computer hardware. With Kosmos's planned sale, the market value of EO's stake has rocketed; NDC officials fear that some might find its way into the coffers of a resurgent NPP at the next elections.

Officials at the Ghana National Petroleum Corporation argue that it should be the GNPC, not Kosmos, which chooses the main operator in the massive Jubilee Field. GNPC Managing Director **Thomas Manu** said last week that the government of President **John Evans Atta Mills** will block what Kosmos calls its 'exclusive agreement' with ExxonMobil.

The bigger questions are whether Ghana has the legal right to pre-empt the Kosmos sale and can raise the cash to buy the stake itself. The original plan told to *Africa Confidential* was that **China's** Export-Import Bank would provide bridging finance. Now, we hear, Ghana is to raise the cash independently to buy Kosmos's

stake. The government will then assess a range of financial and technical offers which could still include Exxon and the China National Offshore Oil Corporation but also BP, Anglo-Dutch Shell and **Italy's** *Ente Nazionale Idrocarburi* (ENI).

Prospective bidders may be watching the fate of two **British** companies in Ghana: Vodafone and Mabey & Johnson. Justice **Emmanuel Akwei Addo's** review of Vodafone's purchase of a two-thirds stake in Ghana Telecom in August 2008 claims that Kufuor negotiated the sale to Vodafone without reference to any Ghanaian technical or financial advisors.

The NPP rejects Addo's claims. Addo also claims that Kufuor personally agreed to Vodafone's offer of US\$900 million for 70% of Ghana Telecom although **South Africa's** Telkom SA had offered \$947 mn. for a 66% stake. Accra business sources say the kingpin of both the Vodafone and Kosmos deals was **Herbert Osei-Baidoo**,

who represents Vodafone in Accra.

The NDC has to deal with its own corruption scandals. On 25 September, a London court heard that several senior officials had been paid bribes worth £500,000 (\$828,000) by Mabey & Johnson to win bridge-building contracts worth £25 million (\$41 mn.) during the last NDC government, headed by **Jerry Rawlings**.

With the resignation on 9 October of two ministers in the wake of the Mabey & Johnson scandal – Health Minister **George Sipa-Adjah Yankey** and **Seidu Amadu**, a Minister of State at the Presidency – **John Atta Mills's** government has lost three ministers to corruption claims in its first nine months in office. By accepting compensation of £600,000 from the company, Mills implicitly accepted that bribes had been paid and that the company had inflated the contract price.

Yankey says he resigned to clear his name but remembers receiving £10,000 for legal services from **Issifu Baba Braimah Kamara**, then Mabey & Johnson's agent in Ghana. Apparently unscathed, Atta Mills has just appointed Kamara High Commissioner in **Nigeria**. Kamara's wife was secretary to Rawlings, who has called on Mills swiftly and thoroughly to investigate the Mabey & Johnson scandal to uphold the party's principles of 'probity and accountability'. ●

BRITAIN AND BRIBES IN GHANA

Britain used to enjoy a reputation for relative decency in matters of bribes and commissions, in comparison to European counterparts such as **France**, **Germany** and **Italy**. That has changed. Recently, the outgoing Minister for Africa and the United Nations, **Mark Malloch Brown**, said he had to delete lengthy references to the 'fight against corruption' from a speech in **Mozambique** in the wake of the Westminster members of parliament's expenses scandal, as **British** references to the need for public probity tended to elicit polite amusement from African audiences.

It seems that Whitehall has finally conceded there is a problem with some British companies and that the Serious Fraud Office should be given the necessary support to investigate and prosecute. The court proceedings of the Mabey & Johnson case give detailed and unedifying insights into how the company operated in Ghana. The company's key figure in the affair was a Briton, **Miles Potter**, who was its Director resident in Ghana when the company negotiated the contracts.

Potter surfaced in an earlier case, when he gave evidence in the British High Courts for Mabey & Johnson v. Ecclesiastical Insurance Office (2003). There were faults in the designs that Mabey & Johnson had used on its bridges built in Ghana and it wanted to obtain indemnity insurance payments from the insurers. The claim was unsuccessful. In 1991, Ghana's Ministry of Roads proposed building a flyover in Accra: £14.5 million (US\$ 24 mn.) had been guaranteed under the Buyer Credit scheme run by Britain's Export Credit Guarantee Department. Mabey & Johnson were to be awarded the contract.

When the flyover programme was cancelled, Potter proposed a 'Priority Bridge Programme'. He told Judge **Morison** in the case against Ecclesiastical Insurance that 'successfully to obtain business for Mabey, he had to work closely with the Finance Ministry. Once the funding was in place, he was then in a position to put forward proposals to the relevant spending department. It was more a question of finding projects to fit the money, rather than the other way about.'

Potter added: 'Once an amount had been secured for the project, I could negotiate the specific details of the project with the Ministry of Roads and Highways with reference to the sum secured.' Not the best way to get value for money or decide the most important projects. Without any obvious humour, Mabey & Johnson called a £750,000 account, from which they drew money to bribe Accra officials, the Ghana Development Fund. ●

A year after the crash

Facing stubbornly high food prices, rising joblessness and investment cutbacks, Africa is lagging behind the economic recovery in Asia

A faint self-congratulatory whiff of a 'great depression averted' wafted through the annual meetings of the International Monetary Fund and World Bank in Istanbul, **Turkey**, on 4-5 October. Yet many of the detailed policy discussions between central bankers, business people and international finance institution officials showed that most of the world's finance ministers were still on rescue duty. There will be no early exits from fiscal stimulus programmes. The green shoots of recovery in **Brazil**, **China** and **India** are not enough to counter rising unemployment worldwide.

Africa's green shoots are far off, as the IMF's latest Regional Economic Outlook for Africa underlines: average GDP growth next year is forecast to rise to 4% from about 3% in 2009. Certainly Africa is in a much stronger macroeconomic position after a decade of reform and a boom in commodity prices but that is little comfort to the most vulnerable countries. Currencies are more stable, budget deficits and inflation are sharply lower but few governments have used that as a platform to start medium-term restructuring of their economies.

Far too many African states are net food importers; few have launched effective plans for rapid growth in agriculture let alone tried to boost agro-allied industries. For the most part, Africa's national revenues remain subject to the vagaries of externally controlled commodity markets, now in Shanghai and Mumbai and Sao Paulo as much as London, Paris and New York.

Fluctuations in prices for commodities such as copper, oil, cocoa, coffee and,

above all, food have wreaked havoc in many African economies. Wholesale prices have fallen since their peak in late 2008 but retail food prices have remained constantly high. The United Nations World Food Programme reckoned that by March 2009, food prices remained above the five-year average in 19 of 20 African countries surveyed. In all 20, prices for the main food staple had not fallen since December 2008, although people's purchasing power had been cut sharply because of lower export earnings and rising unemployment.

A chain of causation stretches from the hedge funds and financial engineers in the West whose miscalculations precipitated the recession to the social consequences in poor agrarian societies whose export revenues suffer a 10% cut. Children, especially girls, are being removed from school; families go from three meals a day to one. For **Hilde Johnson**, formerly a Special Advisor on fragile states to African Development Bank President **Donald Kaberuka**, now Deputy Director of the UN Children's Fund, 'The ability of children to read and write is severely affected by malnutrition between the ages of nought and two. This is a generation that will be affected for life.'

FLEXIBLE FRIENDS

Faced with such horrors, the IMF and Bank assume a more flexible stance on economic policy. **Joseph Stiglitz**, a trenchant critic of those institutions, has attacked the conditionality imposed by the Fund on its lending, the opaque manner in which it operates and the lack of global economic debate about its role. In Istanbul, he expressed surprise

at how far it had come since he worked there. The market collapse in late 2008 and the unwinding that followed have made it much harder for free-market purists to press their policies on poor countries. Perhaps it has helped the IMF to have a centre-left economics professor-politician, **Dominique Strauss-Kahn**, at the helm. In a parody of **Karl Marx**, he talks of capitalism lurching from 'crisis to crisis' and is evidently at home with the reversion to Keynesian economics.

The IMF was quick to offer lending to needy but developed countries such as **Hungary** and **Ukraine**, without making those loans conditional on domestic reform. Strauss-Kahn also suggested that countries such as **Mozambique**, **Liberia**, **Senegal** and **Tanzania** should be able to expand social spending to cushion the effects of the recession – and increase budget deficits without destabilising their economies. This is an era when the **United States** is running a budget deficit of over 10%.

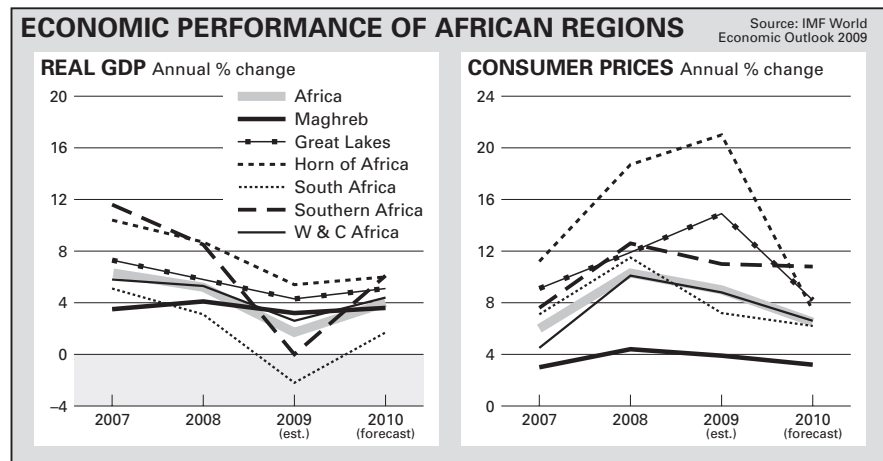
African finance ministers are trying out different fiscal stimulus packages. In **Mauritius**, the government has temporarily suspended tax on productive sectors such as tourism and textiles, with a subsidy scheme for businesses that brings in banks and matches their loans with public money.

Morocco has similar tax breaks and private-sector support schemes. Senegal and South Africa rely on the automatic stabilisers of social security spending to keep the wheels turning. In previous crises, the Fund or Bank would have railed against such budget deficits. Loosening the restraints on policy (after much internal debate) has won plaudits from member states and helped catapult the IMF from a has-been with dwindling global responsibilities to a genuine international lender of last resort.

In many ways, the Asian crisis of 1997 was a dry run for the current global recession. Had the IMF been less rigid about its structural adjustment plans after the south-east Asian meltdown in the late nineties, Asian countries would not have been quite so determined to build up huge foreign currency reserves. **Indonesia**, **South Korea** and **Thailand** were forced to cut deficit spending in order to access funds from the IMF: the lesson for many in Asia was 'never again'.

Asia's huge dollar reserves cut the cost of borrowing for US consumers and ultimately brought on the poorly managed debt balloon responsible for the downturn. Strauss-Kahn believes that 'because there is no global insurance system, countries are forced to build up their reserves'. He wants the Fund to receive much larger funds that would allow it to play a back-up role.

Many in Istanbul agreed that the crisis



had further shifted the global balance of economic power towards Asia. **Jim O'Neil**, chief economist at Goldman Sachs, argued: 'This crisis only looks bad from a Western perspective. From an Eastern perspective, China is going to grow. India is going to grow. Combined, Chindia will provide half of global GDP growth of 4% next year.' That – and low global prices – help to explain the recent spate of big Chinese bids for resources in **Ghana, Guinea and Nigeria**.

Americans are spending less; in the USA, household savings have risen from 0.5% at the beginning of 2007 to 4% today. Reduced spending by US consumers affects African economies that depend on exports. Yet the Bank and Fund suggest that commodity prices will continue their slow recovery, even if not to the bubble prices of 2008. African countries must diversify their economies across the board and sell their produce beyond the protected markets of the West.

ROADS TO MARKET

Cameroon, for example, has great potential for making furniture but until recently, has not been able to sell to the large Nigerian market next door. A new road should stimulate the sector but until it does, very little of the raw lumber will be transformed. The best-connected countries do best. **Uganda's** regional trade, for example, is back up to 90% of what it was pre-crisis. President **Yoweri Museveni** is one of Africa's most obsessive road builders. Financing Africa's infrastructure deficit (US\$100 billion a year, according to the Bank) could be tackled by state bonds, says **Rajiv Lall**, Chief Executive of India's Infrastructure Development Corporation.

As the private sector mainly focusses on short-term returns, the state must create long-term debt instruments for infrastructure projects with a life span of 20 years and more. Lall argued that subsidised mortgages were irreplaceable in creating the US housing market and pointed out that India was still struggling to meet its own huge deficit in infrastructure, from housing to energy. It is also essential to diversify trade partners: 40 Turkish companies used to trade in **Egypt**; now there are 290. As emerging economies step up sales to the growing African market, companies in Africa have to find ways to balance that growing trade.

Many hope the Fund's and Bank's annual meeting in Istanbul will be the last held under the old Western-dominated order, with European and North American countries dominating the institutions' executive boards, despite their declining economic power. Yet the attempts to reform the Bank and Fund – by giving more shares and voting rights to developing countries – are moving terribly

slowly, mainly because the rich countries cannot agree on which of them should lose their seats in the boardroom.

The grandstanding of the **British** and **French** finance ministers in Istanbul suggests the fight is only beginning. Both countries donated \$2 bn. in loan capital to the IMF Trust Fund, to show their generosity. Fears that **Japan** would cut back its multilateral lending were dismissed by senior Bank staff, one of whom suggested that it would wish to keep up with China.

In February the Bank agreed that Africa should receive a third seat on the Executive Board, bringing the number of seats to 25. Nigerian Finance Minister **Mansur Muhtar** will chair the Executive

Board of Governors of the Bank and Fund for 2010, the first African in that role. He told AC that the downturn 'has actually given us a tool to help our reform process, as you can see by the progress made in the finance and energy sectors'.

Muhtar pointed out that Nigeria had a 30% revenue shortfall in the first half of this year, with billions of naira locked up in the emergency bank recapitalisation. He signalled his Ministry's support for the attempt to reform public finance management in Nigeria and backed the Central Bank of Nigeria's aggressive attempts to recover outstanding loans to the bailed-out banks. The times are bad but to the crafty moderniser, they may offer political cover for reform. ●

THE GREAT WORLD BANK CAPITAL CHASE

This year, the World Bank group lent a record US\$59 billion, a 54% increase over last year. In Africa, the Bank increased its new commitments by 45% over 2008, although in Latin America it increased new commitments by a staggering 201% and by 124% in Europe and Central Asia. Much more is coming to Africa, according to **Obiageli Ezekwezi**, Vice-President for the Africa region at the World Bank: 'We have already boosted our funding to Africa. Our agriculture programmes have gone from \$430 million to \$1.5 bn. We now have regional infrastructure projects worth \$2.9 bn.' If Africa could sort out its electricity deficit, she added, it would add 2% to its gross domestic product growth.

Given the extra demand for Bank resources from middle-income countries and the opposition to extra Bank financing from the **United States** Congress, many are concerned that Africa and other poorer regions will be squeezed as competition for resources tightens budgets. When Nigeria could not raise money at a competitive price on the international capital markets, the Bank stepped in to lend \$500 mn. for infrastructure spending. With capital markets more cautious and restricted, developing nation governments are keen for Bank loans. **South Africa**, traditionally anti-Bank and Fund, has opened negotiations for funding for the rundown power utility, Eskom. **Morocco** wants more Bank lending, to finance infrastructure.

Although the IMF has used its role as global financial plumbing inspector to triple its funding, contributing countries have been less keen to boost the World Bank. Even **China** has been slow to increase its contributions but the great hope is that Asian money will plug the gaps in financing Africa's economic foundations. As demand from middle-income and poorest countries increases, the World Bank will have to ration its lending sharply by the middle of 2010. So it is campaigning for a capital increase of some US\$3-5 bn. before its spring meeting in April 2010. It would be the Bank's first capital increase in 20 years. Its private sector affiliate, the International Finance Corporation, wants a capital increase of \$1.8-2.4 bn. Some are proposing a contingent capital increase: the capital could be lent to the Bank when demand is high and then repaid as world economic conditions recover and loan requests ebb.

This will still mean some tough fundraising among the richest countries: on the current shareholding, the USA would have to contribute \$101-168 mn.; **Japan** would have to pay in \$48-81 mn.; the larger European shareholders would have to pay \$28-46 mn. Significantly, the demand for more capital for the Bank comes just as pressure mounts for a new division of shareholdings. Some rich countries may try to trade their contributions as a means of staying on the Board. At the same time, the Bank's cost-cutters will be prowling the corridors of its headquarters in Washington in search of greater efficiency. Pressure will mount to move more and more offices and functions of the Bank and Fund from expensive Washington to the capitals of the developing economies. Most of all, the Bank will have to convince rich and poor countries that its projects and programmes do work.

One measure of success will be how much developing countries contribute to and gain from the expansion and reform of the Bank. Much of this is the effort to keep the Asian mega-economies on board, as contributors of capital and consumers of the institutions' services. That will require a surrender of Western dominance and the end of traditions such as drawing the IMF Managing Director from Europe, while giving America the right to appoint the World Bank President. It may also mean more changes in the institutions' theology and more surprises for their seasoned critics, such as **Joseph Stiglitz**. ●

Washington unveils its new policy as tension rises in Sudan

Amid a spreading feeling at home and abroad that Sudan may be at a crossroads, the United States announced its long-postponed policy. This departs from the usual cautious diplomacy of interested governments by leaving the National Congress Party in no doubt that it will be held responsible for most of the country's political woes. The only sanction that the NCP really fears is military action: this is included in a confidential annex. As elections and referenda draw near, the Khartoum regime pursues its own military action west and south – and perhaps soon again in the east.

KHARTOUM IS WORRIED

When Secretary of State **Hillary Clinton** unveiled the new United States' policy on Sudan on 19 October, press reports focussed on 'engagement', a concept beloved of President **Barack Obama's** Special Envoy, **Scott Gration**. What is troubling the National Congress Party (NCP, aka National Islamic Front) is the implied threats in the most coherent US policy since the NIF's 1989 coup. 'When **Ghazi Salah el Din Atabani** says this is "positive", you know the NIF is worried', one senior Sudan People's Liberation Movement official told us. Ghazi, a doctor, tank driver and NCP baron, is Presidential Advisor on Darfur but handles NCP relations with the West since the Foreign Minister, **Deng Alor Kwol**, is a powerful SPLM leader. The NCP strategy of obstructing the South's 2011 independence referendum has eroded the pretence that the SPLM and NCP are genuine partners in the Government of National Unity, formed under the 2005 Comprehensive Peace Agreement (CPA).

Three main factors will determine how US policy unfolds: firstly, whether Washington maintains the united front signalled by the joint announcement by Clinton, Gration and United Nations Ambassador **Susan Rice**, once President **Bill Clinton's** Assistant Secretary of State for African Affairs, who favours tougher intervention to stop what her government still calls 'genocide' in Darfur; secondly, whether Khartoum changes tack on the South, Darfur and democratisation; and thirdly, whether SPLM and Northern opposition can resist NCP blandishments and their own disagreements.

The SPLM and the genuine Darfur insurgents welcomed the US policy cautiously: they fear Washington might lose its new determination and focus. Some US officials have anonymously criticised Gration as dangerously 'naïve' about the NCP's sophisticated, manipulative diplomatic tactics. 'We've got to think about giving out cookies. Kids, countries, they react to gold stars, smiley faces, handshakes, agreements, talk, engagement', said General (Retired) Gration last month. He may reflect State Department thinking overall but this gaffe did not go down well in Foggy Bottom or elsewhere.

Khartoum has hired US lobbyists, some recently working in the US foreign service. To avoid SPLM condemnation and US sanctions, the NCP used third parties to pay the lobbyists, which raises further ethical questions in relation to US lobbying laws. This week's policy change doesn't look huge. 'We have moved from appeasement to engagement', said one official. This fits Obama's opening to the world, especially the Muslim world. Yet pre-election, he called for tougher action on Sudan, as did Clinton. The new policy reflects the ambiguity of a President whose own constituency includes the liberals, African-American lobbies and human rights activists that want action on Khartoum's continuing

abuses. The State Department policy document includes:

- Acknowledging previous weaknesses: 'In the past, the United States' approach to Sudan has been reactive rather than proactive and narrowly focused on emerging crises.'

- Raising questions about Sudan's unmeasurable and usually unmentionable intelligence cooperation: 'It must be clear to all parties that Sudanese support for counter-terrorism objectives is valued, but cannot be used as a bargaining chip to evade responsibilities in Darfur or in implementing the CPA.' This apparently signals that US intelligence agents are no longer squabbling with other officials over Sudan and that the (former) Central Intelligence Agency operatives who have so warmly embraced Lieutenant General **Salah Abdullah Mohamed 'Gosh'** may no longer dominate. Salah, former head of the National Intelligence and Security Service (NISS) and now Presidential Advisor on Security, on 20 October chaired the 'first meeting' of the Coordinating Committee for National Security Advisory. It discussed US policy.

- Listing 'the three principal US strategic priorities': 'A definitive end to conflict, gross human rights abuses, and genocide in Darfur... Implementation of the North-South CPA that results in a peaceful post-2011 Sudan, or an orderly path toward two separate and viable states at peace with each other' and to 'Ensure that Sudan does not provide a safe haven for international terrorists.' This is diplo-speak for what Washington asks of Khartoum.

- Talking of both incentives and punitive measures, the policy emphasises that compliance will be closely monitored and action taken for failure. This reflects the sudden international realisation that next year's elections and 2011's Southern and Abyei referenda are a watershed.

- Unprecedentedly, the US policy favourably mentions the International Criminal Court, describing the arrest warrant for President **Omer Hassan Ahmed el Beshir** on charges of war crimes and crimes against humanity as a 'significant development'. The international argument over accountability and peace is sharpening. Khartoum won precious votes from the African Union, Arab League and others by claiming the ICC was damaging peace. Some Western diplomats are 'furious' with the ICC's insistence on prosecuting Lt. Gen. Omer, one senior diplomat told *Africa Confidential* this month. In reality, Omer and the NCP have few allies prepared to face down the ICC: although **Libya's Moammar el Gaddafi** bounced AU leaders into refusing to cooperate with the ICC over Omer's arrest, they did not announce the collective withdrawal from the Court that he and Khartoum had demanded; **Botswana, Ethiopia and Ghana** have questioned the legitimacy of the AU decision, arguing that Gaddafi vetoed debate. Many Sudanese, of different political loyalties, fully back the ICC's targeting of Omer and scoff at the hybrid courts (to include Sudanese judges) favoured by the AU.

LINKING PEACE AND JUSTICE

ICC Prosecutor **Luis Moreno Ocampo** told *Africa Confidential* that UN members who believe Omer's arrest warrant might derail peace can ask the UN Security Council to suspend it. UNSC permanent members such as **China** and **Russia**, which didn't oppose giving the ICC a Chapter VII mandate to investigate and prosecute those responsible for the Darfur slaughter, do not do this. That reveals the limits of Khartoum's diplomacy.

The idea that accountability may be both politically useful and morally right may gain ground since Obama's team picked

it up. There can be 'no peace without justice and accountability', **Mukesh Kapila** told a meeting hosted by non-governmental organisation Waging Peace in the **British** Parliament last week. 'Those responsible for the genocide – if we focus on that, doors will open on many issues', said Kapila, formerly of Britain's Department for International Development, and UN Resident Representative and Humanitarian Aid Coordinator in Sudan, 2003-04; he left after speaking out about genocide in Darfur.

- Washington's new outspokenness may encourage others. The USA 'will use all elements of influence to achieve our strategic objectives', says the policy; Clinton referred to a classified annex that includes both carrots and sticks. Those sticks include military intervention, AC understands – the one external threat the NCP really fears.

- For now, the military message is confined to helping the UN-AU Mission in Darfur: 'diplomatic, logistical and other support towards the provision of critically needed equipment (including helicopters)'.

- Linking Darfur and the South into one national policy sounds obvious to Sudanese but diplomats and even aid officials have long failed to do so – thus avoiding the common factor, Sudan's Islamist regime. Britain is also linking South and Darfur, said a Whitehall official; others may follow. This fits with the SPLM's re-emphasis on the 'New Sudan' beloved of its late leader, **John Garang de Mabior** (AC Vol 50 No 20). Nevertheless, there is little stress on the East or other areas. Northern democrats will want more insistence on human rights and freedoms.

- Washington is simultaneously and for the first time acknowledging a 'two-states policy', as opposed to the 'one country, two systems' it has backed since the CPA negotiations. This warns Khartoum, reassures Southerners and reminds Northerners of the possible future.

THE NCP WANTS THE ZIONIST OPTION

- Washington speaks of a 'credible election process': Sudanese will worry about how it defines 'credibility'. Outsiders may not be equipped to monitor polling closely enough to detect the NCP rigging. Washington may think it can live with a weakened and contained NCP; so might some Sudanese politicians. Yet **Afghanistan** will encourage democrats to believe that even allies can be named and shamed for fraud.

- Tightly linking elections and referenda: this suggests a resistance to the quiet but growing campaign by some donors to postpone the national elections to protect the South's referendum. Washington also calls for the 'enactment of a credible referendum law'. In recent days, the NCP has spread the story that it and the SPLM were in full agreement over the bill, when in fact the SPLM Political Bureau was still discussing it; a growing pattern of NCP disinformation is to claim agreement when it has not been reached. The two sides were said to have agreed on a 51% majority to pass the referendum and a two-thirds quorum of electors, which the SPLM thought too high. The NCP had previously demanded a 75% and even 90% majority, thereby stirring Northern feelings about 'losing' a third of the country. In fact, globally, constitutional referenda usually pass on 51%. Anything over 60%, which the NCP demanded, is known in political science circles as 'the Zionist option', because **Israel** tends to favour it.

- The new US policy wants 'to strengthen international engagement', including Britain's and **Norway's**, in the CPA. This challenges these governments' conciliatory approach to the NCP.

- Washington is offering to help the Government of South Sudan on the economy, corruption, governance and the spreading 'tribal' violence. The SPLM repeatedly claims this is backed by Khartoum but provides no evidence: it may fear implicating militia leaders who long fought for Khartoum but under the CPA are officially 'integrated' into the GOSS army, the Sudan People's Liberation Army, noted one senior UN source.

The CPA, which the official called 'incredibly flawed', should have foreseen this. Major leaders of 'Other Armed Groups',



including **Gabriel 'Tanginya'** (January's Malakal killing), **Ismail Kony** and, especially, **Paulino Matiep Nhial**, have senior Sudan army ranks and payments to match. Matiep, whose private guards this month fought the very SPLA of which he's Deputy Commander-in-Chief, has just been airlifted by the UN to Juba in a bid to get him out of his native, oil-rich Unity State. 'We need to redefine: the South problem was defined as recovery, not stabilisation,' said the UN official. The new US policy will reinforce this.

TROUBLE ON THE EASTERN FRONT

Stability is a growing issue in Eastern Sudan, too. Exactly three years after the Eastern Sudan Peace Agreement, rumours of war have arisen again. The ESPA was signed by Khartoum and the Eastern Front (EF), a coalition of the Beja Congress (BC) and Free Lions. Both had joined the opposition National Democratic Alliance in the mid-1990s, bringing crucial local expertise to the bigger SPLA and Sudan Alliance Forces. However, as the NIF (later NCP) laboured to divide the opposition, the BC and (Rashaida Arab) Free Lions were left stranded after the 2005 CPA. The divide-to-rule policy had worked and, as in the South and Darfur, oppositionists were left to focus on local interests, rather than on overthrowing the regime.

There are plenty of local interests to focus on. Amid social instability, political polarisation and economic uncertainty, the East defines itself in opposition to Khartoum. Malnutrition and crude mortality rates are now worse than in parts of Darfur. Tension is rising both among local groups and, as elsewhere in Sudan, with the capital. This opens the field to tribal leaders protesting against cultural (eg Beja language) marginalisation, criminal gangs, human traffickers and Eritrean politicians.

It was not meant to be this way. Signatories and the international community hailed the ESPA as a means to end a war that would also institute power- and wealth-sharing, CPA-style. Interested governments thought that, hatched and signed in Asmara, the ESPA might end **Eritrea's** meddling and stop illegal cross-border activities. President **Issayas Afewerki's** regime was keen to court Khartoum while maintaining its links to the Sudanese opposition. Eyeing access to the Red Sea, **Ethiopia** also backed it.

The still unfinished demobilisation, disarmament and reintegration (DDR) process is a success for Khartoum, neutralising the EF. Northern Sudan's DDR boss is **Sulaf el Din Salih Mohamed Tahir**, ex-Humanitarian Affairs Commissioner, before that, head of *Muessessa Muwafag el Kheiriya* Islamic agency and throughout, an NCP stalwart.

The EF joined central and state governments and state assemblies but this didn't ensure eastern political representation. Once installed in Khartoum, **Musa Mohamed Ahmed** (a Presidential Assistant with a big house), **Amna Dirar** (both BC, now split into two wings) and **Mabrouk Mubarak Saleem** (Lions) have squabbled amongst themselves. Their rivals are trying to fill the eastern leadership void and capitalise on the lack of tangible peace dividends. The EF has no common platform yet for April's elections. Other parties, especially the Democratic Unionist Party which has long dominated Eastern politics, are trying to campaign, though the NISS is clamping down heavily. Political activists are prevented from holding rallies or even speaking to representatives of the international community. They fear what the regime will do, several told us.

Khartoum holds the east in an iron fist, mindful of its strategic and economic importance, and of the history of rival political and religious movements: some have challenged the centre since colonial times. Although Israel bombed its convoys of weapons for Hamas as they moved across the Eastern region (AC Vol 50 No 7), the NCP itself fears rising smuggling of arms, goods and humans (often by Rashaida) across the Eritrean and Ethiopian borders; it has deployed extra forces.

The ESPA has not alleviated feelings of marginalisation. The Eastern Sudan Reconstruction and Development Fund, a key ESPA component, has received only a quarter of the funds Khartoum promised. The regime has channelled some of this to buy local allegiances. It tightly controls local state budgets, hampering local planning. Revenues from Port Sudan port, from mining and oil are diverted to Khartoum, fuelling resentment. For instance, the NCP handles customs duties.

Potential sources of conflict include land degradation, drought and failed harvests due to unpredictable rainfall patterns. Add rapid urbanisation and population growth, including long-term displaced people from the North-South war and new and old refugees, mainly Eritrean. War and a Sudan-wide tenure system have crippled traditional land dispute resolution mechanisms. The land commissions stipulated nationally by the CPA still do not exist. Combined with chronic poverty, these issues contribute to a heightened sense of marginalisation. The atmosphere recalls that before fighting began in 1995. Donors' increased attention to the CPA and Darfur reinforce this tension. The NCP in effect kicked out the UN Mission in Sudan (UNMIS) after the SPLA withdrew from the east under the CPA.

THE LRA MOVES INTO DARFUR

The link between the CPA and Darfur is being highlighted by **Uganda's** Lord's Resistance Army, now heading into Darfur. LRA leader **Joseph Kony** is believed to be moving northwards in **Central African Republic**. The LRA wants to put more space between itself and Ugandan troops operating from a base north of Yambio in Sudan; **Congo-Kinshasa**, Southern Sudan and Uganda combined to try to rout the LRA. Ugandan Special Forces, trained and equipped by the USA, are now harrying LRA forces inside the CAR.

Their leader is President **Yoweri Museveni's** son, Lt. Colonel **Muhoozi Kainerugaba Museveni**, working closely with the presidential brother, Gen. **Salim Saleh**, Senior Presidential Advisor on Defence. The 130-160 Special Forces give the LRA a hard time, working in rotation to maintain continuous attacks. They have night-vision equipment and helicopters; some have worked for private security companies in **Iraq**. They are driving Kony northwards – where he can more easily be supplied by the Khartoum regime. The LRA may be trying to link up with

Khartoum-sponsored *Janjaweed* or regular forces in South Darfur, who can act as a conduit for weapons, ammunition and supplies. The Government of Southern Sudan has long complained that the NCP continues to supply the LRA, as part of its strategy to destabilise the South.

South Darfur Governor **Ali Mahmoud** confirmed the LRA presence by announcing that the Sudan Armed Forces had foiled an LRA attempt to extend its presence from Southern Sudan to South Darfur, moving along the CAR border. His forces had killed dozens of LRA rebels, he said, and arrested dozens more, stressing that they 'no longer pose a threat' to South Darfur and their presence there was 'temporary'. This will not satisfy Southerners, who have long referred to 'LRA Sudan', meaning that it can include people from any ethnic group or even country. Before the CPA, Khartoum allowed the LRA to use the Juba garrison.

For years, the LRA has helped Khartoum to harass the SPLA from behind, from Congo and, especially, CAR. It still can. It may now add deniable havoc in Darfur at a time when the regime is under intense international scrutiny. A senior UN source told AC the LRA is present in a big area between Raga (Bahr el Ghazal) and Tambura, in Western Equatoria, where the LRA has for months been slaughtering civilians. Some UNMIS officials are keen to stop the mass displacement of Western Equatorians, by trying to keep them in villages at 19 locations. They want the blue helmets to intervene under their Chapter VII mandate to protect civilians but the UNMIS military is less enthusiastic.

KONY'S FORCES

Kony may not be keen on direct involvement in Darfur. There were reports of LRA fighters in the region even in 1997; hundreds are said to have been wiped out in the unfamiliar terrain. The LRA works hard to obtain new recruits, some of them children abducted by force, others former soldiers and dissidents seeking a new organisation. As the group moves further from its origins, its Ugandan Acholi core is diluted by fresh fighters.

While Kony and his forces move north, other LRA remain where they are. One such group is commanded by **Okot Odhiambo**, Kony's deputy, who replaced **Vincent Otti**, whom Kony killed in a 2007 power struggle. This force operates between Yubu and Obo, CAR, and may comprise 300 fighters and 1,000 women, porters and child abductees. Some think these figures are exaggerated by Kampala, which tends to double its LRA estimates.

A third LRA group, reporting to a commander called **Dominic**, operates west of Obo. Kony has also left behind some far smaller groups in both Congo-K and South Sudan. They aim to divert the forces pursuing Kony towards protecting villages. All along the Sudanese-Congolese border, villagers flee at the mere suggestion of an LRA presence. The LRA has become notorious for atrocities. On 7 October, for example, a dozen LRA raided a village near Yambio, killing two women. The 'Arrow Boys' local militia claims it killed three attackers.

Médecins Sans Frontières says LRA attacks in Congo, between Haut-Uélé and Bas-Uélé, have forced hundreds of thousands of people to flee, and displacement continues. The population of Doruma town has tripled as people seek refuge. Gangala and Banda each host over 20,000 displaced people, who get no outside assistance. These communities have become enclaves, with outlying fields and villages abandoned.

Fresh discussions began at the end of September about resuming peace talks with the LRA. GOSS Vice-President **Riek Machar Teny Dhurgon** met the Acholi Paramount Chief, **Rwot David Onen Acana II**, in Juba. Riek is now chief mediator between the LRA and Ugandan government. He said there was little chance of progress, since Kony had no political agenda. As head of Khartoum's Southern States Coordinating Council in the 1990s, Riek was seen as a link to the LRA and some in GOSS worry that Khartoum is still an influence. The LRA says it wants a fresh mediator; Spokesman **David Matasanga** said Kony would prefer **Nigerian** ex-President **Olusegun Obasanjo**. ●

Khama's expected triumph

The governing party did less well than it had hoped but trounced the opposition and confirmed the President's hold on office

Despite a depressed economy and disunity in its ranks, President **Seretse Khama Ian Khama's** Botswana Democratic Party (BDP) won its eighth successive election victory on 16 October. Provisional results gave it 45 seats (one more than at the last poll in 2004) in the 57-member National Assembly. Opposition parties took twelve, with one independent; electoral turnout was 74%. It was the party's first victory under the leadership of 56-year-old Khama – son of the founding President, Sir **Seretse Khama** – since he took over from **Festus Mogae** in April last year.

The head of state is not directly elected and Khama took office as leader of the party with a majority in parliament. The BDP took 53% of the popular vote, just 1% better than in 2004. It had claimed it would win 70% but failed, probably because of wide economic discontent and dislike of President Khama's topdown leadership style.

OPPOSITION DISARRAY

The first-past-the-post election system gave the BDP many more Assembly seats – 79% – than its share of the popular vote. The opposition couldn't manage to agree on a single candidate to field in each of the 57 constituencies. The Botswana Congress Party narrowly failed to replace the faction-ridden Botswana National Front as the main opposition party; the BCP gained three seats from the BDP for a total of four, while the BNF took six seats, having lost seven to the BDP and one to an independent, **Nehemiah Modubule**, expelled from the BNF by party leader **Otsweletse Moupo** last year. The BCP increased its share of the vote from 17% to 19%; the BNF fell from 26% to 22%.

The small Botswana Alliance Movement won its first seat in Parliament, surprisingly ousting Education Minister **Jacob Nkate**, leader of the biggest BDP faction, in Ngame. The BNF also claimed a ministerial scalp, defeating Trade Minister **Neo Moroka** in Kgalagadi South. The BAM and BCP had formed an electoral pact and say they will merge; the combined party's share of the vote was 21%, just behind the BNF.

The BDP won ten constituencies in which it did not have an overall majority, including three of the five Gaborone seats. Yet in 35 constituencies, the BDP took more than half the votes cast, so it would

in any case have ended up with a parliamentary majority of 13.

The BDP won only one of the capital's five constituencies in 2004. This time it won four, as the BCP and BNF split the opposition vote between them. The BDP won 42% of the 46,800 votes cast in the capital, against 38% for the BCP and 20% for the BNF. Moupo, who failed to win a seat in 2004, did not stand this time, and his future as BNF leader must be in doubt; the BCP's **Gilson Saleshando** is thought to have done well.

There was a marked regional divide between the parties. The BCP's three gains – Chobe, Okavango and Selebi-Phikwe West – were in the north and north-east, while the BNF was pegged back to its core support in six southern seats. A sharp cutback earlier this year by Debswana, the 50-50 government-De Beers diamond producer, did not benefit the opposition as much as had been expected, mainly because Debswana put its employees on paid leave rather than

making them redundant, while three of the four diamond mines reopened in July (AC Vol 50 No 10).

This could explain why the BNF narrowly lost both Letlhakeng East and West (Orapa and Letlhakane diamond mines) to the BDP, seats it won in 2004. It held on to Kanye South but lost Kanye North to the BDP, both constituencies where voters depend on incomes from the Jwaneng diamond mine.

The BCP won one of the two Selebi-Phikwe seats, where the main incomes are from the Selebi-Phikwe and Tati copper-nickel mines, and almost won the second. There, the grievance was resentment at the loss of jobs to **Chinese** immigrant workers; Khama had pledged to reverse this but did nothing about it before the elections. ●

PARTY	VOTES	% OF VOTE	MPS ELECTED
BDP	290,000	53.3	45 (+1)
BNF	119,500	21.9	6 (-6)
BCP	104,300	19.1	4 (+3)
BAM	12,400	2.3	1(+1)
BPP	7,600	1.4	0 (0)
Other	10,800	2.0	1 (+1)
Total	544,700	100.0	57

Source: Botswana IEC

IT'S THE ECONOMY, PROBABLY

President **Seretse Khama Ian Khama** is unlikely to lose the reputation for dogmatism and autocracy which he earned by slapping a 30% levy on alcohol sales to curb drunkenness, backing greater controls on the media, and trying – with mixed results – to discipline his Botswana Democratic Party. Now that he has a majority in his own right, he may feel able to deal more effectively with party dissidents, such as the veteran former minister **Daniel Kwelagobe**, who defeated Khama's nominee, businesswoman **Tebelelo Seretse**, to win the BDP's chairmanship at its acrimonious July congress. Khama and Kwelagobe put on a show of unity for the elections. It is unlikely to last.

Ian Khama is expected to set out his plans for the next five years at a BDP rally in Gaborone on 25 October, when the final election results are due to be announced. He is likely to name a new vice-president shortly. The incumbent, **Mompoti Merafhe**, is believed keen to keep the job but **Joy Phumaphi**, a former Health Minister, is thought to be Khama's choice. She is highly regarded for her work on countering HIV-AIDS, including free distribution of anti-retroviral drugs in 2001. She recently resigned from the World Bank to return home; if not appointed vice-president, she is expected to replace the long-serving **Linah Mohohlo** as Bank of Botswana (central bank) Governor and Khama may appoint her as one of four specially elected members of parliament.

There are signs that the economy is pulling out of recession as the global diamond market recovers somewhat. New inward investment in diamond and base-metal mines has started again as prices and lending start to rise. After slipping into recession in the first quarter of 2009, in the second quarter real gross domestic product grew by 20% quarter-on-quarter and by 1% on an annual basis. In the first quarter of last year, there was a 20% year-on-year decline; the International Monetary Fund's projection marks a real GDP contraction of 10% this year. Debswana, which contributes a third of the country's GDP, will produce only just over half its usual 30 million carats of diamonds, so the trade deficit will be large. Inflation fell from a mid-2008 peak of 15% to 6% in July; spending on infrastructure and social services is maintained, thanks to concessional loans worth \$1.5 billion from the African Development Bank. ●

Brazzaville counts on France and the IMF

Having stolen another election, President Sassou-Nguesso's regime expects no foreign censure for its diversion of state funds

Reports from auditors commissioned by the International Monetary Fund and World Bank reveal that Congo-Brazzaville is still not meeting its promises to introduce transparency into its oil accounts. Yet it is still on course for forgiveness of its international debts (AC Vol 50 No 19). Under heavy French pressure, Congo was admitted to the IMF's Highly Indebted Poor Countries (HIPC) programme in March 2006 and almost US\$3 billion of its \$9 bn. foreign debt was cancelled; once it reaches 'completion point', debt repayments will continue to fall sharply and even more concessional finance should flow.

