

BLUE LINES

Africa Confidential begins 2012 with a special 16-page edition forecasting the most significant developments in the coming year in a dozen of Africa's most important – or most volatile – nations. Our correspondents have searched out the key elements driving political and economic change in the coming twelve months. From some surprisingly negative consequences of the new Kenyan constitution, to an unexpectedly strong bounceback for the Ivorian economy, the way forward is by no means obvious. Nor is the political 'Spring' exclusively 'Arab'; its effects are still spreading southward and proselytising the democratic message.

Early this year, a vigorous election in Senegal may well topple the Wade dynasty, while in Mali a three-cornered fight for the succession to Ahmed Toumani Touré should crown a series of peaceful transitions. Sierra Leone and Ghana go to the polls later in 2012 in what promise to be fair fights, but the coming Angolan poll presages no more than a rubber stamp of the MPLA's ascendancy. Claims of fraud in the re-election of President Joseph Kabila in Congo-Kinshasa in December will keep pro-democracy activists busy.

Gambia and Congo-Brazzaville will hold questionable elections largely ignored by the African Union, Commonwealth and La Francophonie. In Kenya and Zimbabwe, the polls will involve hard struggles over crucial issues. Whether fixed, flawed, or honest, voter choice is starting to embed itself as the main agent of change.

AFRICA IN 2012

The long march speeds up

Stronger economies, better education and technology are driving more political change and unrest

Expect turbulence. As well as sound advice from pilots to passengers on aircraft taking off from Kisangani to Kinshasa in Congo-Kinshasa, such warnings look apposite for the year ahead in Africa. There are no signs that the pace of political and economic change on the continent will slacken. The reverse looks true with more than 30 presidential and parliamentary elections over the next 12 months, and rising social unrest of four of the biggest economies: **Nigeria, Egypt, South Africa and Kenya.**

There are few direct causal links between the revolutions that have transformed North Africa in the past year, but there are plenty of important indirect effects. The biggest of these is the demonstration effect: the overthrow of leaders such as **Hosni Mubarak, Zine el Abidine Ben Ali and Moammar el Gadaffi** has reinforced the determination of Africans to oust autocratic and incompetent regimes.

That means more youthful activism: 70% of Africans are under 30 years of age and are far less tolerant of rampant inequality and state abuse of power than their parents were. They are quicker to join up events and mobilise: **Egyptians and Libyans** were inspired by the courage of the **Tunisian** revolutionaries. Tahrir Square has come to signify dissent across Africa. Even the **United States**-launched 'Occupy' movement has prompted solidarity demonstrations in Lagos and Johannesburg.

On the streets and in the parliament buildings, there is a new confidence among Africa's oppositionists. Partly, this is based on some of the economic successes of the past decade: average gross domestic

product growth of over 5%, rising incomes, widening consumer markets and faster urbanisation. Those changes are rattling the old order, rooted in patronage and the urban-rural divide.

Each year, 20 million more people move to live in cities: by 2025, half of Africa will live in towns or cities. Communications technology helps, first in spreading information about political and economic alternatives, but also as a tool to organise protests and outwit security agents.

With cheaper and faster broadband internet and more sophisticated mobile devices available across Africa, these battles will intensify. The generally stronger economies are critical in promoting political change. On the back of a decade of growth, increasing literacy and improving health, expectations are rising. Civic activists and trades unionists in Kenya, South Africa and Nigeria reinforce each other's demands for more jobs, better education and health services – and an end to the mismanagement of water and electricity utilities.

Accountability has moved from being a buzzword in World Bank reports to a demand on the streets. People want to know what governments are doing with the increasing revenues they are collecting from state employees and consumers, as well as the higher royalties secured from oil and mining companies. As countries such as **Ghana and Zambia** are redesignated as lower-middle income countries and foreign aid declines sharply, their governments will depend increasingly on internal revenues. That will reinforce the link between taxation and representation. ●

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What lies beyond Tahrir

The revolution will remain under threat from the military's grip on political power, the best guarantee of its privileges

Clashes between a military bereft of strategic vision and an ascendant Islamist majority in Parliament and on the streets will dominate politics this year. Minorities such as liberals, secularists and Copts will be caught somewhere in the middle. This instability may persist into the medium term. Continued economic problems could exacerbate it. The pattern established after President **Mohamed Hosni Mubarak** looks set to continue in 2012: periodic initiatives by the Supreme Council of the Armed Forces, repressive atrocities, followed by popular backlashes and then SCAF concessions.

Although political action is supposed to move from Tahrir Square to the National Assembly this year, demonstrations and violent clashes will continue. The Muslim Brotherhood (MB) is well placed to influence but not yet control affairs. In the first phase of the elections (which run from 28 November to 10 January), Islamist factions have won 69.6% of the vote, a

performance they expect to improve on in subsequent rounds in more conservative parts of the country.

On 14 January, 498 elected members of the 508-seat lower Parliament are to take their seats (the military appoints a further ten) and elect its upper house. There will also be a consultative council with 270 seats: 180 will be elected and 90 chosen by the military. These three institutions then select the 100-strong committee to draft a new constitution. The generals still insist on appointing their own committee to oversee the drafting of the constitution to limit religious extremism.

Parliament's first session, due in March, will be dominated by arguments over its authority, the timetable for the transition, the military's handover of authority and the shape of the new cabinet. The constitutional drafters will choose between a predominantly presidential system or a more complex parliamentary arrangement, with a prime minister from

majority parties forming the executive.

Through its Freedom and Justice Party's leading position in Parliament, the MB is likely to play its hand carefully. It may hold back from an outright demand that the constitution be based on its interpretation of *Sharia* (Islamic law). Under the current constitution, Islamic jurisprudence is the principle reference for legislation. Egyptian journalist **Yasmine el Rashidi** suggests the MB may use the subtle plays on words that are possible in Arabic to insert ambiguities into the new constitution. That offers scope for later reinterpretation in their favour.

The Brothers want to influence those drafting the constitution while shunning most government responsibility as long as the military holds power. The poor economy means popular support for any ruler is likely to decline. FJP Secretary General **Saad al Katatni** has said the constituent assembly should represent all Egyptians. Yet the prominence of MB associates in the governments of **Morocco's Abdelillah Benkirane** and **Tunisia's Hamadi Jebali** may tempt them into a leadership role (AC Vol 52 No 25).

After deals struck last year between the MB and the Generals in SCAF, that understanding is breaking down. SCAF's General **Mukhtar al Mulla** told listeners in Washington in December that the Islamist electoral success did not represent the will of the people, given that the MB and the Salafists were far better organised and financed (from **Qatar, Saudi Arabia** and elsewhere) than their opponents. El Mulla said SCAF would defend the (as yet unwritten) constitution and 'they [the Islamists] won't have the ability to impose anything the people don't want'.

The looming battles between the military and the MB are about short-term tactics, not competing visions. This leaves many Egyptians yearning for a presidential election, although the military is trying to delay it for another two years. The names of veteran diplomat **Amr Moussa**, Nobel laureate **Mohamed Mustafa el Baradei** and the former Islamist advocate **Abdel Moneim Abu el Fotouh** come and go as those most likely to succeed, but it is too early to assess their prospects.

SCAF members gave the Salafists tacit support ahead of the elections, hoping, in Mubarak-style, that they would serve as a counterweight to the MB and the liberals, whom many senior officers loathe more than Islamists. The Islamists also reflect and encourage conservative values across the society. A Pew Research Centre opinion poll in April found that 60% of respondents agreed that 'laws should strictly follow the teachings' of the Koran; 84% said individuals who renounce Islam should face the death penalty and 82% said adulterers should be stoned to death.

Still hopeful that they can persuade

SUBSIDY CUTS AND CRONY CAPITALISTS

Religious and political arguments will dominate discussion in Cairo's cafés this year, but more mundane matters of economic policy, interest rates and taxation levels may do more to shape the country. Whichever party emerges in control of Parliament and the new council of ministers, it will have to address such questions as how much money to borrow to relaunch the ailing economy, who to borrow it from and how much to open up to foreign investors. Advisors from the International Monetary Fund had persuaded President **Hosni Mubarak's** government to cut the budget deficit and state sector, liberalise trade and investment rules, float the Egyptian pound and sell off state companies, all in exchange for a favourable debt relief package. That generated economic growth but few jobs and Mubarak didn't invest much in education and health.

The new government has to decide whether to go back on to the IMF road. Expectations that soft money would flow from the Gulf and Europe persuaded the Supreme Council of the Armed Forces in June to reject a US\$3 billion IMF standby loan on very soft terms. This could have been a ploy to neuter the transitional government. More likely, it reflected the SCAF's scanty grasp of economics, together with hatred of the IMF on the street. As a result, the financial strictures, exacerbated by low remittance revenue and spiralling interest rates, will continue. If the IMF or other long-term funding isn't secured, the consequent economic stagnation and unemployment could produce a dangerous new political dynamic. The main ratings agencies – Fitch and Standard & Poors – downgraded Egypt's status.

In policy terms, the priorities are to cut the budget deficit, which would entail ending the universal subsidies on food and fuel, a huge source of patronage for the regime. Bankers such as Renaissance Capital are urging the government to restart the privatisation programme: state-owned *Banque du Caire* and *Banque Misr* are the favoured targets for financial investors. Other investors have been cautious since the revolution – which targeted business leaders, most prominently National Democratic Party kingpin and steel magnate **Ahmed Ezz**. Job creation has been slow. Crony capitalism has not adapted to the new era and the generals have been blocking change and guarding their stakes in the old system. They suspect that an economic revolution could harm them even more than a political one. ●

Egyptians to support them as a bastion of stability, the generals want to stretch out the transition. 'The military leadership is trying to play the Islamists,' argues one commentator, 'as the army did in **Algeria** [in the 1990s], legalising some, while toying with others and then crushing them. [SCAF head Field Marshal **Mohamed Hussein**] Tantawi has tried to make an Algerian play, giving it an Egyptian face.' It's unlikely that Tantawi has the political sophistication or backing to succeed.

The SCAF may seek support from the **United States** (which sends Egypt over US\$1.2 billion a year in military aid) and other Western allies, calculating that they may endorse enough repression to keep the MB and the Salafists from the levers of power. Yet the regime's 'Islamist card' doesn't seem to work any more. US diplomats, alarmed by their own lack of knowledge of the dominant MB, are now eagerly opening up contacts with them.

Many Western diplomats have reconciled themselves to Islamists dominating Parliament and ultimately, government. **British** Ambassador **James Watt** says the MB's policies are business- and investor-friendly, unlike the army's, whose speedy return to barracks he would welcome. US Secretary of State **Hillary Clinton** has been far more vocal in criticising attacks on protestors and other abuses by the Central Security Forces (CSF) and militias linked to the SCAF.

SCAF monopolises hard power

but its ranks are divided. Despite his unpopularity, Tantawi has political ambitions. The military wants to keep its privileges, a control of industry and business conservatively estimated at 2-3% of non-energy gross domestic product. Property and other assets may represent 3-4% of GDP, forecast by the International Monetary Fund at \$250 bn. for 2012.

DIVISION IN THE RANKS

The army High Command doesn't see this as the same kind of corruption that down brought Mubarak. It sees this slice of economic power and personal reward as a right introduced and guaranteed by 1952's Nasserist Free Officers' revolution. A regime insider points out that most of the military see little benefit from the generals' privileges: 'Not only is the plight of ordinary soldiers sometimes pitiful, but even higher officer ranks feel left out. Tantawi and his generation of generals didn't see the need to cultivate lower ranks and they may suffer for this now.'

A coup from within a divided SCAF or even a 21st century version of the Free Officers is possible. The military veers from supporting 'revolutionary' sentiments to crushing protest. Another wave of brutality from the CSF on the street could provoke the officer corps.

For now, a coalition of the FJP and the biggest Salafist party, *Al Nour* (Light), led by **Emad Abdel Ghabbour**, looks unlikely. The FJP sees no benefit in

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alarming Copts and secularists. It prefers a conciliatory, pro-local business line, although its declared longer-term goals include legislation complying with *Sharia*, conservative social values and general religious education. The FJP may take a stricter Islamist tack, if it sees the Salafists threatening its base. Egyptians want a new leader who can reassert the central place Egypt held in the Arab world before the 1979 peace treaty with **Israel**, which helps to promote figures such as Amr Moussa and El Baradei. Such nationalism may not be enough to counter the electoral pull of Islamist conservatism.

Although Egypt has not thrown off or even openly debated its role as a strategic US ally, its people want a stronger voice in world affairs. **Nabil Elaraby**, the Egyptian Secretary General of the Arab League, has helped it to wake up to the Arab Spring, taking an unexpectedly robust line on **Syria's** President **Bashar al Assad**. ●

KENYA

A vote on unfinished business

Rival politicians in the power-sharing government are battling for votes but have failed to deliver on their promises of reform

The grand coalition staggers on, costly and unwieldy. All the top politicians and most of the contenders for the presidential election due in December 2012 are part of it, so it is hard for them to criticise an arrangement stitched together after the devastating violence that followed the 2008 polls. At the *Jamhuri* (Republic) Day ceremonies on 12 December, President **Mwai Emilio Kibaki**, 80, was sandwiched between the three leading contenders to succeed him but the speakers seemed eerily disconnected from the public's main concerns.

Prime Minister **Raila Amolo Odinga**, a consummate politician and populist (and like his father, **Jaramogi Oginga Odinga**, champion of the Luo people), spoke of an end to tribalism. Vice-President **Stephen Kalonzo Musyoka**

spoke of national reconciliation. Kibaki's clever speechwriters produced his swan-song, lauding his past achievements – roads, taxes, free primary schooling – and assuring the Republic that a repeat of the 2008 violence (which cost more than 1,500 lives) would be averted by a national reconciliation conference early in 2012. The political elite's calculations for the coming year look dangerously off the mark. The ghosts of the last elections are lurking and could yet inspire another season of madness.

MUTUNGA'S MISSION

Yet the government has introduced some important reforms, particularly in the judiciary. A strong and independent Chief Justice, **Willy Mutunga**, is determined to weed out the elderly corrupt judges and end impunity for

the politicians. Political violence on the scale of January 2008 is unlikely but it may not be entirely averted. Kenya's invasion of **Somalia**, which appears to be a long-term commitment, may also affect electioneering (AC Vol 52 No 24). For now, all candidates are playing the patriot card; that could change to a search for scapegoats if the campaign founders or there are major Somali-inspired terror attacks in Nairobi.

The upcoming elections will be the first under the new constitution, which was meant to provide for an independent, credible electoral commission and judiciary as well as for a rigorously non-partisan public service, police and armed forces. It was the responsibility of the grand coalition, which all parties signed up to in February 2008, to implement these reforms as well as resolve the perennial disputes over land rights and 'settler communities'. There is a long list of unfinished business.

Paradoxically, the coming of devolution – the jewel in the new constitution – poses the greatest threat to stability. Former United Nations Secretary General **Kofi Annan** is publicly upbeat about prospects for a credible and peaceful election but in Nairobi in

December, he insisted that more must be done to deepen national reconciliation. Kibaki attempted to respond to that call.

With devolution, political competition will migrate to the counties under the new government framework. It looks likely to resemble the elite competition that has plagued national politics. New conflicts of interest will emerge within the new counties, notably over the treatment of ethnic minorities. Many political and business leaders regard the counties as their new ethnic homelands, from which to access state largesse. Minorities may challenge what many among them had expected to be an agreed distribution of power and patronage.

Negotiating power with minorities in a political climate predisposed to the violent settling of scores will make reconciliation and stabilisation hard to achieve. Established elites will assert themselves and try to push out more recent arrivals. The process will be messy, pitting clan against clan, subgroup against subgroup.

The new Independent Election and Boundaries Commission may not have the imagination or the power to avert a crisis. Since the IEBC was set up late last year,

the neutrality of some commissioners has been questioned, as has that of its Chairman, **Ahmed Isaack Hassan**.

ICC INDICTEES IN THE POLL

The race to succeed Kibaki will be determined by the prospects of the 'Ocampo Six', the senior figures under investigation by the International Criminal Court (ICC) in the Hague and its Prosecutor, **Luis Moreno Ocampo** (AC Vol 52 no 20). Two of them, accused of instigating political violence, have declared themselves presidential candidates. Suspected of crimes against humanity in 2007/08 are the Deputy Prime Minister and Finance Minister, **Uhuru Kenyatta**, aged 50, and the would-be Kalenjin leader, **William arap Ruto**, 45. Their supporters assert their right to run for the presidency, claiming there are no legal impediments.

Yet if the ICC charges are confirmed, Kenyatta and Ruto will find it near impossible to campaign effectively. Kenya's own courts, now more independent under Chief Justice Mutunga, could block their presidential bids. That could benefit Vice-President Musyoka, who could scoop up the

regional voting blocs that would have backed Kenyatta or Ruto – although Odinga's supporters regard Musyoka as a traitor who traded his bloc of votes with Kibaki in exchange for high office.

Kalonzo Musyoka's tactics assume political homogeneity among the Kalenjin and the Kikuyu, and their ethnic affiliates. Not since the days of Kenyatta's father, Founding President **Jomo Kenyatta**, has there been consensus among the Kikuyu and even then there was bitter competition between the Nyeri-Kikuyu (Kibaki's stronghold) and the Kiambu-Kikuyu of the Kenyatta family.

Uhuru has achieved some conciliation among the factions but they rarely support a non-Kikuyu. For Musyoka, a Kamba from the old Eastern Province, garnering Kikuyu support would be difficult and a failure to do so would destroy his presidential bid.

Odinga also has difficulty managing the diverse constituencies. He alienated the large Kalenjin vote with his spat with Ruto and must now combine his personality-driven politics with a formula that can buy him either one big ethnic bloc or a series of small ones. He has courted both the Kalenjin and the Kikuyu but neither is likely to respond unless he offers them a position as running-mate. That would mean passing over his preferred candidate, former Finance Minister **Wycliffe Musalia Mudavadi**. Dropping him would mean forfeiting the support of the Western Kenya Luhya bloc, the largest ethnic bloc after the Kikuyu.

Odinga held grassroots elections for official positions within the Orange Democratic Movement, which were fractious. He has tried to redirect his brand of politics away from ethnic loyalty and towards other electoral constituencies, notably women and young people. This will succeed only if he can also sell the country a running mate who is regarded as having won the position through a democratic vote.

Politicians seem blind to the worsening economic situation. As discontent grows, the possibility of mass revolt looms larger. Many believe that a self-centred elite stands behind the grand coalition, contemptuous or oblivious of the interests of the wider society. This year's politics and the race to succeed Kibaki are set to resemble those of the 2002 elections, which were dominated by the race to choose a successor to President **Daniel arap Moi**. That contest also promised sweeping if messy political change. Yet amid the high hopes, there was little agreement about how to reconcile a divided society, reform the economy or tackle the glaring social inequality. Much of that holds true in 2012 but the gap between the political elite and the public has grown even wider. ●

DOWNTURN HITS ELECTION AGENDA

For a decade, President **Mwai Kibaki**'s government has focused on growth and efficiency, and it has largely achieved its goals. Yet as Kibaki faces his final year in office, people are increasingly restive over the deteriorating economic situation. A nationwide strike was called in December by doctors agitating for higher pay after the government had ignored their demands for years. In September, teachers were on strike, in October, lecturers and power workers.

The firebrand Secretary General of the Central Organisation of Trade Unions (COTU), **Francis Atwoli**, declared a nationwide strike at Christmas, enlisting the support of the *matatu* (minibus) owners, who are key to public transport. In January, teachers and civil servants were also due to walk out. The strikes have been averted at the last minute, through threats, intimidation or last-minute deals.

The Kenya shilling has been sliding for six months and inflation has spiralled. The price of sugar has doubled since August. In November, the nation's financial mandarins cobbled together a bailout package. To save the shilling, they froze the money supply, and to achieve this, Central Bank Governor **Njuguna Ndung'u** forced interest rates up, ending a decade-long credit honeymoon for the middle-classes and reversing many of the achievements which Kibaki's lieutenants so eagerly ascribe to him. Higher interest rates will probably burst the property bubble, interrupting individual dreams of home ownership and turning the leafy suburbs into high-rise wastelands. That may deepen the perception of 'voodoo economics', managed for the benefit of Kibaki's golf-playing coterie of ethnic homeboys.

As Finance Minister, **Uhuru Kenyatta** faces a backlash over his professional competence. He will try to claim such criticism is linked to what he sees as his victimisation by the International Criminal Court and local politicians for trying to defend the Kikuyu in the 2008/09 ethnic violence. Prime Minister **Raila Odinga**, who has tried to strengthen his image as an even-handed statesman rather than a reckless populist, will revert to populist mode in an attempt to reconnect with the masses.

Bogged down in the mud, the war against *Al Haraka al Shabaab al Mujahideen* in Somalia costs Kenya some US\$1.2 million a day. Outside powers and organisations have offered kind words but no material support. The government exhorts the public to tighten their belts and be patriotic. The Federation of Kenya Employers and other private sector lobbies have advised the government to freeze wages until the economy stabilises. The usually optimistic International Monetary Fund has lowered its Kenya growth forecast for 2012 from 5.3% to 4.3%. ●

The war goes regional

Intervention by Kenya and Ethiopia will drive Al Shabaab from its strongholds but won't produce a viable government

Military successes by African forces against the Islamist militia *Al Haraka al Shabaab al Mujahideen* have changed the dynamics of the conflict. However, they are far from tackling the core problem: the lack of an effective government to preside over national reconstruction. Hopes of progress towards that in 2012 look overblown, despite the growing roster of countries intervening militarily or diplomatically. Indeed, many now favour a more regional or confederal approach, arguing for the recognition of local political realities and of self-governing provincial entities.

Attention will focus on the two latest arrivals, **Kenya** and **Britain**. After a poor start, Kenya's troops may make progress, only to discover that success can create more complications on the ground (AC Vol 52 No 24). The **British** government is sponsoring a peace conference early in 2012, moved by concern about its commercial interests in **Ethiopia**, Kenya and **Uganda** and worry about domestic terrorism. After a **United States'** drone killed *Al Qaida* commander **Fazul Abdullah Mohamed** (whose many aliases included **Abu Seif el Sudani**) in Somalia in June (AC Vol 52 No 17), we hear that plans were found on his laptop computer for attacks in London on Olympic and other targets. Details of the plans were restricted to MI5, the Secret Intelligence Service (MI6) and the police counter-terrorism branch (SO15).

Arrests have been made. Intervention by neighbouring countries, especially Kenya and Ethiopia, will reduce the territory controlled by *Al Shabaab* but not shut it down. Military victories are unlikely to be matched by political achievements. The Transitional Federal Government is ambivalent about such successes, as the intervening neighbours encourage the development of self-governing areas with a strong sense of autonomy from Mogadishu – and the new authorities behave like the TFG, grabbing foreign aid and neglecting people hit by last year's devastating drought.

Significantly weakened, *Al Shabaab* will focus on terrorist attacks targeted for maximum effect, mainly in Somalia but also in Puntland and Somaliland. It will probably seek to retaliate against its regional adversaries, although terror attacks in Kenya and Uganda would be unlikely to deter their governments.

The United Nations Political Office for Somalia (UNPOS) will welcome a new constitution for the country, even if it is not implemented. A new office will be opened in Mogadishu for the Secretary General's Special Representative, Ambassador **Augustine Philip Mahiga**. A determined optimist, the **Tanzanian** diplomat insists this marks substantive progress in stabilising Somalia and consolidating the TFG. As the African Union Mission in Somalia (Amisom) forces try to interdict criminal trade and international navies police the country's seaboard and beyond, piracy has declined though not ceased. The European Union will expand its Atalanta force this year.

Kenya's intervention in Somalia will lose its domestic popularity as details of the casualties and real costs become clearer. Much blame will be laid on the Minister of Internal Security, Professor **George Kinuthia Saitoti**, who has been trying to pass that blame on to the poor planning and logistics of Minister of Defence **Mohamed Yusuf Haji**.

RETALIATION

Saitoti, a former Vice-President, may have to rethink his presidential ambitions. Amid more robust protection in Nairobi and along the coast, *Al Shabaab* will probe for weaknesses in Kenyan security. It is determined to retaliate against what it sees as Kenya's unjustified invasion; a dangerous by-product of a successful terror attack in Kenya would be rising xenophobia and Islamophobia there. Kenya's own Somalis – over 8% of its 40 million population – could be targeted unless the government takes strong preventive measures. Memories would be stirred of the 1998 Islamist bombing of the US Embassy, when more than 250 people died, mainly Kenyans.

Kenyan troops will formally join the Amisom force. Backed by US and **French** special forces, they should be able to take the *Al Shabaab* base at Afmadow and move on to the port at Kismayo, the centre of the militia's trading operations. This could create new problems. Charcoal exporters (close to Sheikh **Ahmed Mohamed Islaan 'Madobe'**, the Ras Kamboni leader and a key figure in Kismayo) want to restart their business but Kenya will try to ban it, making Kenyan soldiers arbiters in the region's bitter trade rivalries.

Kenya's efforts could go astray because

of the corruption and inefficiency of its officials. There will be rivalries between armed business people backed by Ethiopia and others backed by Kenya. Attempts to build effective local administrations could provoke new tensions with the TFG. With its battle-hardened army, Addis is openly sceptical about Kenya's military efforts. On 30 December, Ethiopian troops seized the central Somali town of Belet Weyne from *Al Shabaab* with little fanfare.

Al Shabaab could repeat the destabilisation it carried out in 2008 in its offensive against Lower Juba. Yet the targeted killings in Jubaland towns have more to do with clans settling scores than an *Al Shabaab* uprising. Such complexities, and Kenya's dubious military performance, are likely to bring yet more external involvement, from Western special forces and private security companies paid for by Western governments.

Ethiopia refuses to join Amisom but carefully avoids antagonising Kenya or Uganda. It has troops along the border and is reorganising its allied militias (mostly *Ahlu Sunna wal Jama'ah* in Galgadud, Hiiraan and Gedo), so that Addis Ababa could build regional entities that win international support – not truly local administrations but ones hostile to *Al Shabaab*. Ethiopia's intervention in Bay and Bakool may unleash further political complications if **Sharif Hassan Sheikh Adan**, the former and perhaps future Speaker of the Transitional Federal Parliament in Mogadishu, endorses it. By mobilising its usual allies in Puntland and Somaliland, Ethiopia may come to play a bigger role in Mogadishu politics. Ethiopia's strategy will be more selective than Kenya's. Its imperative is to protect its own interests.

The President of the rickety TFG, **Sharif Sheikh Ahmed**, lacks serious regional, let alone international, endorsement and support. Military intervention and the growing influence of neighbouring states could bring de facto balkanisation of much of Somalia. Foreigners present the intervention and the recognition of new local authorities as an attempt to rebuild a state from the bottom up.

Even if recognised by Nairobi or Mogadishu, new local administrations cannot work without the support of local clans. Galmudug, as well as Himan and Heeb Region, must cope with bitter internal conflicts, while getting less money from the pirates to shore up their administrations. Puntland is a shambles, dependent on Western support. The Harti sub-clans claim their own state. Clashes between rival militias and targeted killings are orchestrated by *Al Shabaab* and other militias who imitate their methods.

Somaliland looks in a better situation, with much less violence. Yet elderly President **Ahmed Mohamed 'Silanyo'**

is prisoner of the clique that surrounds him. Parliamentary elections, due in September, are likely to be delayed by financial problems, splits in the Electoral Commission and tension outside the capital. Somaliland may suffer collateral damage from the West's bottom-up state-building policy. There are growing complaints, especially in the diaspora, about the self-centred politics in Hargeisa and resentment of policies that have marginalised the non-Isaaq clans. Seeking new recruits, *Al Shabaab* cultivates tension in Borama (Gadabursi), Las Anood (Dhulbahante) and Erigavo (Warsangeli).

Al Shabaab is unlikely to recover from its military losses in 2011. Only the threat of more foreign intervention will drive its fractious units into effective military and political cooperation, mainly in south-central Somalia. Its financial problems will worsen if it loses Kismayo and because of tougher US and other countries' rules on money transfers to Somalia. *Al Shabaab's* internal disarray and Somalis' growing opposition to it will discourage business people from cooperating with it. The movement will find it harder to win local recruits as it focuses more on terror and regional strikes than on capturing and holding territory offering opportunities for patronage. This may be one reason it is intensifying recruitment abroad.

US and European counter-terrorist efforts will target more senior *Al Shabaab* figures and perhaps deter its jihadi financial backers in the Gulf, who may prefer to invest in **Yemen**, **Kenya**, **Libya** or the Sahel. Yet in most of Somalia, it will continue its targeted killings and use of improvised explosive devices. Even reduced to a hard core of militants, *Al Shabaab* can use its military skills to great effect. It may also exploit Somalis' instinctive nationalism to regain ground lost to Kenya's and Ethiopia's invasions.

Mogadishu is reverting to the situation of the early 1990s, divided into often mutually hostile zones demarcated by roadblocks run by rival militias, some of them independent, others connected to a politician or clan, quite a few to rogue police and military officers ostensibly working for the government.

The TFG gives little leadership. Its inability and unwillingness to pay the police and the army properly, despite strong external pressure, undermines its standing with local people (who don't expect much). It looks increasingly like a vehicle to host various regional and foreign interventions, which may just stay in business in 2012 but has scant local credibility. Despite their disagreements, the Speaker and the President will probably reach a working agreement, winning the backing of the regional states and playing them off against the USA and Europe. ●

SUDAN

The future is military

The main question this year is how far Khartoum will pursue militarism to compensate for its loss of the South – and to maintain its grip on power

Billboards in Khartoum celebrate the regime's military prowess and its increasingly bellicose tactics against the newly independent South. Massive pictures of the President, Field Marshal **Omer Hassan Ahmed el Beshir**, and the Defence Minister, General **Abdel Rahim Mohamed Hussein** (now also wanted by the International Criminal Court), stare down, in uniform and unsmiling, at the dusty streets. 'Long ago, our ancestors told us to look after the nation', runs one poster, echoing an old song. As opposition groups step up protests and the regime responds by arresting human rights and political activists, this sounds like a threat.

Many Northerners blame the regime for the Independence of South Sudan and now openly talk of the regime's failures. The loss of Southern oil has gravely weakened the economy (AC Vol 52 Nos 21 & 23). The International Monetary Fund forecasts a -0.4% change in real gross domestic product and a 17.5% rise in consumer prices, with hundreds of thousands of job losses. The question now is whether the ruling National Congress Party (NCP) will try to claw back resources by attacking the most valuable oil fields. These are mainly in the northern part of the South, in Unity State, and bordering Abyei and Southern Kordofan, already a war zone.

Although an invasion of what is now a sovereign state could prove counterproductive, senior leaders, including military officers, may believe they could escape serious censure. Since 1989, the NCP has used carefully calibrated aggression and outright war as an effective policy instrument: its current bombing of civilians in the Nuba Mountains and Blue Nile, and most recently in **South Sudan** itself, replicates its earlier strategy in those areas, as well as in Darfur. It also shows that financial constraints do not limit its battle options. Its main military partner, **Iran**, will not send in the bailiffs.

The alternative scenario is 'an accretion of acts of attrition', as one Western former official put it: 'One day, we will wake up and realise that North and South are at war again and, in fact, have been for many months'. One aim would simply be to intimidate the Juba government into sharing its oil 50-50, said a Southern Sudanese analyst. Southern feeling is strongly against this, so Khartoum's strategy involves multi-pronged attacks.

A Southern journalist warned that more Khartoum proxies, this time **Central African** rebels, wait on the CAR border with Bahr el Ghazal. On 30 December, Southern officials said 40 people had died in the Western Bahr el Ghazal capital, Raja, during air strikes by Khartoum, which denied it. Both governments are massing troops along their joint border.

Khartoum's war in the 'Three Areas' – Blue Nile, Southern Kordofan and Abyei – draws in both the South and the Northern opposition. War there will intensify. While Juba is clearly helping its former comrades-in-arms in the Sudan People's Liberation Movement/Army-North, the latter has its own dynamic: to play a lead role in galvanising opposition in Northern Sudan. The Sudan Revolutionary Front which the SPLM/A-N formed last November in the Nuba town of Kauda with Darfur's Sudan Liberation Movement factions of **Abdel Wahed Mohamed Ahmed el Nur** and **Minni Arkou Minnawi**, and the Justice and Equality Movement (JEM), will draw in other groups and continue to build its political structures.

APPEASING KHARTOUM

Interested Western, African and Arab governments remain cautious. Activists in Khartoum and elsewhere ask why the West does not support Sudanese democrats as it has their **Tunisian**, **Egyptian** and, especially, **Libyan** counterparts. One Darfur activist slammed the international community's 'soft and appeasing manner' towards Khartoum.

The NCP proclaimed that by killing JEM leader **Khalil Ibrahim Mohamed Achar Foudeil Taha** and '30 leaders...in clashes' on 23 December, it had crippled JEM, which had fled to South Sudan. JEM says only one other person was killed, with no clashes: a missile from a jet fighter hit Khalil and only foreign military have such precision equipment. JEM blames **Chad**, AC understands, claiming it is seasoned in locating and killing opponents by locking on to satellite telephones. Chad's President **Idriss Déby Itno** last year drove his relative Khalil out of Chad.

A more likely candidate might be Khartoum's soul-mate, Tehran. We hear that JEM has bits of the missile deployed that could be traced. Khalil had recently reorganised JEM's command structure so it seems unlikely to collapse. His death prompted tributes from across Sudan's

political spectrum, although he was a former National Islamic Front minister and recruiter for jihad (AC Vol 49 No 11). JEM insists it has no connection to NIF former leader **Hassan Abdullah el Turabi**, who offered warm condolences.