A main condition of the programme was that President **Denis Sassou-Nguesso's** government would 'address

serious concerns about governance and financial transparency'. Sassou knows how to win IMF support: not only does he benefit from France's backing, he knows the IMF is reluctant to push a policy quarrel to the brink for fear that Congo – like **Angola** and **Equatorial Guinea** – might break off relations, leaving the IMF with even less influence.

On paper, the IMF should have more leverage with Brazzaville than Luanda or Malabo, mainly because Congo has less oil and more need for debt relief and foreign lending. Fund officials believe they have pushed Sassou's regime to become more accountable, although Congolese activists strongly dispute that.

Under the agreement with the IMF, the auditors KPMG have set up an office

in Brazzaville, which produces a quarterly report on 'agreed procedures relating to oil revenues in the accounts of the Treasury'. The team's job is to help Congo to honour its promise to ensure that its oil revenue is properly counted, valued and banked. In 2005, KPMG's **South African** office had reported on 'grave incoherence' and 'major weaknesses' in the oil accounts for 2002 and 2003; having been refused access to key documents, the team would not formally endorse the accounts.

KPMG's current quarterly reports still reveal serious discrepancies. There are tables of figures but no audits. Under the title 'Certification', the accountants state that they do not certify the information provided by the national oil authority, the *Société Nationale des Pétroles du Congo* and the Treasury. The SNPC gives the team only *notes de calcul* (notes on calculations) for the relevant figures, which are 'not commercial documents'. Every quarterly report, last year and this, warns that the SNPC's figures cannot be verified.

There are large discrepancies between what the oil companies say they are producing and the lower figures reported by the government. In each month of the first quarter of 2008, KPMG identified such discrepancies in reports of production at the onshore Mboundi Field, mainly operated by **Italy's Ente Nazionale Idrocarburi (ENI)**. The government said it had received 62,022 fewer barrels in January than the oil company did; 109,854 barrels fewer in February; 227,571 barrels fewer in March. At this time, Mboundi was producing around 37,000 barrels a day, so the March discrepancy was equivalent to just under half that month's production. Either the SNPC was selling phantom oil 'off the books' or the undeclared receipts were used to repay oil-backed loans.

In the first quarter of 2009, little had changed. KPMG's report notes that a cargo of just under 1 million barrels, exported in February and valued at 452 bn. CFA francs (\$48 mn.), had not been accounted for and not even been the subject of a *note de calcul*. The report also said that some field operators were discounting sums from their dues to the state without KPMG receiving any explanation.

In early 2009, government and creditors agreed a plan to reform the SNPC. Nothing came of it. In May, yet another action plan was agreed by the World Bank with SNPC and its marketing arm, the *Congolaise de Trading*. The Congolese signatory was **Denis Gokana**, SNPC's Chief Executive, who was identified during the 2005 controversies as heading shell companies that diverted SNPC oil revenue. *Cotrade's* head is presidential son **Denis Christel Sassou-Nguesso**, who, as revealed by leaked credit card bills, went on luxury spending sprees in Europe and the East Asia at the expense of the

FRANCE AND THE FUND APPLY PRESSURE

Critics say that Congo has never taken seriously the requirements of the International Monetary Fund and World Bank to improve governance, since **France** has been watching it more closely. Faced with the **Denis Sassou-Nguesso** system – a combination of violent repression of determined opponents and cooption of the more biddable – French officials appear to regard the current order as unreformable. The best they seem to expect is moderate technical progress in the management of public spending.

The post-election arrangement is still on trial: veteran oppositionist **Bernard Kolélas** and his son, **Guy Brice Parfait Kolélas**, have come to terms with Nguesso, as has ex-President **Jacques-Joachim Yhombi-Opango**. A key ally of **Pascal Lissouba** and senior figure in his party, the *Union Panafricaine pour la Démocratie Sociale*, **Victor Tamba Tamba**, has returned from exile. **Jean-Claude Gackosso**, who tried to revive Upads, is also lining up with the government. Such grand cooption schemes cost money, mostly drawn from oil revenue. Only the toughest oppositionists will be able to criticise presidential corruption with credibility: **Paulin Makaya**, formerly with Sassou's *Mouvement Congolais pour la Démocratie et le Développement* (MCDDI); Lissouba's former Finance Minister **Nguila Moungounga Nkombo**; **Justin Itihi Lekoundzou Ossetoumba**, leader of the *Parti Congolais du Travail* conservatives, and General **Emmanuel Ngouelondele Mongo**.

One IMF condition is that all loans taken out by Congo-B must be at least 50% concessional. In March 2009, Congo agreed a 29 mn. euro (\$43 mn.) loan with the *Agence Française de Développement* to improve the port at Pointe-Noire, with only 11.5% of the sum on concessional terms. The IMF has agreed to waive this breach of the agreement.

One aim of the Highly Indebted Poor Countries Initiative is to spend money saved from debt repayments on reducing poverty. IMF reports indicate that the government is doing otherwise. The Fund reported in early February 2009 on Congo's fuel subsidies and their effect on the poor. Petrol subsidies benefit car and lorry drivers, who tend to be better off; poor people benefit from subsidies on the kerosene they use for cooking and heating. In early 2008, the government brought in subsidies to cushion the effect of rising fuel prices; the IMF says they favoured users of petrol, not kerosene. Favours to the middle classes and high state salaries help Sassou-Nguesso keep his grip on power.

In July, the IMF waived four conditions previously seen as important; three concerned old issues in oil pricing and marketing that had gone unaddressed for five years. In June, it had announced its \$3.7 mn. loan under the Poverty Reduction and Growth Fund. Some claim that Congo continues to receive its money thanks to heavy pressure from France and its allies at the Fund and Bank. If Congo is to reach completion point in the HIPC programme, continued French support will be crucial. ●

same shell companies. Another signatory was **Blaise Elenga**, whose spending was financed from the same source as Denis Christel's. In August 2007, a London High Court judge described Gokana's business practices as 'unsavoury and corrupt' and

described his actions as 'contrary to solemn undertakings given by the Republic of Congo to the World Bank and IMF'.

In the past, SNPC sold oil at low prices to intermediary companies which then sold it on the international market

at world prices, with the companies, in which SNPC and *Cotrade* officials had interests, pocketing the difference. This was what the reforms were meant to prevent. KPMG's reports indicate that some old habits continue. ●

SOMALIA/KENYA

Jolly Roger justice

The trials of suspected Somali pirates captured by **United States** and European Union navies began on 8 October in Mombasa. One hundred Somalis accused of attacks against cargo ships in the Gulf of Aden and Indian Ocean this year are held in the maximum security *Shimo la Tewa* gaol.

In March, an 'exchange of letters' between the EU and Kenya, and a memorandum of understanding between the USA and Kenya, established the regime of bringing suspected pirates some 1,000 kilometres south to face justice. (The EU had approached **Mauritius**, which refused.) Aware of the deep-seated problems in Kenya's justice system – corruption is endemic and some 900,000 cases are pending – the US and EU are anxious to keep the pirates clear of domestic legal processes. The deals have not been submitted to Kenya's Parliament, but a Mombasa judge said he had been told to clear his diary for the trials.

Several lawyers and an EU navy liaison officer attending court told *Africa*

Confidential that Kenya's decrepit state prosecutors' offices and courts would receive computers, and that the gaol (built for 660, but now holding more than 2,000 inmates) would be renovated. Two Nairobi-based state prosecutors, who had flown down for the trials, complained they had seen 'nothing' from the EU despite dealing with 'batches' of pirates. The prison governor said the EU was helping to expand facilities, including vegetable gardens, for the prisoners.

On 6 October, at the opening trial of **Abdi Kheye** and six shipmates accused of trying to hijack the *MV Polaris* in February, the atmosphere was electric, particularly amongst the EU and US advisors sitting at the back, but it soon became clear that there would be no fast-track verdict. Two US sailors who had arrested the suspects became visibly irritated at the questioning by defence counsel **Francis Kadima**; the judge called for order. The Somalis, all from Puntland, claimed to be fishermen who had been set up after the US sailors found automatic weapons aboard their

skiff but no nets or rods. Other defendants claimed that their weapons were for self-defence and to deter the marauding foreign fleets that plunder Somalia's fish stocks.

Lawyers on both sides agree that the causes of Somali piracy – and the masterminds who organise it, sometimes with implicit sponsorship from Puntland's unrecognised government – remain untouched. Despite a heavy naval presence, there have been at least 163 attacks in 2009, of which 47 were successful hijacks, according to the non-governmental environmental agency Ecoterra International.

The unrest could spill over the border into Northern Kenya; a former Somalia ambassador told *AC* that *Al Shabaab* militants are trying to recruit Kenyan Somalis there and in Nairobi. In Mombasa's Somali neighbourhood, some youths told *AC* that *Shabaab* had visited their families to solicit donations for *jihād*. There are reports from Garissa Province that Kenya is recruiting its own ethnic Somali citizens for militias (trained at Mombasa's Manyani Paramilitary Camp) to shore up Sheikh **Sherif Sheikh Ahmed**'s Transitional Federal Government. Kenya's government denies it. ●

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South Africa

ZUMA'S FAITH

■ After the African National Congress leadership in the Western Cape was suspended because of the governing party's poor showing there in this year's elections, President **Jacob Zuma** set up a task team. Headed by Minister of Labour **Membathisi Mdladlana**, its task is to run the ANC in the province and rebuild its popular support.

Mdladlana's first step was to call provincial religious leaders to meet and 'interact' with Zuma. The gathering was held on 17 October in the tranquil setting of a marquee in the gardens of the Georgian residence of the Anglican Archbishop of Cape Town, **Thabo Makgoba**. Assembled with him were bishops, apostles, imams, Quakers, Hindus and Bahais, all curious to hear what Zuma had to say. The President describes himself as a devout Christian and some of his followers have compared his travails to those of **Jesus Christ**. At the same time, he is proudly polygamist, with a weakness for young female friends of the family wearing kangas.

Zuma told his audience that they and he shared a commitment to the eradication of inequality and called for their advice and constructive criticism (AC Vol 50 No 17). Strongly reinforcing his image as a social conservative, he compared South Africa to Sodom and Gomorrah and expressed concern that God might soon lose patience with the nation. Zuma added that parliaments sometimes make laws in the name of democracy that violate 'the laws of God' and appealed to religious leaders to speak out whenever South Africa's did so. He declined to say which laws he meant but said criminals had too many rights. During questions, he applauded a woman who condemned current proposals to decriminalise prostitution during the 2010 FIFA World Cup.

Makgoba had asked in his welcome address that the government act 'ambitiously and courageously' at the forthcoming intergovernmental talks on climate change in Copenhagen. Zuma ignored this request but did say at one point that he was concerned with people, not trees or grass.

There was, however, no time to pursue the point – after taking a few questions and planting a baobab tree, Zuma was rushed off to the funeral of legendary jazz musician **Winston Mankunku** in Gugulethu township. Assembled religious worthies were left hopeful but somewhat bemused, unsure if this was the beginning of a sustained engagement with the President or a flash in the pan.

Kenya

TURKANA HUNGER

■ As neighbouring **Ethiopia** takes the unusual step of asking for food aid, for 6.2 million people, Kenya's Turkana Province members of Parliament are coming under pressure to force the government to try to stem a famine which could strike early next year (AC Vol 50 No 18).

Turkana Central MP **John Munyes** and Turkana South MP **Ekwe Ethuro** are both members of President **Mwai Kibaki's** Party of National Unity. Turkana North MP **Josephat Nanok** is in Premier **Raila Odinga's** Orange Democratic Movement. Despite their home province being the worst affected by drought, neither Odinga nor Kibaki has given it public mention when talking about drought.

Munyes is the first Turkana cabinet politician since Independence, but critics say the province has little to show for it. Water retention projects remain practically non-existent and infrastructure is appalling. There is also widespread resentment at the perceived government preference for pastoralist communities further south.

Malnutrition rates are up to 30% in some Turkana communities, way above the United Nations World Food Programme's 'emergency threshold' of 15%, which indicates 'global acute malnutrition'. Most pastoralist families in Turkana Central – whose dead goats litter the arid, undulating terrain – subsist on one meal a day. The government and aid agencies are feeding 316,000 people a month, more than half the population. If the rains continue to fail, Oxfam estimates that up to 500,000 people will face famine in Turkana alone.

If that happens, non-governmental organisations say they will need approximately US\$25 million in aid. Yet there are serious doubts over the government's ability to coordinate the food relief needed.

Angola

COSTLY PAYMENT DELAYS

■ On 29 September, the International Monetary Fund loaned Angola US\$890 million instead of the \$2 billion Luanda had asked for. The government says that the country has reached the turning point after the economic crisis, but business is still cautious, not to mention the public, which has yet to feel any improvement.

A year after the reshuffle, a partly new economic team is making its presence felt. Economy Minister **Manuel Nunes Junior** (a former Deputy Finance Minister) seems to exercise a bit more clout than previous incumbents. The team also includes the Governor of the *Banco Nacional de Angola* (BNA), **Abraham Gourgel**, and the Finance Minister, **Eduardo Leopoldo Severino de Moraes**.

The new team brought with it a lot of restrictions on releasing foreign capital,

resulting in serious delays in government payments. Without access to enough foreign currency through the central bank or enough big business, aside from government contracts, the private sector has been hard hit. 'This is a repeat of the '90s, where after the elections in '92, the government defaulted on payments to local companies. It's a way of pushing the country's problems on to local suppliers,' says a business source in Luanda.

A parallel foreign exchange market which had been extinguished for years has opened up again and many companies have sent expatriate staff home. The once booming building sector has been struggling but all sectors have felt the squeeze. There is a lot less work around, less traffic than usual and hardly a ship waiting to dock in the port of Luanda.

Malawi

SEEKING POWER

■ The sudden death in South Africa on 20 September of **Ishmael Chafukira** has prompted the usual suspicions. The Malawi Congress Party member of parliament for Lilongwe North-West was the leader of a newly formed MCP faction, Task Force for Change, dedicated to removing **John Tembo** from the party leadership (AC Vol 50 No 18).

Tembo's possible rivals within the battered grand old party of the late President **Hastings Kamuzu Banda** have not fared well recently. Though far more of a Tembo-loyalist, **Respicious Dzanjalimodzi** was a victim of sudden death in August 2008 and people's memories of such disappearances during the Kamuzu-era are still raw.

The other main opposition party, the United Democratic Front, is in no better shape. Its Chairman, ex-President **Bakili Muluzi**, is now recovering in **Britain** from a back operation in the London Clinic. Meanwhile, his demoralised party at home desperately seeks new leadership but can find no one more suitable than its uncharismatic Secretary General, **Kennedy Makwangwala**.

In the meantime, President **Bingu wa Mutharika** moves from strength to strength, boosted by his massive election victory last May. His Democratic Progressive Party dominates the National Assembly and all of its committees while he himself continues to be the darling of the international community, because he is seen as the architect of Malawi's new-found food security.

Foreign Ministers of the Southern African Development Community recently endorsed President Mutharika as the region's candidate for the African Union chairmanship. This means that Mutharika is likely to succeed the controversial **Libyan** leader, Colonel **Moammar el Gaddafi**, next January.

[illegible]

in South Africa, Zimbabwe, Guernsey, Lebanon and London. Yet if Mann wants to proceed, we understand he has access to archives of email correspondence with Calil and Thatcher, as well as bank records itemising transactions between front companies established in Guernsey and other tax havens to finance the plot.

Mann has said nothing so far about Wales, once accused by Malabo of being the 'political officer' for the plotters. According to Wales, he played a mediating role in securing Mann's release during several meetings with Malabo's diplomats in London. **Severo Moto**, the Equatorial opposition leader exiled in Spain whom Mann was meant to install, has welcomed the release but has otherwise kept silent.

Four South African special forces officers also convicted for the plot – **Nick du Toit**, **George Alerson**, **Sergio Cardoso** and **José Sundays** – were released on the same day as Mann (whose mother is South African). However, as Mann's private jet took off, they were left waiting in Malabo for South Africa's Department of Foreign Affairs to organise their repatriation.

South Africa's mission in Malabo initially claimed to be unaware that Du Toit and the others had been freed on 2 November, but it seems that the release followed negotiations ahead of President **Jacob Zuma's** 3 November visit to Malabo. Zuma's political ally and former Intelligence Director **Billy Masetlha** had led the monitoring of the plotters' activities in South Africa. Other officials from Zuma's office had been involved in negotiations with Malabo for some time, after lobbying by white business interests close to the governing African National Congress.

Equatorial Guinea also wanted to draw a line under the affair. Obiang is certain to win another seven-year term in the 28 November elections but a diplomatic endorsement by Zuma would be useful. Malabo's relations with Pretoria, which flourished after the discovery of the 2004 plot, soured towards the end of **Thabo Mbeki's** presidency. Zuma, who has improved relations with **Angola**, wants to make more friends among Africa's oil and gas producers. His talks with Obiang centred on the plan to make Equatorial Guinea a regional hub for natural gas exports and joint ventures in agriculture, mining and tourism. Having Zuma as an ally will help Obiang in his periodic disputes with **Cameroon** and **Gabon**.

Aside from high-stakes diplomatic negotiations, there is a precedent in Equatorial Guinea for coup plotters being released after serving only short periods of long sentences. In 2003, **Plácido Miko** of the opposition *Convergencia para la Democracia Social* was released barely a year into a 14-year sentence for plotting to assassinate Obiang. ●

NIGERIA

Abuja buys a Delta amnesty

President Yar'Adua's government has won a respite in the Delta, but without political reform it will remain only temporary

With an eye on the 2011 elections and with oil production now well under half of the installed capacity of 2.5 million barrels per day, President **Umaru Musa Yar'Adua** signed an amnesty on 25 October with the Movement for the Emancipation of the Niger Delta (MEND). Yar'Adua's power in the governing People's Democratic Party already relies on several compromising relationships with politicians under investigation by the Economic and Financial Crimes Commission. The Delta deal risks rubber stamping another round of corrupt relations with unaccountable politicians – with no tangible benefit for the people in the Niger Delta.

Is the deal worth more to the militants and their leaders than their thriving business in oil bunkering and informal tariffs? For now, the answer is no. That could change if the government details the proposal by Yar'Adua's oil advisor, **Emmanuel Egbogah**, to offer 10% of the equity in oil production to each Delta community. However, unless that breaks the elite's hold on Delta revenue, it is hard to see the amnesty plan surviving longer than the election campaign.

Jomo Gbomo, MEND's virtual spokesman, said the ceasefire had been approved after meetings between a MEND leader, **Henry Okah**, and Yar'Adua. Gbomo said MEND was not laying down its arms, merely suspending operations indefinitely. The biggest criticisms of the deal are that it will not change the Delta's corrupt power structures, and may reinforce them, and that it is a rerun of previous payoffs and to some of the same beneficiaries. This is not surprising as MEND and its affiliates grew out of the Niger Delta People's Volunteer Force of **Mujahid Dokubo-Asari**, who had cut his own amnesty deal with President **Olusegun Obasanjo**.

A critical difference between MEND and its predecessors is its ability to coordinate operations and to organise a broader front in the Delta, which the Abuja political elite has found harder to divide using ethnic or local political rivalries. This is partly because MEND leaders operate a federal structure and have a better strategic sense.

One of MEND's key leaders, **High Chief Government Ekpemupolo** (Tompolo), drew most of his foot soldiers from Delta State from the well established Federated Niger Delta Ijaw Communities

organisation. FNDIC had for years negotiated security contracts (others say protection deals) with foreign oil companies and local political officials.

Other key figures in MEND, such as Prince **Farah Ipalibo** (**Dagogo Farah**) and **Victor Ben Ebikabowei** (**Boyloaf**), carved out their own fields of operations and coordinated effectively with each other. Successive efforts by the security agencies to bribe or bludgeon the MEND leadership failed – until the amnesty plan launched in July. It is the acceptance of the plan by MEND's key leaders – including **Tompolo**, **Farah** and **Boyloaf** – that gives it some credibility.

SOCKS, VESTS AND REORIENTATION

Yet it is also clear that the amnesty deal alone will not buy peace, despite the substantial payments being made to MEND chiefs. The plan is to pay 15,000 of MEND's self-proclaimed fighters 60,000 naira (US\$450) a month to lay down their arms and join government training programmes. That is not a fortune in Nigeria today and resentment could build when the foot soldiers see the much larger payments their leaders are getting. There are more perks on the way for MEND and its adherents. *Africa Confidential* has obtained a copy of a N122.63 billion (\$144.63 million) proposed budget drawn up by the Ministry of Niger Delta Affairs for the reintegration of ex-militants.

This remarkable document goes into exhaustive detail on the costs of socks (N5 mn.) and vests (N2 mn.) for the militants but is vague about the purposes to which a payment of N1.65 bn. for 'Scientific reorientation' might be put. There is also little detail about a further N4.5 bn. for 'skills acquisition programmes', and our correspondent was invited to participate in a N150 mn. public information campaign. This all lacks the ring of credibility that the government's bold talk suggests. ●

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A killing in Kakata

As the government struggles to stem corruption, the head of the Public Procurement and Concessions Commission is murdered

Keith Jubah was shot dead, his body hacked and burned, in Kakata, 35 kilometres north of Monrovia, on 1 November. Nobody yet knows who killed him but he had plenty of enemies. He was head of the Public Procurement and Concessions Commission (PPCC) and close to President **Ellen Johnson Sirleaf**.

In August 2006, Jubah's commission cancelled most of the contracts and concessions signed by the National Transitional Government of Liberia between 14 October 2003 and 16 January 2006. The PPCC's job was to ensure that government contracts and agreements were appropriate, transparent and economically justifiable, as required by the Governance and Economic Management Assistance Programme, which donors scrutinise before disbursing the aid upon which the post-war government depends.

Jubah's PPCC has streamlined government procurement, insisting on open bidding and transparency, and has cancelled several bids that did not meet required procedures. In a landmark case, it allowed Johannesburg-based Delta Mines Consolidated and India's Tata Steel to participate in the rebidding process for the US\$1.6 million Western Cluster iron ore operation in November 2008. The government had barred both companies from rebidding, saying they had acted improperly in the first round. Jubah was central to efforts to revive the economy. Inevitably, there is speculation about his murderers and their possible financiers.

Less brutal recent scandals include the suspension of Information Minister **Laurence Bropleh**, a supposed anti-corruption crusader, in a dispute about payments of \$300,000. Bropleh was accused of making payments to journalists who were purportedly named press attachés at Liberian embassies. The President also fired her long-time confidant **Harry Greaves**, who headed the Liberia Petroleum Refinery Corporation. He had leaked a recording of his conversation with a deputy minister at the presidency, who solicited a \$300,000 bribe for a presidential committee that was reviewing a \$24.8 mn. contract between Greaves's LPRC and Zakhem Engineering for the rehabilitation of outdated petroleum storage terminals in Monrovia.

In early October, the head of the new Liberia Anti-Corruption Commission (LACC), **Frances Johnson-Morris**,

complained the government lacked the will to prosecute officials linked to corruption. Auditor General **John S. Morlu** voiced similar concerns after audits of government institutions such as the Finance and Lands, Mines and Energy ministries revealed malpractice. He suggested the fault lay largely with the 'political appointees' who dominate government procurement and financial management, and resist audits by outsiders.

NO PROTECTION FOR BIG FISH

Johnson Sirleaf argues that her government is still uncovering cases of corruption, which are handled by the Justice Ministry. She has ordered all her appointed officials to declare their assets by 31 December, as the LACC recommended. Unfortunately for her, the government has lost some corruption cases, including one in March involving the former Transitional Government leader, **Gyude Bryant**, and former Speaker **Edwin Snowe**, involving \$300,000. She has since replaced the heads of the police, National Bureau of Investigation, Ministry of National Security and Justice Ministry. No 'big fish' would be protected in her drive against corruption, she said.

Despite its corruption worries, Liberia is on the way up. Its international image has been transformed, donors have rallied behind the President's economic recovery programme, and there is progress in negotiations for debt relief with the World Bank and International Monetary Fund. The IMF's Directorate of African Affairs

says Liberia has met key benchmarks for clearing its huge external debt. On a recent visit, the IMF's **Antoinette Sayeh**, who was Johnson Sirleaf's first Finance Minister, said that if Liberia keeps on track, a final debt waiver will be achieved before the end of 2010. She identified audits of key government ministries and implementation of the Public Financial Management Law as marks of progress and confirmed that the extension of basic health services to a large portion of the population and the better management of education are important triggers for relief under the IMF's Heavily Indebted Poor Countries scheme.

Even the President's critics praise her for adopting a new revenue code aimed at reducing tax burdens on corporate institutions, individual incomes and imports, lightening the burden imposed by the regime of **Charles Taylor**. Huge investment contracts have been signed, such as the \$2.6 billion **China** Union iron-ore deal, agreements worth \$800 mn. with the Sime Darby Group of **Malaysia** and multimillion-dollar logging contracts. They have so far made little impact on employment, though, making it even harder for the government to streamline the largest employer, the public sector. Critics say that the huge influx of donor funds has not trickled down to the poor and that the internationally backed poverty reduction strategy would be better called a 'poverty increment strategy'.

On the political front, President Johnson Sirleaf's own officials complain when she offers government jobs to people associated with Liberia's violent past. In October, she appointed **Benoni Urey** and **Christmas Lawrence**, once associates of Taylor, as acting mayors of rural towns. An official explained that, with elections in 2011, she wants to win people over to her political camp and is in discussion with smaller parties to line up with her governing United Party. ●

NEW FACES IN THE JUSTICE SYSTEM

● **Christiana Tah**, Justice Minister: Formerly a Professor in the Sociology, Anthropology and Criminal Justice Department at Montgomery College, Maryland, **United States**, Tah is a member of the State Bar. She has experience in Liberia's Ministries of Health, Justice and Finance.

● **Sam Russ**, Deputy Minister for Economic Affairs: Russ oversees issues of economic crimes. He earned a doctorate of law and an MBA from US universities; he was a Fulbright Scholar and a World Bank Graduate Scholar.

● **Wilkins Wright**, Solicitor General: Wright has plenty of courtroom experience as a High Court judge during **Charles Taylor**'s rule and is Professor of Criminal Law at the University of Liberia's Law School.

● **Marc Amblah**, Director of Police: He is assisted by **Stephen Zargo**, the USA's Federal Bureau of Investigations-trained head of Criminal Investigations. Amblah replaced **Munah Sieh**, who was criticised for failing to tackle armed robberies and economic crimes.

● **Victor Helb**, Minister of National Security: A confidant of President **Ellen Johnson Sirleaf** and former head of the Special Security Service, Helb replaces the much-criticised **Peter Bonner Jallah**. ●

Soldiers out of their depth

In the aftermath of the 28 September massacre, the junta faces sanctions and seems to have lost its way

International pressure is growing on Guinea's military junta, shut away with its weaponry in Camp Alpha Yaya Diallo in Conakry. France has cut off its military cooperation and cancelled aid worth 9 million euros (US\$13 mn.) earmarked for a new road between Tombo-Gbessia and the capital. The rest of the 114.7 mn. euro cost was to be borne by the African Development Bank and the government.

The European Union has frozen an annual 4.5 mn. euros for a fishery agreement, plus 1.6 mn. for fishery protection. The Economic Community of

West African States, EU, African Union and United States have all imposed an arms embargo, with targeted sanctions on members of the National Council for Democracy and Development, to try to persuade it to restore democratic and human rights.

These sanctions include freezing assets held abroad by the junta and its associates, and a travel ban on its leader, Captain Moussa Dadis Camara, and General Sékouba Konaté and other soldiers directly implicated in the 28 September massacres. Over 150 people

were slaughtered in Conakry's stadium when a banned meeting was suppressed. Dozens of women were raped (AC Vol 50 No 20).

The 42 officers targeted by sanctions include the junta chief's aide, Lieutenant Aboubacar Sidiki Diakité (alias 'Toumba' and since dismissed); Captain Moussa Tiegboro Camara, Secretary of State for the Suppression of Drugs and Organised Crime; Capt. Théodore Kourouma, nephew and personal assistant to Dadis Camara; and Second Lt. Marcel Koivogui, Toumba's assistant and occasional driver. Civilian targets include Bouna Keïta, diamond merchant and member of the ruling *Conseil National pour la Démocratie et le Développement*, who recently suspended the mining rights of Canada's Aredo; the pharmacist Mamoudou Condé, Minister for Strategy and Sustainable Development; and 'businessman' Idrissa Chérif, special advisor to the CNDD.

GUINEA/BURKINA FASO: TO CATCH A THIEF

The choice of Burkina Faso's President Blaise Compaoré as chief mediator in Guinea's worsening crisis is curious, given that the Burkinabé leader, in league with Liberian warlord Charles Taylor, had been plotting against the previous Guinean regime under Lieutenant General Lansana Conté: many of Conté's senior officers now serve Captain Moussa Dadis Camara's regime. In particular, Compaoré and Taylor were backing Guinean oppositionist Alpha Condé and his *Rassemblement du Peuple de Guinée*, which remain influential.

In picking Compaoré, the leaders of the Economic Community of West African States (Ecowas) perhaps thought he would be able to establish a rapport with Dadis Camara. There are similarities in their backgrounds, although 'Beau Blaise' is a far more urbane operator; he has retained strong French support despite his backing for various brutal rebel movements and his regime's record of grand corruption and human rights abuses. Like Dadis, who faces referral to the International Criminal Court for his role in the massacres of 28 September, Compaoré has been investigated for his links to two murderous campaigns in the region.

Investigators at the Special Court for Sierra Leone, which is trying Taylor for war crimes and crimes against humanity, have found documents showing arms shipments from Ukraine to Burkina. They also have witness statements describing how these arms were transported to Taylor's militias and to Foday Sankoh's Revolutionary United Front in Sierra Leone, plus other military and commercial links between Compaoré, Sankoh and Taylor. Many documents were found when Ecowas troops arrested Sankoh in 2000.

Compaoré has energetically distanced himself from Taylor since the warlord's arrest in eastern Nigeria in March 2006, but there have been repeated references to the alliance between the two men at Taylor's trial at the Hague. Compaoré has also been in the frame as a leading supporter of the *Forces Nouvelles*, the breakaway northern soldiers in Côte d'Ivoire who successfully mutinied in 2002. Then, with much diplomatic cunning, Compaoré's offer of mediation in the drawn-out negotiations between the rebels and President Laurent Gbagbo's regime transformed him from rebel sponsor to regional peacemaker. Might he do the same again in Guinea?

The first signs are not encouraging. Dadis has flatly rejected Compaoré's suggestions that the opposition and junta share power in an interim arrangement. Ouagadougou's tough mediating team might yet persuade Dadis. It includes men with close ties to Guinea's military and political factions: Defence Minister Yéro Boly, Foreign Affairs Minister Alain Bédouma Yoda and the head of Compaoré's own Presidential Guard, Lieutenant General Gilbert Diendéré.

For nearly two decades, Conté kept the Guinean army (and opposition) under control by using 'regional threats' from 'foreign-backed mercenaries' as pretexts for crackdowns, while winning Western support for his backing of military campaigns against Taylor. Conté's backing for Gbagbo proved another astute choice. In contrast, Dadis lacks any regional strategy and appears to have alienated most West African governments. ●

ERRORS IN THE SANCTIONS LIST

The EU sanctions list wrongly identified Idrissa's job and contains other errors. In particular, it includes Colonel Aboubacar Sidiki Camara (aka *Idi Amin*), seen until December's coup as the brains of the army. In fact, Dadis sacked him as the junta's Permanent Secretary for 'arrogance', replacing him with the more junior Cdt. Moussa Keïta, who is not on the list although in Guinea he is seen as the regime's frontman.

Two other names are of officers now in the military prison on Kassa Island, where they are said to have been tortured on Toumba's orders. They are Lt. Sâa Alphonse Touré, formerly Capt. Claude Pivi's right-hand man, and Lt. Col. Aïdor Bah, formerly second-in-command of the Airborne Battalion and promoted after the coup. Although accused of crimes of violence committed before the coup, both are in prison for trying to overthrow the new regime.

Names surprisingly omitted from the list are those of Conakry Governor Mohamed Diop and senior members of the regime including three government ministers: Tibou Kamara (Communications in the Presidency and Defence Ministry, who resigned on 2 November), Frédéric Kolié (Administration and Political Affairs, junta stalwart) and Fodéba Isto Keïra (Youth and Sports, who closed the stadium on 28 September).

Guinea matters to the world as its largest exporter of bauxite. The largest foreign-exchange earner is the *Compagnie des Bauxites de Guinée* (CBG). Now, 17 of its 30-odd foreign specialists have left; they may be back soon. Other companies have pulled out some expatriate staff. The Guinean franc has fallen from about 5,000 per US dollar to 5,850. This could herald disagreements within the junta,

led by officers with French or US backing; there are important interests to protect. Yet the regime does not seem anxious to win foreign friends and few of its members have much knowledge of the wider world.

Dadis insulted and humiliated **Anatoly Pantchenko**, formerly the local representative of Rouski Alumini, in the sale of the Friguia aluminium refinery for \$22 mn. after independent experts had valued it at \$250 mn. at least. Foreign investors do not like dealing with a man as disorganised and menacing as Dadis, with his barely educated supporters. The international community may want to be rid of them, as mere adventurers. Guinea is a key point in a region stained by bloody civil wars (**Côte d'Ivoire**, **Liberia**, **Sierra Leone**), mutinies (**Guinea-Bissau**) and rebellions (**Mali**, **Senegal**). Donors don't want Guinea to suffer similar troubles.

The presidential election promised for 31 January is unlikely to take place, since Dadis seems to realise that the September massacre has made him unpopular. He claims not to control the army but it was his associates who went to the stadium to break up the demonstration. At present, it seems that only by massive fraud and intimidation could he win a genuine election. He could, though, exploit the splits in the opposition to fix up an alliance that might win him at least temporary immunity.

The best-placed opposition figures are **Alpha Condé** of the mainly Mandingo *Rassemblement du Peuple de Guinée* (RPG) and former Prime Minister **Cellou Dalein Diallo**, of the mainly Fulani *Union pour le Progrès et le Renouveau* (UPR). The Fulani (Peulh) make up about 40% of the population, the Mandingo (Malinké) about 35%. Ethnicity counts in Guinea. By far the best qualified is ex-Premier **Sidya Touré** but his Diakhanke people form less than 2% of the population. He has a degree from the prestigious *Ecole Nationale d'Administration* in Paris and was head of the office of **Alassane Dramane Ouattara** when he was Ivorian Prime Minister.

Alternatively, a palace revolt by dissident junta members would probably involve a bloody face-off between Toumba's supporters and those of Pivi, perhaps supported by Gen. Sékouba Konaté's men. Toumba and Pivi took an active part in the coup but have since fallen out with Dadis.

As a precaution, to win friends in the army, the head of the junta announced on 1 November that everyone would get promotion, from second-class infantrymen to sergeants major (*adjutants-chefs*). Senior officers who had not yet been promoted by the new regime will have to wait until December to put up their new badges. ●

GAMBIA

Jammeh says what he thinks

The President's threats against human rights activists should spoil his welcome at the Commonwealth summit and elsewhere

President **Yahya Jammeh** is due at the Commonwealth Heads of Government Meeting (CHOGM) in **Trinidad and Tobago** in the second half of November. However, a televised outburst in late September has upset his relations with the international community (AC Vol 50 No 14). As he prepared to travel to the United Nations General Assembly, he told Gambia Television: 'If you think you can collaborate with so-called human rights defenders and get away with it, you must be living in a dream world. I will kill you, and nothing will come out of it. We are not going to condone people posing as human rights defenders to the detriment of the country. If you are affiliated with any human rights group, be rest assured that your security and personal safety would not be guaranteed by any government. We are ready to kill saboteurs.'

This may have been a delayed reaction to international pressure over the trial and gaoling on 7 August of six journalists, including three executive members of the Gambia Press Union. They were charged with sedition and defamation and sentenced to two years in gaol and 250,000 dalasi (US\$9,217) fine.

Protests came from the international organisations that regularly monitor abuses in Gambia. Amnesty International, which has successfully rattled Jammeh's cage in the past over human rights violations, also deplored the 'wrongful convictions' and suggested that the independence of the judiciary was declining. Even in the middle of the August holiday, there was a flutter among Western donors. It seems that a severe message came from the European Union, a major provider of aid. Others also indicated displeasure. In a humiliating climb-down on 4 September, all six were pardoned 'in the spirit of Ramadan' and released from Banjul's Mile Two Prison.

Jammeh's outburst three weeks later brought new protests, and Amnesty led the way. Particularly serious for Jammeh was that a group of African human rights non-governmental organisations moved to petition **Jean Ping**, President of the African Union, to remove the headquarters of the African Commission on Human and Peoples' Rights from Banjul. The African NGOs cited fears for 'the safety, security and lives of ourselves and our colleagues'.

The row did not surface at the UN, where most of the indignation was reserved for the presidents of **Zimbabwe**,

Equatorial Guinea (and **Sudan's** absent leader, wanted for war crimes and crimes against humanity). Jammeh was barely noticed among the 25 African leaders whom **United States** President **Barack Obama** entertained to lunch in New York. In an opaque and verbose speech to the General Assembly, Jammeh had complained that 'we, the new generation of African leaders' were being called 'dictators' and 'corrupt leaders'. He cancelled a planned visit to the UN Educational, Scientific and Cultural Organisation in Paris at the last minute, since that was a forum where concern might be openly expressed.

In 2002, the Commonwealth Ministerial Action Group (CMAG) dropped Gambia from the list of 'fragile democracies' which it oversees. Some note that the government has been passive about human-rights abuses. Yet Commonwealth election observer groups seemed to acquiesce in deeply unsatisfactory presidential polls in 2001 and 2006. Gambia's opposition parties have fallen into a state of moroseness and only the press has defied intimidation and occasionally carried a flag for freedom. This was why the imprisonment of the journalists mattered so much (although it is true that one of them, **Halifa Sallah**, is as much radical politician as journalist).

The Delhi-based Commonwealth Human Rights Initiative has written to Commonwealth Secretary General **Kamlesh Sharma** protesting at Jammeh's 'repudiation of the rule of law' and 'assurance of impunity for murder', saying that this violates the fundamental principles of the Commonwealth, to which Gambia publicly committed itself in the Harare Declaration of 1991. The CHRI called for Gambia to be reinstated on the formal agenda of CMAG without involving the usual 'good offices' and for Jammeh's invitation to Trinidad to be withdrawn 'unless the highly offensive statement is publicly repudiated, withdrawn and satisfactory clarification provided'.

The issue is unlikely to figure officially at CHOGM, but there are moves to put the beefing-up of CMAG on the agenda. However, Gambia will find its way into the People's Forum of civil society and may well feature at the informal 'retreat', where leaders can raise issues with greater frankness. Since Jammeh's outburst seems to represent what he really thinks, his presence in Trinidad looks unlikely. ●

Blood on the stones

Israel and Hezbollah are challenged: where did the blood diamonds go? They never went away

The annual conference of the Kimberley Process this week in Swakopmund, **Namibia**, heard that **Israel** faces accusations that **Ivorian** rebel diamonds are being smuggled into the country. From January, Israel chairs the KP, which supervises the certification of gemstones to prevent 'conflict diamonds' reaching the world market. The accusations challenge Israel and Africa and undermine Kimberley. The KP began in 2003 yet the 'blood-diamond' business is thriving, said the annual review *Diamonds and Human Security*, published in mid-October by Partnership Africa **Canada**. The blame, says PAC, lies with governments that are supposed to have cracked down on the smuggling, human rights abuses and money-laundering that mark the trade.

In 2005, the United Nations called for an embargo on diamonds smuggled out of Côte d'Ivoire. In late June, Namibia's Deputy Minister of Trade and Industry, **Bernard Esau**, said Ivorian diamond production was rising. Satellite pictures from the UN mission in Côte d'Ivoire showed much activity in the Séguéla and Tortiya diamond fields, controlled by the *Forces Nouvelles* rebels. Production could be about 300,000 carats, worth some US\$20-30 million to the insurgents.

One trade route passes through Bamako, **Mali**, and involves **Senegalese**, Israeli and **Romanian** traders. More recently, a network was identified in Ouagadougou, **Burkina Faso**, controlled by **Lebanese**, some of them linked to the Islamist party *Hezbollah*, which also has bases in Côte d'Ivoire. Lebanese businessmen have for decades dominated the illicit African diamond trade, often as middlemen for more substantial Israeli interests. *Hezbollah's* involvement began when **Ahmed Bakri**, a Shia Muslim businessman working out of Burkina, dealt in diamonds from the *União Nacional para a Independência de Angola*, then a rebel movement. *Hezbollah's* presence was confirmed in 2002, when the **Belgian** police discovered in the flat of **Samih Ossailly**, another Lebanese Shia active in West Africa, an end-user certificate allowing him to ship 113 tonnes of **Ukrainian** weapons to Côte d'Ivoire.

Ivorian stones qualify as blood diamonds on two counts: they originate with local rebels and are traded by *Hezbollah*, which the **United States** lists

as a terrorist organisation. The US State Department claims the Islamist party also controls significant diamond-smuggling in **Guinea**. Last year, a visiting KP team found Guinean controls weak and corruption widespread, says PAC.

Trade sources note that Ivorian diamonds also pass through the hands of an Israeli businessman from the Tel Aviv suburb of Ramat Gan, who often goes to Ouagadougou and organises arms for the *Forces Nouvelles*. A decade ago, the Israeli newspaper *Yediot Aharonot* claimed that Colonel **Yair Klein** and two fellow-countrymen, **Dov Katz** and **Dan Gertler** (now well known in **Congo-Kinshasa**), were buying diamonds in exchange for military training and arms deliveries in **Liberia** and **Sierra Leone** in 1997. After Kinshasa gave Gertler's firm *Idi Diamonds* a monopoly on buying and exporting diamonds on 31 July 2000, Gertler encouraged the late President **Laurent-Désiré Kabila** to employ an Israeli private company to train his police.

THE KP CHAIR ACCUSED

The Israeli daily *Haaretz* said on 1 November 2009 that 'A United Nations report on trade in "blood diamonds" raises the possibility that an Israeli company active in Liberia and Ramat Gan is dealing in diamonds whose proceeds are used to support rebels in the Ivory Coast.' It went on to say that 'According to the report, a copy of which was obtained by *Haaretz*, the company involved is apparently Perry Diamonds of **Ghana**, which is linked to the late Israeli diamond merchant **Israel Freund**, a former member of the Ramat Gan diamond exchange who died four months ago.' The UN Panel, said the newspaper, had found that one supplier, called 'A' in the UN report, had set up a company in Monrovia with Freund. The Panel found the diamonds were similar to Ivorian ones, rather than those from the Liberian mine listed in their certification.

'We completely reject the reports about Israeli trade in blood diamonds. The State of Israel has never dealt in rough diamonds from Ivory Coast. In recent years, we have cooperated fully with the UN panel and proved beyond doubt that diamonds without Kimberly certification do not enter Israel,' the head of the Diamonds, Precious Stones and Jewellery Administration in Israel's Ministry of Industry, Trade and Labour, **Shmuel**

Mordechai, told *Haaretz*. The story was 'nothing but nonsense and lies', it quoted the Freund family as saying.

Other Israeli and Lebanese networks in the Manica region of **Mozambique** handle stones from the Marange mine where, in October 2008, **Zimbabwe's** army massacred between 100 and 200 illegal miners. Some governments which hope quiet diplomacy will moderate President **Robert Mugabe**, including **Namibia** and **South Africa**, say that Marange stones are not conflict diamonds since they do not finance rebels. Yet in the KP's 2008 statistics, there is a strange gap of 470,000 carats between Zimbabwe's declared production of 797,000 ct. and its declared exports. As *Africa Confidential* went to press, there was heavy pressure, including from the industry, for Zimbabwe to be expelled from the KP, a call already heard from the World Diamond Council on 26 August.

Angola, too, risks seeing diamond sales restricted. Its recent mass and often brutal deportation of foreign *garimpeiros* (unofficial diggers) and their families have angered non-governmental organisations working on diamonds. The PAC shows the scale of the problem. Wildcat diggers have moved into a dozen areas subject to official diamond concessions and the taxes raised from lawful mining (\$138.5 million in 2006) are far greater than those from the informal sector (\$14.3 mn.). The state would benefit from legalising the trade, even if that meant reducing production; the PAC expects more expulsions. But the *garimpeiros* are unlikely to down tools peacefully: illegal mining is a huge temptation for the poor.

Kimberley's weakness is most evident in Congo-Kinshasa, where some illegal trading is still linked to rebel activities and arms purchases. According to PAC, the Hutu rebels in eastern Congo, the *Forces Démocratiques pour la Libération du Rwanda*, steal diamonds from *garimpeiros* in North Kivu. Under suspicion is an **Italian** businessman, **Vittorio Dordi**, who (according to the magazine *L'Espresso* in August) owns a mining company called Gold Rock and claims to be associated with Congolese President **Joseph Kabila**; he is in fact nominally under house arrest in Italy, pending inquiries into the purchase last year of half a million **Chinese** T-56 assault rifles by China's state-owned North Industries Corporation, to meet an order from **Libya**; the suspected end-users are said to be in **Chad**, Congo-Kinshasa, **Sudan** and **Iraq**.

PAC concludes that Congo's 'network of *comptoirs* is the world's most effective system for laundering conflict, illicit and clandestine diamonds'. Yet nobody agrees how many diamonds are mined or traded, or what they are worth. For 2008, the KP proposes a total of 21.28 mn. ct. exported,

just under the 22.09 mn. ct. reported by Congo's own *Centre d'Evaluation, d'Expertise et de Certification*.

The *Banque Centrale du Congo* says production in 2008 was 20.49 mn. ct., the KP says it was 33.4 mn. ct.; Kimberley's own figures for production and exports are 12.12 mn. ct. apart. Congo's officials blame a computer crash at the CEEC. Moreover, when the only industrial diamond mining operation, the *Société*

Minière de Bakwanga, stopped operating, stones stolen from it supplied the Mbuji-Mayi purchasing centre and many artisan miners moved out of the main production areas, especially from Tshikapa in Western Kasai, the source of most gemstones.

Diamond professionals tend to agree that traders in Congo systematically undervalue production, in cahoots with CEEC experts. There are apparent contradictions in the KP's own export

valuations and huge gaps between valuations of packets of diamonds exported by Congo and their value as assessed by the importers. On arrival in Dubai or Tel Aviv, few questions are asked. Some Antwerp diamond dealers are annoyed by a reduction of 30-40% in the assessed prices of supplies from Congo since the KP began. Worst of all for the big producers, the world price of gemstones has been driven down by the world slump. ●

ANGOLA/CONGO-KINSHASA

Throwing out the neighbours

A spree of mutual expulsions disguises long-standing economic disputes

The two big neighbours have been busily expelling each others' nationals and the resulting tension hides their disagreements about oil, diamonds and the hoped-for electric power from a huge dam at Inga on the Congo River. So far this year, between 100,000 and 200,000 people have been deported in both directions. In mid-November, a bilateral commission will meet in Luanda, to firm up a provisional agreement reached in October.

The two governments appeared to have papered over the cracks, but Angolan troops made another incursion on 17-18 October in Tshela. President **José Eduardo dos Santos** stayed away from the 24 October summit of the regional body, the *Communauté Economique des Etats d'Afrique Centrale* in Kinshasa. Two days later, Angolan Foreign Affairs Minister **Assunção dos Anjos** declared, 'Angola will never give up her right to expel citizens whose actions do not benefit our country.'

VIOLENT EXPULSIONS

The United Nations reckons that Angola drove out 115,000 Congolese between last December and mid-July. Angola then began to 'clear' its Cabinda Enclave, which borders both Congo-K and **Congo-Brazzaville**, pushing over 18,000 people back into Congo-K's Bas-Congo Province. Official Congolese media claims that ten died after ill-treatment by Angolan security. More than 100 women who arrived at the Yema border post said that Angolan soldiers had raped them and several men showed marks of torture on arrival at Muanda. The UN Office for the Coordination of Humanitarian Affairs said the expulsions were conducted in 'degrading circumstances', involving intrusive searches of women, theft of possessions and rough treatment. The

UN-sponsored *Radio Okapi* claimed that legal Congolese residents were badly treated, as were illegal immigrants. Angolan immigration officials, helped by civilians, tore up residence permits for which Congolese immigrants had paid US\$600 each.

Until October this year, Kinshasa did very little about the expulsion of its nationals. President **Joseph Kabila** owes a lot to Angola's rulers, who helped his late father, **Laurent-Désiré Kabila**, to overthrow President **Mobutu Sese Seko** in 1997, then supported him against armed uprisings in 1998-2003. Angolan troops helped to stabilise Kinshasa after Laurent Kabila was murdered in January 2001 and ensured that Joseph replaced him ten days later. Angolan instructors trained the nucleus of his army and *gendarmerie* and (diplomats say) helped to suppress **Jean-Pierre Bemba's** uprising in March 2007.

Kabila's Prime Minister, **Adolphe Muzito**, gets his main vote from the frontier provinces of Bas-Congo and Bandundu, and wants Kabila to do something decisive. In early October, Kabila ordered the expulsion of Angolans who had moved into Congo during the 1975-2002 civil war. More than 30,000 were thrown out, leaving their possessions behind. The sugar refinery *Sucrière de Kwilu-Ngongo* had to close for two days in early October after 800 of its workers were expelled. Some markets ran out of the manioc bread (*chikwangue*) that the Angolans used to make. Expulsions organised by the official migration office turned into manhunts backed by civilians. Long-term Angolan residents were attacked by Congolese who had been thrown out of Angola. On 6 October, local residents threw stones at Angolan instructors from the Kitona army base, who fired back.

The Angolan Deputy Foreign Affairs Minister, **George Chicoty**, called Congo's

reaction 'disproportionate' and the Angolan army's Chief of Staff, General **Francisco Pereira Furtado**, protested against the 'indiscriminate' expulsion of his fellow-citizens, including long-term residents. A Congolese opposition politician, **Jean-Claude Mvuemba**, complained that legal Angolan residents were being expelled from Boma and Matadi. On 9 October, the Luanda government suspended flights to Kinshasa by its national airline, TAG, until Congo stops expelling Angolans. On 13 October, both parties agreed to stop deporting each others' citizens, until a formal accord is made.

DIAMONDS AND THE BANA LUNDA

Chicoty, who in October led his country's delegation to Kinshasa, said the Angolan expulsions were justified because they removed illegal immigrants, especially those who had moved into the diamond-bearing districts of Lunda Sul and Lunda Norte. It is a familiar problem. During Angola's long civil war, teams of *garimpeiros* (unofficial diggers) from Congo, known as *Bana Lunda*, worked the open-cast diamond fields under the protection of the rebels of the *União Nacional para a Independência Total de Angola*. After the war ended at the end of 2003, the Angolan army drove out more than 120,000 UNITA rebels, opening the diamond fields to foreign companies which were granted concessions.

Yet there are no diamond diggings in Cabinda and Soyo, from where over 14,000 refugees crossed into the Congolese village of Muanda between August and 10 October. In 2007, the International Organisation for Migration had reckoned that 40,000 Congolese were deported to Bandundu, Kasai, Katanga and Bas-Congo, and about 34,000 more in May-June 2008. One Congolese senator claimed that the Angolan government feared that Congolese immigrants might get on to the electoral register and vote for the opposition parties, UNITA or the *Frente Nacional de Libertação de Angola*.

A similar dispute had arisen in March 2007 over the border between Congo-K's Bandundu Province and Angola's provinces of Uige, Malanje and Lunda Norte. A Congolese parliamentary commission then denounced the 'occupation' of eleven

villages by the Angolan forces. The row seems to have arisen because the border markers installed in 1891 by **Portugal** and **Belgium** had disappeared. The former colonial powers offered to help but the argument continues. The underlying grievance concerns the alluvial diamond deposits in the Kwango Basin. Angola resents the illegal activities of the *Bana Lunda garimpeiros* over the past 15 years.

When Angola's influence in Kinshasa was at its peak, Luanda's Deputy Minister of Mines, **Carlos Sumbula**, called for reparations in the form of a share in Congo's alluvial diamond deposits. He claimed that the diamonds there had washed down from kimberlite clays on the Angolan side of the frontier, a sort of geological right of pursuit.

THE ROOT OF THE CRISIS

In Kinshasa, many agree with **Freddy Mulumba**, a journalist on the daily *Le Potentiel*, that 'oil is the root of the crisis'. He thinks Angola is flexing its muscles to grab more deep-water oil. In 2007, Presidents Kabila and Dos Santos signed an agreement on a Zone of Common Interest but it did not determine the limits of their territorial waters. In late March, Congo's Oil Minister, **René Isekemanga Nkeka**, told journalists that his country

wanted to redefine the maritime frontier, saying that oil platforms now in Angolan waters might find themselves under Congolese jurisdiction once the border had been redefined, according to the United Nations' 1982 Convention on the Law of the Sea.

The disputed area is Block 15, from which ExxonMobil now extracts 400,000 barrels per day. Add to this 200,000 bpd from Blocks 1 and 2, at prices of US\$70 per barrel, and you have about \$15 billion of oil in dispute. This is more than Congo's \$9 bn. foreign debt or the value of the **Chinese** minerals-for-infrastructure contracts, put at about \$10 bn.

In early May, the Kinshasa government sent a document of 'preliminary information' to the UN Commission on the Limits of the Continental Shelf, including a map showing what it defined as the limits between its own Zaire Province and the Enclave of Cabinda. Angola had *de facto* occupied part of the continental shelf, Kinshasa declared. Angola's rival document purported to show the continental shelf from Namibia to Congo-Brazzaville but attributed none of its deep water to Congo-K, even off its short coastline, which is only 60 kilometres long. Kinshasa promptly rejected this 'unilateral delimitation' of its borders.

INGA DAM DEVELOPMENT

Another bone of contention is Congo-K's plan to develop the Inga hydroelectric plant on the River Congo (AC Vol 50 No 20) with the **Australian** mining giant BHP Billiton, rather than developing it with other states to form a 'western corridor' into southern Africa. Angola also, says *Le Potentiel's* Mulumba, dislikes BHP's plan to develop a deep-water port at Banana in Bas Congo, as the terminal for exports of aluminium from a plant powered by Inga. If built, it would compete with deep-water terminals which Angola is proposing for Soyo and Cabinda.

Angola has two rival big projects: a gas pipeline across Congo from Cabinda to Soyo and a 13 km., Chinese-built bridge between Soyo and Porto Rico, linking Cabinda to the rest of Angola. The Angolan army's raids on two villages in Bas-Congo could have constituted a show of strength to support these plans.

The two neighbours have plenty to quarrel about but after their clashes they are quick to show that they really want to be friends. An upsurge of xenophobia could destabilise both governments, especially if it involved the Bakongo people who live on both sides of the border and are sometimes regarded as outsiders in both countries. ●

AFRICA/ECONOMY

Experts argue about Africa's prospects

The IMF and the AfDB differ sharply on the severity of the global recession's effects on Africa and the measures needed to ameliorate them

The world's financial experts and institutions disagree on how seriously the global financial crash has affected developing economies or how quickly they may recover. In Africa, the International Monetary Fund, World Bank and African Development Bank (AfDB) differ in aspects of their diagnoses and their cure.

In October last year, the IMF predicted that 2008 growth in Sub-Saharan African economies would slow to 6%. It now estimates that Africa's overall output growth will be 1% in 2009, after earlier forecasts of about 3%. That is equivalent to a 1% per capita decline. Prices of key commodities have fallen along with external demand for exports; portfolio investment, remittances and capital flows have declined; borrowing costs have risen and access to finance is tighter.

Most severely affected in the short term are the oil exporters (under 2% growth in 2009, the IMF estimates) and the middle-income countries (about 2.5%

contraction in 2009) that are more highly integrated into global financial markets and more dependent on international trade, including South Africa.

Countries strongly linked to the world financial system, if not middle-income, like **Ghana, Kenya** and **Nigeria**, have seen a reduction in finance for both governments and corporations. This happened before the crisis struck Africa's less integrated economies, as financial and trade disruptions worked through the system. Low-income and 'fragile' states can expect 4.5% and 2.75% growth respectively, says the IMF, and are, like Africa's oil exporters, doing as well as or better than many of their non-African peers.

How and when, according to the IMF, will African economies recover? After the troughs of 1975, 1982 and 1991, Africa recovered more slowly than much of the rest of the world. This time, the IMF expects Africa's recovery to be stronger than before, as better macroeconomic

policies have given several governments room to implement counter-cyclical fiscal and monetary policy without sparking runaway inflation; a lower than usual stock of national debt allows budget deficits from such policies to be tolerated in the short term.

Similarly, higher than usual foreign exchange reserves should mitigate the impact of reduced forex earnings. Other factors behind Africa's strong economic growth just before the crisis, such as a reduction in conflicts and increased trade openness, support a relatively optimistic medium-term view. Africa's economies should therefore, the IMF thinks, recover to 4% gross domestic product growth on average in 2010, compared to approximately 3% growth for the rest of the world. This assumes that the world slowdown has passed its trough and that bad luck – including a slower than predicted world recovery – is avoided.

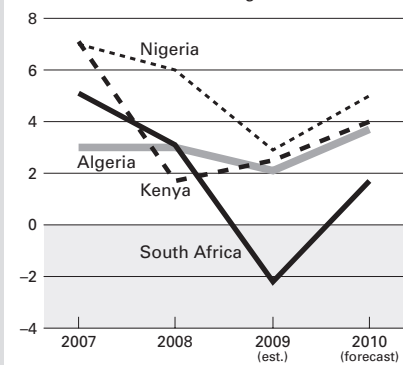
PESSIMISTIC VIEWS PERSIST

Other observers are less optimistic. A March 2009 report from an AfDB committee of finance ministers and central bank governors describes a severe deterioration for Africa, as the main drivers of growth are stymied and a 'full-blown development crisis' ensues. The decline in the demand for Africa's exports and weakening commodity prices, reductions in export earnings and

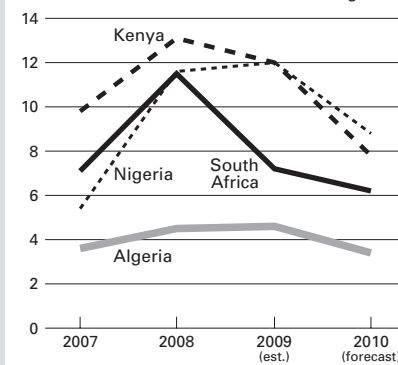
HOW FOUR OF AFRICA'S LEADING ECONOMIES MEASURE UP

Source: IMF World Economic Outlook 2009

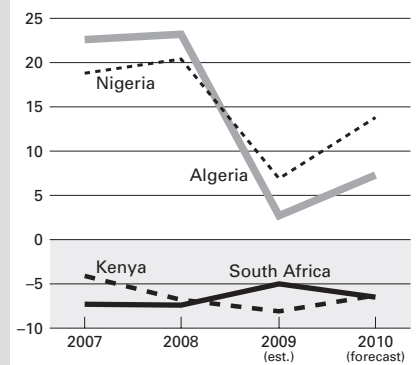
REAL GDP Annual % change



CONSUMER PRICES Annual % change



CURRENT ACCOUNT BALANCE % of GDP



a reduction in capital inflows create, they fear, a risk that access to capital will be limited, currencies will depreciate, fiscal and trade deficits will prevail – all with real effects on the ground.

The AfDB is concerned by the suspension of and delays to private sector and infrastructure projects and bond offerings, and damage to Africa's mining, tourism and manufacturing industries. The Bank cites events such as the reduction of diamond exports in **Botswana**, smelter closures in **Congo-Kinshasa**, a sharp fall in mining output in **South Africa** and **Zambia**, company closures in **Uganda** and a slump in Kenyan tourism as examples.

Years of progress in reducing poverty could be reversed in the longer term, on top of the current impact. The IMF also highlights this risk if recovery moves slowly. Despite the relatively mild drop in their growth rates to date, low-income and fragile countries could suffer most from further economic shocks. The AfDB has proposed initiatives such as an emergency liquidity facility and a trade finance initiative, to mitigate liquidity squeezes and constraints on finance from banks.

South Africa has been badly affected. Asset prices fell on the Johannesburg Stock Exchange, tighter lending hurt its retail and manufacturing sectors, and its mining industry has suffered from the commodities slump, so jobs and production have been lost. Although the government's fiscal and monetary policy response has been appropriately targeted, the IMF projects that post-recovery South Africa's long-term growth rate will have fallen from 5% to 4% a year, as private investment declines. That will not help the Southern African Customs Union and other neighbouring countries.

Nigeria has suffered from the fall in oil prices and the self-inflicted decline in oil export volumes but its non-oil economy has held up relatively well. Overall growth has fallen from about 6% in 2008; in 2009 it will be 3-5%, depending on whom you believe. Nigeria's National Bureau of Statistics claims that agriculture, wholesale

and retail trade pushed up growth in the second quarter of the year. The Economist Intelligence Unit thinks the data may be unreliable. Nigerian banks have suffered as much from their own bad lending as from foreign contagion; the result has been less finance for Nigerian companies.

The Central Bank of Nigeria has taken over the assets of five substantial banks and is prosecuting their chief executives for fraud (AC Vol 50 No 20). So far, the CBN Governor **Lamido Sanusi's** radical surgery has kept the financial problems in check but it is a long way to full health. A rebound in oil prices could bring Nigeria and other oil exporters in the region a respectable (although lower than pre-crisis) real GDP growth rate of approximately 5% or more in 2010.

SMALLER ECONOMIES RECOVERING

In West Africa, Ghana had been doing well in recent years and prices for gold and cocoa should hold up in 2009. Yet the financial crisis and the reduction in non-concessional and private borrowing have forced it increasingly to turn to external borrowing from official lenders. Its inflation rate has been increasing and its currency will probably continue to depreciate because of its current account deficit. Yet growth is expected to recover to 5% in 2010 – still less than the approximate 6% of recent years.

Côte d'Ivoire's commodity exports have declined, as oil prices fell and cocoa production dropped by 30% because of internal strife. Its growth rate is projected to continue upwards from its low base in 2010, helped by a new IMF Poverty Reduction and Growth Facility awarded earlier this year, which bodes well for future debt reduction.

Tanzania has, in addition to export reductions, experienced (like Kenya) a drop in tourism, but its agriculture and tourism appear to be recovering. It has been a strong performer, with pre-crisis growth of over 7%. The 2010 outlook is for approximately 5.5% growth, with recovery hampered by slow world growth.

Kenya, having suffered a large decline in annual growth from 7% pre-crisis to about 2% in 2008, is on a path to recovery, with growth predicted by the IMF to rise steadily to 4% per annum in 2009, assisted partly by a recovery in tourism and well timed government spending. However, delayed effects from its recent drought could slow down its recovery by damaging Kenya's agricultural production.

Mozambique stands to benefit from a strong recovery in foreign direct investment, mainly in coal and construction, and a strong agricultural performance. Falling global demand led ArcelorMittal to close a large steel plant, though, and the construction of another steel project has been halted. Overall, strong growth of almost 6% is predicted for 2010, close to pre-crisis levels.

NORTH AFRICA'S MILD SLOWDOWN

In North Africa, **Tunisia** has suffered a downturn in industrial production and exports, and manufacturing and tourism have also been affected, leading to downward revisions in its 2009 growth rates in spite of its diversified economy. North African neighbours, while still affected by the crisis, are less vulnerable. Oil exporter **Algeria** has seen a modest fall in output and currency depreciation, while **Egypt's** economy should maintain a steady growth rate through 2010, albeit lower than its pre-crisis level.

The AfDB, IMF and World Bank disagree over the symptoms of and the remedy for the global recession in Africa. However, they all warn that where possible governments should boost social spending to compensate the unemployed and the poor, as jobs are cut and food and housing costs remain high. Unprecedentedly, all three are encouraging African governments to increase their budget deficits, temporarily, to fund economic stimulus and social programmes. The combined force of the food and jobs crises, together with environmental degradation, represent a greater challenge to Africa than the aftershocks of the West's recession. ●

A dominant party – not a one-party state

Accusations of bias and irregularities tarnish the success of Frelimo in national elections and may prompt cuts in investment and aid

The decisive re-election of President **Armando Guebuza** on 27 October delivered all that the governing *Frente de Libertação de Moçambique* wanted: victory with over 75% of the vote in presidential and parliamentary polls. This is a much bigger margin than any of the three previous elections since multiparty politics was introduced in 1990 and gives Guebuza the power to change the constitution. Frelimo's grip over the country is now total: it holds pluralities in all eleven provinces and nearly all opposition strongholds have fallen. It will control 192 of 248 seats in Parliament and all of the newly created provincial councils. It already held all but one of the elected city councils, with nearly all seats in many of them.

Frelimo has never been entirely comfortable with the constitutional limitations imposed by multiparty democracy, since it gave up the privileges of the one-party state in the peace process that brought an end to the civil war in 1992. Although rolling back political pluralism had begun in the late 1990s, that process has advanced much further under Guebuza.

The opposition *Resistência Nacional Moçambicana* has been crushed, reduced to 48 seats and less than 15% of the vote.

This is an enormous defeat for Renamo, which had been one of the largest opposition parties in Africa, winning a third or more of votes in the last three elections.

The upstart *Movimento Democrático de Moçambique*, the most capable and promising opposition party, which had bled talent and support from Renamo, was running in its first campaign but has secured barely a foothold, winning just eight seats after being banned from running in 70% of constituencies. Although ostensibly on procedural grounds, the attempt to strangle the MDM in the cradle bears the mark of Frelimo.

More than any other to date, the elections were marked by irregularity and rules favouring the incumbents. This has led to unprecedented criticism from international observers, including the European Union, the Commonwealth and even the normally supine African Union. They cite a lack of fairness or transparency and a selective application of the rules.

Although Frelimo's overall victory was not a stolen one, it has used its dominance of what are meant to be independent institutions to achieve hegemony. Apart from well documented cases of fraud and bias by the government, the issue of exclusion is the most grave. In 64 of 141

constituencies, only Frelimo was standing and the limitation of choice was serious. In addition to the MDM, which was barred from running candidates in nine of 13 constituencies, ten other parties were ruled out altogether. Some actions by the electoral commission, the *Comissão Nacional de Eleições* (CNE), backed by the Constitutional Court, were deliberately exclusionary. Decisions were marked by narrow, partial and unequal application of electoral law, which negatively affect the freedom and fairness of the electoral process, as well as deliberate obstruction and lack of transparency.

DILUTING DEMOCRACY

A more principled reading of relevant legislation could easily have accommodated the MDM and other parties, without exposing the CNE to near universal public scepticism about its true motivations. That it did not points to the central character of the dominant party state achieved by Frelimo. It has accepted the outward forms of pluralism and constitutionalism: limits to the action of dominant interests in order to maintain legitimacy, reinforced by the recent history of violent conflict, and avoid sanction from abroad, reinforced by the high degree of dependence on foreign donors. Yet it has diluted them in practice through control of state and non-state institutions.

The CNE and courts are highly politicised bodies under Frelimo's control and even the selection of civil society representatives for them has produced appointees close to the governing party. The MDM has gamely carried on, using any avenues available to appeal. It has launched an unprecedented court case in suing the CNE. Its well regarded presidential candidate, **Daviz Simango**, achieved a respectable 10% of the vote, to 15% for Renamo's **Afonso Dhlakama** but has failed to make the breakthrough hoped for, including the expectation that it could quickly eclipse Renamo.

Renamo is now in a weakened state and, given habitual factionalism and disarray, is destined to leak members and support to the MDM. Having proclaimed this to be his last campaign, Dhlakama is to bow out in favour of another leader but has released no timeline nor groomed an heir apparent. He leaves a party hollowed out by factionalism and bereft of talent, having lost much of that to the MDM.

Guebuza begins his second and final term seemingly omnipotent. Power has become centralised around the President, whose grip on the party and ability to implement directives from the centre is near total. The party's discipline and the strength of its structures have increased enormously. Sure to avoid the fate of his predecessor, **Joaquim Chissano**, whose leadership was undermined, Guebuza will

BRAND NEW MDM WILL CHALLENGE FRELIMO

Established just six months before the elections, the *Movimento Democrático de Moçambique* has come further than any other third party in Mozambique's history and will be well placed to compete more effectively in the next elections in 2014. Based on extrapolation from the presidential vote, the MDM would have achieved at least 17 seats, sufficient to have 'bench status' in Parliament, a requirement for committee membership and speaking rights.

Harsh treatment of the MDM reflects the desire of the governing *Frente de Libertação de Moçambique* (Frelimo) to prevent the emergence of an effective opposition in place of the characteristic incompetence of the *Resistência Nacional Moçambicana* (Renamo), once the stooge of the former white minority regimes of **Rhodesia** and **South Africa**. The MDM has also hit a raw nerve with its challenge to Frelimo's previously exclusive version claim on the country's liberation history.

Uria Simango, the late father of MDM presidential candidate **Daviz Simango**, was a senior Frelimo leader. He left to set up an opposition challenge after Independence in 1975. After Frelimo assumed power without elections and established a one-party state, he was arrested and executed in secret.

These events are regarded as an historic wrong turn by Frelimo towards an authoritarian one-party state and southern ethnic domination. There is now renewed interest in this early period in Mozambique's independent history and its 'lost opposition'. The MDM has targeted Frelimo's arrogance and entitlement in its campaign and it has done well in Maputo city, benefiting from latent opposition among educated people who have grown weary of Frelimo but had yet to find a home. ●

keep the succession in abeyance.

Old-guard figures may have been rehabilitated but it is understood that the party also needs renewal and that the succession should skip a generation. Guebuza has groomed younger technocrats and others, including Foreign Minister **Oldemiro Baloi** and Interior Minister **José Pacheco**, as well as the independent-minded Prime Minister, **Luisa Diogo**.

Although dominant, Guebuza leaves his party and country with serious weaknesses. Having recentralised power, he has undermined pluralism and the basis of Mozambique's remarkable post-war success – the principle that legal limits to the interests of the dominant party guarantee domestic legitimacy. As a post-conflict country, Mozambique retains a higher than average probability of the re-emergence of conflict. That is not imminent, but confidence and trust have been seriously undermined. Ex-combatants from Renamo have demanded a rerun of the elections and threatened to resume war if their demands are not met.

The position of foreign creditors and aid givers has become more complex. They have committed over US\$1 billion a year to support the government's poverty reduction goals, increasingly as direct budget support and subject to governance and other indicators, including democratic pluralism. With the shine fading on the Mozambique miracle, some are ready to vote with their cheque books. For Frelimo, the consequences are more immediate. Although Guebuza has given them everything they want, the costs are higher than expected (AC Vol 50 No 10). ●

TUNISIA

Party time for the first family

Ben Ali wins a crushing victory and another five years in power

President **Zine el Abidine Ben Ali** saved his allies from a little of the usual embarrassment at his 26 October re-election by polling only 89.62% of the vote, down from 94.4% in 2004. His challenge is to maintain Tunisia's impressive economic and social record while persuading his ally the European Union that political reform is possible.

The 73-year-old President had promised a new democratic opening but during the election campaign, his most credible opponent, **Mustapha Ben Jaafar** of the *Forum Démocratique pour le Travail et les Libertés* (FDTL), was stopped from competing on technical grounds. Plain clothes security men violently harassed critical journalists **Slim Boukhdir**, **Taoufik Ben Brik** and **Lotfi Hajji**, as well as dissident **Hamma Hammami**.

Veteran oppositionist **Néjib Chebbi** boycotted the election and of the four presidential candidates, two were from small parties in 'la mouvance présidentielle': **Mohamed Bouchiha** (*Parti de l'Unité Populaire*) and **Ahmed Inoubli** (*Union Démocratique Unioniste*). *Mouvement Ettadjudid* (Renewal Movement, ex-communist) leader **Ahmed Brahim**, the most credible, officially won just 1.57%.

In the legislative vote, the ruling *Rassemblement Constitutionnel Démocratique*

(RCD) won a crushing 161 of 214 seats. The opposition *Parti Démocratique Progressiste*, *Ettadjudid* and FDTL all complained candidates were prevented from standing. Interior Minister **Rafik Belhadj Kacem** disagreed. Ben Ali can live with such criticism. It is harder to engineer his political future and the fortunes of his family, which comprises daughters and sons-in-law from two marriages who are active in business. Second wife **Leila Trabelsi**'s family is especially favoured.

Speculation abounds that, in the modern Arab fashion, a relative will replace him. Ben Ali's son by Leila, **Mohamed Zine El Abidine**, is too young to take the throne during the next decade. One favourite is son-in-law **Mohamed Sakher el Materi**, 29, elected on the RCD ticket, having joined the Central Committee last year. He promotes a modernising, 'moderate Islamic' image (helping to bring Gulf investment) and building up his companies.

Ben Ali's fifth term will be his last, unless the constitution is revised again, lowering the maximum age of 75 at which a president can stand for re-election. For now, his family seems all-powerful but *Africa Confidential* hears that some RCD grandees are privately saying they oppose a family succession. ●

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France/Africa

GOOD JUDGE, BAD JUDGE

■ The lucrative commercial and political networks between France and Africa have survived a remarkable month in the French courts but more embarrassing cases are coming soon. On 27 October, a court in the *Palais de Justice* in Paris handed down sentences in the Angolagate arms trafficking case (AC Vol 49 No 25). **Jean-Christophe Mitterrand**, son of the late President **François Mitterrand**, was fined 350,000 euros (US\$519,330) and given a year's suspended gaol sentence; ex-Interior Minister **Charles Pasqua** was sentenced to three years' gaol (two suspended); and his aide **Jean-Charles Marchiani** got three years (21 months suspended).

Russian-Israeli Arkady Gaydamak, tried *in absentia*, and his French business partner **Pierre Falcone** received six years for organising the transhipment of \$790 million of arms to Angola and breaking United Nations' sanctions in 1993-1998. President **Nicolas Sarkozy's** economics advisor **Jacques Attali** was acquitted.

Pasqua has called on Sarkozy to lift confidentiality laws to widen the investigation to include other politicians. Despite the continued denials of former President **Jacques Chirac** and, earlier, **François Mitterrand** of involvement in Angolagate, Pasqua insists they were both fully informed about the illegal arms deals and commissions earned by the French middlemen, as were their Prime Ministers, **Alain Juppé** and **Edouard Balladur**, and finance and defence ministers.

President **José Eduardo dos Santos's** government, which called for the trial to be terminated because it violated Angolan sovereignty, looks unlikely to act strongly against French interests: Total is investing \$10 billion in Angola's oil industry and last year Sarkozy paid a business-boosting state visit to Luanda ahead of the trial.

Sarkozy has stayed silent about two other trials of French politicians with African connections. The Clearstream case – ex-Premier **Dominique de Villepin** is accused of conspiring to implicate Sarkozy in a multibillion-euro corruption and money-laundering scandal – closed on 16 October: illegal funds from Africa were funnelled through Clearstream, the secretive **Luxembourg**-based clearing house. In the other case, on 30 October an investigating magistrate decided that Chirac will face corruption charges in 2010 for organising salaries for fictional employees while Paris Mayor (1977-1995).

Although Sarkozy promised to break with the corrupt ways of the past, some judgements help the old order. On 29

October, the Paris prosecutors' office won its appeal against reopening a 2007 police investigation into the French assets (worth about 160 mn. euros) of Presidents **Omar Bongo Ondimba** of **Gabon**, **Teodoro Obiang Nguema Mbasogo** of **Equatorial Guinea** and **Denis Sassou-Nguesso** of **Congo-Brazzaville** that had been abruptly shut down (AC Vol 50 No 2). The Appeal Court said the anti-corruption non-governmental organisation Transparency International had no jurisdictional grounds to sue the presidents. **William Bourdon**, founder of the NGO Sherpa, who brought the civil suit on behalf of TI, told *Africa Confidential* the decision was 'highly suspicious in such a politicised case' and he was confident of reversing it.

Zimbabwe

'TOO MANY ENEMIES'

■ Air Marshal **Perence Shiri**, one of the main organisers of the 'Gukuruhundi' killings in Matebeleland in the early 1980s, has plenty of enemies (AC Vol 50 No 21). Yet his allies insist the assassination attempt against him last year was organised by the opposition Movement for Democratic Change. The MDC denied any involvement. Since then, it has emerged that the shots were fired by an outraged captain who objected to the attention Shiri was paying his wife, herself a sergeant at Defence Headquarters. Such shenanigans worsen the rising tensions in the ranks.

When arms disappeared from Pomona Barracks, north of Harare, last month, the Zimbabwe African National Union-Patriotic Front barons again blamed the MDC but military intelligence officers found no evidence. Fearing a mutiny, the Presidential Guard arrested hundreds of soldiers and back-up staff and robustly interrogated them in batches at KG6 HQ. The independent *The Zimbabwean* reports that foreign soldiers, probably **Angolan** and **Congolese**, are involved in 'unorthodox' interrogations; a dozen have already died and several are still comatose.

As the crisis in the military worsened, United Nations Special Rapporteur on Torture **Manfred Nowak** landed at Harare Airport after an earlier invitation from Prime Minister **Morgan Tsvangirai**. The Central Intelligence Organisation refused him entry, gave him an uncomfortable night and put him on the first flight out on the following morning, further damaging the credibility of ZANU-PF's role in the coalition government. No one believed ZANU's claim that Nowak was trying to gatecrash the next day's meeting of Southern African ministers on Zimbabwe.

The ministers from **Mozambique**, **Swaziland** and **Zambia**, who form the Southern African Development Community's troika, concluded that there was an urgent need to address the appointment of Reserve Bank of Zimbabwe

Governor **Gideon Gono** and Attorney General **Johannes Tomana** and a new formula to appoint provincial governors. They said this would necessitate an extraordinary regional summit. All these are issues which President **Robert Mugabe** insists should not be on the troika's agenda, which makes this verdict a minor triumph for the MDC.

The MDC is now calling for a review of **George Charamba's** appointment as Presidential Spokesman. After a month of diplomatic disasters, Mugabe is rounding on his more incompetent underlings. At the 29 October Politbureau meeting, he ostentatiously excluded Justice Minister and chief negotiator **Patrick Chinamasa** from the usual fraternal salutations.

Botswana

KHAMA CONTROL

■ Delivery 'to the expectations of Batswana' is to be top priority of the new government, President **Seretse Khama Ian Khama** announced at his inauguration on 21 October following his landslide election win (AC Vol 50 No 21). This adds another 'd' to the other targets – democracy, development, dignity and discipline – that Lieutenant General Khama set out on taking over from President **Festus Mogae** in April 2008. Government would tackle unemployment, crime, HIV-AIDS and 'declining social values', pledged teetotaler Khama, who has already imposed swingeing taxes on alcohol.

Although Ian Khama promised to 'guard our treasure of democracy jealously', he has quickly centralised the state media within the Office of the President. Previously the responsibility of the Communications, Science and Technology Ministry, the *Botswana Daily News* and the Setswana-language *Kutlwano* are now in the Information Services Department, and the Broadcasting Services Department looks after Botswana TV and Radio Botswana 1 and 2. This gives Khama far more control over the government's public relations.

Opposition parties had claimed that the state media favoured Khama's Botswana Democratic Party, which raised tension between the National Broadcasting Board and Broadcasting Services, at loggerheads before the election. Khama has sidelined the BDP's dissident **Barata-Phathi** ('Those who love the party') faction, excluding BP leader and Chairman **Daniel Kwelagobe** and BP kingpins such as **Gus Matlhabaphiri** from his new cabinet.

Khama has outflanked Kwelagobe and his cohorts by giving jobs to junior faction members and parliamentary newcomers. With **Mompoti Merafhe** still Vice-President – the loyalist faction leader remains important to Khama's control of the BDP – the only big change was **Kenneth Matambo** taking over at Finance and Development Planning.

BLUE LINES

After the release of Simon Mann and four of his military friends from Blackbeach, another Equatorial Guinean controversy is emerging. Investigations by the United States Justice Department have revealed that Malabo's Forestry Minister and presidential son Teodorin Nguema Obiang has channelled at least US\$73 million in corrupt funds into the USA, using shell companies and offshore bank accounts. However, the Minister faces no threat of prosecution or indeed attempts to restrict his immigration status.

US Executive Proclamation 7750 is meant to bar individuals and their families who have benefited from state or other corruption from obtaining a US visa. Yet this is not the first time that Western governments have chosen, in effect, to offer legal immunity to the ruling family of Equatorial Guinea, the third biggest oil producer in Africa but a brutal and corrupt regime. Attempts in France by Transparency International and anti-corruption groups to freeze the family's assets in Paris are blocked by the courts.

The US Congress in 2004 under the leadership of Senator Carl Levin found that the Obiang family had diverted some \$700 mn. of funds into its personal accounts from Western oil companies through the Washington-based Riggs Bank. Despite the detailed evidence produced by Levin's team, the US government allowed the Obiang family to transfer the laundered funds to a Cameroonian bank and the following year welcomed President Obiang as an important ally in the war on terror.

NIGERIA'S OIL INDUSTRY

The biggest reform of all

President Umaru Musa Yar'Adua's government is trying to win support for its new oil law by offering Delta communities a stake in the business

The Petroleum Industry Bill (PIB), which President Umaru Musa Yar'Adua's supporters are trying to steer through the National Assembly, is meeting massive opposition from the major oil companies, their political lobbyists and the Niger Delta militants who resent the lack of concessions offered. Efforts to make the oil business more market-oriented and to free it from political manipulation have been going for more than a decade; they won't end soon.

On 16 October, the presidency announced a reorganisation of the Ministry of Petroleum Resources. A few days before, it had offered to hand over 10% of the equity in oil joint ventures (JVs) to communities in the Niger Delta, a move intended to reinforce the recent amnesty deal and efforts to bring peace in the region, and to boost support for the new bill there (AC Vol 50 No 22).

The bill was first introduced to the National Assembly in December 2008, when its tax implications encountered fierce resistance from international oil companies (IOCs). The first public hearing in a parliamentary committee took place in July. The bill seeks to resolve chronic shortfalls in funding for JVs between oil majors and the Nigerian National Petroleum Corporation, which holds 51-60% stakes in the ventures. It also aims to open up the notoriously opaque NNPC to commercial competition.

The PIB will affect all Nigeria's existing agreements with foreign oil companies, through JVs onshore or production-sharing contracts (PSCs) offshore. In its present form, the bill allows the government to renegotiate existing contracts, revise fiscal terms and repossess unexplored oil blocks.