Change will also continue within the more traditional opposition of the National Umma Party and Democratic Unionist Party. Umma chief **El Sadig Sideeg el Mahdi** and the DUP's **Mohamed Osman el Mirghani** both deployed their sons into the NCP's largely unchanged 'new' government in late November. Accordingly, **Abdel Rahman el Sadig Sideeg el Mahdi**, a security officer who commanded the small Umma contingent in the opposition armed forces in **Eritrea** in the 1990s, and **Ja'afar el Sadig Mohamed Osman el Mirghani**, are now Presidential Assistants to Omer. Such posts have power only when held by NCP stalwarts. Joining them in late December was **El Sadig el Hadi el Mahdi**, a former London exile who joined up with the NCP in 2001, and is a nephew of El Sadig el Mahdi and brother of **Nasr el Din el Hadi el Mahdi**, the Umma Party Co-Deputy President who is also active in the broad opposition alliance.

The youth wings of both the Umma and DUP are challenging their veteran leaders' willingness to appease the NCP. Mohamed Osman came under unprecedented pressure after negotiating with the NCP and fights broke out among DUP members at party headquarters. These signs of young people's increasing impatience will grow. In Khartoum, angry activists tried to shout down ex-Prime Minister El Sadig el Mahdi during an Independence Day speech on 1 January when he advocated talking to the regime rather than trying to overthrow it – although he said that joining it would not change it. This characteristic juggling has also convinced many Southerners that the 'sectarian' (religious-based) parties have not changed. That and calling Southern President **Salva Kiir Mayardit**'s recent visit to **Israel** 'satanic' have lost a lot of the goodwill El Sadig had won by attending Southern Independence on 9 July.

In the 1985 *Intifada* (Uprising) against President **Ja'afar Mohamed Nimeiri**, the 'Modern Forces' (secular) outflanked the sectarian parties (Umma and DUP) – which may get left out next time. The combination of growing street protests in the cities and resistance to Khartoum's militarism in Darfur, the Nuba Mountains and Blue Nile province (the 'New South') encourages the view that the regime will be fighting for its survival this year.

The NCP has been rallying foreign friends to win votes in international fora and create a fig leaf of respectability for those wanting to do business with it. This won it the leadership of December's Arab League human rights monitoring

mission to **Syria**. General **Mohamed Ahmed Mustafa el Dabi** took over external security when **Nafi'e Ali Nafi'e** moved sideways after 1995's assassination attempt on President **Hosni Mubarak**. In 1999, he took over Darfur security as the NCP began its ethnic cleansing. 'He brought 1,500 soldiers from Khartoum and began to burn the villages from Barey to Kudumuli,' said a rebel (AC Vol 50 No 23). United Nations and human rights bodies confirm his ruthless reputation.

Western governments have been unprecedentedly critical of Khartoum's bombing of the Nuba Mountains and Blue Nile, yet no one is expecting serious pressure. Although backing a swingeing reduction in Sudan's foreign debt, **Britain** wants this to be conditional on the regime's commitment to 'peace with justice' in Darfur, resolving outstanding North-South issues and ending the conflict in Blue Nile and Kordofan. None are likely soon.

Meanwhile, Khartoum is shoring up its Islamist alliances. On 26 December, UPI news agency reported that Israel had again attacked arms convoys in Sudan en route for Gaza (AC Vol 50 No 7). We hear Britain, Israel and the **United States** are concerned by Iranian-Sudanese cooperation, and share intelligence on it, including the supply of arms to the *Harakat al Muqawama al Islamiya* (Hamas), which rules Gaza. This coincided with well publicised visits by Gaza Premier **Ismail Haniyeh** and colleagues, and a visit by Hamas leader **Khalid Meshaal**. On 31 December, **Saudi Arabia's Asharq al Awsat** said the Hamas Shura (Consultation) Council had met in Khartoum to announce the formation of 'Hamas-Palestinian branch of the Muslim Brotherhood'. A decade ago, the NCP cultivated an image of being 'no longer Islamist'. As pressure mounts, it may revert to its origins and the only friends it trusts. ●

SOUTH SUDAN: ROUGH ROADS AHEAD

The problems of a new state plague South Sudan but the biggest challenges are from the old state to the north. South Sudan and north **Sudan** now celebrate Independence in different halves of the year but they are still locked together and will remain so, at least until the unfinished business of the 2005 Comprehensive Peace Agreement is settled (see Feature). This looks unlikely this year: the delays are overwhelmingly not from the Government of South Sudan but from the National Congress Party regime in the north. Yet oil is an expensive weapon for the NCP to use against the GOSS: it is the Northern economy that is collapsing. After an unprecedented public plea, the main oil producer and importer, **China**, is quietly seeking an agreement, ostensibly under African Union auspices. A mysterious fire in the Unity State oilfields in late December points to future dangers from the violence plaguing the South.

Asked for his 2012 list, **Luka Biong Deng**, the former GOSS Presidential Affairs Minister (who previously held the same portfolio in Khartoum), told *Africa Confidential*: 'The key issues that will face South Sudan include ensuring peace and security, managing fragile relations with the North, the Abyei problem, dealing with perceived or real corruption, and engaging in a constitutional review process that will create political space, freedom of the press and effective mechanisms for checks and balances'. All are complex and challenging and few would disagree. A long-term observer added 'nation-building', a perspective ranging from truth and reconciliation to basic services, from fostering national identity to healing the trauma of war.

This trauma is evident in the headline-grabbing but long-brewing Pibor conflict, which has killed hundreds of people (AC Vol 52 No 15). The United Nations Mission in South Sudan starts the year by deploying less than a 1,000 troops to protect civilians from a militia of some 6,000 Lou and Jikany Nuer youths who threatened on Christmas Day to 'wipe out the entire Murle tribe off the face of the earth'. This encapsulates violence in the South: rivalry among pastoralists as the price of cattle (therefore of brides) soars as men from the diaspora inject cash into a subsistence economy, combined with the weapons that are the debris of war, plus NCP destabilisation: Khartoum for years backed Ismail Kony's Murle militia (AC Vol 47 No 11).

Such violence will recur, though some believe December's killing of Khartoum-backed militia chief **George Athor Deng** may calm things. Church groups and others are working hard on reconciliation, with some success.

Wary of the violence and of a Sudanese invasion, many foreign investors are holding back, though the South is still vulnerable to predators and pirates. The GOSS has signed the Extractive Industries Transparency Initiative and passed a Freedom of Information Act, which should both help on the governance front. However, President **Salva Kiir Mayardit** was disappointed by his recent visit to Washington, we hear, and there is widespread sadness in the South at **United States** President **Barack Obama's** apparent lack of interest. One veteran analyst called US policy on both South Sudan and Sudan 'confused'. Added a Western former official: 'As I see it, the main challenge for the South is to persuade Western powers to take it seriously'. ●

One election, two countries

The new dividing line in the country is between those who believe that Joseph Kabila won the presidency and those who don't

President **Joseph Kabila's** year will start with a strenuous effort to re-establish credibility. The official results of the 28 November elections gave him 48.95% of the vote, against 32.35% for the runner-up, **Étienne Tshisekedi wa Mulumba**. Few believe those figures. The European Union observers reckoned that 1.6 million votes were not properly accounted for and the protests were intense, especially in the regions and Kinshasa, where Kabila has never been much liked.

Veteran oppositionist Tshisekedi, strongly supported in Kasai, will carry on exploiting the general discontent but lacks the organisational muscle to displace Kabila. The EU will struggle to justify its financial support for the Kabila regime by, for example, paying for a national police force which shoots down people defending their rights and beats back demonstrators. There's no appetite among big countries in the African Union, such as **Nigeria** or **South Africa** (both fairly self-absorbed), to take on Kabila's bad election.

EAST IS RED

Kabila's dubious triumph may reduce the risk of partition in the ever-restive, copper-rich Katanga Province, whose leaders had threatened to secede if Tshisekedi won. In the east of the country, though, insecurity reigns. Near the **Ugandan** border, the fanatical Lord's Resistance Army will keep on robbing and killing.

In Orientale Province, the employers' organisation, the *Fédération des entreprises congolaises*, complains of banditry. There are conflicts between police and soldiers, and between soldiers of the old army and new recruits from the various former rebel movements.

In Kivu, a dangerous new development is the alliance between Ruwenzori Mai-Mai militias and the rebel coalition of the Allied Democratic Forces-National Alliance for the Liberation of Uganda (ADF-NALU). The government army pushed them back in December but did not disperse them and their threat will continue. Also in North Kivu, the Hutu fighters of the *Forces démocratiques pour la libération du Rwanda* (FDLR) share territory with two Mai-Mai militias, both of which claim, unconvincingly, to be Congolese patriots. **Laurent Nkunda's** *Conseil national pour la défense des peuples* (CNDP) will keep up its fight against the rulers in Kinshasa.

The government will struggle to

speed up the 'reconstruction workshops' – on infrastructure, health and education, water, electricity, housing and jobs – announced by Kabila in 2006. Foreign infrastructure specialists, chiefly **Chinese**, have made a start on many projects but progress is slow. The initial Chinese contract on which Kabila based his pre-election promises was modified after the International Monetary Fund advised Congo not to go too fast or deep into further debt. The basic understanding was that a consortium led by China Railways and Sinohydro would invest US\$5 billion, in exchange for access to more than 10 million tonnes of copper and 600,000 tn. of cobalt, to be exploited by Sicominex, a joint venture between the two Chinese organisations and the Congolese state company *Gécamines*.

Kabila can boast that his government pushed up the rate of gross domestic product growth to 6.5% in 2011 (according to IMF estimates) and it may fall this year. The better growth rates were mainly due to high world prices for copper and cobalt; some analysts forecast that mining output will grow by almost 15% over the next four years, albeit in a weak global market.

AngloGold Ashanti and Randgold have big plans for mines in Orientale but need a reliable electricity supply. The World Bank and African Development Bank are financing the rehabilitation of the giant Inga Dam complex on the Congo River. If it succeeds, Inga would supply power throughout the region as far as South Africa. The first phase is under way.

MINERALS SLUMP

Diamond production is not likely to do well. The state-owned but badly pillaged *Minière de Bakwanga* restarted operations unsteadily in 2011. The IMF's hopeful predictions will come true only if Congo-Kinshasa enjoys political stability. The disputed election result makes that unlikely. Far more serious is the prospect of a sharp decline in world mineral prices, as recession bites at the economies of Europe, which are the big buyers of Chinese manufactured exports, and China tightens its own budgetary stance. World mineral prices may already have peaked, while food prices have so far kept rising and Congo, despite its size and agricultural potential, is a food importer.

To add to its known mineral wealth, in 2012 Congo will be sorting out its

potential as an oil producer. Exploration in the Western Rift around Lake Albert moves ahead, slowed by uncertainties about licences and a frontier dispute with Uganda which could turn violent again. High Resolution Technologies of **Brazil** believes that the Albert Basin could have oil reserves similar to those identified in the Amazon Basin and HRT's associated *Compagnie minière du Congo* (Comico), with three exploration blocks, reckons that the Basin could contain 7-13 bn. barrels and the coming year should confirm it.

CONTRACT WOES

The big obstacles to economic success are, first, insecurity, then 'poor governance' (meaning not just inefficiency but also corruption), especially in the mining sector. Constant arguments about mining and petroleum licences and contracts have in recent years affected big players such as First Quantum of **Canada**, Tullow Oil of **Ireland** and biggest of all, the Forrester Group of **Belgium**, which has sent a case to international arbitration. Perhaps, with the elections out of the way, some of these troubles will be sorted out in 2012. Meanwhile, potential foreign investors are nervous, especially since *Gécamines* is conducting yet another 'review' of all joint ventures, threatening yet another period of contractual uncertainty.

There are accusations that the parastatal *Société de développement industriel et minier du Congo* (Sodimico) has sold off deposits confiscated from First Quantum to companies in Hong Kong and the **British Virgin Islands**, thus losing the state \$1.9 bn. Other questionable deals involve the **Israeli** entrepreneur **Dan Gertler**, by means of a company registered in **Kazakhstan**, again involving a huge loss to the Congolese state (AC Vol 52 No 23).

Another deal, this time surrounding the granting of the Lonshi and Frontier copper and cobalt rights, worried the IMF so much that it suspended release of a credit line. It claims that Congolese state firms acted before the conclusion of arbitration before the International Centre for the Settlement of Industrial Disputes (ICSID) in Washington, D.C.

Civic activists and oppositionists will pressure the IMF and World Bank to live up to their agreements with the Kinshasa government to block disbursements unless the government submits to an independent, public audit of the mining sector, publishes details of its covert deals with companies such as Gertler's and establishes a credible anti-corruption agency. Coming on top of contractual issues, the resulting shortage of state funds will be a further deterrent for investors, with 'vulture funds' such as FG Hemisphere striving to force Congo-K to pay its old debts, by appealing to courts in the British dependency of Jersey (AC Vol 49 No 7). ●

A year of living dangerously

Northern and Delta insurgents, oil companies and angry citizens threaten President Jonathan's reform plans

For a year that was meant to presage Nigeria's great economic leap forward, 2012 could hardly have opened more inauspiciously. First came President **Goodluck Jonathan's** declaration of a state of emergency enforced by further deployments of soldiers in several northern states and closure of the borders with **Niger** and **Chad** in the wake of more bombings and shootings by northern-based insurgents. That prompted new threats from a spokesman for the **Boko Haram** militia (*Jama'atu Ahlus-Sunnah Lidda'Awati Wal Jihad*) for all Christians to leave the north within three days. With such talk of attacks and reprisals over FM radio and social media, some ex-military officers suggest that the crisis could prompt a mutiny or putsch within the army, probably among the junior officers.

On New Year's Day, the government announced it was abolishing fuel subsidies within immediate effect. That will double the fuel price, as well as raise the price of all goods which are transported – that is almost everything. Within hours, the trades unions and opposition parties made plans to hold a general strike until the government reinstated the subsidies.

The prospect of confronting a national grassroots opposition movement as well as a clutch of shadowy insurgents has cast Jonathan's government of technocrats as rabbits caught in the headlights. Jonathan was elected in April on promises to reform the oil and gas business – and fix the chronic electricity shortages. Now his attention in 2012 will be consumed by the deepening political crisis in the capital, Abuja, the insurgency in the north, and continuing unrest in the Niger Delta.

The **Boko Haram** militia extended its menace from north-east Nigeria into the capital, bombing the national police headquarters and the United Nations office. On Christmas Day, it bombed a Catholic church near Abuja, killing more than 25 people. Militants in Jonathan's native Delta region bombed a Koranic school there three days later, showing how retaliation can turn vicious.

Even as the crisis worsens, Nigerians are growing sceptical about ever more extravagant claims for **Boko Haram** and its role in a network of international terrorist organisations. State Security Services admitted on 30 November that members of four 'criminal syndicates' sent threatening text messages in the name of **Boko Haram**

– and that three of the syndicates were based in southern Nigeria, not the mainly Muslim north.

However, the **United States**, which buys over 10% of its oil from Nigeria, has warned that the crisis could undermine long-term stability and national coherence. In August, General **Carter Ham** of the US Africa Command said it was likely that **Boko Haram** had links with *Al Qaida* in the Islamic Maghreb and *Al Shabaab* in **Somalia**; a similar opinion came from **Algeria's** Deputy Foreign Minister **Abdelkader Messahel**, who is well informed about AQIM's operations.

BOKO HARAM THREAT

A US Congress report in November (AC Vol 52 No 25) argues that **Boko Haram** is a threat to the US and should be placed on the foreign terrorist list. That is a view with which veteran US analyst **Jean Herskovits** strongly disagrees, as does the State Department. They both insist the real story of **Boko Haram** is much more complex than much of the local and foreign reaction suggests.

The former Federal Capital Territory Minister **Mallam Nasir el-Rufai**, now a leading opposition voice, insists that: 'Most of the apparent ethnic and religious

crises in the north, and the youth violence and criminality in the south, can be linked to increasing economic inequality'. Nevertheless, the **Boko Haram** campaign embitters the ethno-religious battle across the Middle Belt from Jos in Plateau State to Kafachan in Kaduna state.

Jonathan emphasises security, senior intelligence officials talk about 'back channel' talks with **Boko Haram**. The army has set up Joint Task Force bases in the northern states of Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe. Peacekeeping troops returning from **Sudan** have been redeployed to the north, and several US and European private security companies have set up in Abuja to advise the government. The conflict could spread across the region, as **Boko Haram** and its allies move arms and fighters across the borders with **Niger** and **Cameroon**. Intelligence officers talk about training-camps north of the border and the need for hot-pursuit operations.

The northern crisis has distraction attention from the Niger Delta militias, which refused the terms of the 2009 amnesty. They will be pressing for a share of the largesse in 2012. Some are belatedly trying to join state welfare schemes, others are turning back to criminality, stealing oil on the high seas or hijacking ships.

Hijacking and piracy will continue along the Lagos-Cotonou-Lomé sea-lanes; piracy in the Gulf of Guinea is as frequent as off Somalia, but less newsworthy. Joint patrols by the navies of Nigerian and **Benin**, with support from the US and **Spain**, could deter the hijackers, according to **Benin's** navy chief, **Boni Mathew**.

The Delta's civic activists fear they may

HOW THE ECONOMY DEFIES POLITICS

Insulated from political chaos, this year's budget assumes a gross domestic product growth rate of 7.2%. The International Monetary Fund reckons it may be just under 7%. Early in the year, Finance Minister **Ngozi Okonjo-Iweala** will announce the rebased GDP, the first such recalculation of national income for two decades, after lengthy research conducted with the World Bank. Based on long-delayed rebasing exercises elsewhere this could raise Nigeria's forecast GDP for 2012 from US\$263.2 billion to just below that of **South Africa**, which is projected to be \$443.3 bn. this year.

The creation of a Ministry of Trade and Investment, led by one of the cabinet's rare reformers, **Segun Aganga**, a former Finance Minister and Goldman Sachs banker, aims to boost inward flows. The brewing giant Heineken recently acquired five Nigerian breweries. SAB Miller bought one brewery and plans to invest \$100 mn. in another. The **China State Construction Engineering Corporation** will start in 2012 on the first of three new refineries in Lagos. This was another reason why President **Goodluck Jonathan** was in a hurry to cut the fuel subsidies).

Work is scheduled to start on a new airport for Lagos and the much-delayed rehabilitation of the overcrowded Lagos-Ibadan highway will also begin. The revamp of the rail network, already almost half done, will continue. In 2012, Nigerians should again be able to travel the more than 1,000 kilometres from Lagos to Kano by train.

All six power plants and eleven electricity distribution companies will be sold off in 2012, bringing over \$20 bn. in local and foreign investment. Competition for those assets will be fierce. At present, Nigeria generates far less power than it needs. That may change in 2012 with the launch of a nationwide electricity transmission 'super-grid' and reduced government involvement in power supply. ●

lose out. The amnesty has cut militant attacks and restored oil production, but government programmes to stop environmental damage and train locals for employment are moving slowly.

Almost 25% of the 2012 budget is allocated to the security services and the military. Yet the government needs a credible political and economic strategy to address the chronic underdevelopment of the Delta and, especially, the north. Most of the oil-fired development is in the south, as are most private sector investments. Once-thriving northern textile mills and light manufacturing plants have closed, pushing up unemployment. Nationwide, the average unemployment rate is above 20%; double that in the north, worst of all for young people.

The north's education and health services lag far behind, blocked by federal neglect and poor relations between Abuja and the northern state governments. Adult literacy there is just 27%, compared with 70% in the south (partly because fewer girls go to school). Again, about 70% of people in the north are on or below the poverty line of US\$2 a day, compared with 30% in the south. By compounding those regional inequalities with the doubling of the price of fuel, Jonathan will prompt even fiercer opposition. His advisors insist he must cut the fuel subsidies but they don't calculate the political costs of doing so without a plan to cushion the poor.

The courts have responded to claims of fraud and malpractice by ordering fresh elections in several states, including six governorship elections. The most closely watched will be in Bayelsa, Jonathan's home state. Few are convinced by the President's attempts to remain aloof; he is known to oppose the return of **Timipre Sylva** to the governorship and to want his own person in Bayelsa's Government House.

The barons of the governing People's Democratic Party (PDP) want to exclude Sylva but cannot agree on an alternative. Political rivalries could escalate into a spiral of violence.

In Ondo state **Rahman Olusegun Mimiko**, a doctor, is running for a second term. Jonathan's PDP lost the state when Mimiko, a minister under ex-President **Olusegun Obasanjo** (1999-2007), came to power on the back of an Appeal Court verdict. The party has lost the entire south-west, and means to take it back.

In the north, power-seekers may exploit the *Boko Haram* threat to strengthen their hand in negotiations. Sokoto State's gubernatorial primaries will test Jonathan, who wants his candidate, Senator **Umar Gada**, to oust incumbent Governor **Aliyu Magatakarda Wamakko**. Other governorship elections are due in Cross River state in August and Adamawa state in April, foreshadowing the infighting for the 2015 presidential contest, to which

insiders at the Presidency like **Oronto Douglas**, Senior Special Adviser on Research and Strategy, and **Reno Omokri** the political strategist, look ahead.

LAWS IN THE MAKING

A watered-down version of the Petroleum Industry Bill will probably be passed in 2012, after delays caused by dissident politicians and the international oil companies, which dislike higher royalties and distrust government efforts to improve accountability. The anti-corruption campaign will get tougher if **Ibrahim Lamorde** is confirmed as Chairman of the Economic and Financial Crimes Commission, which has sunk in local and international esteem over the last four years. Lamorde wants some spectacular arrests; campaigners expect to see some state governors behind bars this year.

Relations with **Britain** may deteriorate since the Senate passed a bill that criminalises gay marriage, to which British Prime Minister **David Cameron** objects. Nigeria is studiously ignoring Cameron's complaint. Elsewhere, Jonathan has shored up relations with the USA and **France**, while keeping **China**, **India** and **Russia** interested in exploiting Nigeria's oil and gas. Relations remain poor with **South Africa's** President **Jacob Zuma**, who is close to former Vice-President **Atiku Abubakar**, a sworn enemy of Jonathan's. ●

GHANA

Great expectations

The 2012 elections may delay, but will not stop, the resource-driven progress towards prosperity

Once again, politics could shape Ghana's economic future. The national elections due on 7 December 2012 will determine which party is to manage the transition to a medium-income developing economy with world-class oil and gas resources. It could be a close call. In 2008, just over 40,000 votes separated the presidential contenders in the second round of voting and the National Democratic Congress (NDC) almost tied with the New Patriotic Party (NPP) in the parliamentary elections.

The NDC wants a second four-year term for President **John Atta Mills** and Vice-President **John Dramani Mahama**. The governing party has the power of patronage but the business-friendly NPP, after four years in opposition, looks well financed too and with **Nana Akufo-Addo** as its presidential candidate again, is

determined to win the return match. It looks more united than in 2008, when the outgoing NPP President **John Agyekum Kufuor** stayed largely aloof from the campaign.

After lively lobbying by ethnic groups and party elders, Akufo-Addo named his running-mate on 15 December: it is again the former Deputy Governor of the Bank of Ghana, **Mahamudu Bawumia**. This is in keeping with the NPP's tradition of pairing an Akan with a northerner to balance the ticket. Akufo-Addo's campaign is in full gear already, with its own contingent of loyalists canvassing the local vote, a sharp contrast from his much more laid-back approach in the 2008 polls.

The election is both a personality battle and a test of economic competence, with cost-of-living issues to the fore. Some intellectuals and business people are

revisiting the battles between the leftist Nkrumahists and Pan-Africanists (now a force in the NDC) and the moneyed barons of the NPP. Atta Mills is liked and trusted in the NDC's base in the North and the Volta Region, and among working people in the cities. Yet he lacks fizz and can appear indecisive. His health and stamina will be hard tested by a twelve-month campaign.

By contrast, Akufo-Addo fizzles a lot and relishes the cut and thrust of debate; his brusque style, honed in the courts during the 1980s, has won over waverers as he recites his claims about Mills's broken promises to raise living standards. Others complain that this contest between two well-heeled lawyers, both aged 67, is more an elite quarrel than a real political campaign. On both sides, many want a fight with the gloves off, and they could get just that.

Nobody should underestimate Mills or his party. He fought back when **British** Prime Minister **David Cameron** warned that aid would be cut to governments which persecute homosexuals. An evangelical Christian, Mills (like his **American** counterparts) believes homosexuality is an affront to God and says so; equally, the NPP will fight for the homophobic vote.

The election campaign really began after the NDC congress in July, when Mills decisively saw off a challenge for the party leadership by former First Lady **Nana Konadu Agyeman Rawlings**. She and her husband, ex-President **Jerry John Rawlings**, accuse Mills's government of corruption and of alienating traditional supporters. They are unlikely to campaign for the President's second-term bid. This could prompt NDC supporters to abstain, especially in the party's traditional strongholds. Disaffection in the swing regions of Greater Accra, Central, Western and Brong-Ahafo could cut Mills's support below the 50%-plus-one required for a first-round win.

INSURANCE AGAINST MILLS DEFEAT

Many of Mills's ministers want to contest parliamentary seats as an insurance policy should the NDC lose the presidency. Two deputy ministers, **Samuel Okudzeto Ablakwa** and **Fifi Kwetey**, are challenging sitting members of parliament from their own party, reinforcing the sense that Mills's favourites are marginalising the party faithful. Outsiders on the NDC ticket for the first time are Jerry Rawlings's fierce critic, Major **Kojo Boakye-Djan**, and **Emelia Arthur**, Deputy Minister for the Western Region, close to the offshore oil-fields. Some suspect they were hand-picked by power brokers around the presidency.

The chief executives of two key state-run bodies, **Kwadwo Twum Boafo** of the Ghana Free Zones Board and **George Aboagye** of the Ghana Investment Promotion Council, are seen as favourites for safe seats at Osu Castle. Other Castle favourites, such as Agriculture Minister **Kwesi Ahwoi**, former Information Minister **Zita Okaikoi** and her husband **Andrew Okaikoi**, and **Comfort Adjei**, the wife of party Chairman **Kwabena Adjei**, failed to be nominated in constituencies without a sitting NDC MP. The party's foot-soldiers prefer the Rawlings old-guard.

If, as seems likely, the election goes to a runoff between Mills and **Akufo-Addo**, the disorganised, mainly leftist, smaller parties could be important. The Convention People's Party is chaired by **Samia Yaba Nkrumah**, daughter of Founding President **Kwame Nkrumah**. She is the CPP's only MP and complains that it is underperforming: 'Somehow, having an election every four years limits our ambitions.' She is supported by Professor **Agyeman Badu Akosa** and they have clashed with the party's former flagbearer, **Paa Kwesi Nduom**. He flounced out of the party on 27 December and is starting a new one, on whose ticket he will run for the presidency; in 2012, he may use his own considerable funds to support 50 aspiring MPs. The other Nkrumahist party, the People's National

Convention, has four seats and could hold the balance of power in Parliament. Yet it is split between a group led by **Somtim Tobiga** and the mainstream faction that includes **Edward Nasigri Mahama** and the General Secretary, **Bernard Mornah** (AC Vol 48 No 25).

PUMP PRIMING

Economic transformation is the prize both parties promise. They agree that US\$2 billion in annual revenue from oil exports, and the use of gas for electricity generation and feedstock for fertiliser and petrochemical production, should launch a new industrialisation programme.

The election-time test is whether Mills's government can hold down the cost of electricity and water, raise public sector pay and still generate jobs and investment. The global business environment may be parlous but electors know that in 2011, Ghana enjoyed the world's fastest-growing economy and is now classed by the World Bank and International Monetary Fund as a 'lower middle-income developing country'. They demand jobs and a more equitable share of resources.

The NDC favours more state intervention in economic policy; the NPP, better supported by Ghanaian businesses, abjures state planning and favours deals with big private companies. It says the government is failing to get the best deals with **China**, whose fast-growing role – building a town and a hydroelectric plant at Bui, leading development of the gas industry – is an election issue. The NPP

accuses the government of contracting new loans and commissioning new projects without proper accountability.

More than half of a \$3 bn. commercial loan from the China Development Bank (CDB) is earmarked for the oil-rich Western Region, mainly for a project which the new National Gas Company hopes will come on stream in early 2013 (AC Vol 52 No 24). The cost of borrowing will rise, while the government is tempted by pre-election spending; Finance Minister **Kwabena Duffuor**'s spending cuts may not survive the coming year. The government raised fuel prices by 15-20% on 29 December, perhaps to get the bad news out long before the vote. Yet the government's wage bill could rise by up to 20%.

Growth will be sustained by higher cocoa production (thanks to troubles in neighbouring **Côte d'Ivoire**), growing investment in gold and bauxite mining and, above all, oil and gas. Oil production from the Jubilee Field has met technical difficulties and delays but new discoveries suggest much greater oil and gas reserves than was formerly thought.

Plans to exploit these may be delayed by arguments with Côte d'Ivoire about the still undefined maritime border, which has prompted confidential negotiations between the two. Ghana's well regarded armed forces are taking no chances, boosting surveillance and protection of the oil-fields with a new command structure, four new 70-seater troop transport aircraft and four new helicopters. ●

GETTING THE VOTE RIGHT

The straight-talking director of Ghana's Electoral Commission, **Kwadwo Afari-Djan**, and his team have organised five multiparty elections since 1992, each one more credible than the last. The 2012 presidential and parliamentary elections could be the toughest yet, with both the big parties talking of 'die-be-die' (do or die). Afari-Djan is determined to uphold his Commission's independence; the central concern is the accuracy of the electoral register. Before the 2008 elections, EC officials warned that a fifth of the names on the register could be inaccurate or counterfeit; President **John Kufuor**'s New Patriotic Party (NPP) government released more funds and a compromise was reached.

Now in opposition, the NPP demands a biometric, electronically verifiable register in time for the 2012 polls; the governing National Democratic Congress calls the US\$20-50 million cost of a biometric system an unnecessary expense. Sceptics say the NDC hopes that some of its militants will organise multiple registration and double voting. Both sides are good at electoral fraud. NPP tacticians believe they lost in 2008 because the NDC's fraud went undetected. The NPP's presidential candidate, **Nana Akufo-Addo**, is appealing over the head of the government to foreign donors for the required technology. Whether or not that money is forthcoming, it would be hard to manage an untried electronic system and produce a credible register within about six months. **Nigeria** introduced a similar registration system costing hundreds of millions of dollars but had to delay elections for four months.

Neither side in Ghana wants a delay. A constitutional referendum due this year could bring the polls forward by a month. Officials argue that if elections went to a second round in late December, it would not leave time for a new government to be inaugurated by early January. Afari-Djan argues that the best safeguard against fraud is the vigilance of polling agents and constituency executives. The EC recommends establishing 45 new parliamentary constituencies, to reflect the provisional results of the 2010 national census; that must await the final census results later in 2012. ●

Smart money, prickly politics

Tension will persist over attempts to integrate government armed forces and guerrillas, and to demobilise large numbers of soldiers

Ex-President **Laurent Gbagbo's** trial at the Hague may raise ethnic and political tension but if President **Alassane Dramane Ouattara** can keep the lid on this, the promising economic prospects may help the country to recover well from the recent violence. The smooth running of the parliamentary elections on 11 December was a good start (AC Vol 52 No 24). By themselves, they cannot ensure reconciliation, especially since the previously ruling *Front Populaire Ivoirien* boycotted them, but they still help to broaden Ouattara's base and consolidate his power without highlighting Gbagbo's defeat and humiliation.

Gbagbo's trial at the International Criminal Court (ICC) may be less of a flashpoint than predicted, even though his rendition to the **Netherlands** reopened old wounds and strained relations between the governing coalition party, Ouattara's *Rassemblement démocratique républicain* (RDR) and ex-President **Henri Konan Bédié's** *Parti démocratique de la Côte d'Ivoire* (PDCI).

ADO's priority in 2012 is to consolidate control of his own side rather than reaching out to his rival's party. His failure to back the prosecution of members of the pro-Ouattara *Forces républicaines de la Côte d'Ivoire* for atrocities as well as Gbagbo's followers raises questions of his commitment to reconciliation and justice. Even some who support Ouattara were dismayed that the speedy trial and imprisonment of many FPI supporters has not been matched by any judicial proceedings against abusive FRCI troops. FRCI soldiers are on every street, from their northern base to the docks of Abidjan.

PDCI activists will get uneasy about the alliance with Ouattara. They had made common cause with Gbagbo's FPI over the xenophobic doctrine of '*ivoirité*' in order to bar Ouattara from standing in the 1999 presidential poll. Yet the PDCI's strong representation in the National Assembly after December's elections should deter them from aligning themselves with Gbagbo's rejectionist supporters.

Critical to the governing coalition is Prime Minister **Guillaume Soro**. Initially, the premiership was to go to Konan Bédié's PDCI in return for supporting Ouattara during the second round of November 2010's presidential election, with Soro becoming Speaker of the National Assembly. Insiders say the PDCI

would prefer the Speaker's post, although the RDR has an absolute majority of seats (127 of 254) against the PDCI's 77. The creation of the post of vice-president may resolve any wrangling.

The future of the FPI after Gbagbo is harder to divine. A strong contender to win over more moderate FPI supporters is **Mamadou Koulibaly**. Yet the FPI is short of money, which will make it difficult to keep its supporters loyal.