The international companies complain

that the NNPC has failed to produce its share of the finance for onshore JVs, to the tune of US\$7 billion by 2008. The companies, the government and international organisations, including the Organisation of Petroleum Exporting Countries (OPEC), agree that these financing arrangements need altering.

The PIB proposes that existing joint ventures be incorporated to allow them to raise funds independently on international capital markets. The companies have so far enjoyed highly preferential terms in the deep water offshore PSCs, paying no royalties and very low taxes. They balk at the bill's proposed fiscal terms, which would increase government's take of revenue from 82% to 91%, according to the consultants KPMG.

PROJECTS IMPRACTICABLE

A Chevron executive said his company could handle high taxation but not the uncertainty, particularly in projects that take over ten years to bring on line. The industry claims that big deep-water projects, such as Shell's Bonga and Chevron's Agbami fields, would be impracticable under the proposed fiscal terms. Mark Ward, Managing Director of ExxonMobil-NNPC JV, known as Mobil Producing Nigeria Unlimited, told the July public hearings the new terms could render planned upstream projects uneconomic and would affect his company's medium-term \$60 bn. investment plans in Nigeria.

The Senate committee on oil and gas was due to finalise an amended version of the bill by late September but disagreements have put it off to the end of the year. A team from the International Monetary Fund is independently evaluating the bill, in hope of breaking the deadlock. Vice-President

SOUTH AFRICA 3

In favour and out of cash

The government's left-wing supporters want more of their comrades in the cabinet.

NAMIBIA 4

The race for second place

The opposition may look different after this month's polls.

SUDAN 6

UN investigators challenge Khartoum

A UN report says the Darfur war is far from over.

ARMS TRADE 7

Smugglers make their fortunes

The more embargoes and sanctions, the higher the return for international arms dealers.

SIERRA LEONE 8

MALAWI 9

KENYA/ICC 10

POINTERS 12

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Goodluck Jonathan was dispatched in late October to discuss details with the companies. 'There is a certain level of tension between the operators and government, which I think is natural,' says Minister of State **Henry Odein Ajumogobia**. 'But I am confident that we will resolve any difficulties, as we have done in the past.'

It seems the Senate was riled when the Petroleum Resources Minister, **Rilwanu Lukman**, tried to forestall the passage of the bill by appointing **Bello Gusau** substantive Director General of the Nigerian Petroleum Directorate – a body which has as yet no legal existence. The Senate wanted the appointment revoked. Senators were also displeased by Lukman's ambivalence about the companies' concerns regarding royalties, taxes and unused acreage. The bill would vest all unallocated acreages of crude oil and natural gas in the NPD, inappropriately giving the industry's policy-making body a

CHINA'S NEW BID FOR NIGERIAN OIL

China has expressed interest in buying 49% stakes in 23 soon-to-expire oil block licences. The London *Financial Times* reported in September that the China National Offshore Oil Corporation was in talks to acquire stakes in fields with 6 billion barrels of proven reserves, close to a sixth of Nigeria's total of 38 bn. barrels in 2009; this was confirmed by **Rilwanu Lukman**. The licences on many of these fields, operated by Shell, ExxonMobil, Chevron and Total, were extended *ad hoc* for one year when they expired last year. The Chinese offer is said to be worth up to US\$50 bn., but no agreement has been reached. CNOOC's interest is a useful bidding counter for the government; ExxonMobil had offered \$78 million for the extension of one of its licences and China's bid per block could be as high as \$2 bn. China has seen the reversal of most of the oil-for-infrastructure deals it signed in the last days of President **Olusegun Obasanjo**'s government. The latest talks may signal a Chinese comeback or a Nigerian negotiating ploy. ●

major stake in the business. It is intended that the NPD 'take over any functions previously undertaken by the Ministry of Petroleum Resources', with the minister responsible for 'overall supervisory functions', including powers to revoke licences and leases. Significant changes are also proposed to the incorporated JVs, upstream licences and ownership of a new National Oil Company (NAOC), which would replace the NNPC. The international companies have asked for time to unwind investments, incorporate the JVs, draw up business plans and transfer JV assets.

The new NAOC would be a limited liability company, wholly owned by the Federal Government, although the law that regulates limited liability companies requires at least two shareholders. Where NAOC is a major shareholder, it is

empowered to appoint half of the board members, of whom eight out of ten must be Nigerian. This risks giving politicians an even greater say in the business. The new JVs are meant to be financially self-sufficient but the bill limits their financing options and shareholders cannot transfer shares without written consent.

A new petroleum exploration licence (PEL) would replace the present oil exploration licence (OEL) under the Petroleum Act 1969, to permit exploration by companies that explore and sell data. That is in addition to the petroleum prospecting licence (PPL), which permits prospecting for crude oil and gas, and the petroleum mining licence (PML) which grants the right 'to search for, win, work, carry away and dispose of crude'. PPLs and PMLs would be granted after a bidding process conducted by the NPD, according to a combination of signature bonus, royalty percentage, work commitment in terms of number of wells to a specified minimum depth and work units. NAOC would enjoy some privileges, giving it 'a significant advantage over other companies'.

As the negotiations proceed, the presidency has announced a reorganisation of the Petroleum Ministry. Minister Lukman, who also founded the fast growing Afren Energy, has been given broad oversight of NNPC and the PIB negotiations. Ajumogobia gets responsibility for natural gas, alternative fuels and regulatory agencies for downstream and upstream activities. Lukman has not been sidelined, yet rumours circulate that he is on his way out and he has handed over all day-to-day tasks to his junior minister.

Separating the operational and regulatory functions of NNPC (which shares its Abuja headquarters with the Petroleum and the Power ministries) will allow it to evolve into a commercial company along the lines of Malaysia's Petronas or Brazil's Petrobras. On a visit, OPEC Secretary General **Abdalla el Badr** said on 18 October: 'I know that a national oil company cannot effectively regulate the industry where it operates in joint

BIG OIL AND SMALL PRINT

The differences seem to be narrowing between the presidency and the critical stakeholders: indigenous and international oil companies, the Nigerian National Petroleum Corporation (NNPC) and the Federal Inland Revenue Service. The joint Senate committee on the Petroleum Industry Bill has asked for a two-week extension to incorporate changes such as the presidency's 10% oil equity for the nine oil producing areas. Shell's Chief Executive, **Peter Voser**, has visited President **Umaru Musa Yar'Adua** and Shell has promised to cooperate with the government's post-amnesty programme.

Earlier this year, there was trouble when it appeared that there were two drafts of the proposed bill. In addition to the presidency's version, a memorandum had been prepared by an Inter-Agency team from most of the government agencies concerned. The most contentious issue is the relinquishment of existing licences and leases. Under the memo, licensees and lessees would declare where commercial discoveries had been made, where development was ongoing and where commercial production was underway. These areas would receive petroleum mining licences, and unselected areas would be relinquished. The memo also proposes a single regulator for the business, the Nigerian Petroleum Inspectorate. Yet the NNPC and the Petroleum Resources Ministry are keen to keep their previous control. Currently, the allocation of licences for exploration, prospecting and mining of oil is at the discretion of the Petroleum Minister.

Bottlenecks and inefficiencies in Nigerian institutions (especially ports and customs) foster bribery. Politicians often manipulate tenders in return for favours. That explains the spat between the Chairman of the relevant Senate committee, **Lee Maeba** (People's Democratic Party, Rivers State), and **Rilwanu Lukman**, Petroleum Minister. Last March, Lukman snubbed the Senate's request to appear before it, finally appeared after four summonses and then was fined. Similarly, **Mohammed Barkindo**, NNPC Group Managing Director, is on poor terms with the Senate since he and Lukman approved the retirement of 15 NNPC officials and the promotion of 67 others. Maeba and his colleagues from the Delta have been criticised for not securing a better deal for the oil producing areas. The committee sat in Calabar, the capital of Cross River State, for two weeks. ●

ventures with IOCs. It cannot function as a ministry within a ministry.'

TEN PERCENT FOR THE DELTA

The presidency wants a new clause in the PIB providing 10% of the equity in all oil and gas operations in the Niger Delta to host communities, a plan first voiced by the President's Advisor on Petroleum Affairs, **Emmanuel Egbogah**, founder of Emerald Energy Resources. The move will be opposed by politicians from the north and west but could shore up the amnesty deal. Violence in the Delta severely disrupted production in the first half of 2009. Production capacity on paper stands at 2.6 mn. barrels per day and Nigeria's OPEC quota is 1.67 mn. bpd but actual production sank to 1.2 mn. bpd, then to below 1 mn. bpd in July, Lukman told AC.

Since the amnesty offer and the ceasefire by the Movement for Emancipation of the Niger Delta (MEND) in July, Lukman says production has recovered to between 1.6 mn. and 1.7 mn. bpd since August. Contradictory figures are quoted: Central Bank of Nigeria Governor **Lamido Sanusi** says production rose from 1 mn. bpd in early August to 2 mn. bpd in late September. Government ministers have admitted since 2008 that the target of 4 mn. bpd (as planned in 2007) is unrealistic. Oil services companies say that 200 operational rigs would be needed to reach this target; 30 are now in operation.

Offering a stake to the Delta is meant to assure stability in the oil-producing region. Several MEND leaders have benefited from the two-month amnesty but rumours of post-MEND militancy are already spreading. There is bound to be opposition from northern states and it is not clear how the additional 10% stake will be managed alongside the 13% derivation of oil revenue earmarked for oil-producing states.

International oil companies are undergoing their own restructuring. Shell, the largest onshore operator, saw its production drop from 1 mn. bpd in 2008 to 300,000 bpd in June 2009. **Ann Pickard**, Shell Africa's Executive Vice-President, based in Lagos, is being transferred to head Shell's **Australia** operation. Her successor is **Ian Craig**, who proved his toughness in negotiations in **Russia** as head of Sakhalin Energy. **Basil Omiyi**, who is Ogoni, Chairman of Shell Nigeria and President of the Oil Producing Trade Section lobby group, retires this year.

Chevron, ConocoPhillips and Italy's *Ente Nazionale Idrocarburi* were all disrupted by this year's attacks but Total has stayed relatively insulated in its offshore operations – and enjoyed some welcome goodwill in July when French Prime Minister **François Fillon** headed a business delegation to Nigeria. ●

SOUTH AFRICA

In favour and out of cash

The ANC government's left-wing supporters in Cosatu and the SACP want more of their comrades in the cabinet and more social spending

The Congress of South African Trade Unions (Cosatu) and the SA Communist Party (SACP) have gained strength since they helped President **Jacob Zuma** into power in April. Their left-wing arguments have more effect on politics than on economics but President Zuma's balancing act between his constituencies is already affecting policy (AC Vol 50 No 21), creating difficulties for a country that is facing a revenue shortfall of 70 billion rand (US\$9.44 mn.).

This week, the ratings agency Moody's Investors Service warned that the trade unions' influence on the government could damage the economy if it pushes up government spending, which in turn would raise the budget deficit and the national debt. Moody's rates South Africa's long-term foreign currency debt at A3, its fourth-lowest investment level. Another ratings agency, Standard & Poor's, places South Africa at BBB+, the agency's third-lowest ranking.

Cosatu and the SACP, whose economic advice former President **Thabo Mbeki** largely ignored for ten years, have used Zuma's election to remind their much larger alliance partner, the governing African National Congress, that they remain relevant. One of their triumphs was the ousting of South African Reserve Bank Governor **Tito Mboweni** and his replacement by **Gill Marcus**. They also backed Zuma's May appointment of **Ebrahim Patel**, the General Secretary of the Southern African Clothing and Textile Workers' Union, as Minister of Economic Development.

This has resulted in ferocious turf wars and the resignation of some of the government's best brains. Patel, formerly an organiser for the National Union of Textile Workers, is steeped in the labour movement (AC Vol 50 No 10). He is clever and complex, and former colleagues say he is extremely difficult to work with. He was appointed at the last minute to appease the left and seven months later has no staff or real authority, and works out of a corner office in the Department of Trade and Industry building in Pretoria.

Backed by behind-the-scenes pressure from the Cosatu General Secretary, **Zwelinzima Vavi**, and the SACP General Secretary **Blade Nzimande**, Patel has however been struggling to claim control of micro- and macroeconomic

policy development, hitherto the closely guarded responsibility of the South African Treasury. Finance Minister **Pravin Gordhan** quietly reassures business people that transferring such powers would involve a complicated legislative process and is at present merely being debated.

Nevertheless, there was a flurry in the markets at the end of October, when Patel incautiously remarked that he planned to freeze the currency at a fixed exchange rate, so that the economy could benefit from a stable rand and thus accelerate job creation. ANC stalwart **Joel Netshitenzhe**, the head of Policy Coordination and Advisory Services in the Presidency, resigned on 21 October as economic policy-making is reorganised and Patel gains influence.

CABINET CLUSTERS

That week, Zuma remodelled his Cabinet 'cluster' system, which brings together ministries with overlapping functions within a formal structure. He excluded the respected Minister of National Planning and former Finance Minister, **Trevor Manuel**, from the economic clusters, and instead brought in Patel. It seemed that Patel had won the skirmish over economic policy.

Zuma separated Manuel and Patel because, according to witnesses to their meetings, their ideological differences led to unbearable debates. The left claimed Zuma's decision as its victory, but the markets took it as another worry. Excluding the National Planning Minister from discussions of economic growth and employment looks like a political, rather than an economic, move. Later, Zuma added to the muddle by supporting Manuel's proposal for a National Planning Commission, as outlined in a Green Paper discussion document released in September.

The paper argues that improved national strategic planning would increase policy coherence, with better coordination from the centre of government. It envisages a National Planning Commission, chaired by Manuel and including members from outside government. The Commission would advise the cabinet, which forms policy, and its chairperson would receive political support from a Ministerial Committee on Planning, with technical

advice from a small, professional National Planning Secretariat, working closely with experts in institutions such as the Development Bank of Southern Africa (DBSA), universities and think-tanks.

TURF WARS

Cosatu opposed the whole idea and aimed to weaken Manuel's role by putting Zuma or his deputy, **Kgalema Motlanthe**, in charge of the Commission, subject to advice from 'clusters' of cabinet ministers. Opposition from Cosatu and the SACP has already delayed the start-up of the Commission, including the appointment of independent experts and strategic thinkers, as well as the composition of the expert teams. Policy-makers and technocrats in the presidency are frustrated: 'Everything you read in the press is true,' said one exasperated staff member, referring to the turf wars.

Behind the political clamour, the question of whether the left or the government is in control of economic policy is rendered irrelevant by South Africa's sudden and severe budgetary constraints. Finance Minister Gordhan faces an expected revenue shortfall of R70 bn., an impossibly large commitment to increase public servants' pay, surging power costs, which could make free basic electricity for the poor unaffordable, and an underfunded treatment programme for HIV and Aids.

Many of Zuma's election promises are impossible to fulfil. The February budget predicted a deficit of 3.9% of gross domestic product. It has plummeted to 7.6%. The government has no choice but to borrow and pay interest in the medium term. However, borrowing becomes more expensive each time the ratings agencies downgrade the country's ranking. The public debt is expected to rise from around 22% at the start of 2009 to 41% in 2012/13.

Spending on social programmes and infrastructure, which during the past three years has grown by 9%, will fall sharply to 1%. In his Medium Term Budget Policy speech, Gordhan's only large discretionary spending decision was to put another R900 mn. into the government's HIV/Aids programme. He put on ice the left's demand that a national health insurance scheme become law within a year. Economists say that such a scheme would require a massive increase in taxation and the left knows only too well that Gordhan cannot do that.

The battles within the tripartite alliance are bound to continue but the left is unlikely for now to take on the Treasury and government. The danger is that political strife could paralyse effective policy implementation. ●

NAMIBIA

The race for second place

No change is expected for the governing party but the opposition may look different after this month's polls

President **Hifikepunye Pohamba**'s governing South West Africa People's Organisation will almost certainly win again, and comfortably, at the elections on 27-28 November. The main opposition parties claim they hope for victory but the real race is for second place, with the SWAPO breakaway, the Rally for Democracy and Progress (RDP), led by former cabinet minister **Hidipo Hamutenya**, tipped to become the official opposition.

A record 14 parties will contest the National Assembly elections and twelve candidates the simultaneous presidential election. Only three opposition parties are campaigning nationally – the RDP, the Congress of Democrats (CoD, a prior SWAPO breakaway, led by former trades unionist **Ben Ulenga**) and the Democratic Turnhalle Alliance (DTA-Namibia, led by **Katuutire Kaura**). None of them, nor the four ethnically-based parties with members in the outgoing Parliament, have a hope of unseating SWAPO, which swept each of the three preceding elections, despite rifts between the generally pragmatic old guard and younger party cadres and youth leaguers with their militant rhetoric.

THE OPPOSITION'S TARGETS

The opposition parties might possibly cut back SWAPO's two-thirds majority in the Assembly (55 of the 72 elected seats) to a simple majority, if they can gain at least eight seats and push SWAPO below 48. Voters are unlikely to punish the party for the impact of the global economic recession and higher unemployment.

The slump in gem diamond sales last year and subsequent halving of output by Namdeb, the 50:50 government-De Beers diamond producer, produced 12% negative growth in gross domestic product in the first quarter of 2009. For this year as a whole, GDP is forecast to contract by 1% (compared to 3.3% real growth in 2008). Yet the economy may be growing again on the back of the recovery in world demand for minerals (AC Vol 50 No 21). The Bank of Namibia, the central bank, says that mining output began to grow in the third quarter, as onshore diamond mines reopened in June after a three-month 'production holiday', and uranium output increased. Next year, diamond output should rebound to some 2 million carats and uranium looks set to boom.

The RDP's best hope is that Hamutenya will get 10% or better in the presidential poll while it becomes the biggest opposition party in the Assembly, where it currently has no members of parliament. This seems likely. A survey by Afrobarometer last November gave it 9% of the vote, with the DTA on 4%. Hamutenya, who was in the cabinet until being sacked by the then President, **Sam Nujoma**, in 2004, has both experience and credibility.

The RDP should pick up votes in SWAPO's mainly Oshivambo-speaking heartland of north-central Namibia. Hamutenya is Kwanyama, from the largest Oshivambo sub-group, and will attract some northern voters if SWAPO militants allow a free campaign. All parties have signed up to a code of conduct but there are already allegations of intimidation. At the end of October, the RDP claimed that some 300 SWAPO members had threatened violence to stop it campaigning in Omusati region; SWAPO riposted that RDP activists had deliberately provoked its supporters.

Running a strong campaign, the DTA may hold on to most of its four MPs. The CoD, currently the official opposition, is unlikely to retain its five, having been fatally damaged by infighting since 2007, when Ulenga was accused of rigging the leadership vote. His main opponent, **Ignatius Shixwameni**, left to form the Kavango-based All People's Party (APP) and many younger black urban professionals are expected to switch to the RDP this time. Namibia's partly proportional party list system, used for national but not regional or local polls, can benefit minority parties only if they merge; nobody has yet proposed joint party lists.

The opposition parties must also reckon with inaccuracies in the electoral register, ballot-counting irregularities and the state-controlled media's SWAPO bias. At the beginning of November, the CoD and RDP asked the High Court to order the Namibian Broadcasting Corporation, the only terrestrial television broadcaster, to provide equal airtime to all parties.

The NBC promptly cancelled all free election broadcasts, which aborted the legal challenge, but it still favours SWAPO. The Institute for Public Policy Research found that in the first week of November, 82% of political coverage was devoted to SWAPO, while the highest coverage for an

opposition party was 4%. The opposition is getting ready to challenge the election results, having secured a (fruitless) recount in 2004 after delays and counting irregularities.

The preliminary electoral register published in mid-October by the Electoral Commission of Namibia listed several hundred deceased electors, including the late National Assembly Speaker, **Mose Tjitendero**, who died in 2005. The ECN has produced varying estimates of new registrations. First, it said there were 290,000 new names in a total of 1.3 mn. ECN Chairman **Victor Tonchi** later put the total at just under 1.2 mn., with 306,000 new electors. The National Society of Human Rights has called for more transparency and the DTA said it had identified 198 duplicate registrations after inspecting only three of the 107 constituencies. The party estimated a national error margin of up to 10%, warning of 'substantial inaccuracies which can provide a fertile ground for material election fraud'.

JOBS IN THE WILDERNESS

Namibia needs jobs and many Western countries are in the market for uranium. So, despite protests from environmentalists, the government wants to open new mines in the almost uninhabited west-central Namib Desert. They could, some reckon, create more than 5,000 new jobs over the next three to four years, for miners and employees of service and supply firms. Black economic empowerment (BEE) policies are meant to give Namibians shared ownership of the new mines.

France's giant Areva company makes nuclear power-plants and mines their fuel. In late October, in the presence of its Chief Executive, **Anne Lauvergeon**, President Pohamba switched on the main pump of a US\$160 million desalination plant on the coast north of Swakopmund, which will eventually supply some 20 mn. cubic metres of potable water per year to Namibia's third uranium mine, some 50 kilometres inland at Trekkopje. The complex will cost \$750 mn.

Two existing mines at Rossing (69% owned by the **Anglo-Australian** resources group Rio Tinto) and Langer Heinrich (wholly owned by Perth-based Paladin Energy) should between them produce 5,000 tonnes of triuranium octoxide (U_3O_8), a form of yellowcake, this year. Most is sold under International Atomic Energy Authority safeguards as fuel for nuclear plants in **China** (Rossing's biggest customer), **Japan**, **South Korea** and the **United States**. Last year, Areva announced plans to sell 49% of its southern Africa subsidiary, Trekkopje's owner, to China Guangdong Nuclear Power Company, with 35% of the mine's output for Chinese power utilities.

Britain may soon be a significant customer, as its government backs the building of up to ten new nuclear power plants, to replace outdated ones and reduce carbon dioxide emissions from conventional power stations. This has prompted some forceful allegations: *The Observer* on 8 November declared that 'Britain's nuclear strategy threatens destruction of Kalahari'. In fact, the uranium lies far to the west of the Kalahari. British plants would not start using it before 2017 at the earliest.

Namibia is the world's fourth biggest uranium producer after **Canada**, **Australia** and **Kazakhstan** (which it may overtake by 2012-13). Rossing and Langer Heinrich are expanding capacity to around 8,000 tonnes of U_3O_8 annually by 2012. Trekkopje plans some 3,900 tonnes annually from 2011, after a year's delay because of cost overruns and technical problems.

There are more than ten uranium projects in the Namib Desert, most of them being developed by Australian and Canadian exploration companies. At least four are likely to have become mines in 2011-12: Rossing South (Australia's Extract Resources); nearby Etango (Australia's Bannerman Resources); Valencia (Canada's Forsys Metals) north of Rossing; and Tubas (Australia's Deep Yellow) south of Langer Heinrich. Chinese and **Russian** interests hold a few licences but missed out when the best prospects, mainly near known deposits, were allocated to minor Western companies in 2005-2006.

Six foreign-owned exploration companies, along with Paladin, have dual-listed on the Namibian Stock Exchange (NSX) in the past year. The government wants more Namibian involvement, although no law yet requires BEE or local equity stakes in mining companies, as in **South Africa**. Applications for new or renewed mineral exploration licences must allocate an unspecified shareholding to 'previously disadvantaged Namibians' and empowerment of the nearest local community once deposits are developed.

Most local stakeholders are black professionals or people well connected to the governing SWAPO. Deep Yellow and West Australian Metals (exploring the Marenica project north of Rossing) signed up BEE partners this year; the directors of Oponona, which will get 5% of all Deep Yellow's approved projects, include **Monica Nashandi**, formerly High Commissioner in Britain, now Deputy Executive Director of Pohamba's office, and **Ben Mulongeni**, founder-editor of SWAPO-owned newspapers. WME's BEE partner, Millenium Minerals, whose 5% equity stake in Marenica will be paid for out of future profits, is owned by **Mathews Hamutenya**, a businessman related to

presidential aspirant Hidipo Hamutenya.

The key prize is Rossing South, probably an even bigger and richer deposit than Rossing, with proven resources so far of 121,000 tonnes of U_3O_8 , with a likely 84-129 thousand tonnes nearby. There, Extract aims to produce some 4-5 thousand tonnes annually by 2013. Its Chairman is **Steve Galloway**, the Managing Director of Nedbank Namibia, where **Inge Zaamwani-Kamwi**, Managing Director of the Namdeb Diamond Corporation, became a Director this year. She is married to Health and Social Services Minister **Richard Kamwi**. The state-owned Epangelo Mining, launched last year, aims for a direct stake in Rossing South by securing Extract Resources' agreement to a substantial shareholding.

ENVIRONMENTAL CONCERNS

Environmentalists are concerned that mines will turn the wilderness into a bleak industrial landscape, pollute groundwater supplies and generate radioactive dust from processing plants and dumps. Earthlife Namibia, a local non-governmental organisation whose pro-green, anti-nuclear stance resembles that of Greenpeace, wants all uranium mining stopped and, in the words of its director **Bertchen Kohrs**, 'making Namibia a leading example for renewable energy on the African continent'. Areva insists that its decommissioning plan will return most of the Trekkopje area to its former wilderness state, without polluting underground water.

A government-commissioned strategic environmental assessment of uranium mining is due to be completed next March. It will not satisfy Earthlife, as it assumes continued production of yellowcake. Government restrictions should reduce some impacts, though. New mining projects must come with an environmental and social impact assessment report and a plan for decommissioning and rehabilitation.

The assessments for Bannerman's Etango project (like Rossing South, within the Namib-Naukluft National Park) leave questions unanswered. Windhoek-based Alexander Speiser Environmental Consultants said significant measures were needed to preserve the quality of the present environment as far as possible and identified the dangers of potential over-abstraction; contamination of ground water; long-term radioactive dust; biodiversity degradation and disruption of ecosystems. The worst impacts can, say the consultants, be mitigated, but the wilderness is bound to be affected, although the unique 'moon' landscape around the Swakop River and the Welwitschia flats can be preserved. That will not placate the green lobby – nor will it stop the mines. ●

UN investigators challenge Khartoum

A UN report says the Darfur war is far from over and Khartoum is the main protagonist and procurer of arms

The opening sentence of the 27 October Report by the United Nations Panel of Experts on Sudan, released last week, demolishes the notion that the Darfur war is over. 'Most of the major armed actors in the Darfur conflict have continued to exercise their military options, violate the United Nations arms embargo and international humanitarian and human rights law, and impede the peace process.' The outgoing Commander of the UN-African Union Mission in Darfur, General **Martin Luther Agwai**, and the Joint UN-AU Special Representative on Darfur, **Rodolphe Adada**, whose contract the UN failed to renew in September, had declared the war to be over.

The Report, which covers only the year up to publication, goes on to slam the frequent 'disproportionate use of force by the Sudanese Armed Forces (SAF) and their auxiliary forces'. The emphasis on the regime's predominant role pervades the 94-page Report, implicitly challenging the 'equivalency' approach of interested governments and many non-governmental organisations and journalists.

While the Panel does not hesitate to criticise insurgent movements, especially the Justice and Equality Movement (JEM), most active in recent months, it leaves no doubt that the main abusers are the SAF and 'auxiliary forces' – listed as the National Intelligence and Security Service, People's Defence Force, Border Guards, Central Reserve Police (paramilitary) and State Police.

If the *Janjaweed* are unlisted, it is because the government 'alleges that all *Janjaweed* militias have been integrated into SAF and its auxiliary forces but has never provided detailed accounting for this claim. In 2004, the Security Council demanded that the Government of the Sudan disarm all *Janjaweed* militias and bring to justice *Janjaweed* leaders.' None of this has happened and the Panel is scathing about Khartoum's refusal to cooperate in every respect. It even refused multiple entry visas to Panel members, who needed to travel abroad to gather evidence and whose 2005 mandate came from the UN Security Council.

The Panel's brief is to investigate infringements of UN sanctions, which mainly cover military transfers to Darfur, and to look at human rights abuses. It found plenty of both, despite the best obstructive efforts of the National

Congress Party (NCP, aka National Islamic Front). 'Perfunctory responses or outright refusals to respond to issues and questions the Panel raised were the rule rather than the exception.' Leading this defence, as official interlocutor with the Panel, is General **Mohamed Ahmed Mustafa el Dabi**, from the depths of the NCP inner core and well versed in Darfur. Head of Military Intelligence, he went to head External Security in 1995, when **Nafi'e Ali Nafi'e** was moved sideways after the attack on Egyptian President **Hosni Mubarak**. By 2004, he was Ambassador to Qatar, an emirate later to host Darfur peace talks.

In 2004, the Sudan Liberation Movement (SLM)'s leading Messalit, **Khamis Abdullah Abaker**, told *Africa Confidential* that in 1999 Mohamed Ahmed el Dabi 'came to Geneina with a free hand to do anything. He said: "I am coming here to push all Messalit and all rebels from Geneina." He brought 1,500 soldiers from Khartoum and began to burn the villages from Barey to Kudumuli' (AC Vol 45 No 10). Khartoum has encouraged a rewriting of history that begins the conflict in 2003, but human rights reports describe a steady build-up of attacks in preceding years.

BATTALIONS 'AS BIG AS YOU WANT'

The NCP cannot pursue its military strategy without breaking the UN embargo but infringements are often hard to prove. A sovereign government can easily move equipment into Darfur and claim it was there before the embargo. To comply with the 2005 Darfur Peace Agreement, it reorganised SAF in the region, disbanding the Western Military Command and deploying three divisions, one in each state capital: El Fasher, El Geneina and Nyala. The Report says these include infantry, mechanised and armoured units, with attack helicopters, jets and Antonov cargo planes (mainly used for bombing; cargo and troops are carried by aviation firms).

The regime needs UN permission to deploy troops in Darfur: since 2005, it has not asked. Instead, it claims the eight battalions it has deployed are returning from Southern Sudan after the 2005 Comprehensive Peace Agreement. When asked how big a battalion was, a military source said, 'As big as you want!'

Without continual monitoring, which the international community will not

pay for, it is impossible to measure troop or insurgent movements and the regime refuses to provide any information. Much of the materiel is post-embargo, though, and ammunition is easy to trace. The UN Report goes into rigorous detail about bullets and fuses, nearly all from **China**, including those used by rebels. What is harder to pin down is the 'trading chain': was this materiel sold legally to the NCP regime which then moved it illegally into Darfur? While the Beijing government has often stalled on questions from the Panel, the companies receiving specific questions on this year's transactions – China National Precision Machinery Import and Export Corporation, North Industries Corporation and Xinshidai Company – simply failed to reply.

Also silent was Dubai-based Mousaei Product Company, supplier of the video recorder in one of the unmanned aerial vehicles that the government used to spy on Darfur rebels. This is because the company does not exist. Its real name is Millennium [sic] Product Co. LLC, and while its main shareholder is one **Ayoub Mohamed Abdullah**, its leading managers are Iranian: **Mojtaba Sadegbi** and **Saeid Mousaei**. The UAV in question, AC understands, may be the Iranian-designed *Ababil* drone shot down by SLM-Unity (AC Vol 49 No 19). It was to Mousaei Product Co., however, that UK video surveillance firm Ovation Systems sent some US\$200,000 worth of recorders and 'flash cards' in 2007-08. In 2009, Ovation won the prestigious Queen's Award for International Trade.

This raises a subject dear to the Panel's hearts: due diligence, i.e. assessments of the deeper ramifications of any commercial deal. 'Even for well-intentioned companies, it has to be understood that when you do business in Sudan, you are likely to end up doing business with government,' the Panel Coordinator, **Enrico Carisch**, a veteran of UN panels on **Somalia**, **Liberia** and **Congo-Kinshasa**, told AC.

An emphasis on corporate social responsibility requires support from UN governments, especially the 15 on the UNSC which mandates investigative panels on arms and resources (AC passim). Yet though the Council renewed the Panel's mandate until October 2010, it displayed the carrot approach which now characterises international dealings with Sudan, urging and encouraging rather than using the Panel's detailing of torture and sanctions-busting to build more robust policies.

Someone may be listening, though. In an unprecedented case on 4 November, the owner of one of the world's largest second-hand military equipment dealers, **Andrew Jackson**, a **Briton**, was sentenced to two years eight months' gaol after trying to send some £500,000

(US\$840,000) of military vehicles to White Nile Petroleum, thereby breaking the European Union's arms embargo. The Swedish troop transporters are designed

for rough terrain and, said a military source, superior to those Sudan might buy from Russia or China. The White Nile in question was the Sudan government oil

company, not the outfit of former England cricketer **Phil Edmonds** in South Sudan, an enforcement official at Her Majesty's Revenue and Customs assured us. ●

AFRICA/ARMS TRADE

The smugglers make their fortunes

The more embargoes and sanctions, the higher the rate of return for international arms dealers

Arms traders are getting around Europe's sanctions on **Guinea** and playing games with the embargo on **Côte d'Ivoire**, and **Belgium** sells weapons to **Libya**, hub of the arms business in Africa. On 27 October, just a month after Guinean soldiers massacred 160 demonstrators in Conakry (AC Vol 50 No 22), the European Union's ministers of foreign affairs imposed an embargo on sales of weapons to Guinea, and froze the assets and blocked the visas of members of its ruling *Conseil National pour la Démocratie et le Développement* (CNDD).

However, Guinea's leaders were expecting it. We hear that the Vice-President and Minister of Defence, General **Sékouba Konaté** ('The Tiger') travelled to the **Ukrainian** capital, Kiev, on 11 October with Guinea's Consul in Casablanca, **Morocco**, **Roda Fawaz**, a **Lebanese** businessman. They negotiated the delivery of light weapons worth US\$45 million, which were offloaded some days later in Conakry port.

Meanwhile two newspapers, *Ouest-France* and *De Beeld* of **South Africa**, saw e-mails reporting the arrival in Conakry in the second half of October of three former officers of the South African Police, **Christo Delpont**, **Eloff Meyer** and **Rudolf Muller**. They are said to be employed by Omega Strategic Services, of Dubai, **United Arab Emirates**, run by another former South African policeman, **Daniel Oosthuizen**.

Their job is to train Guinean soldiers and militia, and to organise personal security for senior officials; they are said to have received the weapons from Ukraine. *Ouest-France* claims that more mercenaries have arrived in Conakry, organised by another Dubai firm, Global Maritime Security Solutions, whose boss is **Derek Coetzee**. It specialises in protecting hot spots along Africa's coasts, including in **Nigeria**. Around 50 foreign 'specialists' are said to have arrived in Guinea.

In Côte d'Ivoire, the presidential election, set for late November, seems

likely to be postponed and a group of United Nations' experts told the UN Security Council on 7 October that the rival camps were rearming. The experts do not think the government's *Forces Armées Nationales de Côte d'Ivoire* need to break the arms embargo, because they already have far more materiel than the opposition *Forces Nouvelles* (FN). Then the opposition *Parti Démocratique de Côte d'Ivoire*, led by former President **Henri Konan Bédié**, announced in July that it was forming a new militia. The government is buying anti-riot gear. Before the UN report, it had ordered pistols and tear-gas grenades worth \$1.7 mn., assuring the UN that they were not military supplies. The UN experts fear that police with new weapons might transfer their old ones to the FANCI.

COFFEE, COCOA AND EQUIPMENT

The UN experts also believe the purchase by the Ivorian Defence Ministry of **Japanese** lorries and pick-up trucks could be a breach of the embargo, perhaps for President **Laurent Gbagbo**'s Republican Guard. Of the newly imported vehicles, 24 were bought through the *Comité de Gestion de la Filière Café-Cacao*, the state-controlled coffee and cocoa agency, which had previously been suspected of buying arms and military equipment.

The experts also found that Ivorian officers go regularly for training in Morocco, where the authorities admit they trained 39 in the use of communications equipment, weapons and armoured vehicles. The experts call this 'a flagrant violation of the sanctions regime'. In the rebel-dominated north, the experts found that civilians held large numbers of twelve-bore shotgun cartridges made in **Mali**, exported to **Burkina Faso** and resold to Ivorians, which again breaches the embargo.

The FN are thought to have a route around the sanctions. Serial numbers have been systematically filed off thousands of Kalashnikov assault rifles found in FN armouries at Odienné and Korhogo.

Cattle trucks are said to come loaded with rifles and ammunition from Burkina, packed in rice sacks. The weapons that can be identified (7.62 x 39 millimetre calibre) came from **Russia** and elsewhere via **Sudan** (see Feature). The FN have Motorola personal radios made by Huaana Guang Tong Electronic Limited of Beijing, and Toyota pick-ups. The report says the FN gets its weapons through Burkina but could not prove that the Ouagadougou authorities were involved.

Libya, which has sold weapons to several African countries, has imported large quantities from **Belgium** in recent years. On 29 October, the Belgian Council of State, in response to complaints by two non-governmental organisations, the *Ligue des Droits de l'Homme* and the *Coordination Nationale d'Action pour la Paix et la Démocratie*, suspended the state-controlled *Fabrique Nationale*'s arms export licence for Libya. The order, worth 11.5 mn. euros (\$17.2 mn.), covered hundreds of rifles, pistols, light machine-guns, rifle-grenades and 1.3 mn. rounds of ammunition, said to be for the elite 32nd Battalion of the Libyan army. Two thousand FN 303 grenade launchers were said to be modified for less lethal use by the police.

In the past, Libya has sold arms to **Sierra Leone** during an embargo and has been involved in sales to **Liberia**. **Italian** investigators are looking into a sale of 500,000 illegal rifles from **China**, probably to end-users in Africa and **Iraq**. In February, the *Sudan Tribune* claimed that Libya had sold weapons to rebels in Darfur and last year it wrote that Libya had supplied weapons to **Ahmat Acyl Aghbash's Chadian** Arab militia, active in the three countries' border area. Ahmat Acyl died in 1982 but the militias live on.

Licences are usually refused only after most of the weapons have been delivered. The government of Belgium's Walloon Region intends to issue licences to sell 'non-lethal' weapons to the Libyan police and the *Fabrique Nationale* is talking about an order worth 111 mn. euros in 2010-2015, enough for Libya's army of 75,000 men, which is already well supplied. Wallonia President **Rudy Demotte** argues that the UN lifted the embargo on Libya in October 2004, when Tripoli officially abandoned its weapons of mass destruction.

In the past three years, European governments have issued 73 export licences, of 100 applied for. In 2008, the **British** government turned down a Libyan order. ●

'We no go tire'

The country wants investment and, with a little help from his friend Tony Blair, President Koroma embarks upon a fund-raising mission in Britain

In the run-up to a fund-raising conference in London on 18 November, President **Ernest Bai Koroma** was pushing legal and business reforms, and making an example of corrupt officials. He sacked a minister, pushed through a mining bill, set up performance contracts for ministers, commissioned a dam that is over 30 years late and unveiled the country's first health plan. Koroma needed a good story to tell the conference, organised by his government, **Britain's** Department for International Development, the World Bank and British former Prime Minister **Tony Blair's** consultancy firm.

Blair, who scored a rare success by ordering British troops into Sierra Leone in 2000 (AC Vol 41 No 12), remains popular in Freetown and his consultancy works for the government (and for the **Rwandan** regime). It has helped to draw up Koroma's ministerial contracts and hired a London public relations firm to promote investment and tourism in Sierra Leone. He told AC that Sierra Leone had

been selected as a client for his consultancy based on 'need' and a 'president and a team that wanted change'.

This burst of activity follows months when Koroma was bogged down in political quarrels among factions of the governing All People's Congress (AC Vol 50 No 20). Despite a weapons ban since the devastating 1991-2002 civil war, armed crime in the capital has risen and last month Koroma put armed police and troops on the streets all night. Youths rioted near Lungi airport, accusing police of being involved in armed crime. The Office of National Security, a relatively reliable force rebuilt by British money and trainers, quickly began investigating trigger-happy policemen. Koroma belatedly announced a commission to investigate March's riots between his party faithful and the Sierra Leone People's Party in the SLPP Mende southern and eastern strongholds.

Tub-thumpers for the Sierra Leone Trade and Investment Forum say Sierra Leone achieved 7% growth a year in

2007-8, despite the world credit famine. That was starting from an extremely low base and this year's growth is down to 4% amid the world slowdown. Mineral exports fell by over a third in the first half of 2009, remittances by a third, while the rice price doubled.

Prosecuting a minister for corruption looked risky, especially as the President appointed **Sheku Tejan Koroma** as Health and Sanitation Minister only last year in a reshuffle meant to root out rot. Tejan Koroma is accused of abusing his position and wilfully failing to comply with procurement requirements, new offences under the Anti-Corruption Act 2008. The Anti-Corruption Commission (ACC) cites a medical supplies contract. He has pleaded not guilty and will be in court in December.

The ACC, under the impressive **Abdul Tejan-Cole**, could not prosecute former Energy Minister **Haja Afsatu Kabba** last year because the law was not yet in force. The ACC has now recovered funds of over 3 billion leones (US\$779,220) and recently indicted **Sarah Finda Bendu**, the Sierra Leone Road Transport Authority's acting head. Tejan-Cole believes that to change the corruption culture, he must start with small fry but he intends to prosecute more senior people next year: this year, the ACC has prosecuted just 15.

The largely donor-funded, six-year health plan will offer pregnant mothers and under-fives free healthcare from May. Opening the 50 megawatt Bumbuna hydroelectric dam this month, Ernest Koroma declared 'We no go tire' ('We shall not tire' in Krio) and said he wanted funds to boost power capacity by 350 MW within six years. The dam will supply Freetown, Makeni and Magburaka.