Security will be most under threat in the west, where land tenure issues have combined explosively with political alliances. The government has attempted to crack down on potential dissidents, including by arresting pro-Gbagbo militia leader **Denis Maho Glofiei**.

The new leadership of the military will be decided this year but the integration of FRCI guerrillas with 'regulars' who served under Gbagbo is problematic. The slow pace of integration causes tension. The FRCI comprises large units that owe their loyalty primarily to their commanders rather than to the state. Should he lose out in power struggles within the government, Soro has several hundred fighters at his disposal. So far, Ouattara has handled the warlords astutely; those who left the *maquis* (bush) for Abidjan feel rewarded. Should all else fail, he knows the **French** garrison, near the airport, is there as a last resort.

There is a new balance of power in the region. President Ouattara wants to develop close economic ties with **Nigeria**: there are plans for a major new road linking Abidjan and Lagos. Following Nigerian President **Goodluck Jonathan's** strong backing for Ouattara in last year's election imbroglio, the two have become firm friends. However, Ouattara's relations with **Ghanaian** President **John Evans Atta Mills**, who was more equivocal over the election, remain less than enthusiastic.

ENGINEERING A BOUNCEBACK

The economy will rebound strongly this year, backed by a team of competent managers led by Finance Minister **Charles Koffi Diby** and support from France, which has financial and diplomatic interest in Ivorian success. Cocoa production, only marginally affected by the war, will grow strongly.

For President Ouattara, a former Deputy Managing Director of the International Monetary Fund, economic

success is not only politically important but a matter of personal pride. His close relationship with the Fund will prove useful in negotiations but he has set ambitious targets that could create public disappointment if they are missed.

The IMF forecasts gross domestic product growth at 8.5% this year, after the economy shrank by about 6% last year. Some Abidjan officials say it could recover faster still, although Western diplomats are more cautious about the pace of new investment. The government is offering new incentives to attract private companies to invest in big infrastructure projects. Some banks and companies are cautious because the government has repeatedly postponed payment on its US\$2.3 billion Eurobond.

The debt has been restructured twice, after three missed payments dating back to December 2009. Finance Minister Diby promises payments will begin in June 2012 but Ivorians and Westerners differ on the question of urgency. The creditors, both commercial and Paris Club/World Bank, may step up pressure as the government goes into negotiations for debt relief late this year.

A big gap in the economic programme is the lack of plans to develop the arid north, where poor conditions have encouraged traders and workers to migrate towards the coast. Those northerners who voted overwhelmingly for Ouattara may start their own protests if their aspirations are not met. World Bank officials are a little surprised that the government is yet to produce a credible plan to regenerate the northern economy.

A bumper cocoa harvest of over 1.2 million tonnes forecast for 2012 will help compensate for sluggish export prices: cocoa sales account for over half of export earnings. Diby's team is pressing ahead with ambitious reforms that will guarantee the 700,000 small cocoa farmers at least 60% of the global price. That will require government to invest more in training and better policing of the trade to root out official corruption and widespread smuggling, mainly to Ghana.

Mines and Energy Minister **Adama Toungara** is leading a new drive on oil exploration. Daily production is around 50,000 barrels but with new exploration and drilling permits, it could increase fourfold over the next five years. After a panic in December, we hear the maritime border dispute with Ghana in the oil-rich Jubilee fields is now part of constructive bilateral negotiations.

Negotiations are also due to start on lifting the United Nations' embargo on diamond sales in the north. Given the conflict and economic slowdown over the past decade, power and transport facilities are in relatively good shape. Electricity generation is constant and in surplus. ●

Zuma goes for broke

Ructions in the ANC and the President's grim fight to hold on to power will have economic as well as political consequences

The election that matters is the one within the governing African National Congress, whose December conference in Mangaung in the Free State will pick its presidential candidate for national elections in 2014. The winner will almost certainly be President **Jacob Zuma**. He has many critics, in the ANC and outside, but the veteran operator knows his opponents are divided and his side will keep using state institutions, including the intelligence, police and judicial services, to keep them down and off-balance. Such battles will take some of the shine off this year's ANC's centenary celebrations and festivities that Zuma had hoped would boost his leadership campaign.

Government business has a busy agenda in 2012 and it will suffer as the ANC's internecine conflict is likely to preoccupy many senior politicians. Zuma's chief targets are Vice-President **Kgalema Motlanthe** and **Tokyo Sexwale**, the Human Settlements Minister. Zuma's allies will try to smear their reputations and choke off their financial livelihoods in the party, government and business.

They will also mount a vigorous defence of Zuma's role in the US\$6 billion arms procurement scandal (AC Vol 52 No 25). His foes will fight back using the small pockets of influence that remain to them but mainly by using the media to get damaging information about him into the public domain. They scored a notable success when the *Weekly Mail* published a damning story about his close ally and ANC veteran **Mac Maharaj**, who it claimed had received several illegal commissions on procurement contracts and had lied to police investigators about the matter. Maharaj's response was to get a court injunction to prevent the *Weekly Mail* from publishing the story.

There is plenty more such information, often from sources in the police or the National Public Prosecutor's Office, which could have been used against Zuma and his allies. Handling, let alone publishing, such information will become a criminal offence under the Protection of State Information Bill, unless the Constitutional Court rules that it breaks constitutional guarantees of freedom of information. Zuma wants to push the Bill through the upper house of Parliament, while civil society groups, including the Congress of South African Trade Unions (COSATU), the Democratic Alliance and others will

use legal means to challenge it.

Julius Malema, the ANC Youth League President suspended for five years from the ANC for undermining it and the national President, is sure to lose his appeal due early this year. Zuma's ally Judge **Willem Heath** was, as its new head, all set to purge anti-Zuma elements from the police Special Investigation Unit but suddenly had to resign. That was due to the public outrage after he had suggested that ex-President **Thabo Mbeki** had orchestrated the charges of rape and corruption against Zuma.

Zuma's allies are intent on setting the investigators on his political critics, to spike their guns with accusations and investigations of bribery and corruption. His foot-soldiers will be loyal old comrades from his days in the KwaZulu underground and ex-members of the ANC intelligence unit for which he was responsible in the 1980s. The unit faced claims that it tortured and killed ANC cadres in **Angola** suspected of being spies. An internal investigation cleared them of the accusations.

INTERNAL CONFLICT

In the run up to its December congress, the ANC will shake with internal disputes that could turn violent, as seen already in some provinces. Zuma's determination is absolute. Faced with dirty tricks, lengthy court cases or worse, Motlanthe and Sexwale may decide to drop their challenges. Few seem to have the courage to take on Zuma no matter how

ECONOMIC JITTERS AS TSHWANE LOOKS EAST

Foreign investors will find the political climate discouraging. Exports, apart from gold, are likely to slow. The fall of the rand against the US dollar will help some manufacturers but it will also boost inflation. To make matters worse, the main export destinations are Europe and the **United States**, whose economies are struggling to grow out of recession. At the same time, South Africa's economic managers are trying to develop a new generation of trading links with East and South Asia, designed to build bigger export markets than the country currently has with the West.

This year, the Reserve Bank will lower interest rates, ease monetary policy and relax exchange controls to boost the economy. The Treasury had already cut its growth forecast for 2011 to 3.0% from 3.4% and growth in 2012 will be below that, with some local economists warning of a recession. The government says gross domestic product growth needs to rise to 7% a year to bring a meaningful reduction in unemployment and election politics will increase the pressure for higher public spending, with many government and local agencies ill-equipped to manage it.

INFRASTRUCTURE IN 2012

There are plans to invest some 850 billion rand (US\$101 bn.) in infrastructure over the next few years; the Reserve Bank says that 'is a must if the economy is to achieve its job-creation target and sustain it'. The government wants to encourage the private sector, especially mining companies, to supplement state funding for ambitious projects including roads, railways and port development at Durban and Richards Bay.

The contracts that are let, however, will be as political as everything else in this fevered climate and since President **Jacob Zuma** stands accused, by opponents and allies alike, of providing patronage and government tenders to family members and friends, little success for anti-corruption initiatives can be expected. Lucrative projects will find no room for businesses aligned with factions in the African National Congress that are out of favour. All eyes will be on **China** as South Africa attempts to capitalise on its new membership of the BRICS (**Brazil, Russia, India, China** and South Africa) grouping. Accusations that Zuma's family already has lucrative Chinese connections are circulating. His opponents are vehemently opposed to giving Chinese companies state contracts. There will be a battle royal for the massive government contract for building solar and wind farms between companies from the USA, **France**, China and India.

In a weak global economy, state-owned South African entities are especially vulnerable when it comes to raising capital and there will be rising pressure on departments to spend on social services rather than infrastructure. Private investment must supplement or even replace government funding for infrastructure projects. Sasol, the oil refiner, is a key partner, saying it plans to invest R40 bn. in major projects over the next two years. Anglo American's chief, **Cynthia Carroll**, has offered the government a partnership to develop and manufacture fuel-cell technology. The left-wing of the ANC will continue to pressure for the state to be the principal investor. ●

disparagingly they may talk about him. The political infighting will slow down development initiatives for public services and job creation. The uncertainty could hit foreign investment, too. Technocrats in the government such as Finance Minister **Pravin Jammadas Gordhan** and Minister in the Presidency **Trevor Manuel** will be trying to manage the New Growth Path economic package and the introduction of the elaborate New Development Plan. Gordhan will also take charge of a bold new plan to clean up errant departments in the provincial governments. He has already done so in Gauteng, Limpopo and Free State. Rural Development and Land Reform Minister **Gugile Nkwinti** will try to push through new laws on tenure and ownership in the Green Paper on Land. Similarly, the government is meant to advance its plans for a National Health Insurance scheme after putting out a draft paper for public consultation.

All these will help to build Zuma's legacy as a reformer but getting the timing right amid such tumult in ANC internal politics will be tricky. South Africa needs foreign funds to pay for its long-term trade deficit. Without that, unemployment will rise beyond its present alarming 25%. The

resulting discontent would lead to public protests, stirred up by the disenfranchised Malema and his young supporters.

Trades unions will probably continue mass protests although the government is likely to grant the usual pre-election public-sector pay increases. COSATU General Secretary **Zwelinzima Vavi** is one of few senior officials willing to take on the government and the Zuma clique openly on corruption issues.

Proposals to reform the labour laws in the employers' favour may provoke more strikes. Labour opposes the idea of new roads financed by tolls. Gordhan favours a subsidy to encourage employers to hire young and unskilled workers but the ANC's political partners in COSATU are against that, so Zuma is unlikely to back him, at least not until he has been safely re-elected to the party presidency.

As President, Zuma has endorsed the police's 'shoot-to-kill' and 'ask questions later' approach to crime suspects. His government's response to public protest is getting more heavy-handed. Politically charged protests against both national and local government will spread.

Malema may be gone but the nationalisation issue has not. A party team

commissioned an expert report on the nationalisation of mines, land and banks but the ANC General Secretary, **Gwede Mantashe**, sent it back for redrafting. The final report will unleash another row in the party in 2012. Investors will remain wary until the issue is resolved, perhaps at December's ANC conference. A compromise could emerge whereby the current system of a mixed private and state mining sector remains but with tighter mining regulations and royalty regimes. Zuma's 'black economic empowerment' allies will want to benefit from this. Before mineral rights are renewed, the ANC will demand that the private sector do more in terms of BEE, affirmative action and community and skills development, with proof of performance.

The nationalisation debate has hardened attitudes within the ANC and the politics of 2012 will be bitter. Worries are growing that Zuma's struggle to reward his allies, punish his enemies and control the media will be so hard-fought that the collateral damage could include the rule of law and other independent institutions – even the higher judiciary – that have nourished the economy, and the democracy, of free South Africa. ●

ZIMBABWE

A race against time

The probability of President Mugabe scuppering constitutional reforms and calling a snap election is firming up

Both President **Robert Gabriel Mugabe's** Zimbabwe African National Union-Patriotic Front (ZANU-PF) and Prime Minister **Morgan Tsvangirai's** Movement for Democratic Change (MDC) want elections as soon as possible. Each blames the other for foot dragging. Frustration is running high after 32 months of dysfunctional power-sharing government. **Welshman Ncube**, leader of MDC-Ncube, argues that without national agreement on a new constitution, security and independent institutions to manage the vote, an early election could see a repeat of the murderous violence of 2008. Work outstanding on the constitution – grassroots consultation and redrafting clauses – followed by delimiting the new constituencies and a fresh (accurate) electoral register could take another year. That would mean elections in early 2013.

ZANU-PF cannot afford to wait that long, given its factional problems and Mugabe's age and questionable health. Its strategists want a convincing election win (accepted by leaders in the Southern African Development Community, SADC) early this year. That would allow it to resolve its leadership succession before

Mugabe throws in the towel. He turns 88 next month. His aides worry about how he would weather a prolonged campaign or remain marketable later in the year.

There would then be a transition for the new leader under the mechanism the new constitution provided for uncompleted terms. Under today's constitution, it would be by a parliamentary vote in joint session of upper and lower houses: none of the parties has an overall majority. That would result in horse-trading between – and even within – their factions. ZANU-PF's need for an early poll is so pressing that it is prepared to short-circuit the constitutional reform and agreed electoral road map. However, Zimbabwe's SADC neighbours want a credible, lasting solution and believe that voting without reform will create another political impasse.

MDC SIDELINED

The Premier and his MDC-Tsvangirai believe that whatever powers they gained in the unity agreement have been eroded. ZANU-PF, with its placemen and allies in the bureaucracy and security, bypass or sideline all the non ZANU-PF ministers. In some areas such as policing and security,

managing diamond mining revenue and the indigenous economic empowerment programme, there is effectively a parallel government structure. ZANU-PF-controlled ministries such as Security and Justice get their full allocation, as does Mugabe's Office, which runs the Central Intelligence Organisation. Surrounded by ZANU-PF bureaucrats in the Treasury, Finance Minister **Tendai Biti** finds it hard to refuse requests from the securocrats.

The MDC-run ministries, such as Education and Health, get short shrift. Of the US\$66 million budgeted for education (minus salaries) last year, Biti was able to disburse just \$14.2 mn. He could pay just \$48 mn. of the \$132 mn. capital budget for health. Yet MDC ministries have made progress: when Education Minister **David Coltart** took over in 2009, some 90% of the 7,000 state schools were closed due to lack of books and equipment. Now most are open and have textbooks.

MDC-T hopes that a convincing win in early elections would allow it to fix this. Yet the institutions and staff administering processes such as electoral registration and constituency delimitation remain skewed towards ZANU-PF. Adding to Tsvangirai's problems, recent exposures of his chaotic private life have fuelled criticism of his judgement. The longer the electoral delay, the more such reservations will bubble.

Yet should Mugabe leave office before elections, everything would change. The strengths and machinations of ZANU-PF's rival factions would determine its next

leader and whether it stayed together. The two main factions coalesce around Defence Minister **Emmerson Mnangagwa**, backed by the old guard, especially in Midlands, Masvingo and Manica provinces. Those are provinces where MDC-T made electoral inroads in 2008. This faction is the least acceptable in horse-trading with the MDC. Vice-President **Joice Mujuru** leads the more reformist wing, with a strong base in Harare, Mashonaland Central and East provinces. Yet the mysterious death of her husband, General **Solomon Mujuru**, has weakened her links to securocrats (AC Vol 52 No 17). This group was more amenable to deals with the MDC.

There are two embryonic factions. Gen. **Constantine Chiwenga**, Commander General of the Zimbabwe Defence Forces, fancies his chances but the High Command is not right behind him. Air Marshal **Perence Shiri**, a key fixer, leans towards Mujuru but is tainted by the *Gukurahundi* massacres of 1982-87 in Matebeleland. Back-channel negotiations between the MDC and the ZDF, essential for a post-election settlement, have ground to a halt. **Saviour Kasukuwere**, the Youth, Indigenisation and Economic Empowerment Minister, is building a following amongst the youth and younger tycoons. He's a clever tactician but his brashness offends the older bosses.

Political violence is up as is partisan policing and disruption of MDC rallies. Leaders make joint pleas for tolerance while their own lieutenants orchestrate the violence. A decade of crisis has fostered regional divisions in Zimbabwe's politics. Matebeleland's resentment over the 1980s

A PAUSE IN ECONOMIC PROGRESS

The early economic successes of the power-sharing government are sputtering (AC Vol 52 No 25). A decade after the land reform battles, agriculture will be the main source of growth this year. This is from an alarmingly low base: the Commercial Farmers' Union forecasts that food production will be lower than in 2000. Shaky global commodity prices will depress earnings from the mines, including the covert deals that President **Robert Mugabe's** aides have made over diamond sales from the Marange fields.

Finance Minister **Tendai Biti** forecasts gross domestic product growth of 9% this year but independent economists and bankers reckon it will be around 7%. Although the cash budgeting system means that Biti cannot rack up a substantial fiscal deficit, he will have little flexibility to cope with the effects of the West's economic downturn.

Zimbabwe will continue to run a high current account deficit because it has become so import-dependent but its foreign reserves are dangerously low, covering less than a month of imports. Despite all that, Biti has managed to reverse the precipitous economic decline and stopped hyperinflation by dollarising the economy. Further progress will depend on political change. Two major factors will be important this year. The discovery of a massive new diamond deposit in Marange and the start-up of several new platinum mines. This will shore up revenue despite lower global prices.

Manufacturing capacity utilisation is still at about 60%, while agricultural output is still well below 2001 levels. Although there has been some improvement in tobacco production, this reflects the beneficiaries of the land reform preferences for immediate, cash generating, non-food crops. Zimbabwe will again be a net food importer this year: it will take several years to return to substantial food exports.

Budgeted expenditure for 2012 is up by one-third on 2011. Salaries will absorb 60% of total expenditure and will include payments to some 75,000 Zimbabwe African National Union-Patriotic Front ghost workers. Expenditure is up to US\$4 billion from \$3.4 bn. but very little is for rebuilding the creaking infrastructure. Biti claims to have mobilised \$640 million in aid for social and infrastructure support and is expecting to rake in another \$600 mn. increase as the Treasury's share from the sale of diamonds stockpiled while the Kimberley Process embargo was in place. He concurs with Mines Minister **Obert Mpofu's** estimate that the stockpile is worth \$2 bn. and sales offices are scheduled to open in Dubai and Brussels next year. Yet world diamond output remains in surplus, with production cutbacks and high stock levels overhanging the market. Quality is of paramount importance – all that sparkles is not necessarily a gem. ●

massacres festers while the dilapidation of its capital Bulawayo, Zimbabwe's second city, fuels accusations of neglect

which former Interior Minister **Dumiso Dabengwa** and his Zimbabwe African People's Union could exploit. ●

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Votes, mines and money

Koroma's anti-corruption campaign has wavered with special deals for favoured companies. Whoever wins the elections will be short of cash

The presidential and legislative elections due in November 2012 will be close-run, pitting President **Ernest Bai Koroma** and the All Peoples' Congress (APC) against **Julius Maada Bio** and the Sierra Leone People's Party (SLPP). Koroma stakes his political reputation on his anti-corruption campaign and on promises to provide basic infrastructure such as electricity and clean water. On both, his record is mixed. Rated more highly by outsiders than by locals, Koroma is a better businessman than politician and his lack of control over his party in Parliament has stymied his efforts at reform. Maada Bio, a retired brigadier general, helped to overthrow the APC in 1992. Neither is likely to gain more than half of the first-round vote. In a second round, Koroma would lose the advantage of incumbency, while Maada Bio could reinforce his message of change.

This will be the third national election since the civil war ended in 2002. Koroma won narrowly in 2007, with 950,407 votes (54.62%) against 789,651 (45.38%) for **Solomon Ekuma Dominic Berewa**, a former Vice-President and the SLPP's candidate. That was after the Chairwoman of the National Electoral Commission, **Christiana Thorpe**, invalidated 250,000 votes – more than the gap between Koroma and Berewa – in Kailahun district, the SLPP stronghold. Thorpe claimed there was 'over-voting' in Kailahun but rejected calls for a recount; the opposition is still appealing that decision in the courts. If the SLPP loses next year, it will question Thorpe's independence.

SLEEPING DOGS

The United Nations Secretary General's Representative in Freetown, **Michael von der Schulenburg**, infuriated the government by urging the President to drop plans for an inquest into extra-judicial killings in 1992 by the military junta that ruled in 1992-96. Maada Bio was one of its members. The Truth and Reconciliation Commission investigated the killings, some of whose victims were APC politicians. Its 2004 report recommended drawing a line under the matter in order to achieve reconciliation. The issue resurfaced when Bio challenged Koroma for the presidency and pro-government journalists now accuse Von der Schulenburg of siding with the opposition but the UN Security Council strongly backs him.

The President will also have to keep the peace at Fourah Bay College, West Africa's oldest university, where strikes have interrupted studies. The College has run out of money; examinations due last August had to be cancelled for lack of stationery. Its Principal, Professor **Thomas Yormah**, said the government subsidy was paltry and fees were restricted to between US\$200 and \$800 a year. Professors, paid about \$1,000 a month, went on strike for a rise and got one in November. Paying for that means raising fees so students too seem set to strike. On top of hard-felt poverty in the capital, student unrest could mean trouble at election time.

NORTHERN POWER

Koroma has solid support in the north, among the Temne and Limba peoples. At the last election, he took 70% of the vote in Freetown, promising reform and modernisation. Top priority was electrification of the capital; he persuaded the World Bank to lend \$7 million for a 17-megawatt thermal power station and set aside \$25 mn. of state resources for another of 25MW capacity. Yet that would not satisfy the demands of the capital, let alone the rest of the country, and mining companies will probably need 500MW.

The World Bank project, subject to competitive bidding, improved Freetown's electricity supply, although power cuts are still frequent and the impoverished East End, which voted overwhelmingly for Koroma in 2007, still has no power or running water. The then Minister of Energy and Power, **Afsatu Kabba**, overruled objections by her technical committee and gave the contract for the second plant to Income Electrix, a **Nigerian** firm whose bid for the Bank contract had just been rejected. In 2010, the Anti-Corruption Commission recommended the contract be cancelled, because full implementation would cost far more than the government could afford (AC Vol 51 No 10).

An extra 50MW from the newly opened Bumbuna hydroelectric project was not enough. Feasibility studies for a \$750 mn. expansion of Bumbuna will not be completed until 2012 is well over and commissioning could take a further three years. The contract is with a new Anglo-American firm, Joule Africa, and that award was controversial, too. African Minerals Limited (AML, AC Vol 52 No 23), whose Tonkolili iron mines shipped their

first consignment to **China** in November, estimates that it will need 450MW, and made a bid for the Bumbuna 2 contract. We hear that experts at the Ministry of Energy and Power, including the Minister, Professor **Ogunlade Davidson**, somewhat reluctantly gave Joule the contract but since it will take another five years for the project to show results, it will not help Koroma's campaign.

The hot debate is about who should benefit most from Bumbuna 2, the poor of Freetown or AML, whose majority shareholder is the colourful entrepreneur **Frank Timis**. To complicate matters, the government has run out of money for a \$110 mn. highway linking the SLPP stronghold of Kailahun to the rest of the country. The contract had been awarded to a company owned by the President's brother **Sylvanus Koroma**.

The return of peace caused a rush by mining companies to take advantage of the world commodity boom that may now be expiring. Their investments will, according to the International Monetary Fund, bring a one-off spurt in gross domestic product growth of more than 45% in 2012, as two **British**-based firms, AML and London Mining, launch massive new projects. The macroeconomic figures look impressive but a research study by the **Danish** development agency IBIS argued in 2011 that little of the money would flow into government coffers.

LOW TAXES

Last year, the mining industry, including the titanium giant Sierra Rutile and diamond miner Koidu Holdings, accounted for 60% (\$200 mn.) of the country's exports and 8% (\$24 mn.) of government revenue. Companies pay the government a mere 2.2% of the export value of minerals as tax; only Sierra Rutile pays corporate tax, the others report heavy losses and so pay no tax at all. As a result, the government raises only \$2.4 mn. from the mining sector or 10% of its total revenue.

This is unlikely to change in 2012. In 2010, AML reported a loss of \$36 mn. and London Mining has consistently reported losses. They have negotiated a special income tax rate of 25%, instead of the standard 37.5%, for when they do start reporting profits.

The Danish report shows that the companies reduce their tax payments in the normal way, using convoluted ownership structures based in tax havens such as Bermuda and the Virgin Islands, along with transfer pricing schemes. Whatever the government and IMF say, opposition campaigners will use the report to buttress their case that, once again, Sierra Leone will lose out when its mineral wealth is exploited and that Koroma's government is to blame. ●

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BLUE LINES

The embarrassing admission that the Liberian warlord Charles Taylor, now awaiting verdict on his trial for crimes against humanity, worked for the United States' intelligence services was extracted via a Freedom of Information request. To many Liberians caught up in the civil war, reports of Taylor cavorting with Western intelligence are not surprising. The relationship dates back to the overthrow of William Tolbert in 1980 and Taylor's role in the regime of Master Sergeant Samuel Doe. Then, Liberia hosted the main US intelligence and surveillance centre in Africa.

When Taylor fell out with Doe and was charged with embezzlement, he fled to the USA. There he was detained at a gaol in Massachusetts from which he says friendly officials helped him escape in 1985.

In the early stages of the 1990 insurrection, Taylor kept in close touch with one Lieutenant Colonel Bob Richards, a US military attaché in its Abidjan embassy. Although the Defence Intelligence Agency has confirmed Taylor was a source, it is coy about the details of the relationship: did it provide him with tactical advice for the insurrection or put him on its payroll? Money may not have been important: by then, Taylor's joint ventures with Burkina Faso's President Blaise Compaoré – arms smuggling and selling assets from captured territory in northern Liberia – were providing a big income. Taylor had also taken on a lucrative 'consultancy' for the German defence company Merex, which specialised in breaking international arms embargoes.

NIGERIA

How the fuel row caught fire

An unwieldy and spontaneous opposition has won its first battle against the government; now it needs a strategy

Nobody in government, least of all President **Goodluck Jonathan**, seemed prepared for the torrent of opposition excited by the decision to end fuel subsidies. This doubled the retail price of petrol on New Year's Day. The inflationary effect of the new fuel prices on goods and services was devastating for poor people and lost the government any goodwill it had picked up since April's elections. Many know that the main beneficiaries of the subsidy are a cabal of crooked oil traders, so they ask why the government can't pursue them and keep the fuel cheap for the public.

Muslims and Christians united in protest and protected each other from the security forces, from the commercial capital Lagos to the northern trading centre of Kano. Optimists, of which Nigeria has more than most countries, saw this spontaneous unity of protestors across the country as a response to doom-laden forecasts that Nigeria would break up. The latest round of shooting and bombing by the Islamist *Boko Haram* militia in the north (AC Vol 53 No 1) prompted criticism from intellectuals and nobel laureate **Wole Soyinka** commented that Nigeria has reached a 'dismal watershed' when militias shoot the faithful in their places of worship.

It took two weeks, a national strike, threats to disrupt oil exports, mass street demonstrations and ten deaths before the government realised that removing the whole subsidy at a stroke was politically unsustainable. Then, on 16 January, Jonathan announced that he would restore half of the subsidy.

Far from winning credibility, this

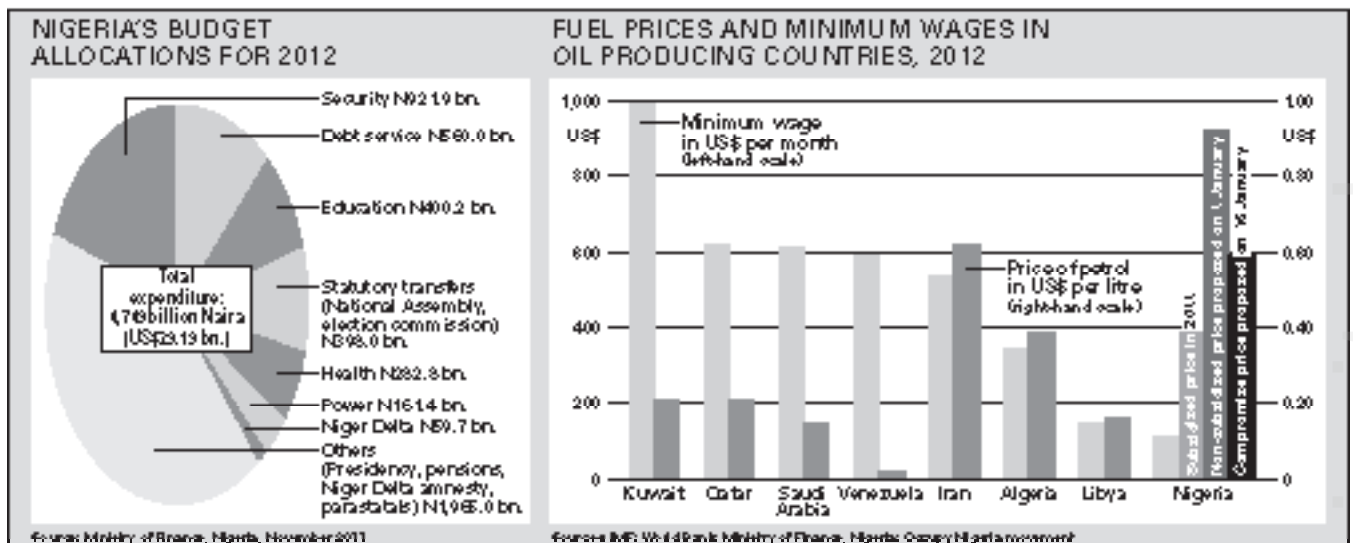
concession emboldened the opposition movement – the young activists, the trades unionists and the opposition parties – which wants a national debate about the cost of government. Its targets are the massive and mainly secret security vote (more than 20% of the budget) and the presidency and state procurement contracts. Younger activists want to go further and cut the salaries of the lawmakers and state governors of all political parties: with a national senator's basic salary starting at over US\$1 million a year, they are among the highest enjoyed by politicians anywhere in the world (see Chart).

JONATHAN'S COMPROMISE

The fuel subsidy had been under serious threat since October 2010, when the Finance Ministry's Medium Term Expenditure Framework proposed that it be removed by January 2011. Then the government judged April 2011 to be more feasible. Then elections intervened, so **Austen Oniwon**, Group Managing Director of the state oil company, the Nigerian National Petroleum Corporation (NNPC), said the subsidy would end from April 2012, as part of the deregulation moves in the 2012 budget.

The die was cast in the 4.749 trillion naira (\$29.19 billion) budgetary allocations released in November 2011, which contained no provision for a continuing subsidy on fuel. Jonathan's compromise, announced on 16 January, means the government will have to find another \$4 bn. to meet this unforeseen bill. Despite his established line against the subsidy, many of his opponents chose to portray Petroleum Minister **Diezani**

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The Central Bank Governor makes the case for the removal of fuel subsidies.		Foreign praise-singers justify aid, skating over the tough choices facing Mills before the polls.		A crusading journalist accuses the President's allies of grand corruption.		President Mugabe has to decide whether to reappoint many of his ageing securocrats.		NAMIBIA	9
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Allison-Madueke and Finance Minister Ngozi Okonjo-Iweala as dictating the measure, with the President meekly acquiescing to these powerful women.

The subsidy distorted the market and was crippling expensive, costing N3.655 trillion between 2006 and September 2011, according to the findings of a Senate committee led by Senator Magnus Ngei Abe. The lawmakers called the oil marketers a cabal, fleeing the nation of vital funds to develop its decaying infrastructure. Jonathan acknowledges the existence of such cabals. Anti-corruption activists argue that to cut government losses, he should have sent

his new Chairman of the Economic and Financial Crimes Commission, Ibrahim Lamorde, after the criminals, instead of hiking fuel prices.

The Senate published a list of rogue companies and their promoters, accusing them of stealing the country's wealth through questionable subsidy claims. The list included donors to the governing People's Democratic Party, businessmen with close links to the presidency and also some individuals with links to the Action Congress of Nigeria (ACN) and other opposition parties.

Zenon Oil's Chief Executive Officer, Femi Otedola, who is a known friend

of Jonathan's, was said to have collected subsidies worth billions of naira. Oando Nigeria received subsidies worth N228.506 bn.; the company is linked to the former Governor of Lagos State, Asiwaju Ahmed Tinubu, whose cousin Wale Tinubu is the group's Chief Executive, with a powerful retired officer, Major General Mohammed Magoro, on the board.

The order to end the subsidy was mismanaged. The announcement, probably the most important economic decision of the year, was made by an NNPC official on 1 January and it was made while the government was giving the impression that it was consulting the people and stakeholders. A 'town hall meeting' was organised by the Newspaper Proprietors' Association of Nigeria, led by the colourful publisher of *This Day*, Nduka Obaigbena. NPAN hosted ministers such as Okonjo-Iweala and Allison-Madueke, who lambasted the wealthy traders who benefit from the subsidy.

Signs that the trades union leaders were willing to cut a deal came on 14 January, after five days of the national strike. Even without that, Central Bank of Nigeria Governor Sanusi Lamido Aminu Sanusi said the strike had cost \$1 bn. Abdulwaheed Omar, President of the National Labour Congress, announced on 13 January, after meeting with the government, that the Petroleum and Natural Gas Senior Staff Association (Pengassan), would 'not shut down oil production, as earlier planned for Sunday'. Pengassan insiders claim nothing had been agreed with the NLC chief.

After more talks over the weekend, more union leaders backed a deal, although many activists and opposition politicians vehemently disagreed. That allowed Jonathan to announce his compromise deal on 16 January. As his speech was being aired, soldiers were taking position across Lagos, centre of the protest rallies and stronghold of the opposition ACN,

SANUSI HITS OUT AT SUBSIDY RACKET

Almost alone among his colleagues in government, Central Bank of Nigeria Governor Sanusi Lamido Aminu Sanusi has made a credible case for the removal of fuel subsidies. He argues for direct measures – such as cash transfers – to help working people but insists that corrupt fuel traders and marketeers together with stock market manipulators were the prime authors of the banking crisis of 2009.

Sanusi shows how fuel subsidy fraud works: a trader can obtain a letter of credit for the importation of 20,000 tonnes of Petroleum Motor Spirit (PMS or petrol) at a landed cost of 145 naira per litre, for which he would receive N85/litre in subsidy, which is set by the Petroleum Products Pricing Regulatory Agency (PPPRA).

The importer then bribes customs officers to certify that he landed 20,000 tn., but in reality, only 5,000 tn. came ashore. He claims the subsidy on the entire amount and sells the remaining 15,000 tn. in neighbouring countries such as Benin or Cameroon. Sometimes, the fraudster imports nothing but gets the PPPRA to authorise the subsidy pay-out on the strength of fraudulent documents alone, which he has bribed other government officials to obtain. As chief risk officer in the United Bank of Africa and then the First Bank of Nigeria, Sanusi discovered how the fraud worked. 'I know the name of every big player in every industry,' he writes, and yet he saw none of them on the PPPRA list of major importers. The PPPRA allocated imports based on 'capacity'.

A major importer such as Mobil had a capacity of 60,000 tn. of petrol but relative unknowns claimed capacity of 90,000 tn. In 2010, Sanusi scrutinised PPPRA documents and found that 12-13 ships were discharging oil products every day at Lagos, an inconceivable amount. These fraudulent importers also borrowed money on the strength of the letters of credit and never repaid them. Sanusi also claimed, controversially, that PMS 'is fuel used by the middle class and car owners to drive [sic] around town and from city to city, not to employ workers and produce goods and services.' ●

*See Lamido Sanusi's argument at length on <www.thestreetjournal.org>

and setting up checkpoints. At the Gani Fawehinmi Memorial Park in the Lagos suburb of Ojota, soldiers dismantled the podium, from which activists and musicians such as **Seun Kuti** had attacked the government amid the strikes and protests. Lagos State Governor **Babatunde Fashola**, whose ACN opposed the removal of the fuel subsidy, criticised the military manoeuvres.

The union leaders suspended the strike and protests, leaving many activists perplexed and angry. The Joint Action Forum, the civil society affiliate of the labour unions, disassociated itself from the suspension of the mass action which it had agreed with the union leaders. Among the most prominent of the opposition voices was **Tunde Bakare**, 57, Pentecostal clergyman and vice-presidential candidate of the Congress for Progressive Change (CPC). He relentlessly called for Jonathan's impeachment. ACN leader **Bola Tinubu** – whose relations with Bakare have been tense since the presidential election, when talks for an ACN-CPC coalition

fell through – stayed away from the fuel subsidy protests and maintained an unusually low profile during the period. He issued a statement referring to the removal of the fuel subsidy as a 'Jonathan tax' and 'wrong-headed economics.'

The protests were not restricted to Lagos. Protestors gathered daily, mostly in the south-west and across the north, carrying placards and chanting anti-Jonathan slogans. In Kano and Abuja, protestors attempted to camp overnight but were dispersed by armed policemen. Yet in the south-east and 'South-South', which voted overwhelmingly for Jonathan last year, there was far less activism and criticism of the government.

SOCIAL MEDIA

The protests provided an opportunity for young Nigerians, many with mobile telephones with web access and active on social media, to assert themselves in the country's tumultuous politics. Like their North African counterparts last year, they organised protests through Facebook

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and Twitter and the 'Occupy Nigeria' established itself.

Groups such as 'Enough Is Enough (EiE) Nigeria', which promotes better governance and accountability, have been strengthened by the protests and the securing of concessions from government. The struggle will not end there, they insist. Some are embittered by what they see as a messy compromise with Jonathan last week. They want more openness and accountability across the country, not just in government but in opposition parties and trades unions as well. ●

GHANA

The Accra boosters

Foreign praise-singers try to justify aid but skate over the difficult choices facing President Mills before this year's elections

Western commentators and politicians are lining up to pour accolades on Ghana. Some are self-interested: they aim to show that their policies and aid budgets are working. Aid advocates are battling to be heard as recession-hit Western treasuries seek ways to make cuts. After Ghana's accession last year to the league of lower middle-income countries as defined by the World Bank, lobbyists say that it proves that targeted development aid works.

On 15 January, the left-leaning London newspaper *The Observer* devoted several pages to Ghana's turnaround. An opinion column by Britain's Development Minister, **Andrew Mitchell** from the dominant Conservative Party claimed his country's vital role in Ghana's progress, commending its 'vibrant democracy' and arguing that Whitehall's support had helped employment, built schools and raised health standards. *Observer* Editor **John Mulholland** praised the economist **Jeffrey Sachs's** 'Millennium Village' project in Ghana and talked to activist musician **Bono** about how the aid industry was putting itself out of business there. Britain's Overseas Development Institute, which receives significant state funding,

tempers its praise of Ghana's record on agricultural growth – among the world's top five performers over the past 25 years – with concern that it should do more of its own processing and marketing.

With the economy growing at 14% last year, economists predict Ghana can sustain growth rates of 8-9% in the medium term if it controls state spending and attracts substantive foreign investment. Yet there are bigger questions about whether President **John Evans Atta Mills's** economic modernisation programme, backed by Chinese and Indian finance, is viable. His opponents in the New Patriotic Party led by **Nana Addo Dankwa Akufo-Addo** claim that importing Asia's state-led economic strategies will not work. **Todd Moss** of the Center for Global Development in Washington, **United States**, says Ghana's transition to middle-income status and loss of concessional loans over the next five years means some difficult decisions on how to finance economic projects.

Sometimes the gap between the International Monetary Fund's and China's policies is narrower than thought. Last month, a political row over whether Ghana's negotiation of a US\$3 billion loan

from the China Development Bank would breach the conditions of its \$500 million IMF loan was quickly defused when the Fund's directors amended the conditions (AC Vol 52 No 24). Less well publicised was the agreement between Beijing and IMF officials on the need for Ghana to raise local gas prices if the Chinese-built processing plant was to be commercially viable. On 29 December, Mills raised the price of liquefied petroleum gas by 30%.

China is set to dominate Ghana's gas processing and export industry, and its role in the country is expanding rapidly. As the USA steps up trade missions in West Africa's oil-rich Gulf of Guinea, there is a low level geopolitical tussle with Beijing.

Oxfam and Revenue Watch argue for more accountability and openness in managing the oil industry. A Freedom of Information Law was passed last year but local journalists point to 'informal pressures', such as a brutal attack by security agents on a female photographer, **Gifty Lawson**, attending the trial of Police Deputy Superintendent **Gifty Mawuenyaga Tehoba**, charged with cocaine smuggling.

Arguments over crime, corruption and freedom of information will be thrown into the mix of a rumbustious election campaign. **David Throup** at the Centre for Strategic and International Studies reckons the elections are likely again to be credible and broadly accepted. Yet Throup, who researched the election violence in **Kenya** four years ago, warns that the higher economic stakes and the need for strong agreement on the rules among leading politicians make the risks proportionately higher. ●

ANGOLA

Marques takes them on

A crusading journalist has launched a criminal complaint against the President's allies, accusing them of grand corruption

A doughty campaigner, Angolan journalist **Rafael Marques de Morais**, has launched a formal complaint against three top officials close to the presidency for taking personal stakes in oil concessions and abusing their office. We hear that a report on President **José Eduardo dos Santos** will follow. Under the constitution, the complaint requires a judicial investigation, from which little is expected. Of greater concern to the governing *Movimento Popular de Libertação de Angola* (MPLA) is an enquiry that **Portuguese** prosecutors may launch into money laundering by Angolan officials. Marques has recently given evidence but the investigation is still in its 'early stages', a source in Lisbon said.

Portugal's enthusiasm for such a probe will be tested by its rickety state finances: in a neat reversal of colonial trade relations, its ministers openly solicit for Angolan investors in Portuguese state and private enterprises. In Luanda, officials accuse Marques of sabotage, of being a pawn of imperialist powers or simply of egotism. In the past, he has been abducted by state security agents, then released after discreet diplomatic contacts.

Luanda's options may be limited by his high profile (AC Vol 52 No 2). Marques has won international awards for journalistic endeavour and personal courage; his investigations and assertions have been

backed by human rights organisations allied to the United Nations.

In the criminal complaint submitted in early January to Attorney General **João Maria Moreira de Sousa**, Marques alleges that **Manuel Domingos Vicente**, the head of the state-owned oil company Sonangol, General **Manuel Hélder Vieira Dias Júnior 'Kopelipa'** (see Pointer), Minister of State and head of the Military Bureau at the Presidency, and Gen. **Leopoldino Fragoso do Nascimento 'Dino'**, Presidential Advisor and former communications chief, hold equal shares (33.3%) in *Grupo Aquattro Internacional*, which owns 99.96% of the joint stock of Nazaki Oil & Gaz.

ILLICIT ENRICHMENT

Nazaki, which was incorporated in 2007, won a 30% share in exploration, appraisal and production rights for offshore oil blocks 9 and 21 in partnership with *Sonangol Pesquisa e Produção* (P&P), which holds 20%. The Houston-based Cobalt International Energy holds another 40% and an obscure Angolan company, Alper Oil Limitada, 10%. Marques says that tender procedures were not followed and that the officials are guilty of 'illicit enrichment'. He will not disclose how he knows the details of the beneficial owners but says he has submitted proof of the companies' ownership in his complaint.

COBALT'S COMPULSORY PARTNERS

In its annual disclosures (aka the 10-K Form) to the Securities and Exchange Commission in New York on 31 December 2010, **United States**-registered Cobalt reported that it had been 'assigned' Nazaki Oil & Gaz and Alper Oil as partners by the Angolan government. It admitted it did not know of them or their record in the oil business beforehand.

Cobalt's SEC filing plaintively noted: 'In the future, we may be partnered [by the Angolan government] with other companies with whom we are unfamiliar. Violations of the FCPA [US Foreign Corrupt Practices Act] may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition.' It warned investors that it might not be covered against losses that could result from these corporate associations. All this flies in the face of US efforts to compel companies to do more rigorous due diligence. 'That lack of knowledge about government-nominated intermediaries in a country like Angola...should raise enormous compliance concerns,' said a US expert on the FCPA.

In December, Cobalt's shares on the US stock market jumped by 22% at the news that drilling offshore Angola was continuing. One stock analyst described investment in Cobalt as 'highly speculative'. **Rafael Marques** first criticised the Cobalt deal in August 2010 on his website *MakaAngola*. 'Maka' means 'trouble' in Kimbundu, the native tongue of Luanda and of his birthplace, Malange. The dossiers also claim that President **José Eduardo dos Santos's** children have been awarded shares in privatised state outfits such as mobile telephone operator Movicel and also in diamond concessions. ●

The complaint also accuses **Kopelipa** and **Dino** of abusing their public positions and of using their 'considerable influence over the President of the Republic who, as the head of the Executive, grants the final approval for petroleum block concessions'. Marques questions how the President of Sonangol can allocate a concession that is supposed to be awarded through competitive public tender to a company in which he has a personal interest.

Marques also claims in court papers, seen by *Africa Confidential*, that Cobalt paid the signature bonus of \$3.7 million on Nazaki's behalf, with the money to be repaid later from future earnings. This is, Marques says, in 'violation of the law on Public Probity which prohibits public servants from deriving economic benefits, including financial loans, from business activity which may conflict with their position as public servants'.

Several leading MPLA members, their friends and close family have large fortunes and important interests in major corporations in Angola, Portugal and elsewhere. Rumours have long swirled about the wealth of MPLA leaders but Marques's accusations are the first to be submitted, with evidence, for prosecutorial consideration.

In March 2011, Cobalt reported to the **United States** Securities and Exchange Commission that it had investigated allegations against Nazaki after enquiries from the SEC (See Box). Cobalt said it had carried out extensive due diligence, noting that Nazaki had denied verbally and in writing that it had connections with senior government figures, and that it had fully paid up its share of the investment.

Alper, however, is a 'carried' group, meaning that its shareholders did not contribute to the initial investment (the cost of their stake in the venture will be repaid when the blocks start to produce oil). Neither Cobalt nor Nazaki had any further information on Alper other than that, like Nazaki, it had been 'identified to Cobalt in July 2008 as part of Concession Decrees approved by the Angolan Council of Ministers', according to one of its SEC filings. Cobalt did not respond to requests for a reaction to the allegations.

In another report in January, Marques drew attention to an item in the national budget, as posted on the Ministry of Finance website, showing that \$17 mn. had been allocated from the Presidency's total 2012 budget of \$40 mn. to an advertising campaign on US broadcaster Cable News Network. This arrangement raises important questions about the extent of CNN's own due diligence efforts. Much of the campaign was based on a saccharine video entitled 'Angola I Believe', produced by the Luanda-based *Semba Comunicação*, which is run by two of Dos Santos's children, **Welwitschea José dos Santos**

'Tchizé' and **José Paulino dos Santos 'Coréon Du'**. They are also rebranding the second channel of the state *Televisão Pública de Angola*, TPA2, and another, TPA International. *Semba Comunicação's* President is their mother, **Maria Luísa Perdigão Abrantes 'Milucha'**, who is also President of the state body that promotes foreign investment in Angola, the *Agência*

Nacional para o Investimento Privado.

There has been no formal reaction to any of Marques's allegations. A senior government official, named in several of his reports, said privately that 'no-one took him seriously' and that he was 'a coward' funded by 'someone' to damage the reputation of the government. A 15 January editorial in the government daily,

the *Jornal de Angola*, referred to Marques as '*qualquer Rafael*' ('Rafael whatever') and accused him of being paid by a 'well-known institution' to 'play this role' of defaming Angolans and their institutions. Marques, who was gaoled in 1999 for an article calling Dos Santos a corrupt dictator and remains under heavy surveillance when in Angola, laughs it off. ●

ZIMBABWE

Positions pending

After his annual holiday in south-east Asia, Mugabe has to decide whether to reappoint many of his ageing securocrats

The security officers around President **Robert Mugabe** like to shroud his movements in mystery. During the congress of his Zimbabwe African National Union Patriotic Front (ZANU-PF) in Bulawayo in December, Mugabe did not stay overnight in Matebeleland to risk being troubled by the ghosts of the *Gukurahundi* massacres of the 1980s. His flights are marked by a large attendant flock, an end-of-year migration to Asian beaches and clinics, and vivid displays at international functions.

This year, the pattern has been disrupted. Malfunctions in Air Zimbabwe's ageing fleet kept him from President **Kim Jong Il's** funeral in **North Korea**; many blamed Pyongyang's training of the Fifth Brigade for the brutality meted out to dissidents and supporters of **Joshua Nkomo** in the *Gukurahundi* campaign.

Mugabe stayed in **Singapore** in January and missed both the inauguration of **Nicaragua's** resurgent former fellow revolutionary, **Daniel Ortega**, and the centenary celebrations of **South Africa's** African National Congress in Bloemfontein. Apart from **Fidel Castro's Cuba**, Mugabe has never paid much attention to Latin America. The tribute to Ortega devolved on ZANU-PF's National Chairman, **Simon Khaya Moyo**, whose lengthy disquisition on Nicaragua's links to anti-imperialist movements went down poorly.

Domestically, government business grinds to a halt in Mugabe's absence. ZANU-PF leaders relax, ministers take their own breaks and the cabinet does not meet: nobody else dares to take the chair and few ministers bother to attend the Prime Minister's weekly council at the best of times. The backlog awaiting Mugabe on his return includes key military and civil appointments, drafting a new constitution, General **Solomon Mujuru's** inquest (AC Vol 52 No 17) and the succession. Any of these could erupt into a full-blown crisis if not handled delicately (AC Vol 53 No 1).

The power-sharing agreement obliges

the President to consult the leaders of other parties on senior appointments. Mugabe ignores this (Attorney General **Johannes Tomana**, Reserve Bank Governor **Gideon Gono**, some ambassadors) or left posts vacant (provincial governors).

Several senior security officials soon come to the end of their tenure. Political partisanship in the security services is an outstanding issue. A furore has erupted over the promotion to Major General of the outspoken Mugabe-loyalist Brigadier **Douglas Nyikayaramba**. The Zimbabwe Defence Forces Commander, Gen. **Constantine Chiwenga**, retires at the end of January; it is possible but unlikely that he would prefer to launch his presidential bid as a civilian and so break the logjam.

DON'T RULE OUT SIBANDA

The obvious successor would be the Army Commander, Lieutenant Gen. **Phillip Sibanda**, a respected professional who

skilfully extricated the army from the jaws of defeat in **Congo-Kinshasa**. His own tenure ends at the end of February but he would be acceptable to the other parties, so cannot be ruled out.

Promotion for Air Marshal **Perence Shiri** would attract more hostility to ZANU-PF in Matebeleland, where he was known as the Butcher of Balagwe. He is expected to squeeze into Mujuru's boots as ZDF kingmaker and political fixer. Also due to retire is the Prison Commissioner, retired Maj. Gen. **Paradzai Zimondi**, under whom prisons have further degenerated into insanitary, overcrowded security camps. After two decades as police chief, Commissioner **Augustine Chihuri** has presided over the politicisation and corruption of the force, especially among senior officers. Before his appointment, the top cop held his job for only four years.

Distantly related to Mugabe by marriage, Chihuri may well be reappointed for the 14th time, despite his heavy-handed treatment of oppositionists, another 50 of whom were arrested early this month. Another distant relative is the head of the Zimbabwe Revenue Authority, **Gershon Pasi**, whose contract expired in October. This appointment is made by the Finance Minister, currently **Tendai Biti** of the Movement for Democratic Change,

MUGABE BREAKS RANKS WITH THE REGION

By snubbing the African National Congress centenary celebrations and their host, **South African** President **Jacob Zuma**, President **Robert Mugabe** wanted to make some political points. He is furious at South Africa's continued pressure on him over power-sharing in government, particularly the work of Ambassador **Lindiwe Zulu**.

At the ANC party, the prominent positioning of a giant poster of Mugabe's old rival, **Joshua Nkomo**, as a hero of African liberation reinforced his irritation. To make clear his displeasure with Zuma, Mugabe flew back from the Far East to Harare for a few days to welcome **Equatorial Guinea's** President **Teodoro Obiang Nguema Mbasogo**, the current Chairman of the African Union, whose regime has been consistently judged by Transparency International as among the most corrupt oil producers in the world.

Obiang is lobbying for **Gabon's** former Foreign Minister **Jean Ping** to get a second term as Chairman of the AU Commission at a summit in Addis Ababa on 23-30 January. Obiang has buried his rivalry with Libreville: this month, the two countries, neither known for their athletic prowess, jointly host the African Cup of Nations soccer tournament.

South Africa is fielding its own candidate against Ping, **Nkosazana Clarice Dlamini-Zuma**, former Foreign Minister and one of Zuma's ex-wives. The Southern African Development Community has promised to support her and deliver a block vote from its 15 member states. Other regional groupings in East and West Africa are more divided on the issue. If Mugabe breaks ranks in the voting in **Ethiopia**, it would be a blow to regional solidarity in Southern Africa. It is unlikely to make SADC more indulgent towards his plans to have early – and favourable – elections. ●

who is thought determined to remove him. ZANU-PF is worried about the new constitution now being drafted: some provisions aim to establish independent state institutions. To avoid leaks and intimidation, the drafting committee is cloistered in the Eastern Highlands.

Four chapters have apparently been sent to the Constitutional Parliamentary Select Committee (Copac) for review. The drafters are **Moses Hungwe Chinhengo**, a former High Court judge now sitting on

the **Botswana** bench and a Commissioner of the International Commission of Jurists; **Brian Crozier**, a University of Zimbabwe law lecturer and former drafter in the Attorney General's office; and **Priscilla Madzonga**, a prominent lawyer

Attempts to replace them have so far failed in court but a concerted campaign is under way by the pro-ZANU-PF state media and the war veterans, who find Chinhengo unacceptable for ruling against the government during the land invasions

and Crozier for being white. War veterans have disrupted Copac's briefings and their leader, **Jabulani Sibanda**, has called for Mugabe to dissolve Parliament and set a date for elections under the existing constitution. Professor **Jonathan Moyo** has described Copac as 'a stinking dead donkey'. When Mugabe returns, he may heed these calls. Those ZANU-PF activists calling for fresh blood in the leadership are more likely to see blood transfusions than new faces. ●

CONGO-KINSHASA

Opposition steps up fight

The parliamentary election results look no more credible than the presidential vote and oppositionists want to test Kabila's will

Battle lines are hardening as disputes rage over the results of November's legislative and presidential elections. Although the parliamentary results are not to be formally announced until 26 January, opposition parties have been quick to claim that those released so far suggest massive fraud. The European Union (except **Belgium**) strongly criticised the presidential election, as did the **United States** but no one has proposed any sanctions – or even aid cuts – against President **Joseph Kabila**.

Neither the African Union nor the Southern African Development Community look inclined to take action unless the dispute escalates sharply. That will depend on the opposition and civil society, which are better coordinated after the elections than before. The Catholic Bishops' Conference has called on the police and the army to obey only lawful orders. The Catholic clergy in Kinshasa plan a march for 'legitimate' and 'lawful' government on 16 February. That is the anniversary of the 1992 march against the

late President **Mobutu Sese Seko**, when 30 people died.

There are reports of clashes in the mineral-rich provinces of Katanga and the Kivus and of bands of security agents driving around Mbuji-Mayi, an opposition centre, in unmarked white Nissan cars, abducting activists. **Jean Kalama Ilunga**, Spokesman of the *Armée de résistance populaire* (whose leader is dissident General **Faustin-Benoît Munene**, now detained in **Congo-Brazzaville**), declared that there was a 'vacancy in the government'. Defeated presidential candidate **Etienne Tshisekedi wa Malumba** is calling for the arrest of Kabila.

On 3 January, the electoral commission, the *Commission nationale électorale indépendante* (CENI), announced results for 89 of 169 constituencies, putting Kabila's *Parti du peuple pour la reconstruction et la démocratie* (PPRD) ahead, with 32 of the 219 seats at stake. Second came Tshisekedi's *Union pour la démocratie et le progrès social* (UDPS), with 20 seats. Next was the *Parti du peuple pour la paix et la démocratie* (PPPD), a previously unknown pro-Kabila group, with a surprising 16 seats. **Jean-Pierre Bemba's** *Mouvement de libération du Congo* took 13 seats; the pro-Kabila *Mouvement social pour le renouveau*, twelve; the *Parti lumumbiste unifié* (Palu, allied to Kabila) nine; the equally Kabilist *Alliance pour le renouveau du Congo*, eight. The *Union pour la nation congolaise* (UNC), led by **Vital Kamerhe**, who came third in the presidential poll, won six; the *Union des forces du changement* (UFC), led by **Léon Lobitsch Kengo wa Dondo** (fourth in the presidential race), got just three seats.

CENI postponed announcing the parliamentary results because of the constant challenges. The strongest complaints came from the UDPS, about 'cheating and falsification' on Tshisekedi's home ground in Eastern Kasai. In Western Kasai, though, it was the President's supporters who accused CENI's local staff of bias. In Equateur Province, the headquarters for the count was moved on 10 January from Ikela to Mbandaka, after threats against local election officials.

In Kungu, Equateur, several candidates called for the poll to be annulled. Kabila's

NO CONFIDENCE VOTE FROM COMPANIES

The election campaign and its dubious results have made foreign companies jumpy. In early January, the monetary policy and banking operations department of the central bank, the *Banque centrale du Congo*, said that business confidence had fallen from plus 5.7% in November to minus 27% in December after President **Joseph Kabila's** re-election. It also spoke of 'the socio-political psychosis caused by the November elections.'

The first no-confidence vote came from **Canada's** First Quantum Minerals, which announced that it was pulling out of Congo. Perhaps this was linked to the defeat of **Étienne Tshisekedi**, who in September had promised FQM that he would improve the business climate and restore the rule of law. In early January, FQM contracted the sale of all its Congolese assets to the London-listed Eurasian Natural Resources Corporation, which will pay US\$1.25 billion over three years. They include Kolwezi Tailings (acquired by ENRC from a shell company) and the Frontier and Lonshi mines, where ENRC still has to buy out Fortune Ahead of Hongkong, which acquired the mines in a controversial deal from the state's *Société de développement industriel et minier du Congo*.

The FQM-ENRC deal puts an end to the international litigation by FQM against both the government and ENRC. FQM claimed that its property had been compulsorily acquired by the state and sold dirt cheap to **Israeli** businessman **Dan Gertler** (an associate of Kabila's), then sold on again to ENRC. These intricate deals have been documented by a **British** Labour Party member of parliament, **Eric Joyce** (<http://ericjoyce.co.uk/>).

The payment to FQM represents compensation from ENRC, allowing the **Kazakh**-owned company, which was criticised by the London Stock Exchange, to pacify its critics. But there are other cases. One involves the state company *Gécamines's* attempt to take over from **George Forrest of Belgium** his 60% share in the *Compagnie minière du Sud-Katanga*, which owns the Luiswishi and Luisha mines. The Forrest Group referred the affair last August to the Arbitration Tribunal of the International Chamber of Commerce in Paris. Even if Forrest manages to preserve his interests, *Gécamines* Chief Executive, **Albert Yuma Mulimbi**, says he intends to revise all partnership agreements. ●

supporters were at odds with each other in Lusambo, in Eastern Kasai, where the *Convention des congolais unis* complained that its activists were persecuted by the police – although its candidate there was Information Minister **Lambert Mendé Omalanga**. In Katanga, two pro-Kabila factions said they would take over the Ministry of Justice. At Kindu, the argument was about stuffed ballot-boxes. The official parliamentary results make Kabila's party's triumph look even more impressive than his victory in the presidential poll.

'THE COURAGE OF THE TRUTH'

On 12 January, the Catholic Bishops' Conference published 'The courage of the truth'. Based on reports from 30,000 observers, it said that irregularities raised questions about the credibility of the results. It tells of 'cheating, open and probably planned', of many 'unfortunate incidents' that caused deaths and of 'a climate of terror sustained and exploited for the stuffing of ballot-boxes'. The compilation of the results was 'shameful'.

This message racks up the pressure. The bishops asked CENI to rectify these serious faults or resign. The EU observers denounced the fraud and on the day Kabila took office, the EU High Representative for Common Foreign and Security Policy, **Catherine Ashton**, said she was concerned about 'serious deficiencies and the absence of transparency in the compilation and publication of the results'. The EU, she said, would 're-evaluate' its cooperation with Congo. It can suspend aid under the Cotonou Convention, which regulates EU relations with the African, Caribbean and Pacific group of countries. Article 96 can be invoked in cases of violation of 'essential elements', such as democracy, human rights and the rule of law.

Yet on the same day, the EU called for tenders for the supply of generating equipment to the general staff of Congo's armed forces. At the start of the month, the CENI congratulated EU Ambassador **Richard Zink**, who is regarded in Brussels as close to Kabila, on his 'personal involvement in the electoral process'. Belgium's newish Prime Minister, **Elio di Rupo**, congratulated Kabila on 3 January.

The bishops warned that, if the government risks continuing to rule in defiance of the law, internal tensions will sooner or later end up in a serious crisis: 'A state ruled by law cannot be built in a climate of cheating, lies and terror, of militarisation and flagrant attacks on freedom of expression.'

The non-governmental organisation for security sector reform, the *Réseau pour la réforme du secteur de la sécurité et la justice*, has accused the police of using firearms and live rounds against demonstrators. The UDPS says the

nation has become 'a huge concentration camp in which, behind a wall of silence, hundreds of fellow-countrymen are coldly murdered'. The party claims that the police take activists' corpses from their families and they disappear without proper burial.

The United Nations-sponsored *Radio Okapi* claims that live firing was heard on the night of 23-24 December in Mbuji-Mayi, a Tshisekedi bastion, creating panic. On 23 December, the UDPS office in Kinshasa was destroyed and an activist was killed; the party blames the police. Opposition activists have been violent, too, including during demonstrations in Brussels, Paris and London.

On 31 December, the Senate President Kengo wa Dondo was sent to hospital in Paris when he was attacked after attending Kabila's inauguration. In Kisangani, the home of the Vice-President of the International Federation of Human Rights, **Dismas Kitenge Senga**, was

burned down on 5 January. Some parties, including Kengo's UFC, seek compromise, hoping for a share of power in the new National Assembly. The UDPS wants a clean break. Supported by the church, Tshisekedi is demanding an end to state repression and is encouraging resistance.

The UDPS insists that it won the elections and is calling for a thorough recount. Secretary for External Relations **Félix Tshilombo Tshisekedi**, the leader's son, calls Kabila an 'impostor' and a 'time bomb'. Several NGOs, such as the *Voix des sans-voix*, agree.

Attempts at mediation have come to nothing. Newly-elected UDPS members, such as Félix Tshisekedi, elected for Mbuji-Mayi (Eastern Kasai), may boycott the Assembly. Discontent is spreading among civilians and soldiers, too. Citizens from Tshisekedi's Baluba people face purges in Kasai, and in the army and police. The stage is set for violence. ●

ELECTORAL CHICANERY AND THE UN

Electoral fraud has rarely been better documented than in the presidential poll of 28 November, of which every stage involved the *Mission de l'Organisation des Nations Unies pour la Stabilisation du Congo* (AC Vol 52 No 24 & Vol 53 No 1). Given the UN's strong claims about electoral fraud in **Côte d'Ivoire** in 2010, Monusco's role in Congo's vote is coming under special scrutiny.

The UN deputy chief in Congo, **Leila Zerrougui**, insists that Monusco had no mandate to certify or supervise the voting and the count. Its role, she said, was purely logistical. **France** had proposed that the UN be empowered to certify the poll (as it was in Côte d'Ivoire) but Secretary General **Ban Ki-moon** was against it.

The opposition *Union pour la démocratie et le progrès social* claims that experts from Monusco had access to the *Commission électorale nationale indépendante* main computer and employed both its supervisor, **Flory Sumbala** (close to President **Joseph Kabila**), and its webmaster. UN officials were among the group which validated results in Katanga, where Kabila won more than the total votes cast. UN staff occupied an entire floor at CENI headquarters; Monusco aircraft flew government troops to Western Kasai, home to UDPS leader **Etienne Tshisekedi wa Malumba**, and delivered several million voting cards from **South Africa** that the UDPS says were pre-marked in Kabila's favour.

The International Crisis Group first sounded the fraud alarm in September, pointing out anomalies in the registration and identification of voters. A Congolese non-governmental organisation, the *Association pour la promotion de la démocratie et du développement de la République démocratique du Congo* (Aprodec), was amazed to find that the rate of population growth since 2006 – around 3% a year, according to the World Bank – should have produced a roughly 15% increase in the electoral register since 2006 instead of the 25.98% listed by CENI.

There were huge regional differences. Kinshasa, an opposition stronghold, saw its electoral register grow by 12.85%. In the largely pro-Kabila Maniema Province, it grew by 39.37% and in Katanga by 33.20%. Growth in registrations of 32-34% in the two Kasai provinces occurred because in 2006 the opposition candidate and local hero, Tshisekedi, had called for a boycott. In August 2011, the **Belgian** firm Zetes spotted more than 1.1 million double registrations in four provinces, which would make 3.6 mn. across the country. That figure alone is higher than the difference in votes between Kabila and Tshisekedi (3 million) and may justify a recount or annulment. Aprodec points out that 49 mn. polling cards were ordered for 32 mn. officially registered electors. CENI has not explained what happened to the 17 mn. spare cards.

At the same time, votes went missing from 4,875 polling stations with 1.6 mn. voters. Tshisekedi's UDPS complained that the results from 1,117 stations where all parties had observers showed 1.83 mn. votes for Tshisekedi and 1.17 mn. for Kabila. CENI swapped the totals in many of them, showed comparisons between results from polling stations approved by party witnesses and CENI's compilation data, seen by AC. Bizarrely, Belgian Foreign Minister **Didier Reynders** insists that the fraud and incompetence were not enough to affect the final result but does not explain how he knows that. ●

AFRICA/TELECOMS

New technology, new repression

Authoritarian regimes' use of cellphones is under the spotlight

One of the most striking aspects of last year's North African revolutions was the use of new technology as a tool for political organisation – and to outwit flatfooted dictatorships. In its final desperate days, President **Mohamed Hosni Mubarak's** regime shut down the internet to stop its opponents mobilising hundreds of thousands of **Egyptians**. This worsened the crisis, almost closing down the economy. Most authoritarian regimes, including Mubarak's, have invested millions of dollars in turning telecommunications advances against their opponents. Social media, such as Facebook and Twitter, hold invaluable data for marketing companies and also for state intelligence services to track opponents and their networks.

Within days of the **Kenyan** army opening a Twitter account to record the claimed successes of its invasion of Somalia, its main adversary, the Islamist *Haraka Al Shabaab al Mujahideen*, used its own account to reject the Kenyan assertions and trumpet its own claims of military victory. The potential for the control of mobile telephones and the web was revealed when militias seized the secret police surveillance centre of Colonel **Moammar el Gaddafi's** regime in Tripoli last August. E-mails, web-chats, text messages and taped mobile phone calls littered the abandoned centre and electronic archives dating back decades.