The Investment Forum proclaims that oil finds off the south coast near Turner's Peninsula mean more exploration soon. Several British political risk firms claim companies are waiting to start. CDC Group, a controversially privatised British development finance group, has set up a \$5 million fund to back non-mining private investment by small and medium businesses to stimulate entrepreneurs. Foreign business trainers say there is little local know-how or spirit for investment.

Many businesses were rebuilt from scratch three times during the war. The Sierra Investment Fund, managed by ManoCap, has invested in an ice factory and an ambitious fishing business. It hopes to invest \$20-30 mn. over the coming years. The linked ManoCap Soros Fund will focus on agribusiness. Philanthropic multimillionaire **George Soros**, who has met Koroma and invested in the country via his Soros Economic Development Fund, has optimistically described Sierra Leone as 'a stable state where good governance has taken hold'. ●

FROM COWBOYS TO CORPORATES

For years, cowboy outfits have churned through Sierra Leone's red dirt for diamonds and gold, but now the government is getting serious about extractive industries. Listed companies already have interests in titanium ore (Sierra Rutile, owned by Titanium Resources Group), iron ore (London Mining, which is exploring a possible joint venture with **China** Minmetals and Sinosteel at Marampa), African Minerals (exploring at Tonkolili and Marampa and promising railway and port infrastructure), and an oil foursome of Anadarko, Repsol, Woodside and Tullow, which announced an offshore find that could yield 200 million barrels. Others scout for tantalum, uranium and gold projects.

A mining review was interrupted by the sacking of Minerals Minister **Alhaji Abubakar Jalloh** in 2008. Diplomats say his replacement, President Ernest Bai Koroma's Presidential Affairs Spokesman and slick operator **Alpha Kanu**, enjoys his reputation for corruption. He changed his job description to the more interesting 'Minister of Mineral Resources and Political Affairs'. The Mines and Minerals Act 2009 attempts to boost benefits for local communities and convince companies their investment will be safe. Those who sit on licences without doing anything will have one year to operate and can renew only once; more expensive exploration licences will require companies to spend progressively more each year.

Royalty rates increase to 6.5% on diamonds, 5% on gold and other precious metals, up from 4%; other minerals remain at 3%. A special 15% rate will apply to the most valuable diamonds. The government acquires the right to a stake in large-scale mining operations. There will be health and safety provisions, environmental protection and community development rules. The new bill lays the groundwork for membership of the international Extractive Industries Transparency Initiative.

Parliament has yet to approve the bill and a Presidential Task Force is reviewing some 'special agreements' with Koidu Holdings (a diamond mine, owned by **Israel's Benny Steinmetz** Group), Sierra Rutile and African Minerals (formerly the state diamond company). The aim is to abolish special agreements, which may lead to corruption. The Anti-Corruption Commission called in the previous Minerals Minister after he accepted a trip to **Romania** with **Vasile Frank Timis** of African Minerals (AC Vol 50 No 4). ●

The rise and rise of ethnic politics

The predominance of Lhomwe people in the government hierarchy raises doubts about Mutharika's nationalism

The star attraction of the Lhomwe cultural festival last month was President **Bingu wa Mutharika**: his presence reflects his growing use of his own ethnic identity to mobilise political support. The festival was held in the village of Chonde in the Mulanje District of southern Malawi. This is close to the Mozambican border, over which the Lhomwe people migrated in the course of the last two centuries and across which chiefs Mutharika, **Nasiyaya**, **Mpeni** and **Khoromana** came for this celebration.

The President had borrowed the Chief's name when he tired of his original name of **Brightson Webster Thom**. President Mutharika's visit to Chonde drew an estimated crowd of 40,000 people, as well as many official limousines and military uniforms, a television crew from the state-owned Malawi Broadcasting Corporation, many metres of *Mulhako wa Alhomwe* cloth and a host of soft drinks traders to serve the usual thirsts of the hot season.

It was a peaceful and colourful festival which, the President insisted in his opening speech, was 'non-political'. 'Some critics,' he explained, 'suggested that I should not come to this function because I am President of this country... But the *Mulhako* is non-political. It is about promoting Alhomwe cultural and traditional values including our language.'

It is difficult for a president to do anything non-political in Malawi. When founding President **Hastings Kamuzu Banda** shifted the capital from Zomba to the heartland of the Chewa people, at Lilongwe in the Central Region and made Chichewa the official national language, this was a political act against the Tumbuka-speakers of the North and the Yao and Ngoni peoples of the south. When his successor, **Bakili Muluzi**, made public appointments from his own Yao people and was seen as favouring their Muslim faith over Christianity and to be building more roads and power lines in their Machinga district than elsewhere, he was strongly criticised, too.

The fact that post-Independence Malawi has escaped large-scale ethnic violence and is proud of being peaceful and friendly cannot altogether conceal the ethnic resentment that plagues other African states and which lies close to Malawi's surface. Presidential favour or

disfavour can make or break a region's economy as it can an individual's career; if preference is perceived as being based on ethnicity, resentment grows.

ETHNIC FAVOURITISM

The arrival in Chonde of official limousines containing Lhomwe cabinet ministers such as **Patricia Kaliati**, **Anna Kachikho**, **George Chaponda**, **Richie Muheya** and the President's own brother and Justice Minister, Professor **A. Peter Mutharika**, reinforced claims about the Lhomwes' sudden rise to prominence.

Critics had accused the President of ethnic favouritism before this, though. They point to Lhomwes at the head of the Anti-Corruption Bureau (**Alex Nampota**), the Malawi Police Service (**Peter Mukhito**), Malawi Electoral Commission (**Anastasia Msosa**), and

of government-owned corporations such as the Agricultural Development and Marketing Corporation (**Charles Matabwa**) and the Malawi Social Action Fund (**Edward Sawerengera**).

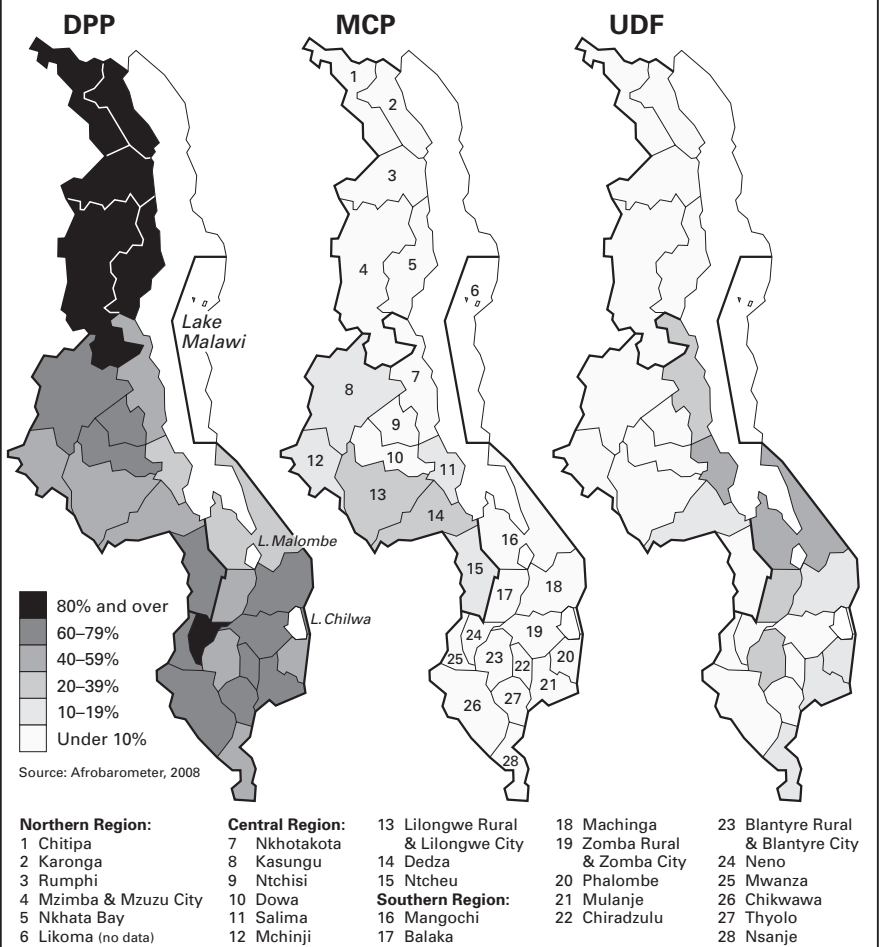
Other prominent Lhomwes include Principal Secretaries of major government departments (**Joseph Mwanamvekha** is the latest on the scene: Chairman of *Mulhako wa Alhomwe* and since October, Chief Secretary to the Treasury), the Chief Justice (**Lovemore Munlo**) and the Attorney General (**Jane Ansah**).

The sellers of soft drinks were not the only businessmen at Chonde to profit by their proximity to greatness. **Leston Mulli**, the rapidly rising star of the business community, with a multitude of blossoming investments in goods and passenger transport, tourism and timber concessions, and in Mulanje District's large tea estates, was there as patron of the event. He, too, is a Lhomwe and the brother of **Felton Mulli**, another of Bingu's cabinet ministers.

Accusations of presidential ethnic favouritism by members of Malawi's 20 or so ethnic groups are growing. The veteran Sena-speaking political baron of the Lower Shire valley, **Gwanda**

VOTING INTENTIONS BY DISTRICT

Percent of people intending to vote for:



Chakuamba, who was leader of the powerful *Mgwirizano* Coalition in the 2004 elections and now leads the New Republican Party, was recently convicted (but not punished because of his age and growing eccentricity) of incitement to violence against the Lhomwe.

Chakuamba told a crowd in November 2008 that the Lhomwe were becoming 'cheeky' and deserved to be beaten up.

NEGLECTING THE NORTH

More significant, perhaps, was the recent action of **Harry Mkandawire**, a powerful figure in Malawi's Northern Region and (until his sacking last month) within the governing Democratic Progressive Party. His 'Open Letter' to the President of 22 October expressed the concerns of Malawi's northern, largely Chitumbuka-speaking peoples, who had given Mutharika overwhelming support in the recent general elections but who now feel sidelined and ignored by him.

Mkandawire's particular complaints were directed against the reintroduction of Kamuzu Banda's old regional quotas for the selection of university students (because northerners were, and are, seen to be over-represented in the student population), and the southern bias in Bingu's appointments to government departments and corporations. Mkandawire expressed a particular concern about *Mulhako wa Alhomwe*: 'As the President of Malawi, you are expected to...embrace all tribes and their cultures. It is a paradox for you to be looked upon as favouring one tribe, which is synonymous with being called a tribalist.'

Malawi's ethnic and regional politics are, for the time being, balanced by a growing sense of a common, non-violent, Malawian culture. Tribalism is often expressed in a healthy respect for cultural ties across the political frontiers established by nineteenth-century European colonialists. It still offers reassuring cultural identities and it allows the presidents of Malawi, Mozambique, **South Africa**, **Tanzania** and **Zambia** to celebrate their common Chewa, Zulu, Lhomwe or Tumbuka heritages as easily as their own people have always done (AC Vol 50 No 5).

On the approach to the 2009 elections, President Mutharika's DPP did well in the Tumbuka-speaking North, the Chichewa-speaking Centre and the Sena-speaking South (see Map of Voting Intentions by District). Mutharika hopes that he will leave a golden legacy when he retires in 2014. That remains, however, to be seen. ●

KENYA/ICC

Mr Moreno-Ocampo goes to Nairobi

The President and the Premier are ambivalent about the ICC's plan to prosecute some of the political violence cases

To the alarm of many in Nairobi's political elite, the International Criminal Court Prosecutor, **Luis Moreno-Ocampo**, is determined to investigate and prosecute those involved in the outbreak of political violence last year (AC Vol 50 No 20). As in its running battles with the regime in **Sudan**, the ICC's intervention in Kenya will test the Court's stamina and the political support it needs. The ICC is far more popular with citizens than regimes.

A day after landing in Nairobi on 5 November, Moreno-Ocampo requested permission from the ICC's Pre-Trial Chamber to begin a formal investigation of the Kenyan case. 'The crimes committed in Kenya were crimes against humanity and the gravity is there, therefore I should proceed', said Moreno-Ocampo. He said he had a 'very strong case', praised the Waki Commission for a 'very good report', said he understood the 'importance of speed' and already had a team in place to begin investigations. This disturbed politicians who thought the ICC would not make progress before the 2012 elections.

The **Argentinean** Prosecutor's decision to open investigations followed a disappointing meeting with President **Mwai Kibaki** and Prime Minister **Raila Odinga** in Nairobi. The two did not invite the ICC to start investigating the violence of 2008 under Article 14 (which provides for states to self-refer cases to the Court), although their officials had agreed to this in principle in signed minutes with Moreno-Ocampo at the Court in the Hague in July.

The officials agreed that if the government did not make serious progress or set up a Special Tribunal by the end of September, it would hand the case over to the ICC. **Ndung'u Wainaina**, head of the International Centre for Policy and conflict in Nairobi, accused Kibaki and Odinga of an 'unacceptable act of betrayal of the victims of the violence'.

Justice Minister **Mutula Kilonzo** unconvincingly argued that bringing in the ICC would derail the national commissions and institutional reforms; in fact, the Kenyan officials meeting with Moreno-Ocampo had agreed there was no conflict between the ICC's involvement and national reform initiatives. Moreno-Ocampo told *Africa Confidential* that these proposed collaborations between national judicial institutions and the

ICC were part of the Court's mandate to develop international judicial institutions.

The government attempted to delay and frustrate Moreno-Ocampo during his trip to Nairobi. Church leaders unsuccessfully lobbied for him to meet Internally Displaced People. After promising that he would meet the IDPs next time, he was whisked off to the Nairobi Orphanage by Minister Kilonzo: photographs of them both petting baby cheetahs appeared in the local papers.

Moreno-Ocampo will present his evidence to the ICC's Pre-Trial Chamber in December. He plans to take on two or three cases, and to start prosecutions within the next four to six months.

After Moreno-Ocampo notified the Court President, **South Korean Judge Song-Sang-hyun**, on 5 November of the planned proceedings, Song appointed three judges to the Pre-Trial Chamber: the ICC's Second Vice-President, Judge **Hans Peter Kaul** from **Germany**, Judge **Cuno Tarfusser** from **Italy** and Judge **Ekaterina Trendafilova** from **Bulgaria**. Moreno-Ocampo also offered to hold trials and detain people in Arusha, **Tanzania**, or in Kenya, a proposal rejected by Kilonzo. If the Pre-Trial Chamber concurs with Moreno-Ocampo's assessment, this will be the first time the Prosecutor has taken up a case himself. To date, all other cases before the ICC have been self-referred (**Central African Republic**, **Congo-Kinshasa** and **Uganda**) or referred by the United Nations Security Council (**Sudan**).

Kibaki could still derail the ICC by pushing a bill for a Special Tribunal through Parliament. Kibaki and Odinga may prefer to let Moreno-Ocampo take the opprobrium for launching cases against 'those most responsible' rather than target their own supporters who were involved in the violence. Some suggest that Odinga may see ICC indictments as a way of dropping some of his more embarrassing political colleagues, such as Kalenjin leader **William Ruto**, whose failure to rein in the violence in the Rift Valley raised serious questions about his personal role. Odinga's ally **Peter Anyang' Nyong'o**, Minister of Medical Services and Secretary General of the Orange Democratic Movement (ODM) now openly supports ICC intervention and would be glad to see Ruto's departure.

At Harvard University last month, Odinga said election violence was spontaneously provoked by the rigging.

Since then Odinga has told the London daily *The Guardian* that much of the violence in the Rift was planned and had 'nothing to do with post-election protests'. He insists he and Kibaki told Moreno-Ocampo they 'would not shield people found to have committed crimes against humanity'. Odinga vacillates between a nationalist stance defending Kenya's judicial sovereignty, insisting that the election violence was spontaneous, and a pragmatic defence of the need for the ICC to investigate Kenya along with an acceptance that much of the 2008 violence was planned.

Although they offered vague promises of cooperation with the ICC in Nairobi, the two leaders did not commit themselves to arresting any people it indicted; many think they would do neither. Then, Kibaki's Permanent Secretary in the Foreign Ministry, **Thuita Mwangi**, who was formerly Kenya's lead negotiator in launching the ICC, wrote in the *Daily Nation* that 'The entry of the ICC Prosecutor is both premature and inconsistent with the letter and spirit of the [Rome] Statute'. Mwangi's polemic followed Attorney General **Amos Wako's** decision to stop the murder trial of **Maina Njenga**, the leader of the *Mungiki* militia. Many Kenyans believe *Mungiki* were widely involved in retaliatory violence after the 2007 elections and that Njenga's release looks like an inside deal.

The ODM's Rift Valley stalwarts, such as Ruto, **Ole Ntimama**, **Franklin Bett** and ex-President **Daniel arap Moi**, berate the ICC as foreign meddlers; their

alternative would be a weak Truth, Justice and Reconciliation Commission (TJRC). Some Kalenjin linked to Moi formed a new Council of Elders last month. They included a former Chief of General Staff, **Daudi Tonje**, retired Major **John Seii** and Moi's old presidential escort commander, **Eliza Sumbeiywo**. Many are unsettled by the formation of such a military cabal in the Rift Valley.

NOT YET A DONE DEAL

The ICC's involvement in Kenya is far from certain. Moreno-Ocampo has to convince the Pre-Trial judges of the weight of assembled evidence and that the Kenyan government is either 'unable' or 'unwilling' to prosecute, for reasons outlined in Article 17 of the Rome Statute. If the Pre-Trial Chamber concurs with Moreno-Ocampo's view, there is still a month's hiatus when decisions could be reversed or other signatories to the Statute, such as Kenya, could decide to prosecute the case themselves. This could derail the ICC's involvement under Article 17 as the Kenya case would then be inadmissible.

Unlike politicians, the *wananchi* (citizens) enthusiastically back the ICC. Ahead of its report for the Kenya National Dialogue and Reconciliation Monitoring Project, a poll by South Consulting found that 58% of those interviewed wanted perpetrators of violence tried by the ICC; just 14% backed a Special Tribunal; a mere 7% backed the government's establishment of a special division of the High Court. Some 72% of those polled saw politicians as most responsible for

the election violence. If the ICC takes up the Kenya case, persuading witnesses to testify and then protecting them will be difficult, as will getting cooperation from Kenyan officials on a formal investigation. We hear that several witnesses have been taken out of Kenya but those left behind will face growing pressure.

Mungiki leader Maina Njenga, who was released in October, signed an affidavit with his lawyer **Paul Muite** listing the politicians with whom he had worked. Now he says he fears for his life. His fellow *Mungiki* militant, **Njuguna Gitau Njuguna**, was shot dead on Lithuli Avenue in central Nairobi shortly after Njenga was released.

Former Justice Minister **Martha Karua** described the murder as an 'execution'. Muite said the secret and supposedly disbanded Kwekwe squad, with its links to Kenya's police, was responsible. The driver of the Deputy Director of the Kenya National Commission of Human Rights (KNCHR) was car-jacked, trussed and given a warning to relay to his boss. All this seems designed to intimidate witnesses.

Wako is finalising a bill to strengthen the Witness Protection Act, to be debated in Parliament in December. It would establish a new autonomous Witness Protection Agency with its own funding and disband the current one, under Wako's office. This would change the law but might also change the rules of the game. So deep is the scepticism about politicians' intentions that many suspect Wako's proposal is just another scheme to delay and deny justice. ●

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South Africa

JACKIE SELEBI ON TRIAL

■ Nothing is going according to plan with the prosecution for corruption of former police chief and former Interpol director **Jackie Selebi** (AC Vol 50 No 16). As he tries to exonerate himself, Selebi is uncovering a vast network of political and commercial sleaze which implicates some of the wealthiest business people and senior officials in the governing African National Congress.

The latest problem for State Prosecutor **Gerrit Nel** is the disappearance of three star witnesses, including colourful **Zimbabwean** businessman **Billy Rautenbach**. All were due to testify that they had paid large bribes to Selebi to secure immunity from prosecution. Rautenbach, who was charged *in absentia* with the murder of Hyundai's Johannesburg boss over a decade ago, was due to claim that Selebi had accepted a bribe.

To persuade Rautenbach to leave his Zimbabwean redoubt to testify against Selebi, South African prosecutors offered him immunity from prosecution for the Hyundai murder. Judge **Meyer Joffe** then granted Nel an adjournment while police hunt for the missing witnesses.

Using defence tactics which had worked so well in **Jacob Zuma's** long battle against corruption charges in the run-up to his successful presidential bid, Selebi has gone on the offensive, accusing the prosecutors of pursuing a corrupt vendetta against him. He claims that both former State Prosecutor and head of the Scorpions investigators, **Bulelani Ngcuka**, and his successor **Vusi Pikoli** targeted him to help them cover up their own corrupt operations. However, Selebi's old friend and self-confessed drug trafficker, **Glenn Agliotti**, has testified that Selebi gave him US\$30,000 of a \$100,000 payment he received from Rautenbach.

Agliotti's appearance on the witness stand is also part of a backroom bargain: prosecutors agreed to drop charges against his associates for the murder of mining magnate **Brett Kebble** in exchange for his cooperation in Selebi's trial. So far, Agliotti has cut an unreliable, resentful figure in court. Under cross examination last month, he testified that **Jurgen Kogl** said in an intelligence report sent to former President **Thabo Mbeki** that Selebi was paid by the Kebble family. Kogl was an associate of Kebble's and a close friend of Mbeki's.

Selebi, who is pleading not guilty, faces charges of receiving bribes of 1.2 million rand (\$160,000) from Agliotti, Kebble and Rautenbach in return for securing legal

protection for their business operations.

Judge Joffe's case continues against a backdrop of growing criticism of corruption in public life. The ANC's ambitious Secretary General, **Gwede Mantashe**, calls 'the growing intersection between business and politics' the greatest threat to the ANC. Others in the party hierarchy are asking how the Selebi case came to court and how much damage it will do. Whether or not Rautenbach resurfaces to take the witness stand, the testimony of Vusi Pikoli and others has already painted a devastating picture of corruption and political favouritism at the centre of South Africa's law enforcement institutions.

Somalia/Eritrea

AL SHABAAB TARGETS ERITREA

■ *Al Shabaab*, Somalia's main Islamist insurgent movement, has a new country in its sights. Its Spokesperson, **Suldan Mohammed Aala Mohammed**, has announced the addition of Eritrea to the usual suspects, **Burundi, Djibouti, Ethiopia, Ghana, South Africa, Uganda, the United States, Burundi** and, of course, **Israel**. This is surprising as Eritrea, while denying it, has been supporting both *Al Shabaab* and its equally Islamist Somali ally, *Hizbul Islam*, some of whose senior officers have been training in Eritrean camps. These officers are said to be close to *Hizbul Islam's* leader, Sheikh **Hassan Dahir 'Aweys'**, who returned to Somalia this year after a long stay in Asmara.

Some claim that it is all bluff and that Eritrea may have encouraged *Al Shabaab* to make its threats to disguise its backing for Somalia's insurgents, patronage of which damages Eritrea's international standing. Earlier this year, the African Union joined the regional Intergovernmental Authority on Development in unprecedentedly calling for sanctions against Eritrea, as punishment for assisting the Somali militants and undermining the Djibouti peace process. In October **Britain, Russia** and the USA also repeated their call for sanctions. Eritrea has dismissed both the accusations and the threat of sanctions, saying that Somalia's shaky Transitional Federal Government is 'externally imposed' and illegitimate.

Perhaps, though, relations between *Hizbul Islam* and *Al Shabaab* have grown dramatically worse, so that *Al Shabaab* wants to show its irritation with Eritrea's backing of its rival. Since August, the two rebel groups have been fighting each other on and off in southern Somalia, especially around the port of Kismayo, whose revenue of US\$1 million a month has mostly been grabbed by *Al Shabaab*, despite a previous agreement that *Hizbul Islam* would take over.

Eritrea supported Aweys's return to Somalia in the hope of getting *Al Shabaab* and *Hizbul Islam* to unite with it against

their common enemy, the TFG (AC Vol 50 No 11). Yet the shaky Somali coalition is rent by clan and sub-clan divisions, and ideology usually comes second to money. They share adherence to *Sharia* (Islamic law) but not a strategy for imposing it.

Gabon

AND THROW AWAY THE KEY

■ Viewed from the outside, new President **Ali Ben Bongo Ondimba** peacefully assumed the presidency on 16 October, after waiting more than a month for votes to be recounted for the 30 August national elections (AC Vol 50 No 16). However, in military barracks in Libreville and amongst soldiers from Bongo's home region of Haut-Ogooué, trouble was brewing under the surface.

The only visible sign of this threat to the regime during the transitional period which followed the death of President **Omar Bongo Ondimba** on 8 June was the arrest and disappearance of General **Jean-Philippe Ntumpa Lebani**. He was arrested on 9 September after the *Direction Générale de la Documentation et de l'Immigration*, an internal intelligence service under the Ministry of the Interior, and the B2 group of military intelligence officers accused him of plotting a coup against Ali Ben in early September.

Since then, the former number two of the *Garde Républicaine* (GR) and head of the *Conseil National de Sécurité* since December 2008 has been held incommunicado by the military intelligence services. The CNS oversees all of the Gabonese intelligence sources and so the threat posed by Lebani was seen as acute, especially since it came from the military ranks that were managed by Ali Ben in his decade as Defence Minister, 1999-2009.

So far, the authorities have linked to the plot another former Defence Minister and native of the Haut-Ogooué, **Idriss Ngari**, and a bevy of politicians from the Fang people. Several junior officers from the town of Ngouoni in the Haut-Ogooué have also been arrested and taken in for questioning. The government now accuses Lebani of forming an alliance with Fang politicians **André Mba Obame** and **Jean Eyéghé Ndong**, who on 17 November formed a largely Fang opposition alliance called the *Coalition des Groupes et Partis Politiques pour l'Alternance*.

Since the arrest, Lebani's family has been lobbying the **United States** and European embassies to put pressure on the government to stop the secret military trial which may lead to years in gaol. The family blames a cabal including former CNS chief General **Samuel Mbaye** and GR boss Gen. **Grégoire Nkouna** for trying to turn Ali Ben against Lebani. Whatever the outcome, further military shake-ups are expected as spooks and top brass adjust to Ali Ben's new order.

BLUE LINES

The furore around President Umaru Yar'Adua's evacuation to Saudi Arabia for treatment of acute pericarditis reminds Nigerians of the close links between political and medical health. Politicians across the world raise questions about their opponents' health to undermine them. British Premier Tony Blair's heart problems and French President Nicolas Sarkozy's post-jogging collapse were exposed to the full glare of media publicity.

In Asia, Indian journalists lead the way with public disclosure of 78-year-old Premier Manmohan Singh's diabetes and heart bypass surgery. Although China has brought in a younger generation of leaders, the official obsession with secrecy on health continues.

Africa's politicians struggle to stop the fiery local media discussing their health. North African leaders look particularly shaky: Algerian President Abdelaziz Bouteflika, 72, suffers from chronic stomach ailments; Tunisia's President Zine el-Abidine Ben Ali, 76, was recently prescribed bed rest; there have been several scares for Egypt's 81-year-old President Hosni Mubarak; and at 67, Libyan leader Moammar el Gaddafi is a comparative stripling but his rambling oratorical style prompts claims of drug abuse. A picture of health at 85, Zimbabwe's Robert Mugabe confounds his opponents' hopes for his retirement, and along with the equally robust Abdoulaye Wade of Senegal, flies the flag for octogenarian leaders in Africa.

NIGERIA

Rogues and rackets on trial

A corruption case in Geneva snares some of Nigeria's political elite, and judges order the return of stolen state assets

The conviction in a Swiss Court on 19 November of **Abba Abacha**, son of former military leader General **Sani Abacha**, for participating in a criminal organisation together with the confiscation of US\$350 million in assets stolen from Nigeria provide important clues to the corruption linked to the \$6 billion Bonny Island gas scheme, according to legal experts in Geneva.

Swiss investigators showed how Abacha family members and their advisors set up front companies and channelled hundreds of millions of dollars in stolen state funds through established Western banks including Credit Suisse, Merrill Lynch and Goldman Sachs, with few questions asked. Gen. Abacha's **Lebanese** financial advisor **Gilbert Chagoury** and the Swiss-Israeli banker **Gabriel Katri** used their sway with international institutions to open accounts for the Abacha brothers using false names.

Detectives say several corporate entities used by the Abacha family to plunder state assets from 1993-1998 also featured in the bribery scheme run by the **United States'** Halliburton to distribute millions of dollars to individuals and companies working on the Bonny gas project. In January 2009, Halliburton paid \$560 mn. in fines to the US Justice Department and the US Securities and Exchange Commission as part of a plea bargain over its Nigerian operations.

The Justice Department investigation continues with a focus on companies and individuals – such as **British** lawyer **Jeffrey Tesler** and Halliburton official **Wojciech Chodan** – involved in the bribe scheme. The US is trying to extradite both men to help the probe (AC Vol 50 No 5). **British, French, Italian** and Nigerian teams are all

investigating the deals. US lawyer **Jack Blum**, who represents the Nigerian government in its efforts to obtain legal assistance from the US government, doubts the criminal case in Nigeria will be launched before 2012.

Investigators from Britain's Serious Fraud Office working on the Bonny Island case have requested copies of the Abba Abacha prosecution notes and details of the Abacha family's financial networks (see diagram). The money trail should lead to even bigger sums of stolen assets, especially those diverted from Bonny Island through over-priced procurement contracts and massive under-invoicing on gas exports, a Geneva-based legal expert told *Africa Confidential*.

More than \$1.5 bn. is likely to have been illegally diverted from the gas project by company officials and senior representatives of successive regimes in Nigeria, the expert added. 'The real black box would contain much bigger contract commissions and extremely high intermediation fees on the gas export contracts.'

On 19 November, the Geneva court also convicted Katri, currently domiciled in **Monaco**, for assisting Abacha's criminal endeavours. Katri, who advised **Kenya's** President **Daniel arap Moi**, Nigeria's Gen. **Ibrahim Babangida** and several Middle Eastern leaders on their finances, has not informed the court whether he intends to appeal. Katri, who had been working as an external manager for *Union Bancaire Privée*, opened an account in the name of the Nigerian company Allied Network Ltd., whose beneficiaries were falsely declared as '**Mohammed Sani**' and '**Abba Sani**', when they were in fact **Mohammed** and **Abba Abacha**. ●

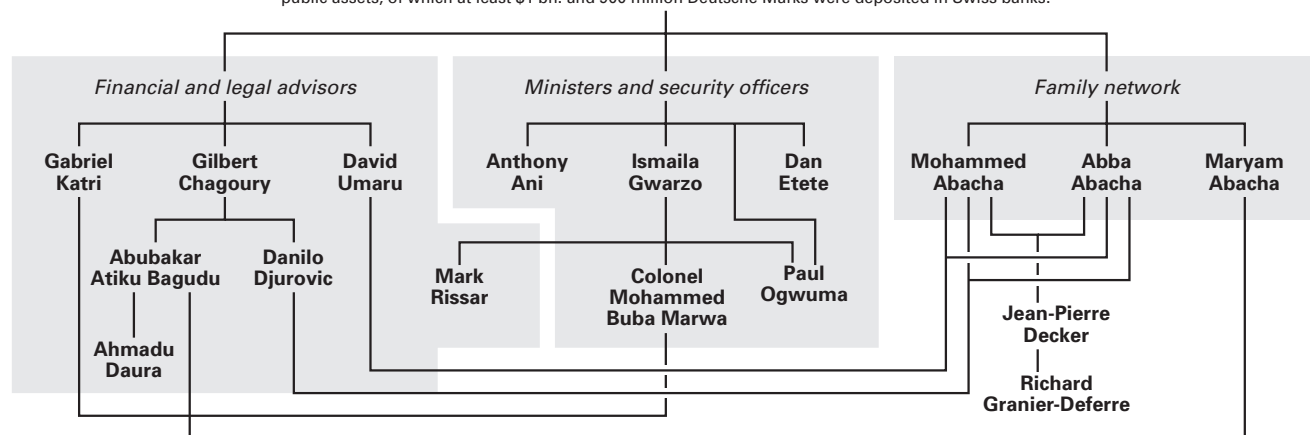
NIGERIA	2	COMMONWEALTH	3	SOUTH AFRICA	4	CONGO-K/UN	5	NIGERIA II	6
Abacha's plunder machine		Progress in Port of Spain		The other power struggle		The Experts win support		CENTRAL AFR. REP.	8
The cast of officials and business people who aided and abetted Sani Abacha's grand theft.		Rwanda and India emerged as the winners from the Trinidad summit.		Chronic underinvestment in the energy industry must be addressed.		The Security Council resists pressure to overlook those breaking the arms embargo.		EU/AFRICA	9
								ZIMBABWE	10
								POINTERS	12

THE ABACHA FAMILY'S PLUNDER MACHINE

Sources: The Canton of Geneva;
independent research
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General Sani Abacha

Military leader (1993-98), during which time he is reckoned to have stolen over US\$3 billion of Nigeria's public assets, of which at least \$1 bn. and 900 million Deutsche Marks were deposited in Swiss banks.



Gabriel Katri

Veteran financial advisor to several heads of state in the Middle East and Africa (including Kenya's President Daniel arap Moi and Nigeria's Gen. Ibrahim Babangida), Katri was convicted on 19 November for abetting Abba Abacha's criminal enterprise, fined \$10 mn. and given a non-custodial sentence.

Gilbert Chagoury

Convicted in Geneva in 2002 of money laundering and aiding a criminal organisation, Chagoury set up accounts with SG Ruegg Bank in Geneva for the Abacha family enabling them to benefit from illegal transfers of over \$120 mn. from the Central Bank of Nigeria. Chagoury has returned \$66 mn. stolen from Nigeria and secured immunity from prosecution.

David Umaru

A legal advisor to the Abacha family, Umaru facilitated the payment of illegal commissions to the family in return for securing repayment of debts of some \$470 mn. owed by the Nigerian government to Dumez Nigeria PLC, a company controlled by André Kamel.

Abubakar Atiku Bagudu

A business associate of Abba and Mohammed Abacha, Bagudu set up Morgan Procurement Corporation and Mecosta Securities, both of which were involved in the illegal transfer of hundreds of millions of dollars from the Nigerian state to the Abacha family. Bagudu is a prospective governorship candidate for Kebbi State.

Danilo Djurovic

A representative for Ciba-Geigy Corporation in Nigeria and a business associate of Gilbert Chagoury, Djurovic facilitated illegal transfers from the Nigerian state to Abba and Mohammed Abacha. Djurovic was found guilty of money laundering in December 2000 by order of a Geneva court.

Ahmadu Daura

Manager of the Sunshine Bureau de Change in Lagos, Daura facilitated the illegal transfer of over \$150 mn. to accounts controlled by Abba and Mohammed Abacha with Warburg & Cie Bank in Luxembourg.

Mark Rissar

Recommended to Gen. Abacha by Ismaila Gwarz as an experienced financial consultant, Rissar set up several accounts held by intermediary offshore companies with SG Ruegg Bank SA in Geneva which facilitated the illegal transfer of some \$50 mn. to Abba and Mohammed Abacha and their business associates.

Anthony Ani FINANCE MINISTER

Ani ordered the Central Bank of Nigeria to pay 486.5 mn. Deutsche Marks into a Goldman Sachs account in Zurich controlled by Mecosta Securities in a fraudulent debt-swap deal linked to a steel production plant.

Ismaila Gwarz NATIONAL SECURITY ADVISOR

Having presided over the torture and murder of Gen. Abacha's political opponents, Gwarz organised the theft of \$1.1 bn. from the Central Bank of Nigeria in coordination with the Abacha family.

Dan Etete OIL MINISTER

The subject of an international arrest warrant issued by France for money laundering, Etete presided over negotiations for the \$6 bn. gas export plant at Bonny Island which is under investigation by the US, French, British and Nigerian authorities.

Colonel Mohammed Buba Marwa MILITARY ADMINISTRATOR OF LAGOS STATE

Marwa was paid \$4.1 mn. in illegal commissions in a transport procurement deal mediated by Gabriel Katri and Raj Arjandas Bhojwani.

Paul Ogwuma GOVERNOR OF THE CENTRAL BANK OF NIGERIA

Former Managing Director of Union Bank, Ogwuma was instructed by Gen. Abacha and Ismaila Gwarz to make a succession of illegal transfers of funds from the Central Bank of Nigeria to accounts which they controlled.

Mohammed Abacha

Eldest surviving son of Gen. Abacha and prospective governorship candidate for Kano State. Charged with the murder of Kudirat Abiola, Mohammed Abacha was acquitted in 2002 after he agreed that the Abacha family would return all stolen state funds to Nigeria.

Abba Abacha

Second eldest son of Gen. Abacha, Abba Abacha was convicted on 19 November 2009 for membership of a criminal organisation and given a suspended sentence of two years imprisonment. After seizing \$350mn. of Abba Abacha's assets, Switzerland has ordered their return to Nigeria.

Maryam Abacha

Wife of Gen. Abacha, Head of National Commission of Women and director of national vaccination campaign through which she and Abubakar Bagudu fraudulently appropriated \$63 mn from a procurement contract with Pasteur Mérieux.

Jean-Pierre Decker

Regional Operations Manager for Addax & Oryx Advisory Services in Nigeria. Decker agreed to transfer illegal commissions on Nigerian oil contracts of over \$76 mn. to accounts linked to Abba and Mohammed Abacha.

Richard Granier-Deferre

A founding director and third in command at Addax and Oryx Advisory Services, Decker facilitated the illegal transfer of funds from the Central Bank of Nigeria to accounts at Crédit Agricole Indosuez linked to Abba and Mohammed Abacha.

COMMONWEALTH

Progress in Port of Spain

Rwanda and India emerged as the winners from an unexpectedly productive Commonwealth summit in Trinidad on 27-29 November

The Secretary General, Indian veteran diplomat **Kamalesh Sharma**, skillfully orchestrated the Commonwealth Heads of Government Meeting into a cheerleading conference for the climate change negotiations in Copenhagen this month. He invited United Nations Secretary General **Ban Ki-moon**, Danish Prime Minister **Lars Løkke Rasmussen** and French President **Nicolas Sarkozy** to the CHOGM to join Commonwealth heads of state in pressing for a legally binding

international treaty on cuts to carbon emissions as well as a US\$10 billion fund to finance adjustments in environmental policy in poor countries. With its 1.2 bn. population and fast growing economy, India is becoming the leading player in the Commonwealth, which has become an important vehicle for the promotion of New Delhi's economic aims, including stronger commercial ties with Africa.

The decision to approve **Rwanda** as the 54th Commonwealth member was

unanimous, although there had earlier been objections from two non-African countries and trenchant criticism from the Commonwealth Human Rights Initiative. Reports that President **Paul Kagame** had been in Port of Spain as a private citizen were disproved when Sharma said that he had informed Kagame by telephone in Kigali at 2 am. On 30 November, Rwanda and **France** announced the resumption of diplomatic relations, which might have been timed to soften the blow of Rwanda's defection to the overwhelmingly Anglophone Commonwealth.

The CHOGM also decided to give 'consideration' to strengthening the role of the Commonwealth Ministerial Action Group (CMAG) to 'enable the group to deal with the full range of serious or persistent violations' of the Harare Declaration. This follows growing unease

at authoritarian developments in such countries as **Gambia**, whose President **Yahya Jammeh** has threatened to kill human rights activists (AC Vol 50 No 22).

Partly financed by the Secretariat, the Commonwealth Policy Studies Unit (CPSU) published a well researched report arguing for a much stronger role in promoting political pluralism and independently monitoring elections. The CMAG is also to have a working group look into how its mandate might be expanded to make it more effective. Commonwealth chiefs also 'agreed that this examination should be confined to matters within CMAG's existing mandate and that any proposals for going beyond that mandate should be referred to Heads [of government]'. Before, officials told *Africa Confidential* there was enough in the existing mandate, elaborated at Coolum in 2002, but the language needed tightening up and 'simplifying'. The CMAG membership is **Ghana, Namibia, Australia, Bangladesh, Jamaica, Maldives, New Zealand, Vanuatu, Trinidad and Tobago** (Chairman). Ghana, Namibia and New Zealand stay on from the last CMAG, of which membership is usually for four years.

An Eminent Persons Group is 'to undertake an examination of options for reform in order to bring the Commonwealth's many institutions into a stronger and more effective framework of cooperation and partnership'. This was provoked partly by the 'Commonwealth Conversation' and research generated by the Royal Commonwealth Society, with funding from **Britain's** Foreign and Commonwealth Office. The research showed a declining profile in both industrialised and developing countries, and widespread misapprehension about the Commonwealth's diplomatic role. A squabble over the next venue was resolved by arranging the next three CHOGMs: **Australia** in 2011; **Sri Lanka** in 2013 and **Mauritius** in 2015.

For the first time since **Zimbabwe** left the Commonwealth in 2003, it was mentioned in the final communiqué. Heads of government welcomed the 2008 Global Political Agreement on power sharing, 'expressed the hope that this would be implemented faithfully and effectively' and looked forward to conditions being created for Zimbabwe's return to the fold. **South African** President **Jacob Zuma** said the Southern African Development Community had reported to the CHOGM on current developments and a statement by Prime Minister **Morgan Tsvangirai** said he wanted to see Zimbabwe return.

Summit opinion may have been influenced by the CPSU report, 'Democracy in the Commonwealth', which said the Commonwealth had surrendered 'moral leadership' by failing to act on Zimbabwe.