Much of the technology, say industry sources, was supplied by Amesys, a subsidiary of the **French** company Bull SA. **China's** ZTE Corporation provided internet monitoring equipment; it also has security contracts worth tens of millions of dollars with the **Nigerian** government (AC Vol 52 No 20). **South Africa's** VASTech SA Pty provided technology to tap and log all international calls, with capacity to record and archive 30-40 million minutes of mobile and landline calls a month. On taking Tripoli and gaining control of the phone networks on 21 August, rebel fighters texted millions of users: 'Long live free Libya', then added the equivalent of US\$40 to all accounts. No other African country could match Libya's spending on this technology but it didn't save Gaddafi.

During **Congo-Kinshasa's** elections on 28 November, all five mobile phone operators blocked short message service (SMS or text) communications for three weeks, ostensibly to prevent inter-party

violence from escalating as highly contentious results were released. Equally, however, it inhibited those attempting to identify and counter the widespread electoral fraud that President **Joseph Kabila** and his supporters were reportedly organising. During January's uprising in Egypt, a state-decreed shortage of mobile credit scratch cards was designed to limit protestors' ability to communicate.

In **Uganda**, during the election that President **Yoweri Kaguta Museveni** won in February 2011, there was concern in the ruling National Resistance Movement (NRM) that his quarter-century of power could attract Arab Spring-style unrest. Just before polling, the state regulatory body, the Uganda Communications Commission, banned telecommunications operators from delivering SMS messages with the words 'dictator', 'Egypt', 'gun', 'Mubarak' or 'police' in English or Kiswahili and other local languages. The UCC also told operators to 'block the use of Facebook and Twitter' and 'to eliminate the connection and sharing of information that incites the public' (AC Vol 52 No 5). The UCC's public confirmation of the order was unusual: normally such tactics remain secret.

When the opposition Forum for Democratic Change sought to attract voters from NRM support bases in the north and west, it accused the government of forcing MTN Uganda to jam FDC phone lines set up to transmit results to an independent tally centre. The FDC leader Col. **Kizza Besigye's** 'Walk to Work' protests that April showed that technology cuts both ways. This severe, if short-lived, headache for the government was largely organised on mobiles (AC Vol 52 No 9).

HUAWEI CONCERN

Like ZTE, the giant Chinese phone manufacturer and telecom infrastructure supplier Huawei prompts suspicion about its security work. This is mainly because it was founded by **Ren Zhengfei**, former Director of the People's Liberation Army Information Engineering Department. Huawei maintains links with the PLA and has been accused of foreign cyberwarfare, as well as internet and mobile phone censorship inside China.

Huawei operates in 16 African countries, including Egypt, **Tunisia**, Uganda and **Zimbabwe**, all of which rank low on the Reporters Without Borders Press Freedom index and have recently

faced popular protest. Huawei has been refused permission to bid for certain companies in the **United States** because of security concern and links to the PLA, concern echoed in Europe.

Demand is growing from repressive regimes for technology allowing government interception and censorship of dissent. A flood of elections this year could encourage more eavesdropping. Over the past decade, the governments of **Chad**, **Nigeria**, **Swaziland**, **Mozambique** and **Togo** have been among those preventing messaging or switching off networks to block protest. The Committee to Protect Journalists says that in **Ethiopia**, 'the state-owned telecommunications company has monopoly control over Internet access and mobile lines.' With such control, surveillance and censorship are easier.

MAKING MONEY

Mobile networks can help regimes to buy influence and offer rich corporate pickings for local allies and foreign companies. Vodacom **Mozambique** is mainly owned by Vodacom South Africa but three shares of 5% each are held by companies allied to the ruling *Frente de Libertação de Moçambique* in what is widely regarded as a gift from the parent company (AC Vol 52 No 18). In **Swaziland**, King **Mswati III** owns 51% of Swazi MTN. In **Angola**, President **José Eduardo dos Santos's** eldest daughter, **Isabel dos Santos**, owns a major stake in local mobile network Unice. She was also part of a consortium that bid for Mozambique's third mobile franchise last year. These arrangements are typical of many by foreign investors who donate substantial shares of joint ventures to important members of the local elite to win political protection.

Operators may be held to ransom – or suddenly taxed. The last-minute withholding in May of MTN **Sierra Leone's** licence resulted in the country's having to pay an extra 15 mn. euros. More damaging was Millicom's dispute with **Senegalese** government over its revoked licence (AC Vol 51 No 15), which saw the company pay out 200 mn. euros. The **Algerian** government fined Egypt's Orascom \$596.6 mn. in back tax for supposedly improperly declaring its income.

Sales of state-run telecoms assets often occur amid corruption and payoffs. In **Zambia**, recently elected President **Michael Sata** promised to lead an investigation into the 2010 sale of state-owned fixed-line operator Zamtel to Libya's LAP Green Networks. He says the deal should have benefited the Zambian people but instead enriched the previous government. Libya took 75% of Zamtel for \$257 mn. Zambians suspect that senior political figures grew rich on the deal and will hope that the books will be opened in Tripoli. ●

NAMIBIA

The man most likely to succeed Pohamba

SWAPO chooses its candidate this year for the 2014 election

In the coming political battles, Vice-President **Hage Geingob** is best placed to succeed President **Hifikepunye Pohamba** as leader of the governing SWAPO, previously the South West African People's Organisation. As long as he fights off some late and weighty challengers from within SWAPO, he is all but certain to be the country's next leader, thanks to his party's electoral pre-eminence. As well as choosing the party's next presidential candidate, delegates to this year's congress (no date yet) will also pick SWAPO's vice-president, secretary general and deputy secretary general. All positions will be hotly contested.

Pohamba reaches the end of his maximum two terms of office in March 2015 and SWAPO needs to pick a successor before the presidential and legislative elections in November 2014. Its Central Committee did not want a repeat of the internal rows over Pohamba's candidacy of 2004 (AC Vol 45 No 3). So it ruled last year that its next presidential candidate would be the party vice-president or failing that, its secretary general. That would have made Geingob, who is also Trade and Industry Minister, the heir apparent.

Then, however, the party decided that its top three leaders should be elected at congress. Geingob's rivals began mobilising and the party Secretary General, Justice Minister **Pendukeni Iivula-Ithana**, threw her hat into the ring. Pohamba has tried, so far unsuccessfully, to persuade Premier **Nahas Angula** to stand. Other potential candidates include the Regional and Local Government, Housing and Rural Development Minister, **Jerry Ekandjo**.

The contest between Geingob and Iivula-Ithana looks tough. Geingob is from the minority Damara people, while most SWAPO members, like most Namibians, are Oshivambo northerners. Founding President **Sam Nujoma** is from the small Ongandjera subgroup, Pohamba from the Kwanyama, the biggest subgroup, and Iivula-Ithana is a key member of the 'Omusati faction', which former Foreign Minister **Hidipo Hamutenya** blamed for persecuting him and accuses of having undemocratic control over the party. Nujoma sacked Hamutenya in 2004, suspecting him of reformist tendencies but accusing him of trying to split the party (AC Vol 45 No 12).

Some, notably the Minister of Youth, National Service, Sport and Culture,

Kazenambo Kazenambo, want Geingob to take advantage of not being Oshivambo. Kazenambo is a Herero and a bit of a maverick: last year, he unsuccessfully pushed for a non-Oshivambo president.

Nujoma's preference will be crucial, possibly decisive. Although he is 82 and no longer holds any party office, his supporters have a majority in the Central Committee and Politburo, and he shows no sign of quitting the political fray. He has welcomed the idea of a female president but has not said that he will back Iivula-Ithana. His protégée, **Saara Kuugongelwa-Amadhila**, the Finance Minister and a fellow Ogandjera, shows no sign of wanting the presidency. Nujoma has dynastic ambitions for his son **Utoni Daniel Nujoma**, 59, but recognises that this is not the time for him to stand.

Geingob has an uneasy relationship with Nujoma who, in 2002, removed him from the premiership because he had made his presidential ambitions clear. Nujoma had already picked Pohamba as his successor and wanted Geingob out of the way. Geingob left the government, spending three years as Executive Secretary of the Global Coalition for Africa, based in Washington, **United States**. He returned to favour, however, and Pohamba brought him back into the cabinet, with Nujoma's approval, in 2008.

DIRTY TRICKS

SWAPO branches choose congress delegates, who elect the leaders. The Central Committee, however, has decided to change the party branch structure and new branches will have no vote. Both opponents and supporters of Nujoma have, we hear, suddenly found themselves in new, restructured branches, with no delegates. A SWAPO Women's Council conference in Caprivi in November saw nearly half of the 310 delegates boycott the vote for a new regional executive in protest at similar irregularities. There has also been infighting in the four north-central regions, which pick most of the congress delegates. Supporters of Geingob and Iivula-Ithana are playing dirty but Pohamba warned them at a Central Committee meeting on 19 November to stop. He appointed a commission to look into charges of smears and dirty tricks.

There is further electoral uncertainty until the Supreme Court rules on an appeal by eight opposition parties, which

allege vote-rigging by SWAPO in the November 2009 parliamentary polls. They want them held again. Chief Justice **Peter Sam Shivute** reserved judgement after hearings in early October and may make his decision soon. In September 2010, the Supreme Court overturned the High Court's dismissal of the challenge and sent the case back (AC Vol 50 No 25).

The outcome will probably not go to the opposition's way. The judges found in February that they had not produced direct evidence of ballot-rigging and the Electoral Commission of Namibia (ECN) agreed. Nevertheless, the High Court strongly criticised the ECN for failing to explain confusion about the numbers on the 2009 electoral register. The challenge did not invalidate the elections but 'raises fundamental issues about electoral governance in this country', with the electoral laws being 'too prone to manipulation', the Court said. The ECN has admitted previous shortcomings and claims to have remedied those but critics point to continuing problems.

SWAPO faces growing public resentment of corruption, especially in state contract awards to private business. The term 'Black Economic Empowerment' has become so discredited that Angula introduced a new name in October, the New Equitable Economic Empowerment Framework. Even **Leake Hangala**, a former Mines and Energy Permanent Secretary and Managing Director of the Namibia Power Corporation, says the new framework does nothing to promote genuine wealth creation.

The nervousness in SWAPO is visible. Although the potential for an 'Arab Spring' is negligible (multiparty democracy is enshrined in the constitution), Defence Minister General **Charles Namolo** justified a rise in military expenditure on the grounds that Southern African Development Conference countries such as Namibia were 'not immune to similar turbulences as seen in North Africa'. The killing of **Moammar el Gaddafi** alarmed the government, which still refuses to recognise **Libya's** National Transitional Council. Windhoek is also happy to deal with Tehran: Foreign Minister **Utoni Nujoma** and Mines and Energy Minister **Isak Katali** were in **Iran** last month to discuss building an oil refinery.

In spite of various knocks to the economy and to SWAPO's reputation, including corruption scandals, the party took 53 of 78 seats in Parliament at 2009's elections, while Pohamba took 75% of the vote in the presidential poll. Short of a cataclysm, SWAPO's position is unassailable. However, there are strong allegations of poll-rigging and the party leadership, still influenced by Nujoma Senior, stands accused of manipulating SWAPO's internal democracy. ●

SÃO TOMÉ E PRÍNCIPE

Dragons in Eden

Príncipe wants a tourist bonanza and fears that São Tomé may try to obstruct it

The authorities are still tracking down protestors on Príncipe island who, at dawn on 8 December, burned the national flag in front of the Regional Government building in Santo António. They also distributed anti-government leaflets attacking Prime Minister **Patrice Emery Trovoada**. Some pamphlets even demanded independence for the 142 square-kilometre island. Behind it all lies disagreement over a massive leisure investment that favours Príncipe over the larger and usually more advantaged island of São Tomé.

'We demand independence', 'Patrice Trovoada is dishonest', 'Príncipe is not São Tomé's colony' and 'United Nations: help us achieve our independence' ran some of the slogans. The demands are not unprecedented and there is much historic resentment among the largely poor 6,000 residents, most of them descendants of **Cape Verdean** cocoa plantation workers originally brought over by **Portuguese** colonialists in the first half of the 20th century. Consumer goods and other imports cost more on Príncipe than on São Tomé and living conditions are worse. Much of the anger behind the protests came from concern that conflict between the regional and central governments could jeopardise the investment.

The Minister of Defence and Public Security, **Carlos Olímpio Stock**, said no protest could justify flag-burning and pledged to use all necessary measures to find those responsible. The Council of Ministers went into emergency session that day and government Spokesman **Abnildo d'Oliveira** made ringing statements about not tolerating disorder. The Secretary for Infrastructure in Príncipe's Regional Government, **Nestor Umbelina**, also fiercely condemned the protest and promised to prosecute the culprits.

The protest took everyone by surprise but the timing was not accidental. The President of the Príncipe Regional Government since 2006, **José Cassandra**, was in São Tomé for talks with the national government and a representative of **South African** millionaire **Mark Shuttleworth's** Lisbon-based company HBD-STP. HBD is short for 'Here be dragons', a reference to unexplored territory, says the emerging-markets investment firm's website. They were discussing the terms of a luxury eco-tourism development project for Príncipe signed in May 2011.

The central government challenged the legality of some of the terms in the US\$50 million investment agreement between Príncipe and HBD-STP, along with **Netherlands'** investor **Rombout Swanborn**, claiming they exceeded the competence of Príncipe's government and were the province of central government. Another problem concerns an earlier agreement signed by the central government with **Belgian** company Socfinco in 2010 to operate a 25-year concession to develop 5,000 hectares of oil-palm plantations on the Ribeira Peixe and Porto Alegre estates in São Tomé and on the Sundy estate in Príncipe. Socfinco's local subsidiary, Agripalma, has not yet started work on the Sundy estate but Cassandra and HBD argue that intensive oil-palm agriculture and its associated factory are incompatible with Shuttleworth's concept of high-value eco-tourism on an 'unspoiled tropical island'. HBD already employs 200 local people.

Shuttleworth's interest goes back to his purchase in February 2011 of the Bom Bom Island resort in Príncipe from Swanborn, Director of the tour operator Africa's Eden, who had also signed agreements on developing eco-tourism in Príncipe. Swanborn had bought the resort in 2006, along with the Omali Lodge Hotel (formerly Marlin Beach Hotel) in São Tomé from South African businessman **Chris Hellinger**. He came to the archipelago in 1986 and for 20 years was by far the most important foreign investor.

MAN OF THE MOON

Shuttleworth is known on the island as 'Homem de lua' ('man of the moon') because he was Africa's first space tourist. Attracted by Príncipe's natural beauty, he promised to invest in sustainable development based on eco-tourism, agriculture and agro-forestry. HBD acquired a tourist complex at Praia Macaco from a Portuguese investor and another one at Praia Boi from **Finnish** interests. Swanborn and Shuttleworth intend to work together on the Príncipe developments. The Dutchman promised huge investment in tourism and infrastructure and signed a 30-year concession for the Belo Monte estate, which has been identified as having considerable tourist potential. Swanborn, who owns SDC Aviation, a small **Gabonese**-registered airline connecting Príncipe with São Tomé and the wider

region, has also promised to modernise Príncipe's small airport, build a hotel at the Rio São Tomé, finance the protection of Príncipe's natural park and acquire a 400-tonne ship to transport supplies from South Africa.

Apparently the huge foreign investment planned in impoverished Príncipe provoked envy within Patrice Trovoada's government, which has signally failed to attract similar interest in São Tomé, even though it is a much larger island. Nor is this the first time resentment of São Tomé's actions has stirred separatist sentiment. In Príncipe in 1981, a shortage of consumer goods led to anti-government riots and demands for secession. At the time, the islands were ruled by the socialist one-party regime of the *Movimento de Libertação de São Tomé e Príncipe* (MLSTP) headed by **Manuel Pinto da Costa**, who was the country's first President, from Independence in 1975 to 1991. Last August, after two attempts to regain the presidency, in 1996 and in 2001, **Pinto da Costa**, 74, returned to office in a democratic election for a five-year term (AC Vol 52 No 17). The country is remote enough as it is and the inhabitants of Príncipe feel doubly isolated by neglect by consecutive governments in São Tomé.

Decentralisation policies that came in with multiparty democracy led to Príncipe becoming an autonomous region with its own local government in April 1995 and this was further strengthened in April 2010. Cassandra won the local elections in July 2010, once more becoming head of Príncipe's Regional Government, when his *União para Mudança e Progresso da Ilha do Príncipe* (UMPP) won all seven seats in the Regional Assembly. Observers believe he has acted astutely in attracting investment and locals are determined not to lose it to interference from the Trovoada government.

The situation remains tense and deadlocked. Negotiations between HBD and the national government are stalled and Agripalma has reportedly demanded compensation for giving up the Sundy concession. Cassandra's UMPP has accused Trovoada's government of reneging on promises about Príncipe's development made in March 2011.

The UMPP claims the government has failed to conduct a promised feasibility study for a port in Príncipe, to increase local electricity supply from 15 to 18 hours a day for the whole population and to 24 hours for the local hospital. At the last moment, Cassandra asked the UMPP to call off a further protest against central government on 5 January, to facilitate negotiations with Trovoada. The Prime Minister says he will not give in to blackmail. If the deal with HBD falls through, Príncipe could see more unrest. ●

MOZAMBIQUE/UNITED STATES

Maputo shuns US concern

Maputo appears indifferent about beefing up coastal security and introducing anti-pirate laws

The United States is making little headway in its bid to get Mozambique and other coastal states to beef up their anti-piracy laws and their military response. It also wants action on drug-smuggling, and infiltration by jihadist militants. Mozambique has a 2,470-kilometre coastline and its navy cannot operate beyond Maputo harbour. President **Armando Emílio Guebuza's** government relies on **South Africa** for help against pirates and appears indifferent to the other threats.

On 7 December, the defence ministers of Mozambique, South Africa and **Tanzania**, which own the eastern coastline south of **Kenya**, signed a memorandum of understanding on piracy, with US encouragement. Washington has also been pushing Mozambique to sign the International Maritime Organisation's 'Djibouti Code of Conduct', which sets out protocols for anti-piracy cooperation, but neither it nor South Africa have joined.

In December 2010, Somali pirates seized the **Spanish** trawler *Vega 5* and its crew of 24 near the Bazaruto archipelago, off central Mozambique. Two other attacks on nearby cargo ships at the same time failed. This woke up South Africa

and its naval frigates have patrolled the Mozambican coast since January 2011. US Ambassador **Leslie V. Rowe** acknowledged Mozambican sensitivity about US regional involvement. 'Though they hesitate to allow the US and Europe in their waters, they work together with Tanzania and South Africa,' she told *Africa Confidential*. The USA has donated 17 rigid-hull inflatable boats to patrol its coast, with radar and high-frequency communication systems to coordinate operations. The Pentagon's Africa Command and the State Department also held a two-day seminar in November to encourage Mozambique to establish stronger maritime security laws in November. Specific laws against piracy are required to prosecute pirates and also to allow the presence of armed guards on merchant ships sailing in Mozambican waters and calling at its ports.

Washington has also warned about Islamist terrorist infiltration and about the bribing of officials by drug traffickers, according to a 2009 State Department cable released by WikiLeaks, which identified 'the institutional weakness and corruption of Mozambican law enforcement agencies as core problems inhibiting a coherent government response

[to drug smuggling].' A US official told AC in mid-2011 that although no terrorist activity had been spotted in Mozambique, a range of factors created 'conditions ripe for terrorists to infiltrate.' Syndicates bring in illegal immigrants in large numbers because of the lax controls. Early last year, a group of 400 **Bangladeshi** and **Pakistani** illegal immigrants arrested in Johannesburg turned out to have entered Mozambique on fake visas before crossing into South Africa.

In 2005, the US Embassy conducted a survey in Mozambique intended partly to gauge the strength of radical Islamism. Some 18% of Mozambicans are Muslim and proselytisers have been extremely active in mosque and *madrasa* (school) building, a leaked cable said. Gulf and **Saudi Arabian**-funded 'conservatives' were training imams and building mosques, it noted, but downplayed any suggestion of local jihadist tendencies.

A Mozambican whom the US Office of Foreign Assets Control named as a 'drugs kingpin', **Mohamed Bachir Suleman**, offered the Baixa mosque a US\$1 million donation in 2004, a US cable reports. The mosque refused the offer unless Suleman was prepared to take an oath that he was not involved in corrupt activities. Suleman is Mozambique's wealthiest businessman: he owns the Maputo Shopping Centre and the *Grupo MBS* conglomerate. Maputo has conducted investigations into Suleman but not prosecuted him, raising questions about whether the Mozambican elite is too deeply compromised by the drugs trade to contemplate serious action to make its borders secure. ●

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POINTERS

Angola

CUTTING RIVALRIES

■ The coming battle between two gemstone plutocrats in London's High Court could embarrass Angola's secretive diamond marketing organisation, Angola Selling Corporation (Ascorp). **Uzbekistan-born Israeli diamond magnate Lev Leviev**, who has major interests in Angola and **Namibia**, is pitted against his former ally, **Russian-Israeli oligarch Arkady Gaydamak** (AC Vol 42 No 11). Gaydamak is suing Leviev, alleging that he swindled him out of commission and dividends from Ascorp averaging US\$3 million a month since 2004. A four-day trial is scheduled for May.

Leviev set up Ascorp in 2000 to market Angola's commercial diamond output. The government ended its marketing monopoly in 2003, but it is still associated with the state-owned *Sociedade de Comercialização de Diamantes*. Sodiam owns 51% of Ascorp and markets gems produced by larger formal-sector companies in collaboration with it and other firms.

Gaydamak's claim is that he secretly helped Leviev found Ascorp and lodged a written agreement to that effect with Russia's Chief Rabbi, **Berel Lazar**. The document, however, cannot be found and Leviev denies its existence. He counters that Gaydamak signed away his rights in a deal with the Luanda government. Gaydamak claims he was tricked into signing away his rights by presidential confidant General **Manuel Hélder Vieira Dias Júnior 'Kopelipa'**, in return for a promise of compensation by Leviev.

Leviev's Namibian operations are also challenged. His diamond cutting and polishing plant in Windhoek, Lev Leviev Diamonds, has struggled to operate at full capacity. It faces investigation by Interpol and the Namibian Police's Protected Resources Unit into suspected diamond thefts at the plant. Early last year, the PRU confiscated almost 2,000 diamonds that LLD could not prove had been polished there. The firm blames a former employee but he responds that the confiscated diamonds had been smuggled into Namibia to cover up the previous illegal export of unpolished stones to Israel.

Rwanda/France

CRASH GOES THE CONSPIRACY

■ Relations between Rwanda and France have received another boost. On 11 January, French judges **Nathalie Poux** and **Marc Trévidic** cleared the ruling *Front patriotique rwandais* (FPR) of shooting down the aeroplane carrying Rwandan President **Juvénal Habyarimana** and

Burundian President Cyprien Ntaryamira on 6 April 1994. The judges agreed with a team of **British** experts that the two SAM-16 missiles which shot down the plane were fired from Kanombe Camp, controlled by the then Rwandan army.

Everyone on board was killed, including several French nationals. This was the trigger for the massacre of Tutsi and of Hutu opponents of Habyarimana, and the Tutsi exiled forces' successful invasion from **Uganda**. The theory is that Hutu officers downed the aircraft because they considered Habyarimana a traitor after he signed a power-sharing agreement with Kagame's FPR. Seven ex-members of Kagame's army have been told through their lawyers that they are no longer suspects. French judge **Jean-Louis Bruguière** had earlier accused nine FPR men, including Kagame himself.

Poux and Trévidic, who replaced Bruguière on the Rwanda investigation, are not seen as political fixers. Kagame's French critics are unhappy, as are his opponents at home (AC Vol 52 No 11). The opposition *Forces démocratiques unies* under **Victoire Ingabire Umuhoza** and the dissident General **Faustin Kayumba Nyamwasa** say Kigali fixed the findings. Their latest theory is that the missiles were fired from Kanombe – but by FPR agents.

Anger between Paris and Kigali could flare again if Socialist **François Hollande** wins 2012's French presidential election. He admires the late President **François Mitterrand**, whose closeness to Habyarimana earned him the soubriquet '**Mitterhamwé**' in Kigali. Hollande's ally, ex-Foreign Minister **Hubert Védrine**, is strongly anti-Kagame. He may be even more hostile than current Foreign Minister **Alain Juppé**, who was sent on mission in south-east Asia for the duration of Kagame's state visit to Paris last September.

Horn of Africa

FAMINE FALLOUT

■ The slowness of the international response to the developing famine in the Horn of Africa last year needlessly cost thousands of lives, says a report by Oxfam and Save the Children. Sources familiar with north-eastern **Kenya** and **Somalia**, however, tell *Africa Confidential* that they may not have taken enough account of the massive security problems. Official estimates put the total death toll in the crisis at 50,000-100,000 people. Almost all were in Somalia. It is better to drill boreholes and feed existing animals, the report says, than to truck in water and restock herds. Critics note that the war often blocks such tasks.

Much of southern Somalia, where the famine has been at its worst, is held by the Islamist *Al Shabaab* militia, which forbade many Western aid agencies to operate in its zones and repeatedly denied there was famine. Even so-called government-

controlled areas are dangerous. The Kenyan intervention in October (AC Vol 53 No 1) complicated aid delivery to southern Somalia. In Mogadishu, now under the control of African Union Mission in Somalia (Amisom) forces, some estimates say over half the aid is stolen.

Displaced families are regularly forced to hand over half their rations to 'gatekeepers' who control the ramshackle camps where they live. In December, two Somali members of the United Nations World Food Programme were shot dead in Galgaduud, territory nominally controlled by a pro-government militia; we hear they had come across a 'ghost camp', set up to mimic a settlement of refugees so as to siphon off aid supplies for profit.

Two foreign aid workers with *Médecins sans frontières* were shot dead in Mogadishu by a former worker sacked over missing supplies. In late 2011, Oxfam and MSF traded veiled barbs over how frank to be in public about the difficulties. MSF said agencies should be more honest about the problems. Oxfam replied that divisions in the aid community were unhelpful.

Sudan

DROP THE PILOT

■ A letter to the National Congress Party has emerged this week from some 1,000 Islamist activists, including Salafists, secretly egged on by **Hassan el Turabi**, we hear. It accuses the NCP of betraying the Islamist movement and (after 22 years) distances the movement from the regime's killing and torture. The signatories swore on the Koran not to reveal the contents.

So concerned is the NCP that it leaked its own version. Oppositionists who have seen the memo say these Islamists expect the regime to fall and want to appear as moderates. **Tunisia's Ennahda** and **Egypt's Muslim Brotherhood** have signalled they will deal with Sudan's Islamist movement but not with President **Omer el Beshir**.

CORRECTION: ETHIOPIA

In AC Vol 52 No 25, we said **Wubishet Taye** of the *Awramba Times* had fled Ethiopia ('Critics still not welcome'). In fact, it was *Awramba Times* Managing Editor **Dawit Kebede** who fled after hearing that he was about to be arrested. This followed the revoking of a conditional pardon after his conviction for 'inciting and conspiring to commit outrages on the constitutional order'. Dawit's friends say the conviction was false. Wubishet has been in detention since June 2011.

CORRECTION: SOMALIA In AC Vol 53 No 1, we wrote that *Al Qaida* commander **Fazul Abdullah Mohamed** had been killed by a **United States** drone in June 2011 ('The war goes regional'). Somali troops shot him dead at a road-block. **Kenyan Saleh Nabhan** was the Islamist leader killed by a US drone, in 2009 (AC Vol 50 No 19).

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BLUE LINES

The costs and complexities of China's fast-track engagement with Africa were thrown into stark relief at the African Union summit in Addis Ababa on 23-31 January. It was a moment of triumph for Beijing and the partnership of mutual benefit that it proclaims. That was symbolised by the opening of the shiny new US\$200 million AU headquarters, built by the China State Construction Company on the ruins of Ethiopia's old maximum security prison. China has also promised \$90 mn. over five years to maintain the building.

China started negotiations over some of its workers, taken captive in Egypt and Sudan. They plunged into mediation between Sudan and South Sudan over oil and pipelines. Like their European and American counterparts, Beijing's diplomats were too discreet to show a preference in the election battle for the AU Commission chair between South African Foreign Minister Nkosazana Dlamini-Zuma and the Gabonese incumbent, Jean Ping. It dominated the summit.

Neither candidate won and a fresh election is postponed until the next summit in Malawi in July. The messy finale contrasted with the meeting's businesslike aspirations: to agree on establishing an African free trade zone by 2017 and break down historic divisions, colonially inspired and otherwise, on the continent. The infighting around the vote sent a powerful message to Beijing and other foreign powers at the summit: the primacy of politics can trump the most compelling economic logic in Africa.

SOUTH SUDAN/SUDAN

The South goes for sovereignty

Juba turns off the oil and turns up the pressure in its fraught negotiations with Khartoum over oil, cash, security and citizenship

Few outside the Juba government had expected it to start shutting down oil production on 22 January. Warnings from the Government of South Sudan had been widely seen as brinkmanship. The National Congress Party (NCP), plus African Union, Chinese and Western mediators, had apparently forgotten the capacity for decisiveness of the Sudan People's Liberation Movement (SPLM), which helped it to win Independence for the South. The talks should resume on 10 February but no one expects speedy agreement. This was clear when the AU representative, **South African** ex-President **Thabo Mbeki**, announced on 31 January that they would cover several outstanding issues from the 2005 Comprehensive Peace Agreement since 'the interim transitional period ends at the end of March'. This broadening of the agenda is a tactical victory for the GOSS, which for the first time has the NCP literally over a barrel.

This is costing Khartoum dear but it also knows that Juba loses 98% of revenue, with no clear alternative. The NCP's strength is military and it is beating the war drums. Second Vice-President **El Haj Adam Yusuf** said on 25 January that the army had surrounded SPLM-North rebels in Blue Nile and South Kordofan and 'Juba is not far'. Until November, he was senior in **Hassan Abdullah el Turabi's** Popular Congress Party and the NCP accused him of conspiracy in 2007. His threat has hardened Southern resolve and highlights the chasm between the two governments.

'This is not about oil, it's about politics!' one senior Northern oppositionist told *Africa Confidential*. This goes even beyond the CPA's

'unfinished business' to the heart of North-South relations on one hand and relations between the regime and the Sudanese people, North and South, on the other. 'They [the NCP] have convinced themselves that the Independence of the South is just a formality,' the oppositionist said. Khartoum has warned foreign journalists and rabidly anti-Southern propaganda has appeared even in liberal media, such as *Al Ayyam*.

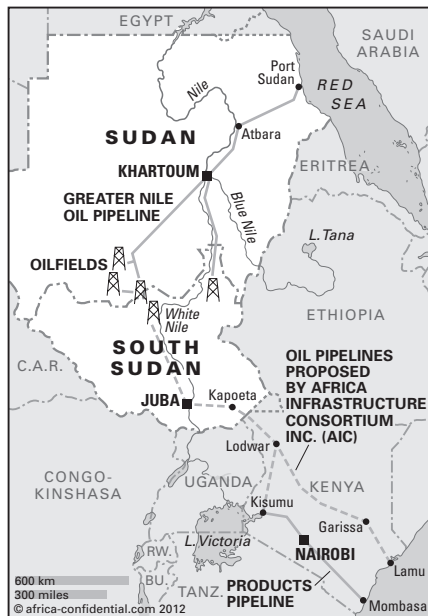
This all suggests two broad scenarios: the talks focus on technical and financial issues and reach agreement, at least on oil; or they break down and South Sudan seeks new outlets while Sudan's economy nosedives. Either way, a new Southern pipeline looks likely (see Box). The bigger unknown is whether the NCP will apply its theoretical military superiority.

WHO WILL BLINK FIRST?

It doesn't look as if the GOSS will blink first and much now depends on how the NCP assesses the economic crisis and its political impact. It was demanding up to US\$38 a barrel from Juba in transit fees (the international rate is \$0.40-\$1.00) and confiscated already loaded ships at Port Sudan. It did not seem to be seeking compromise. President **Salva Kiir Mayardit** accused it of 'looting' \$815 mn. in Southern oil, some through a new, secret, spur pipeline, and of underreporting output for years. As the talks ended, Juba had offered \$1.7 billion to Khartoum and transit fees of \$0.63-\$0.69 a barrel. Khartoum demanded \$5.4 bn. cash and \$3 a barrel.

What has really upset Southerners is that Khartoum has dealt with Juba in the traditional way. President **Omer Hassan**

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Ahmed el Beshir called it 'naive' and Foreign Minister Ali Ahmed Kurti, 'childish'. This is seen as a calculated insult to the new sovereignty for which Southerners have paid so dearly. 'It's OUR oil', said one Southern analyst, 'and it's a separate country. They can't demand things.'

Interested governments follow the oil crisis and the war in Blue Nile and Kordofan with anxiety and a steadfast public even-handedness which dismays Southerners and also Northerners, who regularly ask why **Libyans** rebelling against a brutal dictatorship get Western and Arab military support while their Sudanese counterparts receive only criticism.

On the oil issue, the West is privately more sympathetic to the South, says an SPLM source. However, this may not extend to bailing out a government which has stopped pumping approximately 315,000 barrels per day. 'Resolution is imperative if the GOSS is to have the wherewithal to be a development partner for the international community,' warned a senior British official this week.

CHINESE PUZZLE

China, the biggest producer and purchaser of Sudanese oil, is also worried and dispatched the head of the Communist Party Central Committee's International Department, Wang Jiarui, to Juba and Khartoum. 'The shutdown raises the political instability of an already challenging operating environment, pushing Chinese and other Asian national oil companies [Malaysian and Indian]

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to reconsider the importance of the two Sudans in their expanding international portfolios,' **Luke Patey**, co-editor of a new book, *Sudan Looks East*, told AC. China gets only 5-6% of its oil from the Sudans but fears sanctions on major supplier Iran.

The kidnapping of 25 Chinese workers in **Egypt** (now released) and the capture of 29 others by the SPLM-N during fighting with Sudan's army in South Kordofan have triggered a public debate in China on workers' protection, at least abroad. The 25 were building a road near Talodi (to facilitate gold mining by **French** interests, say Nuba sources). Beijing even deployed Vice-Foreign Minister **Xie Hangsheng** on 31 January to reprimand Sudanese Chargé **Omer Eissa Ahmed**. Meanwhile, though, China was trying to negotiate the workers' safe passage with the SPLM-N, thereby opening relations with the opposition. The whole situation challenges Beijing's huge new investment in unstable countries and its policy of 'non-interference'. China analyst **Daniel Large** said: 'It's a very elastic policy – very hard to break.' Beijing will not abandon Khartoum (it's just promised a \$200 million loan) or Juba. Its biggest decision may be whether to help build a Southern pipeline.

General Salva Kiir's team knows that challenging Khartoum is the most popular move it can make. People came out on the streets nationwide to support the oil shutdown but there is also concern about what comes next. Hopes of health and education remain high.

This was no knee-jerk shutdown, say insiders, and the GOSS has long planned for the worst. Cabinet Affairs Minister **Deng Alor Kuol** spoke of a five-year cushion and other sources talk of a sovereign wealth fund banked in **Kenya** and **Uganda**. One key man in the **Ethiopia** talks has been **Sayed Mohamed el Hassan el Khatib**, an NCP trusty, ex-London diplomat and CPA negotiator. He also heads the NCP's Centre for Strategic Studies: some rethinking may be required there as it seems Khartoum underestimated GOSS strategising. As both parties prepare for the next bout of talks, Juba faces the tough task of wresting substantive concessions from Khartoum's veteran tacticians. There may be a messy compromise but that's far from guaranteed. ●

WHO PAYS THE PIPELINE...

Whatever the outcome of the oil talks between the Khartoum and Juba governments, the current crisis has focused thinking on southward leading pipelines. Industry and diplomatic opinion is divided but there is a growing view that at least one line is commercially feasible and politically necessary. The idea was mooted years ago, first perhaps by Lonrho's late **Rowland 'Tiny' Roland**, who joined the Sudan People's Liberation Movement, now in power. More recently, **Ireland's** Tullow Oil championed plans for a pipeline from East Africa's oil hinterlands to **Kenya's** coast. Tullow talked to the **China** National Offshore Oil Corporation, **Japan's** Toyota and **France's** Total.

The great unknown is South Sudan's oil reserves: forecasts range from insignificant to bonanza. If anyone has accurate figures, they are keeping quiet. 'It might affect the oil price,' said one analyst. Juba is confident and suggests three lines, including via **Djibouti** and **Uganda**. The most talked-about is one via Kapoeta and Lokichoggio to a new transport hub at Lamu; Juba and Nairobi signed a memorandum of understanding this month after President **Salva Kiir Mayardit** met Kenyan President **Mwai Kibaki**. Its most fervent champion is **Robert S. Stewart**, head of Africa Infrastructure Consortium.

AIC is not to be confused with the Tunis-based Infrastructure Consortium for Africa, launched at 2008's Gleneagles Summit by the Group of Eight and the World Bank, African Development Bank and Development Bank of Southern Africa. The ICA also backs transport corridors linking **Burundi**, **Congo-Kinshasa**, **Kenya**, **Rwanda**, **South Sudan**, **Tanzania** and **Uganda** but focuses on Mombasa rather than the tourist area of Lamu.

Stewart, who once led Bechtel's resource-mapping of Congo-K (AC Vol 38 No 25), is 'a promoter of big ideas', said one long-term observer. Arguing that his native **Canada** was 'built in 100 years and we like it', he wants not only a 1,250-kilometre pipeline and a massive new 'hub' at Lamu ('What about security?' asked one senior African diplomat, referring to recent Islamist operations in Kenya's Coast Province) but also a vast housing development on Gondokoro Island, Juba, and an industrial zone next to the capital.

'I'm putting together 122 banks, led by the City of London,' he told *Africa Confidential* during a fund-raising trip to **Britain** this week. He had one-third of the finance already, he claimed, and 'about 5,000 Chinese workers' in Juba ready to start building. Many at a South Sudan Business Council meeting in Parliament were sceptical. His grand plans (complete with detailed drawings) 'won't appeal to hard-nosed business people', one oil and banking person told AC. They might appeal to the Juba government, though, observed a concerned planning consultant. Watch this very large space. ●

KENYA

The Hague changes the game

The ICC is forcing the elite to rethink the old certainties of ethnic politics and redraw the battle lines

By approving the indictment of four very important people, the International Criminal Court has begun to unravel Kenya's ruling networks of ethnic patronage. This is happening just as a new constitution gives liberal activists and old reformist politicians the muscle they lacked. President **Mwai Kibaki** ignored calls from civil society groups for the resignations of two ICC indictees: the Deputy Prime Minister and Finance Minister, **Uhuru Muigai Kenyatta**, 50, and the head of the civil service, **Francis Kirimi Muthaura**, 65. **William Ruto** and **Joshua arap Sang** are the other two indictees. All four are charged with crimes against humanity, murder, forcible deportation and persecution.

Nonetheless, Kibaki instructed the new Attorney General, **Githu Muigai**, to appoint a tribunal to examine the ICC ruling's legal implications and explore options. The government, however, is not in the dock and has no standing in the case at the Hague. Kenyatta and Muthaura are charged as individuals. Yet Muigai, a law professor, told a press briefing less than 24 hours later that there was no legal reason why the two should quit. He misjudged the political climate and Kenyatta and Muthaura resigned within hours.

Muthaura, who had a coronary bypass last year and is well past retirement age, had wanted to resign as soon as the charges were confirmed. He has been Kibaki's most trusted political aide. Kenyatta has been widely considered Kibaki's chosen successor for leadership of the Kikuyu, Embu, Meru and Kamba cronies known as the 'Mount Kenya group'. He has been seen as having the best chance against the favourite for the presidency, Prime Minister **Raila Odinga**. Kenyatta was said to be under pressure from his family to quit. He needed to concentrate on winning the case and protecting the family's vast financial assets. Yet recent opinion polls suggest that Odinga's popularity is waning, while Kenyatta's rises every month. He now trails Odinga by just ten points.

The charges against Kenyatta and Muthaura state that the President held meetings with them and members of the banned *Mungiki* Kikuyu militia at State House on at least two occasions before and during the 2007 elections. The judges have admitted evidence, said to come from a member of the *Mungiki* high command who turned prosecution witness, that the

meetings were held to recruit *Mungiki* for attacks in the Rift Valley towns of Nakuru and Naivasha.

The prosecution alleges that Kenyatta paid 31 million Kenyan shillings (US\$360,000) to the *Mungiki* leader **Maina Njenga**, whose forces attacked in late January 2008 – while Njenga was in Naivasha Maximum Security Prison serving five-years for gun possession. **Maina Diambo**, a *Mungiki* member on a State House guest list of 26 November 2007, was said to have been the cash conduit. State House was quick to deny the prosecution claims, saying that day's meeting was between the President, Muthaura and a youth group to discuss a 'Youth Marshall Plan'. Kenyatta, said a State House press release, was not present. These claims could lead to an indictment of the President himself or at least a subpoena.

WIPING OUT THE WITNESSES

Speculation has long been rife that the transfer of State House Comptroller **Hyslop Ipu** last year had something to do with his overzealous record-keeping. Equally suspicious was the systematic assassination of *Mungiki* leaders in 2008-09 by a mysterious Kwekwe police unit, apparently aiming to eliminate people who knew about the State House deal. Njenga, now an evangelist and political activist, has recently claimed that he received death threats.

The State House connection – and the pressure from Odinga's Orange Democratic Movement and civil society groups – narrowed Kibaki's options. He accepted the Kenyatta and Muthaura resignations but tried to limit the political damage by retaining Kenyatta as Deputy PM. **Njeru Githae** temporarily replaces Kenyatta as Finance Minister and **Francis Kimemia** takes Muthaura's place, both Mt. Kenya stalwarts.

Formerly Permanent Secretary for Internal Security, Kimemia is an experienced administrator. Githae, a lawyer and second-term member of parliament, is known mostly for his vociferous, often eccentric chest-thumping for Mt. Kenya causes. With interest rates spiralling and the Finance Bill facing opposition in Parliament, his appointment speaks more of desperation than prudence. His work will be complicated by a \$600 mn. International Monetary Fund facility,

to bridge a billion-dollar financing gap in the 2011/12 budget, that will come with a new batch of conditions. Diplomats were worried at having to deal with an ICC suspect at the Treasury; now they have to deal with a novice. Githae inspires little confidence outside the ethnic circle.

Views on whether suspects charged with crimes against humanity may stand for national office divide the coalition and legal opinion. Defenders of the indicted Ruto and Kenyatta and others insist that no legal impediment bars them from campaigning. Yet some within Kibaki's Party of National Unity alliance oppose their candidacy, as does Justice Minister **Mutula Kilonzo** of the Wiper Democratic Party (formerly ODM-Kenya). He recently said that suspects, especially in cases of grave human rights offences, have no right to run for office while the charges stand.

Following the ICC's confirmation of the charges, Kenyatta and Ruto held rallies in their ethnic strongholds, blaming Odinga for their international tribulations. Bizarre as it seems, the notion that Odinga somehow plotted with the ICC to press the charges has gained considerable political currency. Public support for the ICC has waned from 85% when the process began to 54%. Even the Prime Minister's wife, **Ida Odinga**, has called for the ICC cases to be transferred to the Kenyan courts. Any notion that Odinga would benefit from a Kenyatta-Ruto exit from politics has been virtually extinguished by the duo's countrywide campaigns.

Odinga's falling-out with Ruto is costing him dearly, especially in Ruto's Kalenjin Rift Valley stronghold, whose support in the 2007 election was the centrepiece of his campaign; he has not put together a credible multi-ethnic coalition for his presidential bid. His deputy, **Wycliffe Musalia Mudavadi**, has been quick to announce a bid for the ODM leadership. In a clever bid to subvert the ODM constitution, he insists that grassroots polls, rather than a national delegates' conference, should select the party's candidate. An old Kenya African National Union hand, it appears that he wants to activate the sleeping KANU national network to bolster his candidacy.

Odinga now has a real fight on his hands. Mudavadi is an increasingly attractive option for the Kenyatta-Ruto duo, should they be barred from running. In Odinga's favour, though, is his legendary ability to produce the unexpected. All this political jostling is a smokescreen. Desperate to prolong their political relevance and perhaps delay their moment of reckoning at the ICC, Kenyatta and Uhuru are gambling with everything they have. A Kibaki or Ruto presidency would be the best shield against international justice. They can run, but they cannot hide. ●

LIBYA

Waiting for government

Credible institutions remain a distant prospect as the NTC, militias and others compete for authority

Three months have passed since liberation was officially declared but no functioning government is in sight or even on the horizon. The oil sector is the only operational administration. Elections for a constitutional assembly – even in June – appear unrealistic. There is no up-to-date census, let alone electoral register, and voting procedures are not fixed. A census could take three months at least. After that, the assembly should write the new constitution and give a new executive democratic legitimacy. Until then, the National Transitional Council, led by former Justice Minister **Mustafa Mohamed Abdel Jalil**, is still in charge, although its authority is constantly under strong challenge amid accusations of failing to provide vision and leadership.

Transparency is also a problem. Most people do not even know who is on the NTC or how they are chosen. There are believed to be 57 members but the decision-making is opaque. Billions of dollars in assets have been unfrozen and millions of barrels of oil sold but there is still no money to fund infrastructural or economic development.

The NTC 'is still intervening at the executive level even though it has appointed a prime minister', the leader of the Benghazi Local Council **Abdelmonem Loheshy** told *Africa Confidential*. 'It is

mixing issues and wasting the time of the country, because it does not know what it needs.' Loheshy, a respected local businessman with an MBA from the University of North Texas, runs a small shop selling office supplies. An outsider until the revolt against Colonel **Moammar el Gadaffi**, he hopes to bring business management principles to bear on the city's problems. He was nominated to run the Council by what he calls 'civil society', a decision accepted by the NTC but not yet 'activated'. Yet his predecessor, **Jamal bin Nour**, rejects the process by which he was replaced and will not step down. For now, the country's second city is without effective government at any level.

On 17 February, the anniversary of the uprising, residents say a major protest will take place, organised via Facebook. The lack of any reconstruction or economic stimulus is angering people most, says Loheshy, but they would wait longer for elections if other progress were evident: 'This is historically a rebellious city, they [the NTC] have to watch out.' In Tripoli, one foreign observer commented, '17 February will either be a celebration, a wake or a gunfight.'

Misurata, where the local council staged a one-day strike on 26 January, is worried by Tripoli's domineering role and NTC inaction. 'They are unhappy because

the government does nothing. There is no money for housing or for the wounded,' said one local businessman who played a leading role in the city's lengthy resistance to Gadaffi's forces. The main streets are shattered by the extended fighting. 'Misurata should have the first take of the money,' he argued.

Libya is, theoretically, hugely wealthy but the ministries have no authority to spend. Nor is there a reconstruction strategy for the time when resources become available. New contracts cannot be signed and the huge task of checking old contracts for corruption has no deadline. The construction sector is dead. The police and official security services are only slowly coming back on to the streets. Yet, except on the roads, order approaches normality. At night in Tripoli, Libyans and foreigners alike observe an unofficial curfew outside the centre. With thousands of escaped convicts on the loose, carjackings are common and militia or gang turf wars occasionally result in gunfights. This, together with drunken misuse of firearms, killed or wounded nine people in just one week in January.

The Ministries of Defence and the Interior are supposedly recruiting 50,000 fighters from the various militias. Yet the recruitment drives are staffed by volunteers because there is no money to pay them. A capital-wide coordination unit for militia roadblocks called Aasimat Command and Control, run from the Interior Ministry, is financed by local business people.

Libya is being held together by the goodwill of its people and continued enthusiasm for the revolution. A Tripoli observer noted that the NTC had been surprisingly effective at resolving conflict, such as that in Bani Walid, where there is still support for Gadaffi, on 22 January. Residents took up arms to drive out the 28 May militia for abusing them. They have elected a council of elders to run the town but still face a militia counterattack. **Mazen Tumi**, from Tumi Law Firm, went to mediate on 23 January. He downplayed NTC claims that this was a pro-Gadaffi rebellion, saying that, contrary to reports, 'there were no green flags'.

Fears run high of pro-Gadaffi sabotage or of ex-regime figures hijacking the revolution, although fighting among militias and between them and the NTC seems a more likely cause of instability. While thousands of ex-Gadaffi loyalists must be around, including members of security and intelligence units, '90% have changed their colour', said Misurata businessman **Omer Swehli**. The rest have been killed or fled. The most significant attempt at sabotage came from Cairo, where an unidentified group placed a bomb in the lavatory of a Libyan Airlines flight to Benghazi. It was discovered and defused. ●

FROM GADAFI TO QATAR

The lake in Benghazi city centre, beside which its two main hotels stand, epitomises **Moammar el Gadaffi's** neglect of the east. Officially known as the '23 July lake', foreigners and some locals more commonly refer to it as 'Shit Lake' because it contains the effluent from many of the city's 24 sewerage stations, whose pumps failed many years ago.

A 200-million Libyan dinar (US\$164 mn.) project to reopen a channel from the lake to the sea and clean it out began before the revolution but work halted. It was one of some 8,000 contracts awarded by the Organisation for the Development of Administrative Centres, one of three lavishly-funded bodies letting contracts for a huge project to rebuild Libya, launched by the Colonel and his son **Seif el Islam el Gadaffi** in 2006. ODAC was run by **Ali Ibrahim Dubaiba**, whose cousin **Abdel Hamid Dubaiba** ran the Libyan Investment and Development Company, which also managed vast numbers of projects.

Early on in the revolution the Dubaiba family switched sides. Ali is said to have funded the rebel militias in Misurata. In June 2011, his son **Ibrahim Dubaiba** established a charity called *Isnab* in Britain with **El Sadeek Omer el Kabir**, who became Central Bank of Libya Governor in September, and the powerful Doha-based Libyan imam **Ali el Salabi**. Before the revolution, Salabi was linked to Seif el Islam's attempts to reintegrate Islamists, like the Libyan Islamic Fighting Group. Salabi is widely believed to have played a major role in securing **Qatari** backing for the revolution. Qatar sent military hardware to support the rebel 17 February Brigade led by Ali's brother **Ismael el Salabi** and has been funding other Muslim Brother-style Islamists in Libya. The Salabis will be leading figures in a Muslim Brotherhood party which is expected to do well when elections are held. ●

CÔTE D'IVOIRE

Oil is the new cocoa

Ouattara puts mining and oil at the top of a campaign to diversify the economy but not without stumbles

President **Alassane Dramane Ouattara** is trying to move the economy away from an over-reliance on agriculture, which accounts for 40% of gross domestic product, and into mining and oil. Earlier plans stagnated, firstly because of civil conflict and then because they did not fit with the system of patronage of former President **Laurent Gbagbo**. Officials say there has been a surge of interest from new investors since ADO set about streamlining investment requirements and appointed the respected **Adama Toungara** Minister for Mines, Petroleum and Energy.

A new mining code is being prepared. Côte d'Ivoire both extracts and refines crude oil. Output stands at around 50,000 barrels per day, with production surging to about 70,000 bpd in the first quarter of 2011, according to internal Ministry figures, which *Africa Confidential* has seen. The government believes output could increase fourfold over the next five years as offshore drilling gathers pace. The blocks adjoin **Ghana's** productive Jubilee Field.

Tensions over maritime borders erupted in March 2010 when Ghana's then Land and Natural Resources Minister, **Collins Dauda**, accused Côte d'Ivoire of laying claim to Ghana's sea area, which has never been formally demarcated. The dispute flared shortly after Vanco struck oil in the deep-water Dzata-1 well, off Ghana's Cape Three Points (AC Vol 53 No 1). The temporary solution of suspending drilling activity within a demarcated area will be replaced by new boundaries drawn up with the help of the United Nations, insiders say.

Abidjan is trying to attract heavyweight consortia to give it more clout in future negotiations. To date, 21 of the country's prospecting blocks have been allocated, while four are attracting special interest. The state oil and mining company, the *Société nationale d'opérations pétrolières de la Côte d'Ivoire* (Petroci) estimates reserves at 300 million barrels of oil and 800 billion cubic feet of gas. **Chinese**, **Indian** and **Israeli** companies are showing interest in the offshore potential. **French** oil companies may receive favourable treatment, industry sources say.

Nigeria's Sahara Energy is expected to gain major concessions despite problems in raising finance back home. One industry source said Sahara's accounts 'make painful reading' and if a proposed clean-

up of the Nigerian oil sector is thoroughly implemented, there could be devastating implications for the company. However, Sahara is one of the operators with which Petroci is hammering out a deal to pipe gas to neighbouring countries. It is also seeking to connect Abidjan to the West African Gas Pipeline, which links Ghana, **Benin** and **Togo**. Negotiations are proving 'bumpy', one of those involved told us.

Plans to turn Petroci into a fully integrated company continue apace. **Angola's** state oil company, Sonangol, to which Gbagbo had close ties, is a model. Officials confirm the government is pushing to increase a minimum 10% stake in all production-sharing contracts, partly to finance Petroci's restructuring.

The sole refinery and a key regional resource is the *Société ivoirienne de raffinage* (SIR), which has faced a slew of financial problems. The Abidjan-based

plant, which can process 80,000 bpd, has seen profits fall to US\$1.20 per barrel refined, from \$7.40 in 2008. It recently secured a \$130 mn. loan from a group of banks led by the *Banque Atlantique de Côte d'Ivoire*, which will help to plug a \$105 mn. deficit and keep the facility running. The **Egypt-based** African Export Import Bank has pledged up to \$620 mn. over 12 months in emergency funding. There is also a plan to boost refining capacity by building another 60,000 bpd refinery in Abidjan. The contract is expected to go to Chinese and/or Indian companies.

A review of all mining and petroleum contracts awarded in the last ten years has been under way since July but is extremely slow. Companies that have complied with contract terms will be treated impartially, officials say. Others, like Yams Petroleum, have lost their contracts. The Yams contract, given to a **Lebanese** associate of Gbagbo's, was 'riddled with red flags', a source said. Oranto and Total SA are tipped to take over Yams's 25% stake in Block CI-100, which was sold very cheaply.

The slowness of the review is partly due to Toungara's insistence on personally checking every aspect of the licences. But there is a growing power struggle between the Mines and Petroleum Ministry and Ouattara's immediate staff, who have

WHO'S WHO IN MINES

● Mines, Petroleum and Energy Minister **Adama Toungara** has the President's ear, so he is likely to keep his position in the cabinet reshuffle many believe to be imminent. He served under Founding President, **Félix Houphouët-Boigny**, as Hydrocarbons Director from 1971 to 1975, before taking up the post of Director of the *Société ivoirienne de raffinage* (SIR) until 1981. Despite staunch *Rassemblement des républicains* (RDR) credentials, Toungara is known as a moderate and enjoys broad political support.

● **Noël Akossi Bendjo** is Toungara's second advisor and was behind the decision to scrutinise contracts. He sits on the SIR board and has been close friends with the Minister since they met in the 1990s.

● **Daniel Gnangni**, head of the *Société nationale d'opérations pétrolières de la Côte d'Ivoire*, is nicknamed 'Mr. Promotion', both for his ability to sell the country to investors and to manoeuvre on their behalf. He organised the push to promote the deep and ultra-deep offshore blocks. A geophysicist by training, he joined Petroci in 1977 and rose to head its Geology Department before being poached to become Cabinet Director in the Mines and Energy Ministry two years later. He rejoined Petroci in 1994.

In 2001-05 he was Technical Assistant to the Director. He joined Edison International as a consultant in 2006. He had been posted to head **Australia's** Rialto Energy in Côte d'Ivoire before being appointed Petroci Director General in December. He warns that Petroci won't be signing questionable contracts, as was once the case, and dismisses criticism that he is part of President **Alassane Dramane Ouattara's** old-boy network.

● **Ibrahim Diaby**, the Director General of Hydrocarbons at the Mines and Energy Ministry and a geologist, negotiates all contracts before they reach Toungara for signing off. He was involved in drafting oil policy when exploration began in the 1970s. A Petroci Director in the 1990s, he is Toungara's de facto private secretary as the Minister has sidelined the official secretary, **Alexandre N'Guettia Kouassi**.

● **Yahaya Dembélé** is the Advisor to the Director General of *Société pour le développement minier* (Sodemi).

● **Koffi N'Dri** is a former senior Petroci official and represents Côte d'Ivoire in the Extractive Industry Transparency Initiative, of which the country is a candidate member. He is an unofficial advisor to Toungara and is close to the Sodemi Director, **Kadio Kouamé**. He also has official positions in several mining companies, including Ity Gold, and is close to Randgold Resources' Chief Executive Officer, **Mark Bristow**. ●

the final say in potential renegotiation. ADO's French Economic Advisor, **Philippe Serey-Eiffel**, heads the President's close-knit team and is also close to the First Lady, **Dominique Ouattara**. Under Serey-Eiffel's direction, proposals to replace **Kadio Kouamé**, who heads the *Société pour le développement minier de la Côte*

d'Ivoire (Sodemi), have been scotched. **Adou M'Bé** remains chief of the *Direction générale des mines et de la géologie*, while a suitable replacement is sought.

Serey-Eiffel's relationship with Prime Minister **Guillaume Soro** is said to be 'strained'. 'Eiffel is basically taking on a lot of the powers of a premier,' one

analyst said. Eiffel met Ouattara in the 1990s after being recruited as Executive Director of the International Institute for Africa, which Ouattara founded in Washington, **United States**. Eiffel was Managing Director of the well regarded *Bureau national d'études techniques et de développement* in Abidjan. ●

NIGERIA

How terror came to Kano

Boko Haram's latest massacre raised more questions about the government's security policy and the responsibility of northern leaders

Since the killing of more than 185 people in Kano on 20 January, southern Nigerian politicians have been railing at Northern and Muslim leaders for their failure to rein in *Boko Haram* militants. Northern politicians have said much the same about the southern politicians who failed to rein in Niger Delta militants over the past 15 years. The shortcomings of President **Goodluck Jonathan's** government have been pointed out by northern grandees, such as Generals **Muhammadu Buhari**, **Ibrahim Babangida** and **Aliyu Mohammed Gusau**, and civilian politicians such as **Atiku Abubakar**.

They have less to say about what the government should do and even fewer words of remonstrance against the northern insurgents. However, in a sign that the attacks on Kano may provoke a counter-reaction, independent of government, leading Islamic organisations,

such as the *Jama'atu Nasril Islam* (JNI) and the Nigerian Supreme Council for Islamic Affairs, condemned the attacks.

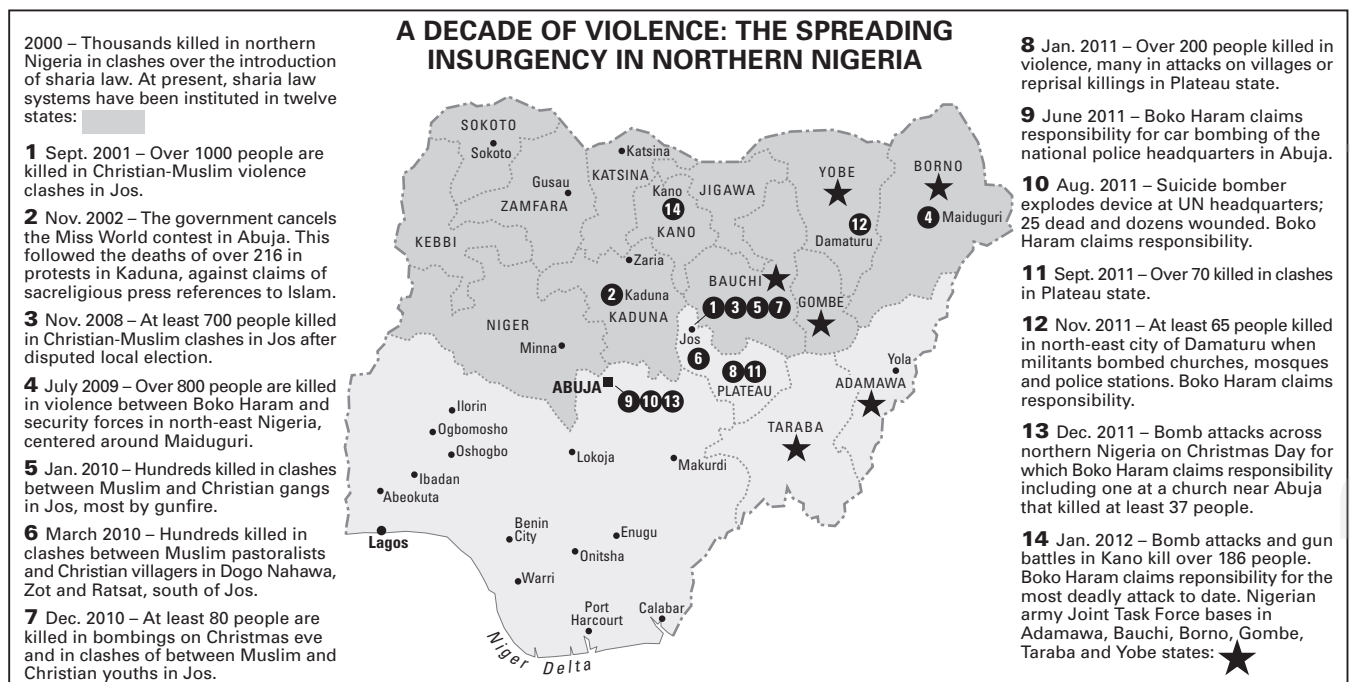
Former anti-corruption czar **Nuhu Ribadu** and ex-Federal Capital Territory Minister **Nasir el-Rufai** are among the northern politicians who are bitter about the northern and southern political establishment's failure to address the insurgency. The Central Bank of Nigeria Governor, **Sanusi Lamido Aminu Sanusi**, stirred up a hornets' nest when he suggested on 28 January that the roots of the insurgency were in national inequities, specifically the government's revenue derivation formula, which favours the oil-producing states of the south.

Among northern politicians, silence can be seen as prudent, since *Boko Haram* has murdered imams who spoke against them. The security services have a poor record of protecting witnesses and traffic in and out of the emirs' palaces is difficult

to police, because traditionally their doors are always open to petitioners. Influential leaders who have spoken out against the group, such as the Emirs of Kano and the Sultan of Sokoto, receive little backing from their peers.

In Abuja, political and security advisors insist they have tried to find interlocutors in *Boko Haram* and go-betweens in local communities, as well as deploying the notorious military Joint Task Force to northern states. 'Because the President doesn't come out and announce it, doesn't mean nothing is happening' one official told us. The government, used to negotiating with Delta militants, lacks local contacts in the north-east and is often distrusted there. President **Jonathan**, who intends to run again in 2015, thinks dialogue and development the best approach and wants to avoid the sort of low-intensity war that General **Sani Abacha** started in the Delta in the 1990s. Some officials in Abuja complain about the dominance of Delta officials in the security apparatus.

The National Security Advisor, **Andrew Owoye Azazi**, is an intellectual, bookish kind of general, who told *Africa Confidential* he was pursuing multiple strategies – political, diplomatic, economic and military – and argued that turning around the situation was a longer-term



project. Many wealthy and influential Nigerians say the development strategy is unlikely to stop the violence and are too far removed from reality to grasp the levels of poverty in the north. Rivalry among security agencies has not helped and little is expected from the coming reorganisation of the services, although security and defence now command over a fifth of the annual federal budget. Police in the north feel they are being undermined, while the military ramps up its presence. Police morale is low and absenteeism is high.

The security crisis has deprived police officers of many of their usual bribes and other illicit payments. Instead, they risk being targeted at any time by *Boko Haram*'s drive-by assassins. A pattern of protection rackets and patronage is emerging in northern states, involving *Boko Haram*, similar to that in southern states with the Delta militants. We hear that some northern governors pay *Boko Haram* leaders monthly 'security stipends' – protection money. The Emir of Kano, **Ado Bayero**, appears to have his own communication channels. Late last year, he and other religious leaders negotiated a temporary ceasefire with *Boko Haram*. Several weeks before the Kano massacre, he warned Jonathan that he had heard an attack was imminent and asked for more help to prevent it. Why the presidency did not act is unclear.

Many Nigerians inside and outside government are convinced that *Boko Haram* has top-level political and security support (perhaps a genuine parallel with the Delta militants). That makes Jonathan's reference to its penetration of state institutions more convincing. Local security specialists see *Boko Haram* as rooted in local politics but adept at exploiting links with international jihadists (see Box). Politicians and foreign diplomats argue that in the Delta, it was only after the army acted tough that the militants began to take dialogue and amnesty proposals seriously. But the Delta rebels had economic and political bargaining points: the northern insurgents are far from that. *Boko Haram* says its demands for *Sharia* (Islamic law) throughout Nigeria and the migration of all Christians from the north are non-negotiable.

Communications among federal and state agencies remain sporadic, even among the assorted security forces. We hear that the presidency has yet to receive a comprehensive report on the Kano bombings. In the army, there is inertia, with the more dynamic elements often dragged down by bureaucratic infighting.

Western governments are putting more than US\$200 million towards an elite response squad of around 150 men, with training and equipment such as armoured cars and sophisticated

hardware. We hear a group of Western diplomats met Vice-President **Namadi Sambo** shortly after the Kano attacks. They asked why the men being trained had not been deployed and why there seemed to be fewer recruits than at the start of the project. Sambo's replies did not convince. **British** officials have been trying to steer money into development projects in the north but the discussions are laborious and unproductive.

CHRISTIAN RESPONSE

Christians in Borno State are combative, not known for waiting around if one of their own is attacked. Initially, there were few attacks on Christians in *Boko Haram*'s home base; some say that it has shifted its focus to Christians lately, others say it has extended it. The few retaliatory attacks by Christians have been in the south. Northern Christians, a small minority, feel vulnerable and know that retaliation, perhaps with backing from their co-religionists in the Middle Belt, would make things worse.

Most officials still see *Boko Haram* as local first and regional second but its recent videos show an awareness of the language and images required to get international attention. It has no significant grip outside the north, where it blends into and recruits from local communities. In the south, its radical ideology is a bigger hindrance.

Our security sources say that those

arrested for the Madalla Christmas bombing include at least two Igbo Christians from the south. A graduate student from Birmingham, England, was with the accused *Boko Haram* operative **Kabiru Omar aka Kabiru Sokoto** at the time of his arrest earlier this month.

At least half of the Kano deaths were from gunshots, not bomb blasts. Men in cars drove around, shooting accurately. A hospital official told us that, of the more than 50 gunshot victims he had attended, only three survived. The rest had been shot with precision in the upper torso, indicating training, possibly by specialists from *Al Qaida* in the Islamic Maghreb. Western security sources believe that three *Boko Haram* 'brigades' have travelled to **Mali** for training by **Algerians**. Azazi told us that Abuja has stepped up its cooperation with governments in the region.