Since taking over as Secretary General from New Zealander **Don McKinnon** in April 2008, Sharma has engaged more on Zimbabwe, and he discussed new initiatives with Zuma in South Africa before the summit.

This year marks the 60th anniversary of the 'Modern Commonwealth' launched at the London Conference in 1949, when the late Indian Prime Minister **Jawaharlal Nehru** secured acceptance that a republic (which India was about to become) could join. This opened the door for countries coming to independence, first in Asia and then, with the independence of Ghana in 1957, the African countries which are

now a powerful group of 18 within the membership of 54.

The Commonwealth has lacked direction over the past six years despite efforts to stay relevant on economic and developmental matters. The anniversary has led to heart-searching about the association's aims and character. Yet it seems the higher profile that Sharma and his colleagues secured for the Commonwealth in the lead up to the climate change talks and a readiness to consider important internal reform could shore up its continued relevance as the balance of global diplomatic and economic power moves from the West to Asia. ●

AFRICA DONS ITS COMMONWEALTH CAP

Africa has played a critical role in the Commonwealth since its Secretariat was launched in 1965 at Marlborough House, a royal palace provided rent-free by **Britain's** Queen **Elizabeth II**. Although only one of the five secretaries general has been African, Africans have shaped the Commonwealth's identity and evolution. The first Secretary General, **Arnold Smith**, depended greatly on the advice of a **Ghanaian** civil servant, **Yaw Adu**, just as the second, **Shridath 'Sonny' Ramphal**, promoted and worked closely with **Nigeria's** Chief **Emeka Anyaoku**, who later became Secretary General.

Ramphal's tenure (1975-90) is held up as the glory years, when the Commonwealth played a key role in the independence of **Zimbabwe**, via the Lusaka summit and the Lancaster House conference. The summits at Nassau, Vancouver and Kuala Lumpur (which pushed **Margaret Thatcher** on sanctions against apartheid **South Africa**) and the ground-breaking Eminent Persons Group of 1986 were high points under Ramphal.

Anyaoku ensured the completion of the process. He also promoted the Commonwealth's role in the democracy movement of the 1990s, with the formulation of the Harare Declaration on Human Rights and Democracy in 1991. It was in Anyaoku's own country that the Declaration was first seriously tested in 1997, when General **Sani Abacha's** regime executed Niger Delta activist **Ken Saro-Wiwa** and eight others. Nigeria was suspended from the Commonwealth but Anyaoku stayed on as Secretary General. After 1997, military regimes were barred from membership but wily civilian regimes frustrated attempts to broaden the scope of Commonwealth scrutiny of governance.

New Zealand's **Don McKinnon**, a diplomat with little Africa experience, took over from Anyaoku in 2000 and floundered as the Zimbabwe crisis worsened. The Commonwealth's dialogue with Harare ground to a halt as Britain's denunciations of President **Robert Mugabe** grew shriller but lacked any coherent strategy to put real pressure on the regime. Despite the best efforts of Nigerian President **Olusegun Obasanjo** and South Africa's President **Thabo Mbeki**, the Commonwealth suspended Zimbabwe and Mugabe took his country out after the Commonwealth Heads of Government Meeting in Abuja in 2003. Many African member states were unhappy at the way the Commonwealth had handled the Zimbabwe crisis and its irrelevance in subsequent efforts to negotiate a political settlement.

Although the CHOGM in **Uganda** in 2007 was well attended and successful, only seven leaders from Africa's 18 Commonwealth member states attended the CHOGM in **Trinidad** in 2009 – a reflection of declining interest in the organisation and perhaps tightening budgets. The Commonwealth remains an important posting for ambitious African diplomats. One of Anyaoku's principal lieutenants, Ghanaian academic **Moses Anafu**, was extremely active in South Africa's political transition after apartheid; Anyaoku's fellow countryman **Ade Adefuye** became McKinnon's advisor on African affairs and has just been named as Nigeria's Ambassador to Washington. He was replaced at the Secretariat in 2008 by another Nigerian Ambassador, **Ayo Oke** who played an important mediating role in **Kenya's** election crisis last year.

Since Anyaoku left in 2000, the Deputy Secretary General's post has been held by Africans. It first went to **Florence Mugasha**, a Ugandan civil servant who after her statutory six years was replaced by **Mmasekgoa Masire-Mwamba**, known as 'Triple M'. She is a daughter of **Botswana's** former President **Quett Masire**. There are also currently two other African heads of division: **Cyrus Rustomjee**, a South African economist who heads the Economic Affairs Division, and **Chris Luswata**, a Ugandan who is head of administration, now called Corporate Services. **Sierra Leone's** Minister of Finance, **Samura Kamara**, used to work in the Commonwealth's Economic Affairs Division. ●

The other power struggle

Efforts to raise electricity tariffs and tackle underinvestment in the energy industry prompt rows with government and the trades unions

A financing crisis in the state-owned power company, Eskom, threatens the government's hopes of more investment in manufacturing and services. On 30 November, Eskom applied to the National Energy Regulator of South Africa for leave to increase its tariffs by 35%; its original bid had been a 45% hike, which the government deemed too provocative. But business interests claim that even the lower rate would shut down companies and cost jobs. Successive governments have for decades kept power tariffs down without funding the necessary investment. Now, say the business people, the country could within three years have the world's most expensive electricity. Public hearings on tariffs are due in January and NERSA will make its final decision on 24 February.

The ruling African National Congress has already come out against long-term price increases, while the Congress of South African Trade Unions says that even the 35% increase is too much. The energy crunch is made worse by the leadership crisis at Eskom, which lost both Chief Executive **Jacob Maroga** and Chairman **Bobby Godsell** in November in a politically-charged power struggle between the two men. Godsell said his decision to leave was final and that the crisis should enable Eskom to move forward under 'new leadership'. Eskom appointed **Paul O'Flaherty** as new finance director on 18 November, whose job will be to coordinate new funding initiatives.

Energy economist **Mike Schussler** says South Africa's electricity is already more expensive than that in **Israel**, **Mexico** and the **United States**. It has increased by 91% since 2005, while inflation rose by 35%. Eskom proposes raising prices by another 200% over the next five years, saying it needs the extra revenue for its 400 billion rand (US\$54.44 bn.) plan to build new power stations. The national power supply is already inadequate; in early 2008, rolling power cuts across the country drastically cut production, although Eskom managers had long ago warned the government that, without heavy investment, there would be a severe electricity shortage by 2007.

Tariff increases or partial privatisation are seen as the obvious options for raising the needed cash. The government says it will not give the parastatal any more money or loan guarantees on top of the R232 bn. that it has recently received.

Pravin Gordhan, the Finance Minister, faces a budget deficit approaching 7.6% of gross domestic product this year – double the government's earlier projection and the highest since 1961. 'There's much more political willingness to increase spending in South Africa to create jobs,' says **Lamine Bougueroua**, a London-based emerging-market strategist at the **Swiss** bank UBS. Spending on roads, ports and social welfare has been maintained through three consecutive quarters of economic contraction. UBS expects the budget deficit to ease to 5.9% of GDP by 2011, higher, Bougueroua says, than for other emerging markets which UBS analyses in Europe, the Middle East or Africa.

The cabinet has agreed to a long-term climate change mitigation strategy. Yet energy policy must face the scrutiny of the Energy, Trade and Industry, Environment, Finance, Public Enterprises and Science and Technology Departments, as well as Eskom and NERSA. Nobody knows who is in charge and the authorities hold conflicting views. An integrated resource plan was supposed to be approved recently but the document leaked last month shows that renewable energy will supply a mere 700 megawatts of electricity and reach the modest target of 10,000 gigawatt hours by 2013, 40% from solar water heating, the rest from electricity. So far, less than 5% of this target has been reached.

EARTH, WIND AND FIRE

Current performance is dismal and Eskom's integrated resource plan aims at little better. Wind and solar power are on hold. The climate is ideal, the researchers are ready and the investors are keen, but there is no official champion of alternative technology. The Energy Department seems sure that only coal and nuclear power stations can provide baseload power.

The African Development Bank approved in late November a R20 bn. loan to finance a big power station in Limpopo Province, easing the financial pressure on Eskom. The public still faces the prospect of much higher electricity bills, though. A big power station called Kusile could meet 10% of electricity demand but is on ice because the funds are lacking. On 3 December, the World Bank said that it would speed up its \$3.75 bn. loan to Eskom so that it could be approved by March, but there is still a large short-term financing gap in plans to raise \$16.9 bn. Even if

the funding comes along soon, Eskom had begun warning of rolling blackouts through 2011-2012, as costs of producing electricity increase. In struggling to meet new demand, Eskom estimates that its operating costs will increase by about 13% a year for five years, starting in 2010.

AngloGold Ashanti Chief Executive **Mark Cutifani** warned that a 45% electricity price increase, together with the strong rand, could in the worst case cost up to a million jobs. The Chamber of Mines says the price rise could inflate operational costs for deep-level mines by 15-30% while commodity prices are low and 'a number of mining companies are battling for survival'. Eskom also wants to renegotiate its commodity-linked power contracts with some resource groups, such as BHP Billiton. These agreements, for 30 or 40 years, were signed in the 1980s and Eskom says they are out of date. The clothing and textile industry, hammered by cheap imports from **China**, would battle to survive a large increase in power costs; the business employs 40,000 people, often in politically sensitive outlying towns.

The government intends to publish its new industrial policy in January. Driven by **Ebrahim Patel**, Minister for Economic Development, it would focus on innovation to create jobs (AC Vol 50 No 23). Statistics from the Industrial Development Corporation of South Africa and the SA Institute of Race Relations show that manufacturing volumes are back to their peak level of 2004. Yet they do not foretell the possible impact of a price rise. Schussler claims the suggested increases could bring price rises as high as 20% over three years in services such as rail transport, pipelines and cold storage. He reckons the 'Eskom effect' could cut economic growth by 1.0-1.5%. The Treasury predicts that growth for 2010 will be 1.5%.

President **Jacob Zuma** promised boosts in spending on health, education, security and rural development, but the recession has limited Finance Minister Gordhan's discretionary spending growth to only R900 million and he allocated it all to HIV/AIDS. South Africans are impatient and some are protesting in the streets. An electricity tariff increase will increase their discontent: Schussler says there are more than 12.3 mn. electricity accounts, compared to only 1.8 mn. mortgages.

Eskom wants consumers to pay for the required investment, but insists a price rise would not affect the provision of free power to the poorest. Yet Business Unity SA notes that they would not escape the inflationary pressure of pricier electricity. This would give the unions an extra reason for dissatisfaction (AC Vol 50 No 16). The unions gave Zuma the electoral muscle he needed, but to satisfy Eskom he would have to disappoint them. ●

The Experts win support

Resisting pressure to overlook those breaking the arms embargo, the UNSC's reaction to a hard-hitting investigation is surprisingly robust

The United Nations Security Council has resisted heavy pressure to reject the hard-hitting UN Panel of Experts' Report⁽ⁱ⁾ on violations, by African and Western states, of the embargo on weapons and military support for militias in Congo-Kinshasa. The UNSC has adopted most of the measures recommended.

The Panel reported that militias in eastern Congo have been receiving military orders and cash transfers from leaders based in **France** and **Germany** and getting finance from two **Spanish**-based charities linked to the Roman Catholic Church, in clear breach of the UN sanctions regime. The Report also accuses the governments of **Burundi**, **Congo-Kinshasa**, **Tanzania** and **Uganda** of allowing serious breaches of sanctions and the illegal export of mineral wealth.

At a stormy meeting of the UNSC on 20 November, **Uganda** and **China** raised 'serious concerns' about the Report and the UN Sanctions Committee Chairman, **Turkey's Fazli Corman**, appeared to side with the critics. Yet on 30 November, the Council passed Resolution 1896, agreeing to back the Report and extend the Panel's mandate for another year; Kinshasa had been pressing for six months.

The Resolution noted the Experts' complaints about member states' tardy and inadequate replies to its questions and expanded the Sanctions Committee's mandate to specify the information that states had to provide. The Resolution also expanded the Experts' mandate to include producing guidelines defining the extent of due diligence required of companies operating in eastern Congo, to ensure these companies are not directly or indirectly financing the militia.

The UNSC also mandated the Experts to expand their focus on the regional and international networks supporting the militia; that means more research based on the Panel's detailed report on how European-based activists back the anti-**Rwandan** militia, the *Forces Démocratiques pour la Libération du Rwanda* (FDLR).

The joint operations between UN peacekeepers, the *Mission des Nations Unies en République Démocratique du Congo*, and the national army, the *Forces Armées de la République Démocratique du Congo*, have made far less progress in containing the FDLR than claimed. Instead the FDLR has returned in force to the Masisi, Lubero and Walikale regions

of North Kivu. Yet the UNSC rejected the Experts' recommendations that it adopt a coordinated strategy for the full implementation of its previous anti-FDLR resolutions and that it direct member states to share evidence they may have against the FDLR with each other and the Panel. It also rejected the recommendation that member states prosecute violations of sanctions by their nationals or militia leaders residing within their territories. The UNSC's robust reaction may be partly due to extensive coverage of a leaked version of the report obtained by *Africa Confidential* and other media.

Just before the Report became public, **Germany** arrested FDLR President **Ignace Murwanashyaka** and Vice-President **Straton Musoni**, both living in **Germany**. The Report showed how they had run the FDLR from **Germany**, violating their refugee status and UN sanctions. It also named **Callixte Mbarushimana**, the FDLR's French-based Executive Secretary. We hear that French investigations are well advanced and an arrest may be imminent.

RWANDA PLEASED, TANZANIA NOT

The Experts reported that renegade Congolese Tutsi General **Laurent Nkunda** was moving around freely and in regular contact with his military associates in Eastern Congo, despite assurances from **Rwanda** that he was under house arrest. Yet **Kigali** generally liked the Report, which said it shows the need for strong action against the FDLR's international networks. Intelligence chiefs are quietly happy that the Report's revelations about the FDLR receiving weapons and ammunition from **Tanzania**, via Lake Tanganyika, is now on the international agenda without **Rwanda** having put it there.

On 28 November, **Tanzanian** Foreign Minister **Bernard Membe** rejected the Report's findings as a 'malicious lie' that ran counter to his country's record of brokering peace in the region and hosting refugees. Alone among regional states, **Tanzania** is offering citizenship to 160,000 **Burundian** refugees who fear to return home. **Dar es Salaam** has said it would investigate the Panel's claims of telephone calls between FDLR commanders in eastern Congo and senior **Tanzanian** officials.

Fearful of hostility from neighbouring **Rwanda**, **Burundi** denied the Report's assertion that it helps the FDLR, which

also uses its territory as a rear base. **Bujumbura** also denied that Gen. **Adolphe Nshimirimana**, National Intelligence Director General, has any connection to the FDLR, as suggested by the Report, which detailed his links to **Mutoka Ruganyira**, a **Bujumbura**-based gold dealer buying from FDLR-controlled mines in South Kivu.

With the FDLR, **Uganda** is the big loser from the Report, which accused **Kampala** of allowing the FDLR to recruit from refugee camps on its territory and of aiding the trafficking of gold, much of it mined and/or taxed by the FDLR in eastern Congo, through **Uganda** to **Dubai**. Currently a non-permanent UNSC member, **Uganda** dismissed these findings outright and asked the Council to reject the Report; other members suggested the Report required a more detailed response from **Kampala**. The **Uganda** People's Defence Force Spokesman, Lieutenant Colonel **Felix Kulayigye**, has since promised to investigate the claims that FDLR has been recruiting from **Ugandan** refugee camps. **Kampala** is demanding more details on the gold trade before it responds.

Congo-Kinshasa's Minister of Information **Lambert Mende** described the Report as 'very useful' and looked forward to working with the Panel again. Although Congolese intelligence officers had cooperated with the Experts, the Defence Ministry did not.

A key test of whether **Kinshasa** really intends to take the Report seriously will be whether it takes any action against Congolese officials named, such as Decentralisation Minister **Mbusa Nyamwisi**, whom the Report accused of close links with **Kasereka Maghulu** (aka **Kavatsi**), who has supplied another anti-**Kigali** militia, the *Ralliement pour l'Unité et la Démocratie-Urunana* with food, arms and cash. Another prominent Congolese named is Gen. **Pacifique Masunzu**, Commander of the FARDC's 10th Military Region (roughly South Kivu), accused of supplying logistical support to the FDLR.

There is also **Jean-Bosco Ntaganda**, wanted by the International Criminal Court for war crimes but whom the Report names as Deputy Commander of Congo's **Kimia II** military operation. The new **UN** Envoy to the Great Lakes region, **Howard Wolpe**, has called on Congo to hand over **Ntaganda** to the ICC; **Mende** said the government was 'not yet ready'.

Many of those named in the report may try to take on the UN to clear their names. Already, lawyers' letters are dropping on to the doormat of the UN Department of Political Affairs, to which the Experts all belong and which now robustly defends the Report. ●

(i) *Africa Confidential's* full analysis of the UN Experts' Report and its implications for the region can be found at: <http://www.africa-confidential.com/special-report/id/21/On-the-brink-of-massive-failure>.

Ailing president, procrastinating politics

The latest illness of President Umaru Musa Yar'Adua adds urgency to calls for far-reaching electoral and political reforms ahead of national elections due by early 2011. Despite mounting calls for Yar'Adua to step down on health grounds after he was spirited off to Saudi Arabia for treatment of acute pericarditis, his cabinet ministers insist he must remain in charge. Meanwhile, activists and opposition politicians are reorganising to challenge the incumbent People's Democratic Party's overwhelming grip on power.

BIG STAKES AND BIGGER HURDLES

With national elections due by early 2011. The financial stakes are huge – control of some US\$100 billion of annual oil and gas revenue. The last elections in 2007 plumbed new depths in electoral violence, fraud and vote-buying. The incumbent People's Democratic Party (PDP), using its control of the ballot count and embezzled public resources, vigorously out-rigged the opposition, which (where it could) fought back with rigging and violence.

The idea behind the latest push for electoral reform is that political violence can be countered by emboldening voters to make intimidation less effective, increase turnout and reduce

the muscle of violent candidates. Improving participation is the first task: in the worst-rigged elections in 2007 in the Niger Delta, most of the eligible voters boycotted the proceedings. Much more accountability is needed, with independent courts, robust institutions and laws enshrined in the constitution.

The 2007 elections were so appalling that Yar'Adua, the winner, called for sweeping electoral reform and encouraged discontented candidates to seek redress in the courts, which nullified the results of at least 12 of the most egregious of the 36 gubernatorial elections. The judiciary has demonstrated independence and fairness in several rulings on electoral laws and the registration of political parties, making the courts one of the most independent and fair parts of government, but allegations of perversion of the course of justice and of bribery persist.

Gubernatorial candidate for the Action Congress (AC) in Ekiti State (AC Vol 48 No 9), **Kayode Fayemi** has battled the might of the PDP's control of local election machinery to prove massive rigging by his opponent **Segun Oni**. Fayemi's successes in the courts provided him with some hope, but his campaign continues. He says that electoral reform is the primary requirement before the constitution can be improved. 'Unless the critical mass of people cutting across age, gender, zones, geographical location and party political affiliations adopt the same positions, with a more clearly defined collective agenda, the current approach to solving our problems will not suffice.'

Nigeria's public life is dominated by political and corporate bandits with ample power and resources. The transition to a more open state will be slow. It requires a strong constitution protected by a truly independent judiciary, with universities, civic activists and a free press as necessary checks on the political elite. The Freedom of Information Act is a much delayed attempt to restrain the incumbent government. Vested interests slow the passage of bills such as the Fiscal Responsibility Act at state and local government levels: such laws would curtail the greed of those in power.

A new political movement raised its head on 30 July, in the Coalition of Democrats for Election Reforms. CODER proclaims itself a non-partisan, non-sectarian party of political leaders, religious leaders, women's representatives and stakeholders from the Alliance for Credible Elections, the Transition Monitoring Group, the Nigerian Labour Congress and the Nigerian Bar Association. Its political heavyweights include **Bola Ahmed Tinubu**, ex-Governor of Lagos and chief of the AC; **Ghali Na'abba**, ex-Speaker of the House of Representatives; **John Oyegun**, ex-Governor of Edo State; and **Ben Obi**, the AC's 2007 vice-presidential candidate. Others are Fayemi; **Rauf Aregbesola**, Osun State AC governorship candidate; **Auwalu Yadudu**, former Special Advisor to the late President **Sani Abacha**; and **Garba**

THE OPPOSITION FRONTRUNNERS

● No politician in Nigeria evokes reactions as intense and sharply divided as General **Muhammadu Buhari**. Many people think him incorruptible and a disciplinarian and accuse him of religious or ethnic intolerance and inflexibility. This helped and hurt his standing when he ran for president in 1999, 2003 and 2007. His reputation for being stern and strict hardened when he was military head of state in the early 1980s. Civilian life has not softened his image; he is the only one of Nigeria's retired top military officers still habitually referred to by military rank. Central Bank Governor **Sanusi Lamido Sanusi** has long championed 'Buharism' – a fiercely nationalistic political and economic ideology.

● **Atiku Abubakar** has expended more effort in his attempts at the presidency than any of the other failed aspirants. Ahead of the 1999 elections, he assumed the leadership of the governing People's Democratic Party after the death of **Shehu Musa Yar'Adua**, whose political machinery made up its core. To balance the ticket, Atiku, a Muslim from the North, recruited **Olusegun Obasanjo**, a Christian from the South, to run as presidential candidate. A four-year term as Vice-President would have set Atiku up for a 2003 run for the presidency, but Obasanjo insisted on a second and then a third term. A fall-out between the two forced Atiku to defect to the Action Congress. He contested the 2003 elections, but official results gave him only 7%. A January 2009 failed attempt at rapprochement with the PDP drove a wedge between Atiku and the AC. In October, Atiku, Buhari, **Attahiru Bafarawa** and others – known as the G-23 – announced a new party whose presidential candidate would be decided in a 'free and fair' primary.

● Comparing himself favourably to the cumulative efforts of leaders from the North, **Attahiru Bafarawa** summed up his achievements as Governor of Sokoto State (1999-2007): 'Our government constructed over 1,000 kilometres of roads, produced over 50 medical students, built a time-tested media house and hooked our people to the national grid.' In 1979, Bafarawa failed in a run for the House of Representatives. Fifteen years later, he was a local councillor and member of the National Constitutional Conference, convened by military dictator **Sani Abacha** in 1994. Bafarawa has founded three parties before: the United Nigeria Congress Party, All Nigeria People's Party for which he ran for governor in 1999 and Democratic People's Party, whose presidential candidate he was in 2007. He is awaiting the result of an investigation following his arrest in 2008 on money laundering and corruption charges. On 28 October, a panel in Sokoto indicted him and ordered that he and his aides return a missing 2.9 billion naira (US\$19.3 million). ●

Mohammed, Deputy Governor of Bauchi State. **Ayo Opadokun**, CODER Secretary, has laid out its stall for the media.

Tinubu is the movement's initiator (and perhaps financier) and, as leader of the minority AC, knows well how Nigerian elections work. Research on the 2007 elections carried out in Lagos, Oyo, Delta, Rivers, Plateau and Kaduna states found evidence that the weaker opposition party was the most prone to use violence.⁽ⁱ⁾

With the advantages of incumbency, the PDP used relatively little violence but concentrated on buying votes and stuffing ballots. PDP supporters were much more likely to vote, AC supporters to abstain. Yet community campaigns against violent politicians did produce dividends.

The readiest way to rein in the political slush funds is by strengthening the Economic and Financial Crimes Commission. One aim of the Independent National Electoral Commission (INEC) is 'to bring about order and accountability in the management of party finances', which is necessary but insufficient. A functioning EFCC would discourage the plundering of state assets which fund violence, ballot-stealing and stuffing. Tackling corporate and political corruption in the Niger Delta is central to a durable peace there (AC Vol 50 Nos 22 & 23). This would require efficient public auditing both of the state oil corporation and of the international oil and gas companies, whose refusal (with the government's acquiescence) to release tax accounts blocks progress towards making federal revenue more transparent. Instead, national, state and local politicians press the companies for covert payments, in cash and kind, as a sort of impromptu tax.

CORRUPTION FEEDSTOCK

In theory, Yar'Adua's plan to distribute 10% of oil equity to people from oil-producing areas would bypass state governors and their lackeys and favour Delta citizens. The idea is incorporated in the latest draft of the Petroleum Industry Bill (AC Vol 50 No 23). Yet reformers argue that a piecemeal approach to oil and gas revenue could work against greater accountability; all the mechanisms for distributing revenue and equity stakes should be consolidated into a constitutional amendment which would guarantee public access to the accounts and reduce the feedstock for political corruption.

Central Bank Governor **Sanusi Lamido Sanusi** has swept through the banking sector, demanding audits and taking over banks deemed to have broken regulations and, in some cases, the criminal law. Sanusi urges the ministries of Petroleum Resources and Justice 'to take responsibility for their section of the country' and clean up the system. Despite the efforts of influential bankers and politicians, his reform campaign lifts the veil on corrupt networks as the bank accounts of several state governors come under scrutiny. So far, there has been little similar progress in reforming the electoral system or replacing ineffectual or corrupt officials.

The reformers want the INEC to be made truly independent. The novelist **Wole Soyinka** has dubbed it the 'Institute for National Electoral Chicanery'. Its Chairman **Maurice Iwu**, a professor of pharmacology, last year privately told Commonwealth election experts that during the 2007

elections he had given in to political pressure. When the National Assembly held a retreat to ponder reforms, Iwu was ignored while **Kwadwo Afari-Gyan**, head of Ghana's Electoral Commission, was invited instead. Iwu does not want the INEC to be broken up into smaller component parts. Instead, he canvasses for financial autonomy and stiffer penalties for electoral offenders. CODER members are sceptical about his motives. They argue that the INEC needs fundamental reform to free it from the control of the incumbent regime and that Iwu must not oversee the next elections. Foreign Minister **Ojo Maduekwe** told the United Nations General Assembly in September that Iwu, who became Chairman in 2005, might not be reappointed.

Time is pressing. Even if Yar'Adua does not leave office early, there is less than 18 months to the next national elections and still no consensus on what should be in an electoral reform act. One point of agreement is that the present system and its operators cannot produce credible election results. ●

(i) The findings are published in *Votes and Violence: Experimental Evidence from a Nigerian Election* by **Paul Collier** and **Pedro C. Vicente** of Oxford University.

RECYCLED ACTIVISTS, NEW TACTICS

On 24 November, the Mega Summit Movement (MSM) disclosed plans to launch a Mega Party in 2010. Its three component groups had hitherto looked more like siblings squabbling over a toy.

The first component, the National Democratic Initiative (NDI), was started by **Muhammadu Buhari**, **Atiku Abubakar** and **Attahiru Bafarawa**. The second, the Coalition of Democrats for Election Reforms (CODER), is led by **Bola Ahmed Tinubu**, former Governor of Lagos State and Action Congress chief, and **Femi Falana**, prominent lawyer and civil rights activist. The third group, the original conveners of MSM, consists of **Balarabe Musa** (formerly Governor of the old Kaduna State) and Chairman of a faction of the Conference of Nigerian Political Parties (CNPP), with **Anthony Enahoro** and **Olu Falae** (presidential candidate of the Alliance for Democracy in 2003).

All three groups want to halt Nigeria's drift to a one-party state. Balarabe Musa had earlier expressed fears that the formation of the National Democratic Movement, a new version of the NDI, would weaken the opposition, since it is seen as a northern platform. On 24 November, the Mega Party introduced itself to the media, at a session chaired by **Pat Utomi**, 2007 presidential candidate of the African Democratic Congress.

One reason these interests are converging is utter dissatisfaction with the People's Democratic Party, expressed even by two of its most senior members, **David Mark**, the Senate President, and **Anthony Anenih**, a party chieftain. On 21 November, the PDP's National Publicity Secretary, **Rufai Ahmed Alkali**, publicly disowned a group calling itself 'Yar'Adua for a New Nigeria', which is said to be run by **Polycarp Nwite**, the President's Special Assistant on politics. The MSM wants to take advantage of this disarray.

Atiku and Buhari both regard themselves as presidential contenders. Yet there is muted agreement within the MSM that both must step down to support another candidate. A major challenge is the northern elite's belief that it is entitled to two presidential terms under a regional balancing agreement. Atiku's personal fortune has been hit by Nigeria's banking crisis. Bola Tinubu, a key opposition figure, has not yet declared his attitude towards the Mega Party. Some think he might quietly support a second-term bid by Yar'Adua. He backs CODER and insists that changing the laws and institutions is more important than forming alliances with disparate recycled politicians.

The Mega Party is indeed disparate: it includes past presidential candidates, elderly politicians, former army officers who have turned to politics, united only by dislike of the PDP. Optimists contend that the likes of Pat Utomi, **Tunji Braithwaite** and Balarabe Musa will provide credibility and be the party's driving force. At a meeting with journalists on 24 November, it emerged that many supporters of the Mega Party thought that both Buhari and Atiku might be surplus to requirements.

There is much talk of a new political vehicle to be led by the former anti-corruption chief, **Nuhu Ribadu**, and the former Minister of the Federal Capital Territory, **Nasir el Rufai**, both of whom now live abroad. El Rufai has recently told friends of his determination to return to Nigeria despite the impending charges against him, which he rejects as politically motivated. Others claim that the maverick billionaire, General **Theophilus Y. Danjuma**, is offering to finance an opposition grouping. The opposition will start to look credible only if it can repeat its successes in Kano and Bauchi states in 2007, when activists protected their votes against the PDP's riggers and thugs. ●

Many rivers to cross

President Bozizé is tipped to win the coming election, but much of the territory is beyond the control of his army

Cheered to the rafters at his *Kwa Na Kwa* (KNK) party congress at Mbaiki on 13 November, President **François Bozizé**, 63, declined to confirm that he would stand in next year's presidential election. However, it seems certain that he will – and win convincingly. Meanwhile, with a few ministerial changes he will keep his weak government in power although the state barely functions in much of the country and investors are losing patience.

On seizing power in March 2003, Bozizé, who styles himself as a safe pair of hands, proposed a 30-month programme to stabilise the government and relaunch the economy. Years of conflict followed and Bozizé still has to secure the disarmament of sundry armed factions. President of the six-nation regional body, the *Communauté*

Economique et Monétaire d'Afrique Centrale (CEMAC), Bozizé is close to neighbouring Chad's President **Idriss Déby Itno**. Gabon's new President **Ali Bongo Ondimba** visited on 21 October, offering to continue the mediation with dissidents that his father, President **Omar Bongo Ondimba**, once pursued, with mixed results. To the dismay of CAR's chaotic opposition, **France** and the **United States** tacitly support Bozizé for lack of plausible alternatives but stop short of the ringing endorsement by **China's** Ambassador **Shi Hu** at the Mbaiki congress.

Ex-President **Ange-Félix Patassé**, 72, flew home on 30 October, ending a six-year exile, mainly in **Togo**. He may relaunch his presidential campaign. On 21 November, **'le Barbu'** ('the bearded one')

told journalists about 'returning at the request of the Lord to take on a ministry of peace', though his first priority seems to be to regain control of the *Mouvement de Libération du Peuple Centrafricain*, which he founded in 1962. The MLPC disassociated itself from the exiled Patassé; its leader is now ex-Premier and presidential candidate **Martin Ziguélé**, 52. Ziguélé's wife is Patassé's niece, but a rapprochement is unlikely. Patassé accuses Ziguélé of betrayal and opportunism; Ziguélé calls him a dinosaur but fears a comeback. Ziguélé is the anointed opposition candidate for 2010; in 2005, he polled over 35% in the second round.

Bitter memories persist of Patassé's decade in office: mutinies, economic mismanagement – and the disastrous military alliance with **Jean-Pierre Bemba**, leader of the *Mouvement de Libération du Congo* and ex-Vice-President of neighbouring **Congo-Kinshasa**. Bemba sent his troops to Bangui after October 2002's failed coup against Patassé. Accusations of rape, looting and arbitrary killing by his troops led to Bemba's indictment by the International Criminal Court and his arrest in Brussels in May 2008. His trial is postponed to April 2010. Bangui activists want Patassé indicted too; he insists he has nothing to fear. In CAR, he negotiated an amnesty after receiving a 20-year sentence in *absentia*.

Bozizé has few other serious rivals. The *Union des Forces Vives de la Nation* (The Nation's Life Forces Union), a coalition including the MLPC, makes little impact. Critics say the KNK has no roots and no programme but could mount a slick campaign. It has slimmed from a big alliance of over 30 parties to KNK *'Pur'*. Elections should be held before April 2010 but there is no electoral register, state administration is nearly paralysed and serious security problems remain in the north and south-east. The polls are meant to follow a Disarmament, Demobilisation and Reintegration programme financed by the UN and CEMAC. The Comprehensive Peace Agreement between government and rebel movements in June 2008 in Libreville, reinforced by the *Dialogue Politique Inclusif* in Bangui in 2008, merely outlined plans for rebel disarmament and national reconciliation.

CAR and Chadian fighters, many with two nationalities, have been involved with rival rebel movements on both sides of the border. Some report **Sudanese** fighters crossing into the north-eastern Vakaga region. The 22 November abduction of two French aid workers in Birao, close to CAR's border with Sudan, who were ostensibly protected by Togolese UN peacekeepers of the *Mission des Nations Unies en République Centrafricaine et au Tchad* (Minurcat), revived security concerns. On 30 November, **Abu Mohamed el Rizeigi**

THE REBELS' DISARMING AMBIVALENCE

Many armed groups exploit local grievances but none have national weight. Their submissions to the Disarmament, Demobilisation and Reintegration (DDR) programme show they number hundreds, not thousands. These are main groups:

- **'General' Damane Zakaria's** *Union des Forces Démocratiques pour le Rassemblement* (UFDR) is strong in the isolated north-east, particularly Vakaga and Haute-Kotto. They fought the *Forces Armées Centrafricaines* (FACA) and **French** soldiers for control of Birao in 2006-07 but largely respect 2007's ceasefire. Most support is from the Gula ethnic group; there were clashes between Gula and Kara around Birao in June.

- *Mouvement des Libérateurs Centrafricains pour la Justice* was under the UFDR umbrella, with its leader, **Abakar Sabone** imprisoned in Cotonou, **Benin**. The MLCJ, many of them **Chadian**, helped **François Bozizé** to power but now say they are sidelined.

- *L'Armée Populaire pour la Restauration de la Démocratie*, in the north and north-west, says it aims to stop the *zaraguinas* or *'coupeurs de route'* (highwaymen) attacking travellers. APRD leader **Jean-Jacques Demafouth's** political ambition antagonises rivals and complicates the DDR programme's *Comité de Pilotage*, where rebel leaders work with government, United Nations and others. Sometime student journalist, human rights activist, lawyer and businessman Demafouth was Defence Minister before being accused in a 2001 coup attempt. After six years' French exile, he joined the national dialogue in December 2008.

- **Abdoulaye Miskine** aka **Martin Koumtan Madji** notoriously heads the *Front Démocratique du Peuple Centrafricain*. Former President (1993-2003) **Ange-Félix Patassé** used Miskine and his mainly Chadian mercenaries to brutal effect. Human rights activists reported him 'having summarily executed scores of persons'. A protégé of **Moammar el Gaddafi**, Miskine is often in **Libya**. He withdrew from peace talks. The FDPC operates around Sido, close to Chad. Relations with FACA and APRD are poor.

- **Charles Massi** heads the *Convention des Patriotes pour la Justice et la Paix*. A minister under both Patassé and President Bozizé, Massi, 57, founded the *Forum Démocratique pour la Modernité* and came fifth in 2005's presidential poll. He broke with Bozizé in 2008, left for France, joined and quit the UFDR, then took over the CPJP. He was arrested in Chad in March on a mission for the CPJP (which hasn't signed the peace accord). Freed in July, he has not returned to Bangui. On 26 November, the CPJP attacked and briefly held Ndélé in the north; it has support from the Runga people.

- Dozens of fighters from Chad's *Front Populaire pour le Redressement* under Gen. **Baba Laddé** have been in CAR since September 2008, mainly close to Kaga-Bandoro in the north. Laddé says the FPR was invited to help the APRD stabilise the region under its control but relations have deteriorated. ●

(whose name suggests he is from Darfur's Rizeigat Arab tribe) of the African Free Eagles publicly threatened to kill the hostages if Paris didn't stop 'interfering in Darfur'; he claimed the kidnap of two other French aid workers, in Darfur on 22 October and in Chad near the Sudanese border on 9 November, plus two other foreigners, recently released.

Abu Mohamed has also demanded that Darfur's Justice and Equality Movement and **Abdel Wahed Mohamed Ahmed el Nur's** faction of the Sudan Liberation

Movement join the Darfur talks in **Qatar** plus a retrial of the French Zoë's Ark staff accused of taking 103 Darfur refugee children to France for adoption without parental consent. All these are regular demands of Khartoum's National Congress Party (aka National Islamic Front) regime. Local reports said the Birao kidnappers crossed into Sudan.

CAR's borders are porous and long. The weakness of the armed forces, the *Forces Armées Centrafricaines* (FACA), in the south-east (an area long vulnerable

to Khartoum's interference) allowed in Khartoum's old ally, **Uganda's** Lord's Resistance Army. Raids in early 2008 preceded more concerted LRA attacks in 2009, targeting villages around Obo, which already hosted hundreds of Congolese refugees from the LRA. As in Uganda itself, high-profile deployment of the Uganda People's Defence Force has not halted LRA attacks; **Joseph Kony's** movement now creates havoc around Djéma, another small town in Haut-Mbomou Region. ●

EUROPEAN UNION/AFRICA

The East takes on the South

The new team of Eurocrats has little experience of Africa and may be surprised by what it finds

A new European Commission was named on 17 November and most of its members who will deal with African affairs are from countries with no ties to the continent. The Commission President is still **Portugal's José Manuel Durão Barroso**, while the sometimes criticised **Javier Solana** is replaced as High Representative for Foreign Affairs and Security by **Britain's** little known **Catherine Ashton**, whose foreign policy experience consists mainly of a year as Trade Commissioner. Most Africa-related posts have gone to commissioners from eastern Europe. Optimists claim Barroso wants to introduce them to responsibilities beyond Europe. Pessimists say the ex-colonisers – **Belgium, Britain, France, Germany, Italy and Spain** – have lost interest in their African links and did not want the jobs.

The new Development Commissioner is **Latvia's Andris Piebalgs**, replacing **Karel de Gucht**, who himself recently replaced the long-serving **Louis Michel**, also from Belgium. Piebalgs has some African experience: as Energy Commissioner, he helped set up an Africa-European Union energy partnership in 2007 and visited **Nigeria** in 2008 to express Europe's interest in a trans-Saharan gas pipeline to counter interest from **Russia's** Gazprom.

The new Commissioner for International Cooperation, Humanitarian Aid and Crisis Response is **Rumiana Jeleva** of **Bulgaria**, who has no recorded involvement in anything African. The Commissioner for Enlargement and European Neighbourhood Policy, who will work on relations with North Africa, is **Stefan Füle**, a **Czech** who has specialised in defence matters as Ambassador to the North Atlantic Treaty Organisation and Deputy Defence Minister. New Maritime Affairs and Fisheries Commissioner **Maria Damanaki** from **Greece** also has

no African background and will have to negotiate with the Gulf of Guinea states on European (mostly Spanish) fishing rights.

Old Africa hand **De Gucht** gets the Trade portfolio. Until he took over from **Michel** at Development, he was Belgian Foreign Minister (2004-09) and previously

a member of the African, Caribbean and Pacific States-EU Joint Parliamentary Assembly. **De Gucht** will have to complete Economic Partnership Agreements (EPAs, AC Vol 48 No 21) with ACP countries that are supposed to lead towards free trade via four African regional organisations: the Common Market for Eastern and Southern Africa, Economic Community of Central African States, Economic Community of West African States and Southern African Development Community. Many special-interest lobbies in Africa and Europe detest these proposals. **De Gucht** is suspected of favouring Asia over Africa and is a tough

MR CHAMBAS GOES TO BRUSSELS

After **Mohammed ibn Chambas** takes over as Secretary General of the African, Caribbean and Pacific Group in Brussels on 1 March 2010, he will have to fight hard to reassert the coherence and sense of direction of this important lobby group and its relations with the European Union. One of **Ghana's** most experienced diplomats, Chambas is leaving his post as President of the Commission of the Economic Community of West African States (Ecowas) for the ACP at a critical time for Africa policy in Brussels. The EU is yet to develop an adequate response to the sharply increasing importance of **China's** and **India's** trade and diplomatic influence in Africa and its own declining standing there.

The ACP Group and its Secretariat were set up in 1976, after the signing of the Lomé Convention, with its elaborate trade preferences. The Secretariat declined in importance as the trade convention lost relevance, to be replaced by the EU-ACP Cotonou Agreement of 2000. These did little to revive the Secretariat, which relied on the European Commission for resources. In 2000, the Cotonou Agreement retreated on the trade privileges of Lomé and split the ACP into six regions, undermining its cohesion. Leadership battles within the ACP, exacerbated by Anglophone-Francophone rivalries in Africa, also held it back. Chambas's experience at Ecowas and his years as **Ghana's** Deputy Foreign Minister, when he tried to mediate in the **Liberian** and **Sierra Leonean** conflicts, should prove useful.