There is little evidence that Nigerian troops can successfully challenge guerrilla fighters and the local population will almost certainly rally against military abuses. Job creation and the provision of economic goods could help. The more security deteriorates and the weaker the police response, the more precarious any non-military government initiative becomes. Many security specialists believe that only when the upper echelons of government feel directly threatened in Abuja will the security response grow more determined and effective. ●

THE SHAPE OF THE DEADLY SECT

Boko Haram has a supreme leader and a consultative body, the *Shura*. The leader, **Abubakar Shekau**, was second-in-command until **Mohammed Yusuf** was killed in police custody in July 2009. It is not clear how much control Shekau can maintain. Even if he were open to dialogue, breakaway members might object and the group's criminal elements may also not favour negotiation.

The sect appears to be modelled on structures seen in some Islamic states. The *Hisbah*, the military wing/police, is quite well known. Each state also has an *emir* (leader, prince), with others in **Chad** and **Niger**. The group split in 2006, with at least one other group which calls itself '*Taliban*', led by a man known as **Alli**. The main group has ideological and financial links to fellow Islamists in **Somalia**, **Sudan** and **Saudi Arabia**, and within the region, from **Mali** and **Algeria**.

A *Boko Haram* Spokesman, **Abu Zaid**, told journalists that he had travelled with Shekau to Saudi and would think himself 'promoted' to go into battle, rather than stay in media work. Another source had announced that **Abu Qaqa** would be Spokesman from September 2011; for several months, he has been *Boko Haram*'s main communication point with local and foreign journalists.

On 1 February, security agents arrested him, having tracked his telephone calls. Qaqa himself says there are sleeper cells in Niger and larger ones in Chad and **Cameroon**. We heard Qaqa was near the Chadian border; our correspondent, after speaking to him, was almost certain he was a Kanuri. At least three reliable sources believe Shekau and a large group of supporters are in Cameroon. The governments of Cameroon and Chad are unlikely to act unless the unwanted guests start to cause mayhem in their temporary host countries.

Links between *Boko Haram* and *Al Qaida* in the Islamic Maghreb are much talked-up by Nigeria's security agencies and in Algeria, and go down well in counter-terrorist circles in the **United States**. The links are unclear. It seems that *Boko Haram* operatives have met AQIM but little is known about their sharing of finance, arms supplies and training. Of all the *Boko Haram* operations so far (see Map), only the bombing of the United Nations headquarters in Abuja had a clear international purpose. ●

SENEGAL

Wade digs his heels in

The President shows a steely determination to get himself re-elected, leaving electors asking if the opposition can match him

The prospects for massively increased violence in Dakar are strong after several people died in the last days of January during opposition rallies against President **Abdoulaye Wade**. This follows the Constitutional Court's decision to rule President Wade's candidacy in the election scheduled for 26 February lawful. The ingredients for a stark confrontation between tens of thousands of disaffected voters and the security forces were present as *Africa Confidential* went to press. The Court had also angered many by disqualifying the singer **Yousou N'Dour** from standing in the election. Despite submitting 13,000 signatures rather than the required 10,000, the Court ruled that only 9,000 of them were valid.

The Court's 'five wise men' are Wade-appointed judges who recently received a payrise of 5 million CFA francs (US\$10,000) a month and new cars. They turned down seven last-minute appeals, including one from the President himself, who claimed that three of his long-time foes, former Prime Ministers **Macky Sall** and **Idrissa Seck** and former Foreign Minister **Cheikh Tidiane Gadio**, had defaulted on tax payments, thus violating one of the conditions required for candidates. After the death of a police officer in the initial disturbances, the feared *Division des investigations criminelles* (DIC) arrested a leader of the 23 June Movement (M23), **Alioune Tine**, and held him for two days.

The opposition now includes almost every politician outside Wade's *Parti démocratique sénégalais* (PDS) – and probably a majority of the population. His best option for victory is therefore to keep the opposition divided in the second round of the presidential election but he could also opt to postpone the polls because of the instability. M23 and other protest movements have threatened to make the country ungovernable if Wade wins.

In Dakar, Wade's manicured *Corniche Ouest Boulevard* has been despoiled by burned tyres and there is a massive police presence at strategic points. Foreign embassies have made evacuation plans for their nationals, coordinated by **France**, which can draw on its experience of evacuating Europeans from *Côte d'Ivoire* in 2011.

While the opposition appears to have strong momentum, if the government can wrong-foot it and regain the initiative, unity among those opposed to Wade

could prove hard to re-discover. In that case, some commentators are speculating, a military coup, similar to that in **Niger** in 2010, could be on the cards. Wade will be pleased that **Yousou N'Dour**, who could have thrown an unwelcome international spotlight on the election, is officially out of the race.

The election campaign now officially starts on 4 February with 14 candidates. **Macky Sall**, a member of M23, has been making alliances with other politicians, ex-ministers and leaders of citizen groups. He is supporting the call by member of parliament **Samba Dioulde Thiam** to offer Wade and his family a full amnesty if he stays out of the election.

UNITED NO MORE

Moustapha Niasse, the leader of the *Alliance des forces de progrès*, and **Ousmane Tanor Dieng**, the leader of the *Parti socialiste*, which ruled from Independence in 1960 to 2000, led the opposition coalition *Benno Siggil Senegal* ('United to boost Senegal' – AC Vol 52 No 25). After the coalition split, with both Niasse and Dieng opting to stand alone, a breakaway faction, *Benno Alternative 2012*, led by the investigative journalist-turned politician **Abdou Latif Coulibaly**, quickly sprang up. Coulibaly pledged to fight corruption but shied away from the idea of a coalition. Afterwards, however, he did not even present his candidacy for ratification by the Constitutional Court.

One contender who has been playing his cards close to his chest is **Ibrahima Fall**, a former United Nations Assistant Secretary General for Political Affairs, who has a direct relationship to the powerful Tidiane brotherhood and is loyal to the *Mourides*, an economically, politically and socially influential Muslim sect. He has many supporters in the diaspora and is well placed to garner the 'anyone but Wade' vote in the second round.

The divisive **Idrissa Seck** builds his support around the contention that Wade's mandate is unconstitutional. In December, the police damaged his lively media campaign by ripping down his billboards denouncing 'violations of the constitution' and the high cost of living. Seck struggles on, although on 23 January a member of his party, **Thierno Bocoum**, was arrested outside the presidential palace, where all protests are banned, for demonstrating against Wade's attempt at

a third term. Police later released **Bocoum** but the message that to protest against the 'third term' could earn arrest was received. Opposition Mayor **Barthelemy Dias** languishes in gaol after an attack on his town hall on 28 December by pro-Wade youths, one of whom **Dias** shot dead. The PDS intimidates protestors, journalists, musicians, opposition activists and defectors while the state broadcaster *Radiodiffusion Télévision Sénégalaise* (RTS) is cleaning out anti-Wade elements.

THEY'VE HAD ENOUGH

More formidable opposition has come from the gaggle of rappers and journalists called *'Y'en a marre'* ('We've Had Enough'), whom the political class initially did not take seriously. Yet they were the ones who succeeded in making Wade back down on plans to change the constitution. The group was initially formed to demand an end to petty corruption by traffic police, and they led the riots of 23 June 2011 (AC Vol 52 No 14). Its members have received death threats and the DIC arrested one rapper, **Thiat** (**Cheikh Oumar Cyrille Touré**), and may charge another, **Mala Talla** ('**Fou Malade**'), for having supposedly attacked the rapper **Gaston**. Many suspect the DIC action is an attempt to divide *Y'en a marre* by setting the rappers against each other.

If *Y'en a marre* can stay united, it represents a massive mobilising force. The movement has consistently put tens of thousands of protesters on the streets and probably holds the opposition's best chance of unseating Wade. Thiat has been compared to the **Tunisian** rapper **Hamada Ben Amor** ('**El Général**') who wrote a song credited with precipitating the overthrow of President **Zine el Abidine Ben Ali**. *Y'en a marre*'s 'Problem Fair' – a massive exhibition and street fair – on 22 January brought together all kinds of groups from the association of bakers to the collective of street hawkers. An audience of thousands saw graphic illustrations of the social problems they want a new government to fix. Orthodox leaders of the political opposition, including **Sall** and **N'Dour**, could not afford to stay away.

Meanwhile, predictions range from a military coup to an easy first-round win for Wade. The United Nations, the **United States** and **France** have expressed concern about instability and political fairness. Wade is showing some signs of anxiety, since he did not attend the African Union summit in Addis Ababa, an event he has rarely missed.

Last year, however, he left the summit early when the **Egyptian** protests reached a crescendo and Senegalese began to compare the movement against a corrupt and oppressive dynasty in Cairo to those against Wade's third-term presidency in Dakar. A year on, many Senegalese insist the parallels are even stronger. ●

LIBERIA

A low-key second term

The President promises an inclusive government to foster national unity and prevent unrest

President **Ellen Johnson Sirleaf** has lowered the political temperature, preaching political reconciliation and pledging strong commitment to the nation's youth after a worthy but uninspiring inauguration ceremony and a series of ministerial appointments that suggest bland continuity. She has sought to keep down expectations and political temperatures by announcing cabinet appointments in dribs and drabs. The opposition has been trying to defuse tension, and the defeated candidates for the Congress for Democratic Change (CDC), **Winston A. Tubman** and **George Manneh Weah**, featured prominently at the inauguration on 16 January.

Just days before, party activists at CDC headquarters in Congo Town had been ferociously sloganising, 'We will bring placards, but not guns' to the inauguration, still maintaining the election had been stolen and justifying their boycott of the second round. Tubman's deal with Johnson Sirleaf and his statement that 'we are ready to work with government anywhere that is offered us to serve' was seen as a betrayal by many rank and file, although Tubman angrily denied that he was chased out of party headquarters by disappointed militants.

Liberia faces four key issues, which the President referred to in her speech: youth unemployment, lack of education, weak security and the need for national reconciliation. Some 60% of Liberians are under the age of 35 and 64% of the population live below the poverty line. The potential for unrest and violence is enormous, especially in the southeast. The election protests of November 2011 shook the government, as did the pre-Christmas disturbances, when thousands of youths took to the streets, complaining about delays in payment for vacation work.

In her 23 January speech to the legislature, the President said the youth of Liberia would be central to her government's business. She unveiled a plan for the reconstruction of all the country's major roads over the next six years. This, if managed without corruption in the award of contracts and the use of labour-intensive methods, may ease unemployment. Only the government can, realistically, provide jobs on this sort of scale.

The education problem is also a war legacy. Few young people have skills. Agriculture could provide jobs but is

looked down on. Policing, so crucial to peace, is very weak, with the UN Mission in Liberia still playing a key role in maintaining public order. UNMIL is due to leave in two to three years and the new security forces are hardly ready. They have low pay, no health insurance, poor accommodation and incompetent managers. Another major challenge for the government is corruption but the Anti-Corruption Commission chaired by **Frances Johnson-Morris** is under-staffed and has yet to show its teeth.

Reconciliation will be more of a priority in the President's second term. After burying the issue during the election, the government has adopted the Truth and Reconciliation Commission's report and is set to embark on a national programme of 'palaver huts' designed to drain away communal tensions.

FEW NEW MINISTERS

Possibly the most influential presidential ally of all, Johnson Sirleaf's son and Special Advisor, **Robert Sirleaf**, had been expressing concern about the level of youth unemployment. He wants younger women and men in government, we hear. The composition of the cabinet, however, makes it clear he was not heard.

Lewis G. Browne II is the new Minister of Information. Few in Johnson Sirleaf's entourage have an unblemished record, but Browne served as National Security Advisor and later Foreign Minister to ex-President **Charles Ghankay Taylor**. All that was forgotten when Browne switched his allegiance to the Unity Party when the last elections were only weeks away.

The fury of the CDC radicals is directed at **Lenn Eugene Nagbe**, who moved to the Unity Party and became the President's deputy campaign manager. His reward is the Transport Ministry. Four deputy minister portfolios will go to CDC members during the first week of February, we hear. **Augustine Kpehe Ngafuan**, formerly Finance Minister, becomes Foreign Minister, a job some thought Tubman might have taken. Ngafuan, who is 41 and highly ambitious, is from Lofa County like the current Vice-President, **Joseph Boakai**. Ngafuan memorably locked horns with **John Morlu II** during the latter's high profile stewardship of the General Audit Commission (AC Vol 51 No 52). **Amara Mohamed Konneh** moves into Ngafuan's old job, Planning and

Finance. Konneh hails from the President's home county Gbarpolu, and she credited him for her victory in 2005.

More old faces remain. **Brownie J. Samukai**, also from Lofa County, stays on at Defence. A former UN official, he worked in **Tanzania** and earlier served as commander of the Cuban-trained 'Black Berets', a paramilitary force that interim President **Amos Sawyer** established to defend Monrovia from Charles Taylor's forces. **Walter T. Gwenigale** retains the Health and Social Welfare portfolio, as does the Minister of Justice and Attorney General **Christiana Tah**, the President's ally. Her reputation for shooting from the hip keeps UN officials on their toes. Tah, from Grand Cape Mount County, is a former professor of law and is reputed to be one of the most honest ministers. **Frederick B. Norkeh** stays on at Posts and Telecommunications, as does **Samuel Kofi Woods II** at Public Works, a key post demanding strong leadership, because of its importance in job creation – and the potential for corruption in the procurement process.

Florence Chenoweth keeps her job at Agriculture. The much-criticised **Miata Beysolow** stays at Commerce and Industry. **Etmonia David Tarpeh** goes from Youth and Sports to Education. **Vabah Gayflor** moves to Labour from Gender and Development; she is replaced by **Julia Duncan-Cassell**. Gayflor begged to stay in the cabinet by sending respectable old women, known as 'Zoes', to plead her case with the President, we hear.

Harrison Kanwea makes way at Internal Affairs for **Blamo Nelson**, whose long political odyssey included a stint as Taylor's Director of Cabinet. A political activist and personal assistant to **Bacchus Matthews**, the man credited for bringing multi-party politics to Liberia, Nelson was one of the radicals of the 1980s. He ran for the Senate for Grand Kru County but lost. **Patrick Sendolo**, who takes over from **Roosevelt Jayjay** at Lands, Mines and Energy, used to head the Programme Delivery Unit of the Office of the President and ran the Port Sector Reform Secretariat. He takes on a critical portfolio, with Liberian mining concessions generating controversy at home and abroad.

Jerolimeck Z. Piah becomes presidential Press Secretary. He replaces **Cyrus Wleh Badio** who is heading for the state-run Liberia Broadcasting System, where **Darryl Ambrose Nmah** has returned as Director General after his contentious suspension in September. Ambassador **Conmany B. Wesseh** pleaded for a post. Finally, Johnson Sirleaf agreed to make him a minister of state without portfolio after a three-hour meeting. **Edward McClain**, the President's most trusted minister, stays on as Minister for Presidential Affairs. ●

BURUNDI

Storm over opposition man

Tanzania arrested a Burundian seen by many as a man of peace but UN experts say he supports armed rebellion

Tanzania released the Burundian opposition leader **Alexis Sinduhije** on 24 January in what is widely seen as a serious diplomatic and political setback for the government of President **Pierre Nkurunziza** of Burundi. The Tanzanian authorities had arrested Sinduhije, a leader of the *Mouvement pour la solidarité et la démocratie* (MSD) and founder of *Radio Publique Africaine* (RPA, AC Vol 51 No 13), at Dar es Salaam airport as he stepped off an aeroplane from Kampala on 11 January. The detention was at the request of Burundian intelligence, security sources in Bujumbura said.

Sinduhije's release came after a judge had ordered Tanzanian prosecutors to explain why he was still being held without charge. Faced with the choice of presenting him in court or releasing him, they put him on a plane to **Uganda**. At first silent on whether it had asked for his extradition, Bujumbura claimed he was wanted for supporting terrorism but later said it had issued an arrest warrant over a murder in 2001. After the release, a Burundian official told the media that his country 'regrets this unfriendly gesture by a neighbouring country, which is committed to helping us fight troublemakers.'

Sinduhije fled Burundi for **France** soon after the 2010 local elections, which were blatantly rigged, according to almost all parties except Nkurunziza's *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (CNDD-FDD). Sinduhije is one of the regime's most vociferous and best known critics. After his arrest in Dar, he received immediate support from the *Comité français de soutien à la libération d'Alexis Sinduhije*, set up in 2008 during his previous imprisonment in Bujumbura. His **Belgian** lawyer, **Bernard Maingain**, claimed in a 17 January statement that Sinduhije was being detained in 'inhuman conditions' in Tanzania and called for his release. Maingain also represents the *Alliance des démocrates pour le changement au Burundi* (ADC-Ikibiri) coalition which groups the MSD, **Léonard Nyangoma's** CNDD, **Léonce Ngendakumana's** *Front pour la démocratie au Burundi* (Frodebu) and the *Union pour le progrès et le développement* (UPD).

Before he went into politics, Sinduhije was a journalist celebrated for his skill and courage in exposing wrongdoing. For his

investigative journalism at RPA, reporting massacres by Hutu and Tutsi while fostering ethnic reconciliation, he won an International Press Freedom Award in 2004 and in 2008 was named one of *Time Magazine's* 100 most influential people. He was awarded a fellowship at Harvard University for this work. Amnesty International described him after his detention in November 2008 as 'an extraordinary human rights defender and an inspiration to thousands'.

Bujumbura said it wanted Sinduhije extradited for alleged involvement in the assassination in 2001 of the United Nations World Health Organisation Representative in Burundi, **Kassi Manlan**, an **Ivorian**, and his servant, **Nzisabira**. Many of those familiar with the case say these allegations are absurd. Sinduhije's radio station carried out in-depth investigations into the murders and drew much hostility from the government of the then President, **Pierre Buyoya**, for reporting that WHO employee **Gertrude Nyamoya**, who was accused of Manlan's murder, was innocent.

A reporting ban was placed on the case. The real reason for the killing was said to be that Manlan had uncovered the embezzlement by government officials of donor funds intended for combating malaria. Bujumbura's claim that Sinduhije was involved in the murders comes despite the conviction in 2005 of several senior police and security officers for the crime. (In July 2008, most of them were released.) Many Burundians believed the officers had killed Manlan on the orders of the officials involved in the fraud.

Burundi had asked Tanzania to extradite Sinduhije not only on the criminal charge but also because of his possible involvement in armed rebel activities that were detailed in the 2 December 2011 report to the UN Security Council by the Group of Experts on **Congo-Kinshasa**. The Experts, who are mandated by the Council to report regularly on the activities of militias, human rights abusers, conflict-minerals miners and foreign governments in eastern Congo, quoted extensive sources claiming Sinduhije was 'a particularly active supporter of FNL [*Forces nationales de libération*] combatants and armed rebellion in Burundi'. They wrote that 'Four midlevel FNL officers told the Group that FNL combatants in South Kivu considered Sinduhije to be one of their movement's

key leaders. According to another FNL combatant, in July, relations soured for a time between Sinduhije and [FNL leader **Antoine 'Shuti' Baranyanka**, with the latter accusing the former of usurping his role by making claims to be the movement's supreme commander. FNL combatants told the Group that Sinduhije had been tasked with convincing regional and international Governments that the Burundian Government's abuses and corruption justified an armed rebellion.'

Sinduhije's French partner, **Christelle Amigues**, dismissed the UN report as 'not credible' and 'far-fetched' in an interview with *Radio France Internationale*. For years, she said, Sinduhije had been trying to convince both the government and the armed groups to stop violence; the UN Experts' notion that he was travelling around the world to convince governments of the rightness of armed action against the government in Bujumbura was absurd.

The Experts, however, also cited 'diplomatic and civil society sources' claiming that Sinduhije had travelled to **Kenya**, **South Africa**, **South Sudan**, **Uganda**, **France**, **Italy** and **Turkey** seeking meetings with officials and gathering financial support. The report, citing Burundian intelligence and FNL members, said he was able to raise enough money on his travels to provide some financial support to FNL fighters in South Kivu, whose numbers the Experts put at 200-400. The Experts say Sinduhije ignored several requests to meet them. The FNL is led by **Agathon Rwaswa** and Nkurunziza's government holds it responsible for many recent attacks (AC Vol 52 No 22).

The UN report claims that Sinduhije is not alone in supporting armed rebellion against Bujumbura and that the FNL forces in South Kivu are now fighting for a broad coalition of parties opposed to the government. 'FNL officers interviewed near Kiliba early in September,' the report says, 'claimed that they were no longer fighting only for Rwaswa, but rather for the larger ADC-Ikibiri, specifically citing Sinduhije, [UPD leader **Pascaline**] **Kampayano**, [Frodebu leader **Pancrace**] **Cimpaye** and Nyangoma as their political leadership. They also claimed to have renounced their previous ethnic agenda claiming that they were ready to work with Tutsi leaders such as Sinduhije. On 27 August, ADC spokesperson **Léonce Ngendakumana** stated that if the Burundian Government rejected negotiations with the political opposition, he would risk being "chased away by arms". At an ADC meeting held in Dar es Salaam in August, according to sources close to the opposition, all political leaders, including Kampayano and Rwaswa, agreed upon Sinduhije's overall leadership of their nascent rebellion, for which they said FNL troops in South Kivu would be the cornerstone.' ●

ECOWAS

Jobs for the boys

Ecowas is often dysfunctional but choosing a Commissioner to succeed Victor Gbeho is proving truly problematic

The quarrel between Presidents **Blaise Compaoré** of Burkina Faso and **Thomas Yayi Boni** of Benin over the Economic Community of West African States is symptomatic of an organisation in need of reform. Both want the next president of the Ecowas Commission, the Secretariat in charge of its operations, to be one of their own nationals. Also on the list would be the murder of four journalists, including the Editor of the weekly *L'Indépendant* in December 1998.

Compaoré needs somebody to protect him, his family and his friends in case an 'African spring' should threaten his reign or worse, lead to investigations into the murder of his predecessor, Captain **Thomas Sankara**, during the 1987 coup that brought Compaoré to power.

The Commission's current President, the experienced but lacklustre **James Victor Gbeho**, took over to complete Ghana's term after **Mohammed Ibn Chambas** left in March 2010 to join the African, Caribbean and Pacific Group in Brussels. Gbeho, an experienced diplomat, was expected to hand over to Benin or Burkina in January 2011 but the former United Nations Special Representative to

Somalia along with his commissioners and his numerous consultants show no sign of wanting to move on. General (Retired) **Charles Okai**, Director for Political Affairs, Peace and Security, was supposed to retire three years ago but remains, supported by his colleague, the Commissioner for Political Affairs, Peace and Security, Major Gen. **Mahamane Touré** of Mali (who had to smuggle Okai's contract extension into the President's office for signing, we hear).

DUPLICATION

Adrienne Diop of Senegal became Director of Communications in 1996 and kept that job till last October despite winning promotion to Commissioner for Human Development and Gender (the Commissioner is in Abuja but there is also a Gender Office in Dakar). Despite reaching retirement age, Beninese **Roger Laloupo** is Director of Legal Affairs and stays on as a consultant. Duplication of functions is rife.

Projects run slowly, amid turf wars. The Ecowas Small Arms Control Programme (Ecosap), for example, is on hold due to an argument about moving

from Mali to **Nigeria**, where it is to be led by **Togo's Cyriaque Agnekethom**. Touré has used his clout to keep it in Bamako. As a result, donors have cut off funding, while a corresponding programme in East Africa forges ahead in Nairobi. Staff morale is low and infighting common. Gbeho's *Directeur de cabinet*, **Mercedes Mensah**, also of Ghana, is a former secretary whose recommendations, we hear, help to fuel a rift between her boss and Touré.

Nigeria holds the Ecowas chairmanship and is the largest African contributor to its budget. President **Goodluck Jonathan** tried to crack the whip at a top-level meeting last October and speed up the post-Gbeho transition. Yet the row between Compaoré and Yayi made him remit the choice of Gbeho's successor to another summit, now scheduled for 16 February. Jonathan did organise the national job allocations, though: **Liberia** gets the vice-presidency; **Gambia**, Infrastructure; Mali, Macroeconomic Policy; **Niger**, Trade and Customs; Nigeria, Political Affairs, Peace and Security (to be held by **Salamatu Hussaini Suleiman**); **Sierra Leone**, Administration and Finance; **Togo**, Agriculture and Water Resources.

The Commission began life as an instrument for regional economic cooperation but has not achieved much. It has value as a forum where the region's politicians and their civil servants get to mix, however, and its political cooperation is more successful than its economic one. Ecowas has played a part in helping to restore democracy in Sierra Leone, **Guinea Bissau**, **Togo** and **Liberia**. ●

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POINTERS

Africa/Investment

FANFARES FOR AFRICA

■ The latest fanfare for Africa's economic prospects comes from the Economist Intelligence Unit's survey of fund and asset managers, bankers and other financiers for Invest AD, the sovereign fund formerly known as the Abu Dhabi Investment Company. *Into Africa: Institutional Investor Intentions to 2016* joins a string of recent rosy forecasts. Like them, it eschews natural resource extraction for the 'income convergence' that created middle classes in **India** and **China** and thus accelerated growth. The new middle classes of Accra, Abuja, Nairobi and Kigali will spend and create demand, leading in investors. Thus the 'virtual cycle' (perhaps 'virtuous circle') will begin. 'It is now Africa's turn for an economic lift-off,' the report contends.

As elsewhere, **Ghana** is the poster child for Africa's coming renaissance, with predicted economic growth of 16.3% for 2011 making it the 'world's fastest growing economy overall'. No discordant note is sounded concerning the major contribution to that figure of a very old-fashioned natural resource, oil. The odd note of caution mentions **Zimbabwe's** economic woes and says that 'the Arab Spring has disrupted several North African states. But barring such exceptions, there is a general sense of renewed optimism.' Many Africans see the Arab Spring as a source of optimism, not a brake on it.

A recurring theme is that 'in some regards, Africa's biggest challenge is to overcome deeply entrenched perceptions', some evidently shared by the respondents. Of 15 'challenges', the biggest concern, picked by 41%, was bribery and corruption. This, however, along with runner-up issues of 'weak local and government institutions' (40%) and 'illiquidity in capital markets' (36%), is apparently good news because it represents a shift to 'technical concerns' away from 'macroeconomic and political risks'. A bit further down the page, however, we learn that political risk was still a concern for 32% of those surveyed.

Equatorial Guinea

NO REFORM YET

■ Washington-based lobbyist **Lanny J. Davis**, a former counsel for ex-President **Bill Clinton**, is suing Equatorial Guinea. At issue is the non-payment of expenses incurred when Davis was hired in March 2010 by the office of President **Teodoro Obiang Nguema Mbasogo** to help implement a 'comprehensive reform programme'. Davis is claiming US\$141,911.11, mostly for air fares and hotel expenses. He was contracted to help the Malabo government

'in instituting comprehensive political, legal, and economic reforms, including, without limitation, the rule of law, democracy, an independent judiciary, and a free press ('the Reform Program')'. Davis reportedly wrote a June 2009 speech in which Obiang promised reform.

It did not take long for things to go wrong. Davis came under attack for supporting dictators: he also took on **Laurent Gbagbo** for a time while the ousted **Ivorian** President was disputing the presidential election. Then came Obiang's United Nations Educational Scientific and Cultural Organisation debacle (AC Vol 51 No 13). The President tried to sponsor an 'Obiang Nguema Mbasogo International Prize for Research in the Life Sciences' but UNESCO gave into massive international pressure and killed the plan in June 2010.

The 'Reform Program' evidently had a short life, although Davis 'worked closely' with the **United States** Ambassador to Equatorial Guinea and State Department officials, 'reporting on efforts to implement the reform program contained in the Memorandum'. After being thrown out of the Extractive Industries Transparency Initiative in April 2010, Obiang seemingly put grand reforms behind him, along with Davis's expenses. Davis told the *Legal Times* of Washington in October last year, 'The reason I took the client was to help them transition to a democracy.'

Ghana

IT'S WOYOME TIME

■ A scandal is growing over the government's decision in 2010 to pay 58 million cedis (US\$34.45 mn.) in compensation on a 'financial engineering' contract to **Alfred Agbesi Woyome**. The controversy is dragging more and more officials into its vortex. What fuels the fire is that Woyome was the acknowledged financier of the governing National Democratic Congress (NDC).

The first head to roll was that of Attorney General **Martin Amidu** who announced, as the Woyome story was breaking, that some senior NDC members were guilty of 'gargantuan crimes'. Rather than test the evidence, NDC barons called for Amidu's summary dismissal. President **John Evans Atta Mills** duly obliged but also ordered the Economic and Organised Crime Office (EOCO) to investigate the Woyome payments. Any ambivalence towards corruption charges by Mills, whose reputation for personal integrity runs high, could prove politically disastrous.

The next alarm rang with the 27 January resignation of **Betty Mould-Idrissu**, who was Attorney General and Justice Minister when the payment to Woyome was authorised, first by Finance Ministry, then by Justice Ministry officials. Shortly after she approved the Woyome payments, she was moved sideways to the Education

Ministry. In its interim report on 2 February, the EOCO concluded that the payments to Woyome were wholly unjustified, that the officials who approved them were negligent and that Mills's instruction not to pay Woyome was ignored. That's bad news for Mills, who appears ineffectual if his orders can be so easily disregarded.

Mould-Idrissu, a former close ally of **Nana Konadu Agyeman Rawlings** and her husband, ex-President **Jerry John Rawlings**, switched to Mills when he faced a challenge from Nana Konadu for the NDC leadership in July (AC Vol 52 No 15). Such ructions are good news for the opposition New Patriotic Party and its presidential candidate, **Nana Addo Dankwa Akufo-Addo**. Last week, the NPP and its affiliate, the Alliance for Accountable Governance, led a mass protest in Accra. It wants to turn the tables on the NDC, which successfully campaigned against what it claimed were the NPP government's cronyism and indifference to voters in the run-up to the 2008 polls. If there are more 'Woyomes' in the pipeline, the tactic may yet succeed.

Gabon

UNITY IS FOR OTHERS

■ The Gabonese government preaches African unity but finds it harder to practice. After spending tens of millions of dollars on stadia and associated infrastructure, it has found holding (with **Equatorial Guinea**) the 2012 African Cup of Nations a sporting success but a political headache. Gabon hosts hundreds of thousands of West and Central African immigrants. Days before the tournament, police lorries were filled with men in *boubous* lined up in handcuffs until cooler heads decided to end the sweeps before the opening ceremony.

When the teams arrived in Bata, Malabo, Libreville and Franceville, they found that the accommodation approved by the Confederation of African Football was lacking. The **Burkinabè** team, lodged in a restaurant instead of an hotel, remarked that the Elephants of **Côte d'Ivoire**, who stayed at Malabo's Sofitel, must be the CAF's favourite. **Ghana's** Black Stars had to scour Franceville for a decent billet.

The organisers expected huge crowds for the opening Gabon versus **Niger** match at the **Chinese**-built *Stade de l'amitié* in north Libreville. The government had given students an unprecedented month's holiday so that they did not have to compete with tourists for taxis. However, the thousands of tourists did not materialise. The public complained that most people could not afford the 5,000 CFA franc (US\$10) ticket price. On the day of the match, officials and ruling party supporters were handing out hundreds of free tickets at the main city crossroads. The tickets were valid for two matches but by the time that the **Moroccan** and **Tunisian** players came out on to the pitch, the stadium had emptied.

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BLUE LINES

An apparently revitalised President Robert Mugabe has been displaying some of his old, subtle political form in recent weeks, since returning from his annual Asian winter holiday and medical check-ups. When the First Draft of the Constitution appeared on 10 February, hardliners went into knee-jerk attack mode – but he reined them in. When Prime Minister Morgan Tsvangirai wrote him a letter, the hotheads leaked it to discredit the MDC leader and please their own leader. Mugabe was decidedly displeased and tore a strip off those responsible.

Unlike many ZANU-PF loyalists, Mugabe knows that blind commitment to destroying the enemy is not in the best interests of the party at this delicate stage in the constitutional negotiations. The Southern Africa Development Community and the constitution-drafters cannot be goaled and only a fool would try to humiliate the SADC facilitator, President Jacob Zuma, ahead of his visit to Harare.

Mugabe's longer game is to encircle the enemy rather than charge him. He hopes to persuade his MDC coalition allies of the futility of the irksome and tedious constitutional process, and that both parties have a future together in a two-party state, a marriage of convenience. The more desperate MDC activists may agree to junk the constitutional talks and slug it out in an early election under the old rules. SADC could walk away. The ZANU-PF hotheads would cool off, the mediators might back off, and Mugabe could celebrate his 88th birthday this month in style.

SOMALIA/BRITAIN

No great expectations

British Prime Minister David Cameron's grand conference will bring together many parties but no one is forecasting a breakthrough

After two decades of political mayhem, Somalis and more perspicacious foreign diplomats are intensely sceptical about high-level conferences. Many approach the London Conference on Somalia on 23 February with muted hopes of any political advance and say that its most important contribution will be to raise the profile of Somalia's internal political and social crisis, plagued by intermittent conflict and chronic food shortage. **British** Prime Minister **David Cameron** and his Foreign Secretary **William Hague** have evidently succeeded on the promotion front. Thanks to the Foreign Office's invitations to Arab countries, it is the first big Somalia meeting in which several Muslim states are seriously involved.

The challenge to the London conference will be to go beyond the recent International Contact Group (ICG) on Somalia or the United Nations Security Council. Both those meetings endorsed policies decided elsewhere and seemed unable to assess why those policies are not working. Delegates in London could start the search for a strategy.