Chambas has also been involved in negotiations over the Economic Partnership Agreements which the EU has been trying to finalise with the ACP regions. Although Caribbean member states of the ACP are now fully signed up, Africa's position is more critical: **Nigeria** and **South Africa** oppose the EPAs in principle. Some countries, such as **Ghana**, were pressed into signing EPAs last year by **Louis Michel**, then EU Development Commissioner, and **Peter Mandelson**, then at Trade. Both have left office and some hope that **Britain's** Baroness **Catherine Ashton** might be able to repair some of the diplomatic damage on the issue. Many states see the EPAs as divisive at a time when Africa is trying to build up regional trading blocs and reduce market barriers.

Chambas easily defeated two other candidates for the ACP leadership, both West African: **Fernando Wahnou**, **Cape Verde's** Ambassador in Brussels, and **Alieu Ngum**, **Gambian** former Ambassador there. One of his first tasks will be to push for a greater ACP decision-making role in funding security projects, such as the United Nations-African Union Mission in Darfur, to which the EU has contributed from the European Development Fund. The Cotonou Agreement includes security matters, but the European Commission prefers to work directly with the AU, bypassing the ACP. This has reinforced perceptions that the ACP is an empty shell: changing that will be hard work. ●

talker who angered President **Joseph Kabila** by attacking **Congo-Kinshasa's** entire political elite.

The EPAs are supposed to come into force in March and the main ACP negotiator will be its new Secretary General, **Mohamed ibn Chambas** from

Ghana (see Box). He knows about regional integration and relations with Europe but heads a Secretariat that has lost its dynamism since 2004, when Sir **John Kaputin** of **Papua New Guinea** became Secretary General. ACP officials are keenly aware that 40% of their budget comes

from Europe, while many developing-country members have been slow to pay up (AC Vol 50 No 12). Several African countries now prefer to deal with Brussels through their regional organisations' representatives there, rather than through the ACP. ●

ZIMBABWE

Faint heart never beat stout lady in the ruling party

Joice Mujuru's victory in ZANU-PF's leadership election could encourage more pragmatism as pressure mounts for Mugabe's exit

Emmerson Mnangagwa is nicknamed 'the Crocodile' partly for his ability to snap after long periods of log-like but watchful inertia.

In November's election for the Praesidium of the Zimbabwe African National Union-Patriotic Front (ZANU-PF), the croc seemed to have mislaid his dentures and

DIDYMUS MUTASA DITHERS

In the hierarchy of the Zimbabwe African National Union-Patriotic Front, the Politburo Secretary for Administration ranks fifth, running the Secretariat that sets dates and agendas for the political calendar, supervises elections for party offices and approves or otherwise the results. Given the leadership's penchant for wriggling away from outcomes it dislikes, these are no mean powers. The incumbent is **Didymus Mutasa**, who got there on seniority, by no means on his political acumen or administrative skills.

The five-yearly ZANU-PF congress, shifted from Bindura to Harare, was due to run from 8 December. It has been postponed for a week, ostensibly because the Secretariat had not noticed that the venue had already been booked by the Civil Aviation Authority of Zimbabwe. In the past, ZANU-PF would have simply told the CAAZ to fly off on its own. Most commentators believe ZANU-PF is having trouble raising funds for the jamboree. Available resources may bring lobster, caviar and other small fish to the high table but finding the breadbaskets, beds and transport for the hoped-for 10,000 delegates may prove beyond the powers of even **Robert Mugabe**, the miracle worker. The days are gone when **Gideon Gono's** Reserve Bank of Zimbabwe would have provided bridging finance until the party could squeeze the corporate sector or activate the printing presses.

Moreover, a face-saver must be found, given the climb-down the Southern African Development Community is forcing over the 2008 Global Political Agreement with the Movement for Democratic Change. The election of ZANU-PF's four-member Praesidium was uneasy and the new team must work out how to present itself to congress delegates. For this, Mutasa must accept some responsibility.

His directives to the Matebeleland provinces created confusion. First, the 1987 Unity Accord specified that the three provinces were to agree candidates from the original Patriotic Front-Zimbabwe African People's Union. Yet when it was pointed out that PF-ZAPU was not a regional party, **Joice** and **Solomon Mujuru** mischievously persuaded retired General **Ambrose Mutinhiri**, a member of parliament from Mashonaland East, to toss his hat in the ring. Then the Central Committee and Politburo members from the three provinces were meant to agree, which they did not. No fewer than five names were proposed for two vacancies, with Matebeleland North putting forward two names for each. The elections had been scheduled for a specific day but some provinces were allowed to wait until they saw how other provinces had voted. In the end, the relative outsider **Simon Khaya Moyo** won the party chairmanship.

Mutasa had his own ambition to get into the Praesidium. The Mujurus walked around him by offering him the Mashonaland Central nomination for chairman; in return, Mutasa's own Manicaland nominated Joice Mujuru to remain Vice-President. Manicaland thus slipped out of **Emmerson Mnangagwa's** orbit, where many thought it belonged. He will next be eyeing the Secretariat to restore his credibility. Mugabe's appointments to the new Politburo may show Mutasa just how slippery the political pole can be. Manicaland is calling foul and demanding a rerun of the election for the chairmanship; Mutasa placed the issue on the Politburo agenda for 3 December. ●

the followers of **Joice Mujuru** skipped off with the prizes. Mnangagwa has long been regarded as the leading contender for the succession but whenever his ambitions became too blatant, President **Robert Mugabe** firmly knocked him back and neutralised his supporters. Notable cases occurred after the ill-fated Tsholotsho Declaration in 2004, which led to the eclipse of Professor **Jonathan Moyo** (recently reinstated), and the rumoured manhandling of Mnangagwa himself last year by the Central Intelligence Organisation. His caution was portrayed as strength but the Praesidium elections, which required decisive nimbleness, have unmasked it as a flat-footed flaw.

The Mnangagwa slate for the four-member Praesidium was Mugabe for First Secretary (President, at national level), **Oppah Muchinguri** and **John Nkomo** for Second Secretaries (national Vice-Presidents) and **Kembo Mohadi** for party Chairman. The rationale was that Nkomo and Mohadi, from the Matebeleland provinces, would satisfy the spirit of the 1987 Unity Accord between ZANU-PF and the Zimbabwe African People's Union (ZAPU), while Muchinguri would bring Manicaland on board. Together with the Karanga provinces of Masvingo and the Midlands – Mnangagwa's home base – a majority of the provinces would be lined up, with Harare and Mashonaland West as extra outside chances.

Victory by that list would have signalled the waning of Mujuru and Mnangagwa's grip on the party machine. Yet on the day, Masvingo was the only province to vote the full slate. Midlands delayed for a week, citing irregularities which many felt were spurious and intended to buy time to see which way the wind blew; when they saw which way, they threw in the towel and hopped on the bandwagon.

Mnangagwa had not reckoned on **Didymus Mutasa's** pretensions to the Praesidium. There was nothing to offer him, so when the Mujurus' (Joice and husband **Solomon**) Mashonaland Central nominated him for the chair, Manicaland slipped effortlessly over, giving its vice-presidential nomination to Joice Mujuru and the chair to Mutasa. Mohadi was ignored by the three Matebeleland provinces, two of which plumped for **Simon Khaya Moyo**. For the past four years, he has been an extremely skilful Ambassador to **South Africa** but is relatively junior and young. Matebeleland North made a

curious joint nomination of Khaya Moyo and Mines Minister **Obert Mpofu**, a bulky lightweight whom the Mujurus had encouraged. Most of the provinces that had delayed their nominations then swung behind Khaya Moyo for chairman, including Mashonaland Central, which dropped Mutasa.

Mujuru thus ended up with nine provincial nominations – two more than the number many had believed would back the Mnangagwa list. As one of the few ZANU-PF figures enthusiastically to back 2008's Global Peace Agreement (GPA) with the Movement for Democratic Change and openly cooperate with the MDC, she has probably caught the mood of the country and even parts of ZANU-PF itself. Attempts to smear her as a sell-out have backfired. She began the process by cooperating with the MDC to block the Mnangagwa nominee for the chair of the parliamentary women's caucus (AC Vol 50 No 19); **Olivia Muchena**, a Mujuru associate, won the key post (but the ZANU-PF Youth League congress was a stalemate). The disputed election of **Amos Midzi** as Harare Provincial Chairperson had blocked **Hubert Nyanhongo**, a Mnangagwa man, and when the Secretariat endorsed it, Midzi brought Harare behind Mujuru. In Mashonaland West, the Mnangagwa faction lost out in an apparent tussle between Karanga and Zezuru groups.

In the first round, John Nkomo got four clear and one joint nominations, but in the second, the Mujurus threw in their weight to give him a full house. Had **Dumiso Dabengwa** still been in the party, the

position would have been his. Nkomo is the great political trimmer; whichever way the political train chugs, he always finds a comfortable seat. When Mugabe threw **Joshua Nkomo** out of government in 1982, John Nkomo clung to the wreckage and ministerial office for another 18 months. With no agenda or following, he is unpopular even in Matebeleland. This was his strength: everyone knew he would effortlessly attach himself to the dominant faction, so he was everyone's choice for the time being.

THE HAUNTING OF MNANGAGWA

Two ghosts from the past have haunted Mnangagwa. In the mid-1980s, he was the security supremo during the brutal suppression of ZAPU and is unforgiven in Matebeleland (AC Vol 50 No 22). Yet he felt it necessary to honour the spirit of the 1987 Unity Accord, which ensures that one second secretary and the chairperson should be from Matebeleland. He could have written the province off but he did not have the nerve. In the process, he has irritated his closest allies in Masvingo, the only province that stuck to the script.

It is too soon to write off Mnangagwa entirely, given his close links with the securocrats. However, an extra faction is coalescing around Security Minister (and GPA negotiator) **Nicholas Goche** and Youth Minister **Saviour Kasukuwere**, and this time, it operates in loose alliance with the Mujurus.

The new Praesidium represents a generational shift. Both Joice Mujuru (54) and Khaya Moyo (64) are decades younger than Mugabe. Mujuru is a populist who

now looks like a canny tactician. Much of the legwork has been undertaken by her husband Solomon, a former head of the armed forces. Neither is shy of rubbing shoulders with **Morgan Tsvangirai** and the MDC or of being seen as enthusiasts for power-sharing. Yet nothing can be taken for granted. At the cabinet meeting on 24 November, Mujuru insured herself against another harvest failure and launched an emotional attack on Finance Minister **Tendai Biti** for not using International Monetary Fund money to purchase and distribute agricultural inputs. The cabinet and Mugabe himself were taken aback by her ferocity and Mugabe called a second subcommittee meeting, only to find Mujuru and Biti still on friendly terms.

Khaya Moyo is a backroom operator who first emerged as Joshua Nkomo's Political Secretary. As current Ambassador to **South Africa**, he has played a bad hand extremely well, enabling Mugabe to withstand the mounting pressure from the Southern African Development Community countries. His success was professional and does not mean he is emotionally opposed to power sharing.

The Mujurus have now set their sights on cutting down to size the war-veteran showmen **Jabulani Sibanda** and **Joseph Chinotimba** before the ZANU-PF congress, postponed till 16 December. The next clues will be who Mugabe nominates to the Politburo. He is inevitably slowing down and the Mujurus are unprecedentedly forcing the pace. The softly menacing balance and manipulation which Mugabe has favoured over the years is increasingly a thing of the past. ●

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Algeria/Egypt FOOTBALL FUSS

■ Algeria and Egypt stopped just short of war over qualification for the 2010 football World Cup in **South Africa**. We hear that President **Abdelaziz Bouteflika** had considered a special forces intervention if Algeria lost a group play-off match to decide Africa's last qualifier in Khartoum, **Sudan**. Not only was blood spilt by players and fans, Algerian and Egyptian communities have been threatened in each other's countries; embassies, airline offices and other national symbols have been attacked, envoys recalled and businesses threatened.

Politicians are as angry as ordinary fans, suggesting the row could continue for years. Efforts by **Libya's Moammar el Gaddafi** and **Qatari Emir Sheikh Hamad bin Khalifa al Thani** to heal the rift between presidents Bouteflika and **Mohamed Hosni Mubarak** have so far failed. Improbably, **Sudan's** pariah President **Omer Hassan Ahmed el Beshir** enhanced his standing in the Arab world after his officials brokered a peaceful outcome to the on-pitch stand-off in Khartoum. Notwithstanding, Egyptian journalists lambasted Khartoum for its security lapses.

Following a stoning incident before Egypt beat Algeria 2-0 in Cairo in the original match, President Mubarak refused to take a call from Bouteflika, who was later hospitalised with high blood pressure. Even the urbane Algerian Energy and Mines Minister **Chakib Khelil**, a former World Bank official, said that if Egyptian immigrants left, Asians would replace them if Algerians did not take their jobs.

Egyptian companies are the main non-hydrocarbon investors in Algeria. Among the biggest is the **Sawaris** family's Orascom group, with which the Bouteflika clan has quarrelled. Orascom's legitimate deal to sell its Algerian cement business to **France's** giant Lafarge angered Bouteflika; he wanted to decide on the sale even though the asset belonged to Egyptians.

Algiers has criticised Orascom's running of the highly profitable Djezzy mobile telephone service. In June, the government imposed a US\$596.6 million tax bill on Orascom for using 'improper accounting methods to conceal profits'. Following attacks on its premises after the Cairo leg of World Cup qualification, Orascom Telecom Holding said it was withdrawing all its Egyptian employees. Chairman **Naguib Sawaris** said the damage could cost 'tens of millions' of dollars; the Djezzy licence might now be available cut price to some of Boutef's business friends.

Boutef's brother and chosen successor,

Saïd Bouteflika, led Algeria's delegation to the match in Sudan. He has fallen out with Hosni Mubarak's businessman son **Alaa Mubarak** over the agency arrangements in a military aircraft deal. Now the football war has brought out low-profile Alaa to lead the Egyptian attack on Algeria. Unlike his brother and heir-apparent **Gamal Mubarak**, Alaa is not a politician. Both sides seem happy to continue the nationalist grandstanding, exacerbated by business rivalries.

Popular support for the soccer war reflects growing social tensions; there has been a rise in local, violent demonstrations by Algerians and Egyptians frustrated by the unfulfilled promise of jobs and prosperity after years of harsh economic reform. Usually the security services control such events but Egyptian security failed to protect the Algerian team bus from attack and police in both countries held back as menacing crowds massed. Algeria plays in the World Cup in June, and there may be more violent protests unless the political elites dampen down the nationalist passions they have exploited.

Rwanda

A BOTCHED PROSECUTION

■ **Protais Zigiranyirazo**, brother-in-law of late Rwandan President **Juvénal Habyarimana**, was acquitted on appeal by the Arusha-based International Criminal Tribunal for Rwanda on 17 November (AC Vol 50 No 15). Anguished protests followed, from survivors, human rights activists and the Kigali government.

Last December, a panel of judges at the Tribunal had found Zigiranyirazo, aka '**Monsieur Z**', guilty of participation in a joint criminal enterprise to kill civilians at Kesho Hill, in Gisenyi, on 8 April 1994. He had encouraged and approved the attack, in which 'hundreds and possibly over a thousand Tutsi civilians died', and was guilty of 'extermination', said the judgement. He was found guilty of genocide in another massacre.

The appeals tribunal, presided over by **United States** Judge **Theodor Meron**, 79, annulled the initial verdict, saying the first court had made fundamental errors of law by failing to take into account alibis presented by the defence. Zigiranyirazo, 71, claimed that, at the time of the offences, he had been at Kanombe with his sister, presidential widow **Agathe Kanziga**.

Rwandan Justice Minister **Tharcisse Karugarama** said it was a 'sad moment', especially for those who knew about Mr Z's conduct during the genocide. **Belgian** lawyer **Eric Gillet**, member of the human rights body *Fédération Internationale des Ligues des Droits de l'Homme* and of an international inquiry into the massacres of Tutsi that preceded the genocide, said the appeals tribunal should have referred the case back to the court of first instance. He

criticised the appeal judges for considering a few facts, not at the claims of Mr Z's role as boss of the 'Zero Network', creating the death squads and planning the genocide.

Survivors are anxious and angry. A Tutsi nurse whose husband and children were slaughtered, **Yolande Mukagasana**, wrote her story in 1997: *La mort ne veut pas de moi* (Death doesn't want me), *Editions Fixot*, Paris. Now, she writes that the genocide planners are still at liberty in countries that have signed the Geneva Conventions and asks how 'a tribunal that has cost more than US\$100 million a year cannot give us justice'.

Mali/Venezuela

DRUGS AND THUGS

■ Interpol is investigating the fate of a Boeing jet carrying some 10 tonnes of cocaine which landed in Mali on 2 November and may have been deliberately destroyed. The Boeing had taken off from Venezuela, according to **Alexandre Schmidt**, Director of the regional office of the United Nations Office on Drugs and Crime (UNODC) West Africa, although its cargo was probably loaded in **Colombia**. Eye witnesses say the jet landed on a makeshift strip some nine miles from Gao, in an area controlled by insurgents, and unloaded cocaine and other drugs.

Mali is an increasingly important transit point for drugs shipments, usually by air from Latin America, which are bound for Europe. The size of this cargo suggests that the shippers had a strong logistics network on the ground in Mali.

Venezuela's Interior Minister **Tarek el Aissami** said his government was investigating the crash but that he had seen no evidence that either the jet or the drugs had originated in his country. Belatedly, on an official visit to **Libya** on 24 November, Mali's President **Amadou Toumani Touré** announced an investigation into the incident, which he described as a threat to national security. We hear that Libyan intelligence officers had previously visited the crash site. The **United States** has boosted its military cooperation with Mali to counter the operations of *Al Qaida* in the Islamic Maghreb and other Salafist groups fighting in the Sahel. Recent reports suggest some groups are using drug revenues to finance military operations.

Against huge odds, international coordination against drugs and arms smuggling operations is improving. In July 2008, Interpol, the UNODC and the US Drug Enforcement Administration cooperated in a joint investigation, known as Operation Bissalanka, of the unannounced arrival in **Guinea Bissau** of a Venezuelan jet. Interpol issued an international arrest warrant for one of the crew members, but locals tried to block the probe and secured the release of some of the suspects via a corrupt local criminal court judge.

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meeting in September.

Khoza and Motaung at once began mobilising against Nematandani, with immediate results. In October, 20 of SAFA's 52 regions said they rejected his election, alleging voting irregularities. The PSL also denounced the election and there was strong talk of a legal challenge. It was not forthcoming, largely due, we hear, to lobbying by both Zuma and Blatter, neither of whom wanted any disruption until the 2010 tournament was safely over.

It can be assumed that the intense rivalry will then resume between Jordaan and Nematandani on the one hand and Khoza and Motaung on the other. The stakes will be lower, though: the rivals will battle over the poor management, financing, training and recruitment that has held back the national football team, known as *Bafana Bafana*, which is now a feeble 85th in the world rankings.

The World Cup draw in Cape Town was FIFA's grandest yet, attracting a who's who of the new South Africa to the glitzy International Convention Centre. The cast included Zuma, former President **Thabo Mbeki**, cabinet ministers, business chiefs, and sports and arts personalities including film star **Charlize Theron**. Humble journalists lacking red carpet accreditation were kept at a suitable distance from the celebrities. The whole

event went according to schedule; Zuma was delighted, saying it showed the world that Africans knew how to keep time.

Among the slick video montages that accompanied the draw was one that traced a journey from Egypt down to South Africa, intended to indicate that this would be Africa's, not just South Africa's, World Cup. It reached a sanitised travel-brochure view of South Africa emphasising natural beauty, wildlife and traditionally garbed inhabitants. It studiously avoided much footage or discussion of the country's fast growing great cities and city dwellers who are among Africa's most enthusiastic football supporters.

We saw beaches, Table Mountain, the Kruger National Park, Zulus in traditional dress, stick fighters and so on but no cities and townships. The Soweto Gospel Choir sang the late **Miriam Makeba**'s classic *Pata Pata* from the 1950s – jaunty but unthreatening and far from the *kwai*to beats and urban rap music most South African football fans listen to these days.

While the VIPs watched the draw, there was a day-long festival just up the road in Long Street, intended to show the world how South Africans can party. The big crowd was mainly from the townships, which seemed to make the police nervous. By eight in the evening, they had barricaded all the side streets and manned them with officers on horseback, determined to keep any latecomers out. The party ended with a whimper rather than a bang, but the police had averted the threat of possible 'Cape Town chaos' stories in the international press.

The next day, Blatter and the press moved on to the sprawling Cape Town township of Khayelitsha to inspect a 'football for hope' centre which was officially opened back in May. It is a pleasant, two-storey building in a

renovated precinct intended to offer football, public health services and office space – one of 20 such centres FIFA says it will build in Africa.

It is functional enough but far from FIFA's earlier grand promises of providing a significant social contribution to the host country. So far the local press has been restrained in its criticism of FIFA's operations, perhaps reserving them for after the matches are over, when sports journalists will no longer need FIFA's goodwill to secure match tickets.

One promising sign from the draw and the street party was that Cape Town's transport infrastructure coped tolerably well, though many found car parking a nightmare, in part because the city is still awaiting the completion of a new bus service in dedicated lanes. These new buses are intended by Transport Minister **Joel Sibusiso 'S'bu' Ndebele** as a legacy from the tournament to the main cities.

So far, the new service is operating in Johannesburg but is far less developed elsewhere. The Cape Town system is running late, mainly because it is proving much more expensive than anticipated to build all the bus lanes. In early December, the Western Cape's Transport and Public Works Minister, **Robin Carlisle**, said the province would not build roads for another five years, to leave enough money to pay for the Cape Town system, with connecting bus services to outlying areas.

The showcase Gautrain, intended to connect Pretoria, Johannesburg and **O.R. Tambo** International Airport, is way over budget and behind schedule. Following immense pressure from the provincial government to hurry up, in November the Bombela Concession Company said it would ensure that a section of the route between the airport and Johannesburg's exclusive Sandton district would be ready for the games. The Passenger Rail Agency of South Africa has promised to spend an estimated 6 billion rand (US\$807 million) upgrading the national intercity service, while the Airports Company of South Africa (ACSA) says it will allow more international flights into Cape Town and Durban to ease the burden on Tambo.

South Africa's efforts to get ready have confounded the local and international sceptics who said it would never manage and have underlined the country's status as the only nation in sub-Saharan Africa ready to pull off such a feat.

Bafana Bafana find themselves in a very tough group, pitted against **France**, **Mexico** and **Uruguay**; the team will have to excel itself, perhaps buoyed by a wave of national euphoria, to make it to the next round. No African team has an easy draw, but if one could reach the final, or even semi-final, it would transform the 2010 World Cup into a triumph for the continent as a whole. Africa is waiting. ●

LIBERATION ECONOMICS 20 YEARS ON

In 2010, South Africans will celebrate the two decades since the release of **Nelson Mandela** from gaol on 11 February 1990. Polemicists of all stripes will assess the political achievements – ending apartheid, unbanning opposition parties, free elections, a liberal constitution – but the economic verdicts will be more problematic.

The liberal economic policies pursued by the African National Congress-led governments since 1994, and much praised in Western capitals, have produced the longest sustained period of gross domestic product growth for four decades but have not reversed the mass unemployment or failing of public services. Independent forecasters are now predicting a stronger economic recovery in South Africa in 2010 to between 2.0-2.5% GDP growth, about 1% higher than the government's projection. This follows a tough 2009 in which the economy formally dipped into recession and falling profits for mining houses and manufacturers prompted further job cuts.

Alongside the football, debate over economic policy will dominate 2010. President **Jacob Zuma** has commissioned the Development Bank of Southern Africa to draw up a 20-year economic plan setting out broad policy parameters – which must balance the market economics of National Planning Commission head **Trevor Manuel** and more radical proposals from Economic Development Minister **Ebrahim Patel**. Trades union allies of Patel argue that instead of linking the Reserve Bank's interest rates to inflation targets, they should be linked to job creation, which would push down interest rates. ●

Prospering yet parlous

The economy is looking up but scandals and regional tensions upset the governing party's election hopes

With copper revenue rising, poverty falling and farms thriving, the fortunes of President **Rupiah Banda's** Movement for Multiparty Democracy (MMD) government should be on the up, with hopes of a comfortable win in the 2011 general elections. But that is not the case. Oppositionists have rounded on the government for incompetence and corruption, and some of the less discreet diplomats in Lusaka agree.

The turning point was the acquittal of the unpopular ex-President **Frederick Chiluba** on corruption charges in August 2009. Chiluba had been named in a London civil suit as complicit in a debt swap deal that cost the Zambian state US\$52 million. This was presented as part of the evidence against Chiluba in the case in Zambia but the judge dismissed it as irrelevant. Chiluba's second wife, **Regina Chiluba**, had in March been sentenced to three and a half years' gaol for receiving government funds.

Banda describes Chiluba as 'a good damn president' who 'had been subjected to ridicule and insults' in seven years of legal proceedings after he left the presidency. According to the constitution, Banda (who is 72), should have had no influence on Chiluba's acquittal. He did, though, on 25 August sack the head of the Anti-Corruption Commission, **Maxwell Nkole**, fuelling claims that Chiluba's long prosecution was a political witch-hunt, as Chiluba had maintained.

The opposition celebrates Banda's declining popularity: 'President Rupiah Banda is certainly leaving in 2011, whether he likes it or not,' said **Edith Nawakwi**, President of the Forum for Democracy and Development (FDD). Nawakwi was a key ally of Banda's during the 2008 elections after the death of President **Levy Mwanawasa** in July 2008. Banda, who was Foreign Minister under **Kenneth Kaunda** (President 1964-91), had been appointed Vice-President by Mwanawasa in what was seen as an 'appreciation gesture' for persuading the people of the Eastern Province to switch to the MMD from Kaunda's former single party, the United National Independence Party.

In October 2008, Banda beat his closest rival, **Michael Sata** of the Patriotic Front, by just 35,000 votes; **Hakainde Hichilema** of the United Party for National Development came third. The official results gave Banda 40.09%, Sata

38.13% and Hichilema 19.7%. The main battle in 2011 will be between the MMD's Banda and a UPND-PF pact led by Sata. Other possible contenders are Nawakwi, Zambia's first and only female Finance Minister, and General **Godfrey Miyanda**, who was Chiluba's Vice-President.

PRESIDENTIAL PROBLEMS

Banda came to the presidency amid the global economic crisis which depressed copper prices, forcing mines to cut output or close, with the loss of about 12,000 jobs (AC Vol 50 No 3). 'I do not think there has been a President who has faced these problems,' he said early this year. The price of copper is up again and it accounts for 63% of foreign exchange earnings and 9.7% of gross domestic product. GDP growth is forecast at 6% for 2009. In the past five years, the official poverty level has been cut from 80% to 64%. Yet most people attribute these achievements to Mwanawasa, who with his Finance Minister **Ng'andu Magande** launched reforms that produced economic growth and a strong foundation for recovery.

Banda is widely criticised for failing to rein in corruption with a record array of scandals highlighted in the local press. Tender procedures were bypassed when *Selext Sistemi Integrati* (part of **Italian** giant *Finmeccanica*) won the contract to repair the radar at Lusaka's international airport and a \$2 mn. contract was awarded to RP Capital of the Cayman Islands to evaluate Zamtel, Zambia's biggest telecoms company, which is due for privatisation by next year. The award of the contract to RP Capital is being linked to Banda's son, **Henry**, whose older brother **James** was last February linked to the illegal import of genetically modified maize.

A recent fuel shortage is blamed on Banda's colleagues, who are accused of favouring their friends' companies. When the sole oil refinery, Indeni Petroleum Refinery, broke down, the government hired a little-known **Kenyan** company, Dalbit Petroleum, and **Kuwait's** Independent Petroleum Group to supply refined products. In November, the government is said to have tried to manipulate the tender process in favour of **Russia's** Lukoil International Trading and Supply Company, to supply 1.4 mn. tonnes of crude oil over the next two years. **Finland**, **Sweden** and the **Netherlands** have withdrawn funding from Zambia's

Health Ministry following the theft of 27 billion kwacha (US\$5.7 mn.) by junior officials. Donors criticise the government for its lack of accountability.

Rifts in the cabinet are widening and the government is not happy. 'There is a conspiracy between some donors and some frustrated Zambians to bring down the government,' said Home Affairs Minister **Lameck Mangani**. Magande and former Defence Minister **George Mpombo**, both allies of Mwanawasa, have accused Banda of dictatorial tendencies. Since his sudden resignation in August, Mpombo has resisted attempts by MMD chiefs to reduce the number of national conventions, one of which is due next year.

'I have discovered that there is somebody in the government who is trying to work with my enemies to frustrate us. I will sack him,' Banda told a public meeting in the Copperbelt town of Kitwe on 11 December. His target was **Gabriel Namulambe**, Science and Technology Minister, who said Mwanawasa's Lamba people feel 'frustrated, hurt and injured'.

The main opposition parties have joined an electoral agreement to unseat Banda in 2011. In the last six months, there have been three by-elections – the opposition pact won two and the MMD one. The MMD's latest defeat in Solwezi in the north-west gives the pact a big boost. 'We are now seeing real momentum building up,' says Sata, favourite to lead the two opposition parties, which have plenty of their own backstabbers and internal ructions. Hichilema, a wealthy businessman who managed the controversial privatisation process, says it is nice to see the ruling party panicking.

Zambia's politics are largely regional. Sata, 72, is favoured by the urban elite, especially in Lusaka, and regularly denounces the influence of **Chinese** investors, especially in the Copperbelt. The MMD increasingly relies on votes from rural areas. Its wins in the last three general elections were based on results from Western, North Western and Eastern provinces; Hichilema's base is his own Southern Province and areas in North Western. The decisive results come from Copperbelt Rural, North Western and Western Zambia, so the pact's by-election breakthrough in North Western is significant. The MMD's internal rows mostly derive from regional differences.

Incumbency gives those in power the chance to woo sponsors and use public resources. The alliance must mobilise its funds from donors who support individual candidates. Since Chinese influence through the MMD is believed to help fund Banda's campaigns, as it did Mwanawasa's, the opposition may turn to Western contributors in the belief that the West is uncomfortable about the rise of Chinese interests. This may not work. ●

North and South protest against the NCP election plan

Demonstrators demand political reforms before the 2010 elections

Anti-regime demonstrators from both North and South Sudan first joined forces on the streets of Khartoum on 7 December to demand sweeping reforms before the elections scheduled for April 2010. It was the first opposition demonstration that the Khartoum regime had failed to stop since the National Islamic Front (NIF) seized power in June 1989. The prospect of national elections next year, followed by a referendum in the South on secession in 2011, with stasis in talks over Darfur and conflict reigniting in the east, mean the ruling National Congress Party (NCP) is entering a dangerous period.

Thousands of protestors in Khartoum shouted '*Hurriya!*' ('Freedom!'). This has unleashed a succession of anti-regime protests. The demonstrations seem to have emboldened the opposition, which complains that the NCP, lacking a popular base, is gerrymandering constituencies and planning to rig the vote. Things have moved fast since the All Political Party Conference in Juba in late September, when the SPLM unprecedentedly hosted Northern parties. The gathering ended with a call to boycott the polls if the NCP did not remove the 'laws restricting freedoms', as stipulated in 2005's Comprehensive Peace Agreement (CPA), by the end of November (AC Vol 50 No 20).

On 13 December, the NCP agreed what its theoretical partner in the post-CPA Government of National Unity, the SPLM, had originally asked: that a 51% vote carry the Southern independence referendum (on a 60% turnout). This still leaves the NCP delaying key CPA requirements, all of which should have been settled over a year ago, in time for the elections which were meant to take place by mid-2008.

The NCP signed up to all these key changes in 2005. Even with its goodwill, they would be time-consuming: demarcating the North-South border, establishing democracy, human rights and an independent justice system in the North, and metamorphosing the National Intelligence and Security Service from enforcement apparatus to accountable information-gathering organ. Since the NISS underpins the Islamist NCP's political structure, these reforms would fatally threaten its grip on power.

Fearing growing trouble, the NCP is taking a tough line. Placating Sudanese and soothing foreign governments

come second to holding power: like all totalitarian parties, the NCP knows that if it loses power, it will never regain it. The first – peaceful – demonstration on 7 December therefore saw its crack security police, the Central Reserve Police, beating **Pa'gan Amum Okiech**, Secretary General of its GNU partner, the SPLM, and beating even harder his Deputy SG for the Northern Sector, **Yasir Saeed Arman**.

Any lingering doubts that this was political business evaporated when police arrested the SPLM's **Abbas Juma Obaidallah**, State (junior) Minister in the very Interior Ministry which runs the police. All three leaders were soon released but the point was made. Pa'gan Amum and Yasir Arman have been particular targets of NCP verbal attack for the past two years and Yasir, a veteran 'Modern Forces' politician, was declared *kufr* (infidel) which, under the NCP vision of *Sharia*, opens him to a death penalty.

The demonstrations look set to continue. On 14 December, the arrest took place of **Sara Nugdallah**, head of the National Umma Party's Politburo, and **Mariam el Sadig Sadeeg el Mahdi**, daughter of the Umma chief and former Premier, **El Sadig Sadeeg el Mahdi**, and putative presidential candidate. This will reassure those who doubt the Umma Party's staying power in what is now known as the 'Juba Alliance'. Nor did this week's NCP agreement with the SPLM stop Khartoum State's SPLM Local Government Minister, **Mayen Dut Wol**, from taking part in the march and condemning the NCP for indiscriminate arrests (over 50), using tear gas and trying to 'cling to authoritarian kind of leadership'.

In addition to NCP pressure, two main challenges confront the Northern opposition: maintaining a united front in the face of profound policy disagreements and NCP divide-to-rule enticements; and convincing a disillusioned Northern population that a decade of inertia has not disqualified the once popular parties for office. A thinly attended demonstration in London on 12 December at least demonstrated opposition cohesion: the Umma, Democratic Unionist Party, Sudanese Communist Party, SPLM, Sudan Liberation Movement-**Abdel Wahed** and Justice and Equality Movement (JEM) were all in evidence, along with Nuba and Modern Forces representatives. Placards ranged from the old demands for human

rights and democracy to the new 'Together for change of regime in Sudan'. Protestors were addressed by the DUP Vice-President, **Ali Mahmoud Hassanein**.

Many in the DUP are now trying to win over party supremo **Mohamed Osman el Mirghani**, who after years of obstinate exile, suddenly decided to talk to the regime just when other pliant opposition leaders had more or less given up doing so. In the Umma, El Sadig el Mahdi's juggling ability is clearly undiminished and he has continued to talk to the regime at the same time as he calls for opposition unity and backs Southern calls for independence.

Younger Umma supporters insist that his first trip to Juba is the start of a new chapter and, since internal elections over the past year, the dynastic party is far more internally democratic. Some worry that **Hassan El Turabi's** Popular National Congress is a Trojan horse in the Juba Alliance and there is some discomfort about the JEM, whose leadership is widely seen as Islamist.

Big questions remain about the Northern parties' relationship with the SPLM and the intentions of the party which dominates the Government of South Sudan. The NCP has been busy reminding Northern parties that the SPLM 'betrayed' them by abandoning the National Democratic Alliance umbrella and signing the CPA in 2005 'following its own interests'. Few doubt that the SPLM now perceives its future as governing an independent South. The European Union is expecting this eventuality and there is a shift among figures in the **United States** previously hostile to Southern independence, we hear. Western governments are therefore quietly pressing the GOSS to be more accountable and efficient – and to plan for its future relations with, on the one hand, its allies in the 'Three Areas' (Abyei, the Nuba Mountains, Southern Blue Nile) and, on the other, with Northern Sudan.

A movement is slowly gaining ground among donors to press for the national elections to be postponed until after the referendum. Amidst universal complaints of electoral registration fraud, Northern parties remain divided about whether to contest. 'How can you justify competing against an indicted war criminal?' asked one Western official, referring to President **Omer Hassan Ahmed el Beshir**. Beyond that, there is a sense that the NCP's room for manoeuvre has shrunk. Washington this month again blocked **Ghazi Salah el Din Atabani** from entering the US for crucial Congressional hearings, suggesting **Mustafa Osman Ismail** come instead. Some in DC see '**Mr. Smile**', founding Secretary of the Popular Arab Islamic Congress that spawned **Al Qaida** as more amenable. Ghazi raged and Mustafa Osman also stayed at home. ●

A new regional peace effort

Amid formidable diplomatic obstacles in a troubled region, East African armies are building a new intervention force

In early December, 1,087 soldiers from eleven east African countries convened in **Djibouti** for a test run of the region's first rapid reaction military force. The East African Standby Brigade (Easbrig) will be joined by four others – southern, central, western and northern. The aim is to have a combined African standby capacity of 20,000 troops. East Africa is full of flashpoints. Officers cited **Kenya's** 2012 elections, **Sudan's** 2011 referendums, **Eritrean-Ethiopian** belligerence and **Somalia's** ongoing crisis as markers of potential danger (AC Vol 50 No 18).

During their five-day simulated exercise, troops dealt with refugees, rioting civilians, improvised explosive devices and militias. Colonel (Retired) **Peter Marwa**, Easbrig's Kenyan Director, said there must also be a police component and a civilian component, stretching from humanitarian work to fighting.

Conceived in 2007 by the African Union to bypass the United Nations Security Council, Easbrig will have initial operational readiness by next year. Troops from **Burundi** and **Uganda** are already in Somalia as part of the AU Mission in Somalia (Amisom). A **British** military trainer told *Africa Confidential* that Easbrig troops could be sent there next year on an *ad hoc* basis. The force should be fully up and running by 2015, eventually with 7,000 troops. In Djibouti, the host country, **Kenya**, **Rwanda**, **Sudan** and **Uganda** are the main contributors. There are five officers from Somalia.

Britain, **France** and the **United States** supply military advisors, logistics, equipment and funding. France and the USA have bases in Djibouti. According to a French army spokesman there, **Etienne du Fayet**, Easbrig conforms with French President **Nicolas Sarkozy's** military policy in Africa, which envisages building up local military capacity and less direct intervention. When Eritrea crossed Djibouti's border in June 2008, France refused a request to intervene directly but provided logistical and intelligence help.

On paper, the AU is to have its entire African standby force ready by June 2010 but only three of the five regions have made serious progress through their regional organisations: the Economic Community of West African States (Ecowas), Southern African Development Community (SADC) and the countries of East Africa and the Horn (Easbrig). AU Officials are debating

whether regional peacekeepers should be deployed exclusively to other regions to avoid intra-regional conflicts of interest. However, the Ecowas interventions in **Liberia** and **Sierra Leone** were held up as models by, for instance, **Nigeria** of how regional intervention can prevent a conflict from spreading further – a theory that Ecowas may have to put to the test soon in **Guinea**.

So far, Ecowas has made most progress. **Ghana** and **Nigeria** are the leading African suppliers of troops to UN peacekeeping missions. SADC, which hosted its own battle preparedness exercise in South Africa in October, has its own security organisation and its member states have some history of security cooperation in **Angola**, **Congo-Kinshasa** and **Mozambique**.

The wider East African region, beyond the East African Community (**Burundi**, **Rwanda**, **Kenya**, **Tanzania** and **Uganda**) still has to resolve logistical and political questions. For now, individual states, not the regional authorities, decide where to send troops and it is unclear which view would prevail when there is a difference of opinion over a regional crisis.

Rear Admiral **Anthony M. Kurta**, Commander of the 2,000 men of the US Combined Joint Task Force at Camp Lemonier, told AC that Easbrig was in line with his country's Operation Enduring Freedom to counter violent extremism using indirect methods, including helping East African states to build their security capacity. The Directorate's operational headquarters is in Addis Ababa; Peter Marwa is based in Nairobi. In March, he replaced **Simon Mulongo**, who had allegedly told a reporter, in front of Sudan's Defence Attaché, that Easbrig could pursue Sudan's President **Omar Hassan Ahmed el Beshir**, wanted for war crimes by the International Criminal Court.

Many of Easbrig's troops, such as the Rwandan battalion which served in Darfur, have mission experience. Those from **Comoros** and **Tanzania** have not.

OPERATION ATALANTA IN PIRATE ALLEY

Just a year ago, the European Union launched its first-ever patrol mission in foreign seas to combat piracy in the Gulf of Aden (AC Vol 50 No 21). Operation Atalanta contributes up to 12 of the 35 warships currently patrolling in a security cordon from **Djibouti** to **Yemen**. Other contributors include **China**, **India**, **Japan** and **Russia**. The **United States** has warships in the Gulf under Combined Task Force 151, US unmanned aerial vehicles (drones), launched from **Seychelles**, do reconnaissance, and, in December, the US gave the authorities in Mombasa five Defender power boats, with five more to come in 2010.

Somali pirates have launched 209 recorded attacks this year, seizing 43 ships for ransom; in 2008, there were 111 attacks and 42 hijackings, according to the International Maritime Bureau. In mid-December, pirates were holding 11 ships with a total of 283 hostages. At a cost of US\$736 million a year, EU officials trumpet Atalanta's success. The last successful attack in the Gulf was in July, but the pirates have spread out into the Indian Ocean, far from their Somali bases. Atalanta officials said there have been 12 attacks east of 60 degrees this year, 11 of them since the summer monsoon ended in September. *Africa Confidential* was due to board a **Norwegian** warship, *Fridtjof Nansen*, when a **Pakistani** fishing boat was hijacked some 1,600 kilometres off Somalia's coast.

In November, the EU Council extended the Atalanta mission until the end of 2010, with permanent contributions from **Belgium**, **Britain**, **France**, **Germany**, **Greece**, **Luxembourg**, **Netherlands**, **Spain** and **Norway**. It has been agreed to base EU forces in the Seychelles, which would vastly extend their scope. Privately, Atalanta officers admit that no military force will stop piracy without a political solution in Somalia. **Ole Sandquist**, Commander of the *Nansen*, said that meetings had been held on board in November with Puntland and Somaliland officials. 'It's a confidence-building exercise,' he said. A US commander said such meetings would violate its 'one Somalia' policy.

Finland, **Germany**, **Netherlands** and **Sweden** can try pirates domestically but the EU fears that the captives might claim asylum, particularly since incriminating evidence is often thin and motives hard to prove. A sailor aboard the *Nansen* showed AC a photograph of weapons aboard one captured skiff, including a rocket-propelled grenade launcher, a grappling hook and a ladder. The half-dozen Kalashnikov assault rifles were no more than is normal for local fishing craft.

A hasty 'exchange of letters' between **Kenya** and the EU in March – still not submitted to the Kenyan Parliament – allows captive suspects to be taken south to Mombasa for trial. The first big trial, involving the attempted hijack of the *MV Polaris*, began on 6 October. The verdict is expected next year. ●

Uniting such backgrounds, languages and military doctrines is no small task. 'When we first met, it was difficult to pronounce each other's names – now we sleep together and we work together. It's quite an achievement,' said General **Osman Soubagleh**, Easbrig's head of mission.

Eritrea, Madagascar and Mauritius were invited to join but declined. One Western advisor told AC that several states had sent 'woefully unqualified' officers. Planning is hard because, although several Western governments contributed towards the exercise's US\$11 million cost, there have been no long-term donor pledges. **Joseph Makara**, a Kenyan former diplomat who is Easbrig head of mission, believes that the next 12 months will be decisive. The eleven states' leaders will meet in February to decide the next step.

Somalia loomed large over the Easbrig exercise. On 3 December, a suicide bomber killed 24 people (including three ministers) in Mogadishu, showing the efficacy of terror tactics used in Afghanistan and Iraq, and the weakness of the Transitional Federal Government's (TFG) security forces. The Police Commissioner, Col. **Abdi Hasan 'Qaybidid'**, was replaced by Major Gen. **Ali Mohamed Hasan (Ali Madobe)**; the army chief, Gen. **Yusuf Hussein Dhumaal**, was replaced by Lieutenant Gen. **Mohamed Gele Kahiye**.

The European Union has mandated France to train TFG troops at its base in Djibouti. 500 soldiers have received six weeks of training, including in 'patriotism': recruits were taught history and saluted the Somali flag each morning. The first 250 trained in August and September, the next group finished at the end of November and were transferred to Amisom in Mogadishu. TFG officials selected the men, including Somali former soldiers and civilians.

Kurta said that his US Joint Task Force provided logistical support and equipment to Somali troops being trained in Djibouti and in Uganda, and the USA had sent two arms shipments to President Sheikh **Sharif Sheikh Ahmed** through Mogadishu. Some say there will be a big push by a combined TFG and Amisom force early next year to reclaim more of Mogadishu from *Al Shabaab*, which has been moving fighters into the capital. Experts say the TFG troops can punish *Al Shabaab* militarily but may not hold the territory once Amisom has left.

Plans are being considered for training 2,000 more Somali troops next year, in Djibouti or Uganda, a senior French official said, but EU-mandated officers would 'not at the moment' train troops in Somalia or Puntland. Kurta said that the US military provides bilateral assistance to every Easbrig member except Sudan but is not active within Eritrea or Somalia, although it has given the TFG aid and weapons. ●

NIGERIA

Yar'Adua's cardiac crisis encourages Abuja plotters

The political class examines its options as the President stays away

Every day Nigeria's feistier newspapers remind their readers how long – more than three weeks so far – that President **Umaru Musa Yar'Adua** has been out of Nigeria and receiving cardiac treatment at the King Faisal Specialist Hospital and Research Centre in Saudi Arabia. Concerns about the President's health are raising awkward constitutional questions such as: Who is in charge?

Under Section 145 of the Constitution, in the event of a prolonged absence the President may (but is not compelled to) write to the National Assembly informing it that the Vice-President will take over all presidential duties during this period. Much is being made of reports that presidential advisor **Mohammed Abba-Aji** has delayed sending a signed letter from Yar'Adua to the Assembly notifying legislators of the medical treatment and directing Vice-President **Goodluck Jonathan** to assume presidential powers in the interim.

Goodluck Jonathan's supporters smell a conspiracy to deny their man power. Abba-Aji's actions have exacerbated suspicions caused by the obsessive secrecy surrounding the President's health.

Many in the National Assembly, oppositionists and Yar'Adua's rivals in the ruling People's Democratic Party, see the cardiac crisis as an opportunity. They want to win enough support among ministers, senators and representatives to get a medical panel to report on Yar'Adua's health and force him to retire.

Yet some of these plotters are as eager to push aside Jonathan as they are to bar Yar'Adua's return as a working president. The Yar'Adua succession is further complicated by the regional zones drawn up by the PDP, which are designed to ensure the highest offices are held alternately by Northern and Southern candidates. Some party hacks argue this rules out a President from the South-South (Niger Delta) such as Jonathan.

For now, Vice-President Jonathan lacks constitutional authority to make senior appointments, though he chairs Federal Executive Council meetings; some ministers report wryly that plenty of contracts are being signed. They also have to find a way for Yar'Adua to swear in the new Chief Justice, **Aloysius Katsina-Alu**, if incumbent **Idris Legbo Kutigi** insists on retiring this month.

Presidential aides say that Yar'Adua's condition – acute pericarditis – is under control, that he is apprised of all political developments and continues to take executive decisions. Three campaigns – Central Bank Governor **Lamido Sanusi's** clean-up of the financial sector, efforts to steer the Petroleum Industry Bill through the National Assembly, and managing the amnesty and political reforms in the Niger Delta – need a strong push from the executive. Now anti-reformers are kicking back with some success.

Governor Sanusi's usual confidence has wavered as the banking barons try to claw back their cash and reputations by questioning his motives and procedures. Local oil traders are making common cause with big oil companies and Northern politicians who do not like the proposed reforms for the state-owned Nigerian National Petroleum Corporation or plans to give equity in oil companies to the communities of the Niger Delta.

Continuing political drift will mean these reform efforts hit the rocks, prompting even worse problems for the financial and oil sectors. However flawed the amnesty programme and payoff for the Delta militants has been so far, oil production has doubled to 2.5 million barrels a day and more cash is sluicing through government accounts.

Even those in Yar'Adua's own circle have ceased to take a 'Crisis? What crisis?' line towards inquiries about the President's options. They no longer talk confidently about a second term for him but confine their ambitions to tidying up his first before the 2011 election.

That option also appeals to many outside the Yar'Adua circle. The government could limp on, lacking the support to do anything radical, as all eyes focus on the PDP primaries late in 2010 to choose its presidential candidate. A rickety last year for Yar'Adua would be the best chance for those politicians who want to keep out Jonathan.

And Jonathan faces opposition from Lagos bankers as much as Northern traditionalists: both groups fear the prospect of a possibly radical and Niger Delta-led government in Aso Rock. It may be more than coincidence that former Minister for Abuja **Nasir el-Rufai** is returning to Nigeria just as some propose him as a Vice-President for Jonathan.

El-Rufai's associate and former Chairman of Economic & Financial Crimes Commission **Nuhu Ribadu** told *Africa Confidential* that he won't return to Nigeria in the near future. On 17 December the Asaba Court cleared his long-time adversary, ex-Governor of Delta State **James Ibori**, of all charges of fraud and corruption, although his paramour still faces money laundering charges in London. Arguably, Jonathan has benefited from Ribadu's perseverance on accountability: it was Ribadu's file on Rivers State Governor **Peter Odili**'s financial affairs, he says, that persuaded President **Olusegun Obasanjo** to back Jonathan for the vice-presidency in 2006.

If Jonathan takes over from a retiring Yar'Adua, the post of Vice-President assumes an unusual importance. Northern lobbyists within the PDP want a candidate that can go on to win the presidential primaries, which would make for an awkward relationship with a President Jonathan. The established front-runners are Kwara State Governor **Abubakar Bukola Saraki** (who would have Yar'Adua's blessing) and Jigawa State Governor **Sule Lamido** (who would have the still-important backing of ex-President Obasanjo). Two other main contenders – Katsina Governor **Ibrahim Shema** and Bauchi Governor **Isa Yuguda** – probably have too many enemies to succeed. In the event of a stalemate between Saraki and Lamido, former head of military intelligence General **Aliyu Mohammed Gusau** could squeak in (see Box). Against the weight of such established contenders, Jonathan would need to be extremely bold to insist on appointing a relatively young and radical candidate such as El-Rufai.

The final set of options discussed *sotto voce* are non-constitutional ones: ways to bar Jonathan from the presidency, such as a military intervention. Some 18 months ago many politicians ruled out any chance of him taking the presidency; now they fear the consequences of barring him from the office.

Military options represent the highest stakes of all. Nigeria has not seen a *coup d'état* since General **Muhammadu Buhari**'s action of 31 December 1983; Gen. **Ibrahim Babangida**'s in 1985 and Gen. **Sani Abacha**'s in 1993 were palace coups orchestrated by senior officers. The threat whispered in Abuja is very different: a move by junior officers to purge the political and commercial class, reminiscent of the 31 December 1981 putsch in Ghana. In Nigeria the free-spending elite makes a fatter target. How realistic is the threat? Realistic enough to make many wealthy Nigerians book first-class tickets for a protracted New Year's holiday overseas while they study President Yar'Adua's next move from a more secure perch. ●

NIGERIA'S SUCCESSION: THE CANDIDATES

Should President **Umaru Musa Yar'Adua**'s health problems cause him to withdraw from office, a number of People's Democratic Party (PDP) notables are poised to ascend.

● **Goodluck Jonathan**, Vice-President. The most senior politician from the Niger Delta in government, Jonathan is also central to the drama surrounding President Yar'Adua's woes. A naturally cautious man, Jonathan is a former university lecturer who has risen quietly through the ranks. He was running mate to **Diepreye Alamieyeseigha**, who won the governorship of Bayelsa State in 1999. When Alamieyeseigha was indicted in Britain for corruption six years later, Jonathan became Governor. In 2006, when President **Olusegun Obasanjo** was looking for a running mate for Yar'Adua in the presidential elections, he picked Jonathan after rejecting Governors **James Ibori** (Delta State) and **Peter Odili** (Rivers State).

● **David Bonaventure Mark**, President of the Senate. After Jonathan, Brigadier Mark is the third-ranking politician in the national hierarchy. Should Yar'Adua retire, Mark would be likely to oppose those groups trying to amend or disrupt the transitional arrangements. A veteran militician, Mark moved seamlessly to become military Governor of Niger State and then Minister of Telecommunications in the **Muhammadu Buhari** and **Ibrahim Babangida** regimes in the 1980s. He spent much of the 1990s in exile during General **Sani Abacha**'s regime, but Mark returned to work when his old friend General Olusegun Obasanjo emerged as President in 1999. Accordingly, Obasanjo backed Mark for the Senate presidency in 2007.

● **Abubakar Bukola Saraki**, Governor of Kwara State. Wealth, family history and political connections make Saraki a strong candidate for the Vice-Presidency. He is the son of former Senator **Abubakar Olusola Saraki**, who regularly delivers the votes of Kwara and Kogi States to his preferred candidates; Bukola's sister, **Gbemisola**, is a senator. Born 19 December 1962, Bukola Saraki grew up in Nigeria but left for Britain in 1978 to read medicine in London. On his return to Nigeria, he worked for the Nigerian affiliate of France's *Société Générale*, in which his father held the majority of shares. In 2000, Saraki was named special advisor to President Obasanjo, then he was elected Governor of Kwara in 2003 and re-elected in 2007. Although popular in the Middle Belt and parts of the South-West, his support in the North is less reliable.

● **Sule Lamido**, Governor of Jigawa State. A fainting spell on 8 December prompted some to question Lamido's suitability for high office, given the crisis the country faces caused by the President's ill health. Born in 1948, Lamido hails from Bamaina, Jigawa State. He was an unspectacular Foreign Minister under President Obasanjo, who led most of the diplomatic initiatives. After winning the governorship in 2007, Lamido strongly criticised other northern leaders such as former military chief General Babangida. He is one of the staunchest supporters of former President Obasanjo, who in turn has been pushing strongly for Lamido's nomination as Vice-President.

● **Isa Yuguda**, Governor of Bauchi State. His marriage to President Yar'Adua's daughter **Nafisa** and his subsequent joining of the ruling PDP have done his political career no harm. As his profile rose, some proposed him as a candidate for Governor of the Central Bank and now suggest he could stand for the Vice-Presidency. He was born in Yuguda village, Bauchi, and has a bachelor's degree in economics and a master's degree in business administration (MBA). Yuguda is a former Aviation Minister and Managing Director of Inland Bank, now the troubled FinBank.

● **Ibrahim Shema**, Governor of Katsina State. When Shema returned from **Saudi Arabia** last week bearing news of Yar'Adua's health, some doubted Shema had been allowed to see him. Shema struggles against an 'Abuja Camp' of Katsina heavyweight politicians led by Minister of Agriculture and Water Resources **Abba Sayyadi Ruma** and **Alhaji Yakubu Kurfi**, economic advisor to the President. Sceptics say Shema has been closer to Yar'Adua's wife than the President himself, who has backed Senator **Yakubu Lado Danmarke** to replace Shema as Katsina Governor in the 2011 elections. Born in 1952 in Dutsin-Ma, Katsina, Shema attended Ahmadu Bello University, earning a law degree in 1983 and an MBA in 1998. He was Chief Legal Executive at the National Fertiliser Company from 1984-85, then became principal partner in Lagos law firm Shema, Oscar & Co. (1985-87) and Kaduna firm Shema S. Ibrahim & Co. (1991-99). Shema was Attorney General of Katsina from 1999 to 2003 when Yar'Adua was Governor.

● **Aliyu Mohammed Gusau**, former National Security Advisor. One of the best-informed operators in Nigerian politics thanks to his lengthy service in military intelligence under his friend General Babangida, Gusau remains in the political frame although he has withdrawn from the foreground since Yar'Adua took over the presidency in 2007. After serving as Security Advisor to President Obasanjo, relations between the two men soured; Gusau remains pragmatic in his choice of colleagues. Outside the political and diplomatic elite, Gusau is less well known but may emerge as a compromise candidate for the vice-presidency should the competing PDP factions fail to strike a deal. ●

A storm in the fish ponds

What seemed to start as a local quarrel has turned into a new challenge to the beleaguered Congolese state

Small rows can end in great slaughter and the Congolese government is powerless to limit it. A humanitarian catastrophe and a political uprising started around some fish ponds in Equateur Province. In March and April this year, armed young men from the Enyele (or Lobala) clan confronted their Boba (or Monzaya) rivals in Boyele village near Dongo, a town of some 15,000 people on the Ubangui River, 230 kilometres from Gemena, Equateur Province.

Government Spokesman **Lambert Mendé** says the original trouble was about rights to some fish ponds, an issue which first arose in 1946 and recurred in 1962 and 1964. At first, the police tried to calm things down, arresting nine people, but villagers ambushed them. One main instigator was identified as a Monzaya chief. At the end of October, the fight began again and the Enyeles took over Dongo town. Witnesses say that, in addition to their grievance about the ponds, the Enyeles objected to outsiders being brought into local government.

The police returned and met resistance. In the fighting, over 100 people were killed, including seven policemen, and 26 went missing. Several people drowned while trying to cross the Ubangui into **Congo-Brazzaville**. The police pulled back again and the residents fled the town, several thousand of them to Dongo-français, in Congo-Brazzaville. Dozens of houses were burned down.

The interim Governor of Equateur, **Guy Inenge**, told *Radio Okapi* (a station subsidised by the United Nations) on 31 October that there was 'a small rebellion on the way, which must be put down quickly'. Some European security company employees who work nearby said the security forces in Kinshasa had not taken the affair seriously enough, in a forgotten area where the traffic moves by canoe along the river or very slowly along tracks by land.

At first there were only a dozen or so young Enyeles led by one **Edo Bokoto**, a suspended local official, and a witch-doctor called **Adjani** or **Udjani**. The young men had proper weapons, though, and had probably served in the militia of the then-rebel *Mouvement de Libération du Congo* (MLC). In 2000-03 Dongo was part of the territory controlled by the MLC under **Jean-Pierre Bemba**, who

went off to become Vice-President in Kinshasa, leaving many of his fighters at loose ends. A disarmament campaign in April failed. Government sources say the insurgents may be directed by a former colonel of the national army, **Benjamin Nyangbaka**, who comes from the district; the field commander is Captain **Emeka Nyanakala**.

The trouble soon spread along the Ubangui, where the Enyele fishermen know their way around. A few hours after the first incidents at Dongo, rebels attacked Imese, 85 km. downstream or a day's journey by motorised canoe. On 2 November, special security units of the national police arrived in the area and on the following day the South Ubangui District Commissioner, **Jean-Baptiste Lumbwe**, called on the rebels to negotiate. Without mentioning names, the governor blames 'political dignitaries based in Kinshasa'.

Politicians are stepping in. On 4 November, after meeting Prime Minister **Adolphe Muzito**, a group of local members of parliament decided to send in a peacemaking team, including members of the government and parliament. Their spokesman, **Patrick Mayombe**, proposed 'a special crisis-management commission' during an interview with the Minister of the Interior, **Célestin Mbuyu Kabango**. At the beginning of November, a group from northern Equateur Province complained that 'former zealous partisans of a politico-military movement of unhappy memory' were exploiting the uprising. They gave no names.

DONGO DESERTED

On 7 November, the riot police retook Dongo but ten days later the town looked absolutely deserted. UN observers from the *Mission des Nations Unies en République Démocratique du Congo* (Monuc) said that houses had been burned, the market sacked and fields devastated with corpses strewn about. The government announced the arrest of about 100 rebels and urged some 30,000 people who had fled into Congo-Brazzaville (most of them Monzayas) to go home. They refused, saying the Enyeles were still burning houses, killing and raping.

General **Benjamin Alongaboni** of the *Police Nationale Congolaise* said it was no longer a fight between communities but 'ethnic cleansing', since the Enyeles

were also attacking Nande, Ngbaka and Mbuza traders.

The suffering is immense. *Médecins sans Frontières* reports that 115,000 people have been driven from their homes or have fled into Congo-B. The Congolese police say it will be six months before the people of Dongo can go home. Not all the rebels are defeated. After Imese, a rebel group moved 150 km. downstream to Buburu (9,000 inhabitants), whose people fled on 20 November.

On 1 December, Monuc said local people had told it that 1,000 men, some of them armed, were approaching Mbandaka, 300 km. further south. Monuc claimed that the Enyeles were paying their recruits. Monuc itself was under attack; one of its helicopters was fired on and five peacekeepers were wounded over Dongo, then thought to be controlled by the government, on 26 November.

Governor Inenge talks of a 'popular rising'. On 27 November, the *Patriotes-Résistants de Dongo* claimed responsibility on the internet for the attack on the helicopter and threatened to overthrow the 'puppet regime' of President **Joseph Kabila**. A government statement on 4 December denied rumours of rebellion 'spread by some confusionists' and spoke of an 'ethnic and economic' conflict.

The authorities blame 'a certain non-republican opposition operating from outside the country', by which they mean the *Alliance des Patriotes pour la Refondation du Congo* (Apareco), led by **Honoré Ngbanda Nzambo**, also known as 'Terminator'. He was the late President **Mobutu Sese Seko's** Special Advisor on Security and lives outside Paris. Victory proclamations came in the name of **Ambroise Lobala Mokobe** of Apareco in Libenge town (30,000 people) two days by canoe upstream of Dongo. A source close to Senate President **Léon Kengo wa Dondo**, who is from the area, told *Africa Confidential* on 4 December that the town had not been captured.

Explicitly Tutsi-hating Congolese politicians such as Ngbanda Nzambo claim that Kabila is **Rwandan** and that Rwanda controls the Congolese army. In that spirit, Apareco published on its website on 12 December (www.aparecordc.org) a communiqué from Lobala claiming that soldiers speaking English and Kiswahili (i.e. Rwandans) had started to rape women and children in Gemena, with Monuc looking on. The same communiqué claimed that the government had sent in 1,000 police and 1,100 soldiers, 600 of them from the **Belgian-trained** 321st commando battalion.

Government sources say that several rebels have been killed in fights with the army, supported by Monuc, at Popito, Tandala and Bozene, downstream of Gemena. A score of rebels have been

captured, along with an armoured car and an ammunition lorry. Most of Gemena's 120,000 people have fled and on 13 December, the army said it had again retaken Dongo. On 16 December, the UN deployed 5,000-6,000 men in Dongo.

BELGIAN TROOP CONFUSION

Diplomats in Kinshasa are worried. Belgium has denied Apareco's claims that it intends to send troops into Equateur, fearing a backlash against its nationals. The forces sent in by the government may not achieve their aim. Most are from other provinces and not used to fighting in the forest, and the authorities have let the situation fester for six or seven months.

The intelligence and police services are incompetent, raising questions about the usefulness of Monuc, whose mandate runs out at the end of December, and of the European Union's police and army support units, Eupol and Eusec.

The MLC won a majority in Equateur in 2006 but now has no leader, with Bemba in prison in the Hague awaiting trial before the International Criminal Court. His supporters, including Senator **Jacques Njoli**, were outraged when the police searched the house of his father, the late **Jeannot Bemba Saolona**, on 10 December. The party is split and lost influence in the province in January, when the MLC Governor, **José Makila**, was

dismissed on charges of embezzling public funds. He was replaced in early November by **Jean-Claude Baende**, a supporter of Kabila, narrowly elected ahead of an MLC candidate, **Jean-Lucien Busa**, and the dissident **Gabriel Bolenge**, backed by Makila.

The rebels will need weapons and supplies. The only way they could get them from Apareco or anyone else is through **Central African Republic** (the MLC's base in 1998-2003) or Congo-Brazzaville. Neither of their presidents, **François Bozizé** and **Denis Sassou-Nguesso**, would seem to have an interest in stirring up that kind of trouble in the neighbourhood. ●

KENYA Rough ride

New constitutional proposals would take powers from the presidency and give more to the regions but would not end the arguments

A draft constitution bill has at last been published by a committee of experts chaired by **Nzamba Kitonga**. Its main aims are to limit the power of Kenya's presidency and to decentralise some government functions to the regions and districts. The 200-page draft bill proposes that a popularly elected president would share power with a prime minister, elected by Parliament, although formally appointed by the president, and in charge of day-to-day government operations.

The proposal would vastly increase the size and expense of government, with an enlarged 290-member Parliament, including 74 seats reserved for women and five or six more for disabled people and other groups. There would be a new Senate with 100 members, plus eight regional assemblies of 278 members, 74 county assemblies with 5,000 members in all and county governments headed by governors.

Parliament now has thirty days to debate the bill and there will be 21 more days to incorporate suggestions before it is turned over to the Parliamentary Select Committee on the Constitution, which will submit the result to a referendum. The process could be stormy.

The draft would limit the size of the cabinet to no more than twenty and no less than fifteen members, ten of whom would have to be members of parliament. The existing provincial governments would be abolished 'to avoid conflict or overlap with regional governments'. This worries those who fear that parochial politicians might take over from national officials deployed locally. To limit tribalism, the

draft would prohibit the top four officials of government from coming from any one ethnic group or region.

MORE POWERS FOR THE PREMIER

Under the proposed constitution, the president would need to get half of the popular vote, including 25% in five of the eight provinces. He or she would not sit in cabinet but would head the armed forces and the national security apparatus. The president would have the power to declare a state of emergency, pick and dismiss judges, and continue to sign bills and international treaties into law.

The prime minister, responsible for day-to-day business, would oversee ministries, draft legislation, pick the cabinet with the assent of the president and chair its meetings. As head of the party or coalition holding a parliamentary majority, the prime minister would be appointed by the president and confirmed by a vote in Parliament, where a simple majority could throw him out. Some think an official with so much power should be directly elected and ask whether Parliament's authority should be so great, given its dismal, ethnically driven performance so far.

President **Mwai Kibaki's** failed attempts in September and October this year to increase the numbers of constituencies and districts was challenged by **Andrew Ligale**, head of the Interim Independent Boundaries Review Commission and is seen as an attempt to increase the number of MPs from his Party of National Unity (PNU) in a Parliament with extra powers.

To reduce the tendency to violence at election time, it is proposed to hold the presidential and parliamentary elections a week apart. To avoid last-minute marriages of convenience, presidential candidates should name their vice-presidential running mates in advance of the vote.

Other proposals include a Supreme Court and a Judicial Services Commission, with its head chosen by the president and the prime minister, to vet serving judges (who at present have life tenure and are already raising objections).

The constitution would institutionalise a formal opposition party, for which the present constitution makes no provision. It would guarantee the right of Kenyans to live in any part of the country, allow for dual citizenship and increase the number of years required to become a citizen from one to seven. It would also turn future non-citizen freehold owners of land into leaseholders – and some fear that local assemblies could gain control in areas, like the Rift Valley, and control land ownership for political ends.

The PNU (and ex-President **Daniel arap Moi**) oppose the proposal and the Orange Democratic Movement is in favour, raising fears of a repeat of the debacle of the 2005 referendum. Some consider the expansion of government a fiscal nightmare, others fear that devolved regional assemblies might evict minority ethnic groups, even though local laws would not be allowed to override national ones. Still others think the bill's failure to choose between a presidential and a parliamentary system would result in a split executive rather than a united one, leading to governmental paralysis.

Christian leaders object to the inclusion of Islamic *khadi* courts in the constitution, viewing them as a holdover from colonial days. Many others look forward to a new constitution which could increase accountability and is full of the checks and balances that have so often been violated in the past. ●

Tarnished halo

This once-favoured destination for aid and investment is now struggling with financial scandals and budget shortfalls

The sheen is wearing off Tanzania's image as the friendliest East African country for investors and foreign aid agencies. Politics in the lead up to next year's legislative and presidential elections are much less of a contact sport than in neighbouring **Kenya** and **Uganda** but a growing stain of corruption and violent

criminality in the system alarms both locals and foreigners.

Though recent health wobbles have dented his vigorous image, President **Jakaya Kikwete** remains well regarded in the region and played an important peacemaking role in Kenya's political crisis last year. The big problem is corruption

and accountability at home and official ambivalence towards it. After a simmering inherited scandal in the Bank of Tanzania, Kikwete moved slowly and appointed an impressive technocrat, **Benno Ndulu**, to reform the Bank. Yet as Ndulu does his cleaning, bubbles of corruption keep surfacing. Mysterious middlemen appear amid negotiations for mining and hydrocarbon licences, demanding upfront fees for signings and arbitrary shares of export revenue.

The *Chama cha Mapinduzi* party has held power for three decades. Worried CCM members of parliament **Anna Malecela** and **Harrison Mwakyembe** have formed an anti-corruption caucus to press for tough action against malefactors. Kikwete, who regularly fields live questions on television and radio, has lent them some support, although the anti-corruption fight could open divisions in the party's election campaign.

BANKING ON IT

The credibility of the Tanzanian government's reform drive depends mostly on the Governor of the Bank of Tanzania, **Benno Ndulu**. The country is suffering both from a financial meltdown, which the government initially underplayed, and from a half-hearted crackdown on graft. Ndulu took over the BoT two years ago with a brief to staunch the losses arising from a multimillion-dollar foreign exchange fraud and to push through wholesale reforms. His policies are starting to work: some fraudsters face prosecution, although many more have got away with it.

In January 2008, President **Jakaya Kikwete** fired Ndulu's predecessor, **Daudi Balali**, who died while seeking medical treatment in the **United States**; under Balali, the BoT failed to supervise some financial institutions, and three commercial banks, including Meridien Bank, have collapsed. The BoT has strengthened its supervisory directorate and introduced new reporting requirements for financial statements. Banks and financial institutions must be audited annually and visited twice every month to ensure they are run according to the law and to central bank's guidelines. This may also cut money-laundering and financing of terrorism.

Ndulu meets regularly with the chief executives of banks and financial institutions. Until recently, bank matters were treated as official secrets, but the Governor's office is more open than in the past and Ndulu's reforms are displayed on the BoT website.

In March, the central bank began checking dud cheques to discourage those who 'know very well that they don't have money in their accounts'. For payments of more than 10 million Tanzanian shillings (US\$ 7,692), the BoT has set up an inter-bank settlement system, with rapid payment by electronic transfer. This innovation was seriously tested when staff at the Tanzania Revenue Authority, working with bank employees, used electronic transfers to divert money intended to settle taxes. Rigorous guidelines have been imposed for money transfers. Following an investigation of recruitment by the Prevention and Combating of Corruption Bureau, banks must now advertise vacancies to prevent the recruitment of high-ups' favourites. There will be tests for applicants and inquiries into whether the jobs actually exist.

The BoT has a long way to go in bringing fraudsters to justice. A scandal in the 1990s had involved the fraudulent diversion of money from the International Monetary Fund's debt conversion programme, using forged letters from supposedly foreign companies. The culprits went scot-free. Other episodes have included inflated payments for the BoT's so-called 'Twin Towers' headquarters and defaults on the Commodity Import Support fund and the debt conversion programme. In the future, no single individual will be able to sanction payments.

Several of those suspected of defrauding the BoT face charges. However, after uncovering a massive fraud in 2007 the National Audit Office had concluded: 'We advised the government to go easy on the people involved and try to recover the money first.' The Controller and Auditor General, **Ludovick Utouh**, said recently: 'Luckily most of the money was recovered and it was the first time in the history of this country that the government managed to recover money stolen in such fashion.' He added that the recovered money has now been allocated to agriculture.

Some still doubt that Kikwete is serious about dealing with corruption but he defends his record energetically: 'You have seen some people being charged with misuse of public office – a thing that never happened in the past – and three more high-profile cases [are] coming up.' ●

THE HIGH PRICE OF CORRUPTION

Corruption could cost the government real money. About a third of its 2009/10 budget of 9.5 trillion Tanzanian shillings (US\$7.3 billion) comes from cheap loans and grants from governments and multilateral institutions, which have been getting more vocal about the lack of accountability. Some 14 governments or agencies finance 11.4% of the state budget, giving \$831 million in direct budgetary support this year. In January, donors will announce their plans for 2010/11, with most seeking reasons to cut aid as their domestic treasuries shrink.

Tanzania's welcome to business is growing chillier. In the past two years, it has fallen seven places in the World Bank's 'Doing Business' rankings and 32 places in Transparency International's Corruption Perceptions Index. At a five-day annual review last month, budget support, performance assessment frameworks and growth and poverty reduction targets were analysed in front of diplomats, government officials and civil society. The country scored poorly on corruption, poverty reduction and public financial management. It says what is required to gain aid but does not deliver on its promises.

Several foreign officials complained that the final summaries did not reflect their concerns but the government said that could be discussed later. A row of seats along the front for ministers was empty except for the Finance Minister. Donors felt let down. The government's summary of one key proposal was more aspirational than businesslike: to 'complete by March 2010 a comprehensive road map to improve the business climate.'

Foreign investors complain of xenophobia, saying they are seen as parasites. Local business people and some

officials say that while Kenya is a nation of entrepreneurs, Tanzanians lack business know-how and don't trust foreigners, perhaps the impact of years of socialism and nationalisation under President **Julius Nyerere** (1964-85).

Britain's total £140 mn. (\$227 mn.) aid for Tanzania included, last year, £115 mn. for budget support, which will this year be only £103.5 mn., since Tanzania has failed to earn a tranche of cash related to good performance. Britain provides over a quarter of Tanzania's direct budget support and the World Bank follows with 23.73%. **Sweden**, the European Union and the African Development Bank each provide over TSh80 bn. directly to the government.

The **Netherlands** are withholding 30 mn. euros (\$44 mn.) in aid because a timber trader lost a concession after a bitter dispute with the government. Another messy row involves attempts by **Benjamin Mengi** and his brother, media mogul **Reginald Mengi**, to drive British investors **Stewart Middleton** and his wife **Sarah Hermitage** from the Silverdale Farm, where they had paid \$112,000 to lease 10 acres. Benjamin Mengi insists he did not receive the money, although Middleton produced an apparently signed receipt (AC Vol 48 No 11).

Relations with aid agencies are growing acerbic. Western governments have backed a series of disastrous projects since the British government's groundnut scheme in the late 1940s; under President **Robert McNamara** (1968-80), the World Bank endorsed

Nyerere's *Ujamaa* programme, which settled tens of thousands of smallholders in unproductive communal farms. The nationalist and left-wing sympathies of many Tanzanian government officials encouraged scepticism about Western aid and support for massive **Chinese** projects, such as the TanZam railway, which the West refused to back.

THE IMF OFFERS FURTHER LOANS

The International Monetary Fund has remained enthusiastic about Tanzania but may be changing its mind. Last year, Kikwete cleverly persuaded Managing Director **Dominique Strauss-Kahn** to hold a special IMF conference on the effects of the financial crisis on developing countries in Tanzania. After that, the Fund (in the midst of the world crisis) made available \$350 mn. in cheap loans, arguing that improved macroeconomic management would allow increases in social spending although they would worsen the budget deficit.

Ten years ago, such a statement would have been heresy at the Fund. Now it is offering a further \$63.4 mn. in cheap loans, meant to ease the impact of the global crisis on, in particular, cotton, coffee and mining.

Annual average growth of a healthy 7% in 2001-08 made barely a mark on poverty, which fell by only 2%. Growth is not expected to reach 7.5% again until 2012. Inflation rose to 10.3% in 2008, from 7% in 2007; the latest figure is 12.7%, with food inflation at 18.1%. The aim is to get inflation into single digits

by June 2010. Health spending is down. The country is \$130 mn. short in its road-building programme, which Auditor General **Ludovick Utouh**, internationally respected for his keenness on reform, said 'almost puts into mockery the government's approved annual budget'. The government budgets \$390 mn. for allowances to public servants which, despite the financial crisis, were raised by 13% this pre-election year; between 2001/02 and 2007/08, 'sitting allowances' for public-sector staff increased from TSh1 bn. to TSh11 bn. Domestic borrowing will make up 11% of the 2009/10 budget, up from 3% the year before.

Gone too are the 'buoyant revenues' identified by the IMF; the country will collect a third less in taxes next year, an election year. Tax revenues were at 87.4% of the target for the quarter ended September 2009, compared to 96% in 2008, and foreign reserves match 4.6 months' worth of imports, from a peak of 9.2 in 2003.

Some think the normally quiet nation is on the brink of civil disturbance, claiming that strikes occur more often than they are reported. Villagers are quick to complain and lobby senior CCM politicians about the non-delivery of water and other promised services. The party still says it will win the 2010 elections with 95% of the vote. Foreign friends say the government is taking the criticism to heart and will overhaul the business environment, sort out the public finances and ensure that agriculture improves the lot of the poor. ●

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Ghana

THE OIL OBSTACLES

■ The politically charged battle over Kosmos Energy's attempts to sell its stake in the Jubilee field casts a shadow over Ghana's graduation as a serious oil producer next year. Kosmos is at the centre of a partisan row about its granting of a 3.5% equity stake in its Ghana operations to EO Group, closely linked to former President **John Agyekum Kufuor**, which has been harshly criticised by President **John Atta Mills's** government and the Ghana National Petroleum Corporation (GNPC).

Financed by Blackstone and Warburg Pincus, Kosmos had spent some US\$500 million on exploration before signing an agreement on 12 October to sell the stake to ExxonMobil for some \$4.2 billion. Eager ExxonMobil officials had an impromptu meeting with President Mills on his trip to the **United States** in October. Two obstacles have arisen: the GNPC accuses Kosmos of breaking its petroleum law by showing geological data to bidders without consulting the government; secondly, officials in Accra say the US Department of Justice asked them to investigate EO and two of its directors, Ghana's former Ambassador to Washington, **Kwame Bawuah-Edusei**, and former Kosmos Ghana Chief Executive **George Owusu**.

Britain's former Deputy High Commissioner to Accra, **Craig Murray**, argues that although Kosmos has the right to a fair price for its asset, the Ghanaian government has a right to tax it and suggests a 40% rate in line with international practice on windfall profits. None of this augurs well for a quick sale. GNPC has appointed Morgan Stanley as an advisor in the deal; several European bankers have proposed ways for Ghana to raise the cash to buy directly from Kosmos and choose its own oil production partner.

Another route is offered by **China**: on 8 December, the China Development Bank signed a cooperation agreement with Ghana for energy projects but released no details. Such a deal would put either Sinopec or the China National Offshore Oil Corporation in a strong position to partner GNPC in the Jubilee field and in others under development. Other companies – such as **India's** ONGC Videsh, Britain's BP, and **Italy's** Eni – are still in the running. If Ghana gets it right, it could establish itself as an alternative energy hub to **Nigeria** in West Africa.

However, energy specialist **Moses Asaga**, Chairman of the Parliamentary Select Committee on Mines and Energy, complains that the government is yet to present its draft oil and gas legislation

for parliamentary scrutiny, and that the contracts signed this year between GNPC and foreign oil companies have not been disclosed to Parliament. Asaga says the lack of transparency surrounding oil contracts was established under Kufuor and that without an assertive Parliament it could continue under Mills.

Guinea

TOUMBA ON THE RUN

■ More military infighting looms following a shoot-out on 3 December in which junta leader Captain **Moussa Dadis Camara** was hit in the head and then flown to **Morocco** for medical treatment. A former aide now on the run, **Aboubacar Sidiki Diakité 'Toumba'** told *Radio France Internationale* that he shot Camara, whom he said had planned the 28 September massacre of over 150 demonstrators and was trying to pin the blame on others. Meanwhile ethnic rivalries among the contending military factions are sharpening.

A return by Camara looks unlikely: if he makes it back he would rely hugely on support from his *Forêt* region and help from **South African** and **Israeli** mercenaries. The military alternative is Defence Minister General **Sékouba Konaté**, who has control of all aircraft and heavy weapons. Toumba's military '*éléments incontrôlés*' had counterbalanced Konaté within the junta but Toumba put himself out of the game when he shot Camara. Another gang of army thugs, better trained and disciplined, follows Captain **Claude Pivi**, a possible kingmaker from *Forêt*. With Camara gone, Pivi would have to form an alliance with Konaté (aka *Le Tigre*), who may be best placed to keep the military in line.

The **United States** and **France** would prefer the Tiger, who is widely respected in the army and seems less keen on power than Camara, to ensure the transition to civilian rule. He might be ready to accept a move towards democracy and to make a deal with Camara's followers from the numerous tribes of *Guinée Forêt*, notably his nephew Capt. **Théodore Kourouma** and ally Second Lieutenant **Marcel Guilavogui**, a Toma. But again, they could threaten the Mandingo Konaté if he is confirmed as head of the *Conseil National pour la Démocratie et le Développement*.

The civilian leaders of the *Forum des Forces Vives de Guinée* (FFVG) – the young, energetic **Mouctar Diallo**, leader of the *Nouvelles Forces Démocratiques*, and the veteran **Jean-Marie Doré**, President of the *Union pour le Progrès de la Guinée* – are divided by personal squabbles. Diallo blames an older generation of 'egoist' politicians like Doré for his sidelining at the last talks in Ouagadougou.

Another rift in the FFVG is between **Alpha Condé**, President of the *Rassemblement du Peuple de Guinée*, a

charismatic Mandingo, and **Cellou Dalein Diallo**, the Fulani President of the *Union des Forces Démocratiques de Guinée*. Together they might muster a huge majority, but the Fulani (40% of the population) and Mandingos (35%) do not get along, and without unity they have little chance of replacing the military regime. The capable **Sidya Touré** is ruled out because he is from the minority Diakhanké people.

Namibia

SWAPO'S VICTORY CHALLENGED

■ Nine opposition parties have launched a joint legal challenge to the South West African People's Organisation (SWAPO) election victory on 27-28 November. This may force a recount (AC Vol 50 No 23). Even observers from the normally cautious Pan-African Parliament heavily qualified their endorsement, noting that only the peaceful nature of Namibians and exemplary police behaviour had stopped the public rising up in protest at the week-long delay in announcing results. They also said the counting procedure and the recording of elector registration cards had compromised confidentiality.

The results gave SWAPO 74% of the vote in the National Assembly elections (54 of 72 seats) and President **Hifikepunye Pohamba** 75% in the presidential poll. The SWAPO breakaway Rally for Democracy and Progress under former Foreign Minister **Hidipo Hamutenya** came second with 11% in each contest. The RDP fulfilled its aim of becoming the official opposition by winning eight seats. It failed to advance in SWAPO's Oshana northern heartland. The Congress of Democrats, a previous SWAPO breakaway led by former trades unionist and High Commissioner to **Britain** **Ben Ulenga**, held only one of its five seats; Ulenga came ninth in the presidential poll.

SWAPO's share was virtually unchanged from the 2004 elections, while turnout was suspiciously high at 84%, if the Electoral Commission of Namibia's 'final' electoral register figure of 961,000 can be trusted. The register is a main issue the opposition parties have seized on. The ECN circulated at least three 'final' versions before polling, with a range of nearly 350,000 names. One ousted Democratic Turnhalle Alliance-Namibia MP, Finance and Trade Spokesperson **Johan de Waal**, declared the ECN 'not fit for purpose'.

Irregularities include unexplained delays in the count and verification, recounting of votes apparently required for verification, opening ballot boxes for verification, confusion over counting 'tendered votes' (cast by voters outside their registered constituency) and whether secrecy was jeopardised, delivery of ballot boxes to the central verification centre in Windhoek without police escort, and the failure to post provisional results outside polling stations as election law requires.