Announced by Cameron in late November 2011, the London Conference was supposed to offer fresh thinking on Somalia's current political dynamics. It promised to broaden the international representation in efforts to tackle Somalia's crisis and to strengthen the role of the UN there. Central to that is Special Representative of the Secretary General (SRSG), veteran **Tanzanian** diplomat **Augustine Philip Mahiga**.

Mahiga has held the fort in difficult times but is reticent about spelling out any vision of an eventual solution. He may take comfort from the support he receives from the East

African Community but he is prisoner of a dysfunctional UN Political Office on Somalia. UNPOS suffers from internal inefficiencies and rivalries, we hear. The Deputy SRSG, **Austrian** diplomat **Christian Manahl** (who worked in **Congo-Kinshasa** and **Sudan**), attempted reform but was outmanoeuvred and recently recalled to UN headquarters in New York, says a diplomatic source.

The UN Office is also obliged to pursue a political strategy that cannot survive the end of the transition period, when the writ of the Transitional Federal Government (TFG) ends on 23 August. What happens after that should – but may not – be central to discussions in London. Neither UNPOS nor the SRSG have spelled out how the future institutions might work nor have they publicly identified the emerging leaders who could manage the political transition.

THE DUAL-TRACK APPROACH

There seems to be a deep ambiguity about the 'dual-track' approach in Somalia. Pushed strongly by the **United States**, it involves recognising the so-called central authority of the TFG in Mogadishu but also showing a willingness to work with the local and regional entities in Somaliland and Puntland. Although the devolved authority of those two entities is widely accepted, UN officials have been slow to engage with them. It is diplomatically delicate: Somaliland is petitioning the UN for statehood but cannot get the African Union to recognise it, despite open support from **South Africa** and **Ghana**, and covert support from **Ethiopia**.

Most critically, the UNPOS lacks a political strategy to confront the *Haraka al Shabaab al*

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Mujahideen and translate recent military advances into political gains. Nor has it got a clear policy toward the encroachment of Kenya's and Ethiopia's armies in Somalia. Neither Nairobi nor Addis Ababa saw fit to tell the UN that they were sending their armies into Somalia, and have no interest in coordinating their plans with the UN.

The London Conference is not going to change any of that. The draft final communiqué, we understand, is nearly identical in substance to that of the ICG meeting in Djibouti on 5-6 February. The Conference appears to have been prompted by concern over the recent famine in Somalia and the Horn of Africa and by worry about the radicalisation of one of Somalia's largest diaspora communities just before the Olympic Games in July. The Conference lacked the preparatory groundwork needed to generate a new direction for international policy on Somalia, say its diplomatic critics. As *Africa Confidential* went to press, the 53 delegations expected will discuss the future of Somalia up to August, with little idea of what is to happen afterwards.

There is no strategy on how to confront *Al Shabaab* beyond the usual military and security policies. This includes a proposal to raise the number of troops in the African Union Mission in Somalia (Amisom) to 17,000. Nothing has been said about the unhealthy polarisation between the West and the Muslim countries (Qatar, Turkey and the United Arab Emirates) which are being put forward as new sources of funding. They complain they are under pressure to endorse strategic priorities that favour Ethiopia and the USA.

Although the preparatory meetings may not produce a groundbreaking conference, they did table important issues and obliged states to make their positions clear. The most striking example was the debate on *Al Shabaab*. Qatar, Turkey, the UAE and Scandinavian countries favoured engagement, and Britain and some other European countries looked interested. The USA, however, firmly opposed any further discussion of the idea, with strong backing from the Intergovernmental Authority on Development (IGAD, where Ethiopia has great influence). As has happened before, Britain immediately lost interest and the debate closed. Therefore, countries such as Qatar (which has been accused

by UN investigators of covertly arming *Al Shabaab* via Eritrea) may be moving towards negotiation but in the absence of any international framework.

The announcement of a conference in Istanbul in June to focus on development issues is a small consolation prize for interested Muslim governments. It risks being as irrelevant as the spring 2009 conference organised by the then SRSG, Ahmedou Ould Abdallah. Conferees were planning the reconstruction of Mogadishu in a five-star hotel in Istanbul as bloody war blazed in the Somali capital.

As daily clashes demonstrate, security in Mogadishu and towns liberated from *Al Shabaab* may not improve enough to allow ambitious reconstruction. The timing is also problematic. Western states, led by the US and Britain, seem to be rerunning their policies of early 2007 when they celebrated the Ethiopian intervention and the return of the TFG to Mogadishu. Then, Western states were not inclined to consolidate the TFG's return with the economic help which might have provided it with a sliver of legitimacy. If progress is to be made, the population needs to see quickly that economic benefits will follow any defeat of *Al Shabaab*. Complex institutional and political developments will not enthuse Somalis: after two decades of mayhem, they want financing for schools and clinics, as well as jobs.

AFTER AL SHABAAB

At the preparatory meetings for London, Amisom's recent military successes were celebrated but European diplomats did not hide their concern that there was no credible plan to fill a political vacuum left by a defeated *Al Shabaab*. The expansion of Amisom may result in more targets for the enemy than in more security, as in Afghanistan.

IGAD countries have already divided south-central Somalia into zones of influence with little consideration for history or Somali views: military planners do not factor in such niceties. Kenya will hold sway over Lower and Middle Juba, where the Ogaden clan is dominant, as it is in Kenyan Somali politics. Gedo is associated with Bay and Bakool and would constitute the best possible buffer zone for Ethiopia. Apart from Beled Weyne, which is currently allocated to Amisom's Djiboutian contingent, the least warlike of them, the Central Region will not benefit from an increased Amisom presence.

The proxy forces there get substantial support from Ethiopian and Western security services. Kenyan troops' inability to take over Kismayo or even Afmadow, plus the many clashes in Beled Weyne, could encourage a fight-back by *Al Shabaab*. If it successfully takes on the Kenyan and Ethiopian forces, together with their local proxies,

Al Shabaab could regain some of the popular support it has lost.

As for the TFG, the sole option offered for discussion is a new constitution. In any other country, the presence of four foreign armies, an ongoing civil war and the lack of a legitimate government – many see the TFG as a gang of looters – would not be the best moment for a highly polarised population to discuss a constitution. The SRSG and UNPOS downplay such limitations. Yet the institutional framework limits interaction with any Somali actors apart from the TFG. The question of who will enforce this new dispensation is unresolved, too. By making the constitution the only option available, the international community risks becoming hostage, again, to a chaotic constitutional process that cannot succeed in such a short time. This will also offer new opportunities to Islamist militants.

The London Conference will announce sanctions against spoilers intent on derailing the processes and corrupt officials. This is likely to fail and will trigger anger in Somalia, since the main targets are the more than 300 members of parliament who sacked the Speaker, Sharif Hasan Sheikh Adan, last December, although UNPOS still invites him to all international gatherings.

For years, the international community has threatened to take action against corrupt TFG ministers and MPs. None have ever come before a court although many pay tens of thousands of US dollars into their bank accounts in Western countries (especially Britain and the US) and buy property. Some of the spoilers may not be Somali but regional states. While IGAD presented itself as unified in the preparatory meetings, beyond the 1964 mutual Defence Pact against any Somali aggression, Ethiopia and Kenya do not share the same view of solutions. Will other governments sanction Addis Ababa or Nairobi because they put their own clients in charge in their 'liberated areas' instead of genuinely local representatives?

The Somaliland government is invited but will face bitter criticism if its delegates return with the usual set of pledges and counter-terrorist cooperation projects. Somalilanders and their backers in the UK, may resent that Galmudug (South Gaalkaayo) is ranked in protocol at the London Conference with Somaliland. In her excellent new book, *Getting Somalia Wrong*, BBC journalist Mary Harper points out that international conferences on Somalia 'have produced a succession of weak transitional governments which have paid lip-service to federalism but have tended to be highly centralised. They lack popular legitimacy because Somalis tend to see them as entirely foreign creations.' The London delegates will struggle to buck the trend. ●

CONGO-KINSHASA

The trouble after Katumba

The death of the country's quintessential dealmaker leaves its leadership confused and exposed

At the funeral wake on 13 February in Kinshasa for **Augustin Katumba Mwanke** were two men whose careers had critically depended on him: President **Joseph Kabila Kabange** and mining magnate **Dan Gertler**. Both men face growing challenges to their authority and awkward questions about the source of their vast personal wealth. They both benefitted from the financial and political skills of Katumba, who had died on the previous day when his executive jet crashed at Bukavu airport. Witnesses say Katumba was in the cockpit with the **American** pilot and co-pilot, who also died. Three more members of Kabila's team were seriously injured.

On 14 February, Kabila awarded him the *Ordre des héros nationaux*. He is only the third Congolese – after the late Prime Minister **Patrice Lumumba** and President **Laurent-Désiré Kabila** – to receive that honour. Katumba was the most influential and controversial figure in the 'parallel government' through which Kabila tries to run the country. He was 49, a Bemba from Pweto and a civil engineer by training. He organised the rebel group that brought Laurent Kabila to power in the civil war of 1996-97 and became his business advisor, using experience gained in **South Africa** working for Equator Bank and the mining equipment manufacturer Bateman.

As Governor of Katanga, in September 1998 Katumba signed the contracts that transferred 80% of shares in the mines and factories owned by the parastatal *Gécamines* to Ridgpoint, a **British** Virgin Islands-registered company controlled by the **Zimbabwean** entrepreneur **Billy Rautenbach**. Katumba also arranged a preferential deal for IDI Diamonds, a gem trader owned by his **Israeli** friend Dan Gertler. When Laurent Kabila was murdered in January 2001, Katumba took his son Joseph under his wing, becoming Minister in the Presidency responsible for state assets (while serving on the board of **Australia's** Anvil Mining until 2004).

He was forced out of the government by a United Nations report on the pillage of Congo-Kinshasa's natural resources, published in October 2002. Specifically, it said he had ordered the *Société Minière de Bakwanga* (Miba), 80% state-owned, to transfer funds to the presidency for arms purchases from Thomas CZ, of the **Czech Republic**. (That is why Augustin Katumba was nicknamed 'AK-47').

In 2003, Katumba arranged a monopoly for Emaxon, a company in which Gertler and **Chaim Leibovitz** had beneficial interests, to sell 80% of diamonds produced by Miba. Katumba then played a key role in two multibillion-dollar deals to companies linked to Gertler. In July 2006, Katumba was elected to Parliament for Kabila's *Parti du peuple pour la reconstruction et la démocratie* (PPRD) and soon became Executive Secretary of the *Alliance de la majorité présidentielle*. Two years later, he placed his uncle **Calixte Mukasa Kalembwe** as Chief Executive of *Gécamines*. Kinshasa gossips said governments were made and unmade in his furniture factory in the Ngaliema district.

A leaked **United States** diplomatic cable of May 2009 described Katumba as

'the only point of access' to the reclusive Kabila. He must now do without him but none of Katumba's would-be successors can rival his ruthless efficiency and his networks. Potential candidates would include **Matata Ponyo Mapon**, the Minister of Finance, who survived the crash that killed Katumba; Minister of State Assets **Jeannine Mabunda Lioko**; the Presidential Advisor on Mining, Energy and Hydrocarbons, **Clément Mubiayi Nkashama**; and the former President of the *Assemblée Nationale*, **Evariste Boshab**.

Close to the President's daily schedule are his Security Advisor, **Pierre Lumbi Okongo**, and his *Directeur de cabinet*, **Gustave Beya Siku**, but both lack Katumba's influence and experience. Some insiders tip Lumbi: his *Mouvement social pour le renouveau* won 27 seats in last year's parliamentary polls, coming after the PPRD and **Etienne Tshisekedi wa Mulumba's** *Union pour la démocratie et le progrès social*. Lumbi has advised Kabila on security matters but keeps his distance from the PPRD barons. He led negotiations with **Chinese** companies for the multibillion-dollar *Sino-congolaise des mines* (*Sicomines*) contract. ●

ENRC CONFIDES IN BRITISH POLICE

According to documents seen by *Africa Confidential*, the Eurasian Natural Resources Corporation has told the **British** authorities of its concern that its business associate **Dan Gertler** may have obtained mining assets in Congo-Kinshasa through criminality and corruption. ENRC, which is currently cooperating with an investigation by the Serious Fraud Office in London, submitted a Suspicious Activity Report to the UK's Serious Organised Crime Agency on 12 August 2010, saying that 'Herbert Smith [its lawyers] and ENRC suspect that there is a risk that the assets of the Highwind Group may have been obtained by corruption and the Transaction [that is, ENRC's purchase of the Kolwezi Tailings licence from Gertler] may facilitate the acquisition, use or control of criminal property by the Highwind Group/Dan Gertler and others and/or may result in corrupt payments being made to public officials.'

Just eight days later, ENRC announced that after exhaustive due diligence enquiries, it was buying 50.5% of Camrose Resources Limited for US\$175 million. All the shares in Camrose had belonged to the Gertler family trust; Camrose owned Highwind, which had bought 70% of the Kolwezi Tailings project from the Congo-K government for just \$60 mn. That's about 5% of the market value of the stake, according to international financial analysts. ENRC paid around 15% of the estimated market value of the mine. A spokesman for Dan Gertler International insisted that its companies never enjoyed 'free rides' in Congo and paid the 'true value' of all mining assets acquired.

A further complication was that President **Joseph Kabila's** government had seized the Kolwezi Tailings project from **Canada's** First Quantum Minerals before selling – or flipping – it to Gertler's companies at a knockdown price (AC Vol 51 No 13). First Quantum then launched a massive public relations campaign and legal actions against ENRC, Gertler and the Kabila government. It was only after Kabila won the disputed November 2011 election that the Canadian company agreed to a compensation deal (AC Vol 53 No 1). Under the deal, which is to be finalised on 29 February, ENRC is to pay \$1.25 billion to First Quantum for all its mining assets in Congo. In return, First Quantum will drop its lawsuits against ENRC, Kabila and Gertler.

ENRC is negotiating to buy the Frontier and Lonshi mines, formerly operated by First Quantum and then seized by the Congo government and sold for \$60 mn. to companies linked to Gertler: Fortune Ahead, Sandro and Garetto. That's less than 8% of their market value, according to researchers at environmental campaigners Global Witness. As new regulations in Britain demand more corporate disclosure, London-listed ENRC could now face bigger obstacles in its search for bargain deals in the Congo. ●

SOUTH AFRICA

The state of Zuma's nation

The promises sound good but money may be short as the President stakes his claim to another term at the helm

President **Jacob Zuma** gave his third, and best, State of the Nation Address to a joint session of Parliament on 9 February. To show their growing power, the intelligence services took over security for the event and locked down Cape Town. Many streets were closed, there were snipers on roofs near Parliament and military vehicles perched menacingly along the main road into town. The President and his first wife **Sizakele Zuma** (known as **MaKhumalo**) arrived in a custom-made bullet-proof vehicle. At Parliament, the oppressive security arrangements were offset by the politicians' customary fashion parade.

Structured in short, pithy sentences, the address broke with Zuma's usual discursive style. Zulu phrases, some scripted and some not, showed a man at ease with himself and his origins, in contrast to his predecessor **Thabo Mbeki's** buttoned-up English style. The best, unscripted, Zulu offering was an appeal to members of parliament to take more exercise, as Health Minister **Pakishe Aaron Motsoaledi** advises. Motioning outwards from his chest at the ample forms in front of him, Zuma said, *'Singabe sidla nje siloku sinwebeka sinwebeka'* ('We shouldn't just eat and balloon and balloon'). Later, this took on fresh meaning when guests had to wait hours for their ceremonial dinner.

A year ago, the fiery African National Congress Youth League President **Julius Malema** seemed at the height of his power, with Zuma apparently unable or unwilling to rein him in. Days before Zuma's speech, Malema lost his appeal against a sentence imposed in October 2011 by the ANC's disciplinary committee, which found him guilty of misconduct. Also found guilty were ANCYL Spokesman **Floyd Shivambu** and Secretary General **Sindiso Magaqa**. After they present pleas in mitigation, the committee will give a sentence likely to include suspension from the party.

Malema has been reaching out to Mbeki, whom he once called 'a snake'. Malema's most powerful backer, ANC Treasurer General **Mathews Phosa**, makes plain his opposition to Zuma. Limpopo Premier **Cassel Mathale** is furious that, citing maladministration, Finance Minister **Pravin Gordhan** has sent in a team from the Treasury to run five Limpopo government departments. With Malema set to be booted out, Limpopo's books being audited and details of Mathale's lavish spending habits leaking all over the newspapers, Zuma's position within the ANC has strengthened.

Yet he faces a tough campaign for a second term as ANC President at the party's National Conference at Mangaung in December. If he wins, he is assured of

another five years in power after a general election in 2014.

Phosa and Human Settlements Minister **Tokyo Sexwale** are openly hostile to Zuma and want the popular Deputy President, **Kgalema Motlanthe**, to replace him in December, while they marshal their own forces for the future. No one knows whether Motlanthe has the desire or the drive to take on the Zuma machine, with its loyalists in the intelligence services and a formidable provincial base in KwaZulu-Natal. Two of the more credible, longer-term presidential candidates come from KZN, Premier **Zweli Mkhize** and Justice Minister **Jeff Radebe**, but have no interest in breaking with Zuma before 2014.

Zuma referred to the constitution as South Africa's 'fundamental vision statement'. Yet the government has promised to review the contribution of Constitutional Court judgements to 'transformation'. Zuma told a newspaper on 13 February: 'We don't want to review the Constitutional Court, we want to review its powers.' Such talk worries liberals. He then spoke of a 'developmental state' to 'lead and guide the economy' and 'intervene in the interests of the poor'. This was to reassure the Congress of South African Trade Unions and the South African Communist Party that Zuma's heart lies left-of-centre.

In the debate on the speech, **Lindiwe Mazibuko**, parliamentary leader of the Democratic Alliance, accused the government of not having the money to implement the five projects announced. She claimed it was at least 300 billion rand (US\$38 bn.) short and challenged Gordhan to explain the finances in his budget speech, due on 22 February. The 5.5% budget deficit which the Treasury forecast in October was premised on 3.4% gross domestic product growth in 2012. Gordhan admitted last month that growth might be under 3%. Demand from Europe, the biggest market for exports, is feeble and domestic woes include an energy shortage that the state power utility, Eskom, expects to peak in April. Even if the main energy guzzlers, mostly in mining and manufacturing, can cut consumption, the impact on output and growth is likely to be negative.

Eskom wants to hike electricity prices by 25% to finance its capital expenditure. Reserve Bank Governor **Gill Marcus** warns that this could boost inflation. Zuma says it is necessary for Eskom's viability and for electricity to remain affordable. If the government is to proceed with its infrastructure plans and revamp the struggling health service, it must increase borrowing. Bond yields will suffer if it borrows too heavily, jacking up interest rates and damaging its reputation with the markets, an outcome to which Gordhan has a decidedly neo-liberal aversion. ●

BIG PROJECTS, MONEY PRESSURES

Central to President **Jacob Zuma's** plans for 2012 is a massive infrastructure development programme. It is to be driven and overseen by the Presidential Infrastructure Coordinating Commission (PICC), headed by Zuma and consisting of government officials without a technocrat, private sector or civil society representative in sight. Five strategic projects, none of them new, are intended to develop the economy and create jobs – a welcome change from previous fanciful promises, such as 2011's 'five million jobs by 2020'.

The first project, in Limpopo, proposes a rail link between the booming Waterberg coal fields in the west of the province and an existing railhead at Steelpoort in the east. Transnet Freight Rail's Chief Executive Officer, **Siyabonga Gama**, confirmed in October that the project would go ahead. The second project – to improve transport between Gauteng Province, the Free State and Durban – envisages a high-speed railway between Durban and Johannesburg, as mooted in 2010.

For the troubled Eastern Cape, Zuma promised a 'new South-Eastern node', to favour industry and agriculture, with better transport to the Northern Cape and KwaZulu-Natal and a promised dam on the Umzimvubu River. The remaining two projects would improve infrastructure in the North-West Province and expand an iron-ore railway between the Sishen mine in Northern Cape and Saldanha Bay in the Western Cape.

Zuma wants to see 'cranes everywhere' and promised a new Infrastructure Development Act to speed things up. Public Enterprises Minister **Malusi Gigaba** will have to authorise billions of rand in expenditure. His political stature will grow as he spends. We hear that Gigaba will run for a senior party position at the National Conference. ●

SIERRA LEONE

Early exit for UN envoy

President Koroma falls out with a top diplomat over allegations of political interference

United Nations Secretary General **Ban Ki-moon** closed the door on a bitter dispute with the government of President **Ernest Bai Koroma** by recalling his Executive Representative for the UN Integrated Peacebuilding Office in Sierra Leone, **Michael von der Schulenburg**, on 2 February. Koroma had grown increasingly angry at what he and his supporters saw as Unipil's unwarranted interference in local politics. The UN believed it was defending the peacebuilding process and helping to pave the way to free and fair elections.

In an internal memorandum of 22 December which was leaked to Reuters on 13 February, Schulenburg warned that the UN's credibility and its record in Sierra Leone would be undermined if it caved in to the pressure to remove him. 'There can be little doubt that the decision by the President to force my early departure will be seen – rightly or wrongly – by virtually every Sierra Leonean as an effort to remove a potential obstacle to his re-election and as opening the door to manipulating the election outcome in his favor,' he went on. The government denies any role in forcing Schulenburg's recall.

In post since 2008, Schulenburg initially had excellent relations with Koroma, the two men apparently having mutual respect and speaking every day on the telephone. Yet relations deteriorated after Schulenburg criticised government plans – at first in private to Koroma – to hold inquests into extra-judicial killings of 29 people in 1992, at the start of the four-year rule of the National Provisional Ruling Council (NPRC) military junta. In 2004, Sierra Leone's Truth and Reconciliation Commission recommended drawing a line under the killings (AC Vol 53 No 1). Koroma agreed not to pursue the inquests and renewed that promise privately to Ban when he visited the country in June 2010, a UN source said.

The issue of the inquests then lay dormant until 31 July 2011, when **Julius Maada Bio** won the nomination as candidate for the opposition Sierra Leone People's Party in the November 2012 presidential election. The governing All People's Congress then revived calls for the inquests. Brigadier General (Retired) Bio, who ended military rule to usher in elections, was a member of the NPRC at the time of the killings. Some observers said that Koroma had earlier been ready

to abandon the inquests since he believed that Bio would lose the SLPP nomination to former Mines Ministry official **Usman ('Usu') Boie Kamara**. The APC perhaps believes that Bio is a strong challenger to Koroma in the poll and wants to use the inquests against him. Schulenburg's earlier call not to pursue the inquests made him the target of a wave of abuse from the government and its supporters. Some accused him of mentoring and financing the opposition; others compared him to **Adolf Hitler**. Ban took the revival of the inquests issue as a breach of Koroma's personal commitment, UN sources say.

The next stage in the row came as Schulenburg presented his Seventh Report of the Secretary General on Sierra Leone to the UN Security Council in September. Maada Bio's apology for the crimes of the NPRC junta should be accepted, he said, welcoming the fact that 'some of those who have been involved in previously undemocratic governments are now taking part in today's democratic political life.' He continued, 'I applaud the clear and unambivalent words by President Koroma in his 50th anniversary speech that Sierra Leone has learned a bitter lesson and will not repeat past mistakes. I feel these words could guide the political discourse in the country. The 2012 elections must not become hostage of the past.'

BANGURA GOES TO NEW YORK

Nevertheless, on 21 September, Koroma arrived in New York at the head of Sierra Leone's delegation to the 66th UN General Assembly, only nine days after Schulenburg's report to the UNSC. The conflict continued to escalate. **Mohamed Bangura**, leader of a new party, the United Democratic Movement, came to New York at the same time. The government denied claims that he was in the UN delegation. Bangura is widely believed to be very close to Koroma and to have received funding from the APC to found the UDM so it can act as a stalking horse on certain issues. While in the **United States**, Bangura complained about Schulenburg's alleged interference, claiming he had proof of the UN official's support for the opposition.

The APC later distanced itself from Bangura, criticising his attack on Schulenburg but significantly, say analysts in Freetown, not disowning the allegations against him. An APC spokesperson merely said he did not know the truth about them.

In mid-December, the UN took the Sierra Leonean media to task for their insistent and unrelenting attacks on Schulenburg, with **Canada's UN Ambassador, Guillermo E. Rishchynski**, calling them 'most uncalled for and unfortunate', adding that they 'undermine Sierra Leone's image'. Many of the media concerned are strong supporters of the President.

The UN had hoped to avoid changing ambassadors but the rancour continued to build. At November's mining investment forum in Freetown, Schulenburg and Koroma pointedly ignored each other. The UN representative had previously publicly criticised the terms of a mining contract the government had signed, which observers took to refer to the deal with London Mining, and that may also have angered Koroma (AC Vol 52 No 13).

At the mining meeting, Schulenburg continued to call for greater transparency in government dealings with mining and oil companies. He considers this crucial to Sierra Leone's future stability. In a confidential memo seen by *Africa Confidential*, he warned Ban of the risks of the country's public spending going out of control unless there was better discipline in mining and petroleum revenue management. 'Unrealistic expectations', he wrote, 'could lead to imprudent public investment decisions and a failing budgetary discipline that in turn would create only new dependencies.'

There has been criticism of the government spending in anticipation of revenue it had not yet received and which may be lower than predicted. Two weeks after the investment forum, in early December, Foreign Minister **Joseph Bandabla Dauda** asked the UN to recall Schulenburg, we hear. The government denies playing any role in the Ambassador's recall.

The UN made private efforts at reconciliation but Koroma could not be swayed, a UN source said. Rishchynski, who is also head of the Peacebuilding Commission Configuration for Sierra Leone, sent word to Koroma that he was coming to try to mend fences. Then, though, the government leaked to the local press that Schulenburg was going back to New York. Koroma refused to discuss the matter with Rishchynski and left the country shortly after the diplomat landed in Freetown. Schulenburg's formal recall followed shortly after.

The post is now effectively a lame-duck position for the UN. Ban has been looking for retired officers or those about to leave UN service to take it up. Announcing Schulenburg's recall, Ban thanked him for his 'open and fruitful work with all sections of the Sierra Leonean society including with political parties and stakeholders [and] his effective cooperation with the Peacebuilding Commission'. ●

ANALYSIS

GUINEA/MINING

The gamble for Simandou

Brazilian mining conglomerate Vale is keeping its operations under close review, after threatening to sell its investments in Guinea last month. After tough talks with its minority partner and President Alpha Condé's government, Vale has for now pulled back from the brink. Yet it still has grave misgivings about the terms and conditions of a project in which it may have to invest as much as US\$10 billion for a stake in one of the world's richest iron-ore mines.

VALE'S AMBIVALENCE

The financial firm JP Morgan estimates that Simandou's Vale-controlled blocks can produce 50 mn. tonnes of ore annually by 2020. That compares favourably with the output of South Africa's Kumba Iron Ore, the continent's biggest producer. International financier **George Soros** has a special role in the drama. He advised Condé's government on a revised mining code with better benefits for the state, including a 15% free-carried interest in mining projects and an option to buy a further 20% stake at market prices.

The new mining code was adopted in September 2011 by the National Transition Council, which operates as an unelected parliament. A source in the Ministry of Mines tells us that the amendments would mainly affect government charges, especially customs duties and the tax on bauxite. Technical studies are under way, in consultation with outside experts; the Mines Minister insists the aim is to reassure investors. As world aluminium prices declined, the giant BHP Billiton, seeing a threat to its bauxite project in the Boffa region, pulled out in January. Guinea is negotiating with the state-owned **China Power Investment** to develop a bauxite mine and build an alumina refinery, deep-water port and a power plant for a project costing nearly US\$6 billion. The new code was ratified over a year after Vale signed its \$2.5 bn. iron-ore deal in April 2010 and it is the root cause of the **Brazilian** miner's ambivalence about staying in Guinea, according to people involved in negotiations between the government, Vale and Vale's minority partner, **Beny Steinmetz Group Resources (BSGR)**.

There is also concern about the dangers of a review of

mining licences, which Conakry announced last year but has not yet begun. Recent comments by new Mines Minister **Mohamed Lamine Fofana** suggest that BSGR's original deal and its subsequent deal with Vale, completed under two separate previous governments, will come under special scrutiny. Vale's investment is in Simandou, the rich iron-ore concession also mined by multinational Rio Tinto. Vale's relations with Conakry have sharply deteriorated, we understand. Its executives are not convinced that they will see an acceptable return on the initial planned \$2.5 bn. investment if the new code, including higher royalty rates, is fully enforced.

Vale's 51% interest in Simandou's two northern blocks is shared in joint venture by the Geneva-based BSRG, with 49%. BSGR's biggest shareholder is a family trust of diamond heir **Beny Steinmetz**. Although he has no formal role, having structured the company as a trust on whose board he does not sit, he is known for his prominent role in politically-charged mining deals in **Angola** and **Congo-Kinshasa** (AC passim). Steinmetz, with a net worth of \$6 bn. according to *Forbes* magazine, has incurred the wrath of rival multinational mining companies, which accuse him of high-level skulduggery. Steinmetz denies any wrongdoing.

Vale has delayed developing Simandou in the two years since its \$2.5 bn. deal with BSGR. This tumultuous period has seen a shake-up of top management at Vale, in addition to two Guinean governments and a radical new mining code. The Condé government has been attempting to 'retrocede' or reclaim half of the Vale/BSGR concession at Simandou. It remains unclear whether the President has authorised this or whether it is merely a threat by a politician or faction. The grounds on which the government would demand retrocession also remain unclear.

RETROCESSION

Previous governments have used retrocession as a tactic to try to speed up the development of Simandou, which after 15 years of exploration and development is still not a working mine. Rio Tinto held exploration licences for all four blocks from 1997 and converted them to a mining concession in 2006. However, President **Lansana Conté**, on his deathbed and surrounded by his wives and courtiers, authorised the retrocession of blocks 1 and 2. The government claimed that Rio Tinto had waited too long to develop the deposit. Then just days before the death of Conté in December 2008, the then Mines Minister, **Mahmoud Thiam**, announced that the exploration rights on blocks 1 and 2 were to be transferred from Rio Tinto to Steinmetz's BSRG.

Within a year, BSRG won formal mining rights but successive military regimes refused to issue a presidential decree establishing the firm's full legal rights to the concession, say industry sources. Steinmetz sold a majority stake in the blocks to Vale for \$500 mn. up front, with a further \$2 bn. payable as the project advanced toward completion. BSGR's prospects of receiving full payment now appear as uncertain as its partner's prospects in Guinea.

This month, Fofana claimed at the African Mining Indaba in Cape Town, South Africa, that BSGR 'didn't follow the law' when striking its profitable deal with Vale. 'If you want to bring someone in, you have to follow the law,' the Minister said, without specifying which laws BSGR had broken. He went on to place his government's scrutiny of the Vale deal in the context of a broader review of mining licences, announced last year. 'Their treatment will depend on the results of the review,' he said, referring to BSGR.

**GUINEA'S SIMANDOU IRON-ORE PROJECT:
THE PLANNED RAILWAYS AND EXPORT TERMINALS**



'If the results show that the infringement merits cancellation, that will happen; if not, it won't.' Officials believe Guinea did not receive a fair share of BSGR's \$2.5 bn. profits and have pressured the share part of the \$500 mn. it made.

Any breakdown in the Vale/BSGR partnership presents opportunities for Chinese and other investors keen to gain a foothold in West Africa's richest iron-ore concession. The Aluminium Corporation of China (Chinalco) has agreed a \$1.35 bn. deal with Rio Tinto, which retains control of Simandou blocks 3 and 4. Chinalco plans to be a 47% partner in the Rio-controlled half. Yet two years ago, say sources in Guinea, Chinalco came close to signing a deal with BSGR and 'playing the Vale role' in the other half of Simandou. This would have put Chinalco in direct competition with Rio – even though Chinalco is Rio Tinto's largest shareholder. China's appetite for a bigger role at Simandou is clear. Chinalco's interest comes as Beijing continues to invest in Africa's natural resources. A state-owned steel company, Baosteel Group Corporation, has invested in a Guinean railway venture. We hear it also wants a stake in Simandou.

PRAGMATISM, THE NAME OF THE GAME

Vale's decision to continue in Guinea may depend more on cold cash than heated intrigues and perceptions of political risk. The Soros-linked reforms to the mining code have challenged the economics of Guinean mining projects, especially iron ore. The ore for steelmaking still sells at very high prices, inspiring resource nationalism in iron-ore producers such as Guinea. Yet the price is widely forecast to fall over the next five years, when both halves of Simandou are scheduled to start production.

Vale is looking at a project that stands to make it less money than forecast because of higher taxes, higher government participation and lower iron-ore prices. Those worries come before the manifold legal and political risks surrounding Simandou, which will turn into a mine only after the company commits billions of dollars to build mining, rail and port.

It is unclear how much of the code will be revisited or watered down. Soon after passing the law, the government announced it would reconsider certain provisions. Bauxite royalties are the only area where it appears willing to compromise. Guinea is the world's biggest exporter of bauxite, a lower-value ore than iron that may be less competitive in global markets if the royalty rate doubles or triples. Conakry is unlikely to revisit the tax structure for iron. For large companies like Vale that work to decades-long, multibillion-dollar development plans, the advantages of predictability often outweigh tax breaks.

Vale is expected to build not only a mine complex but also a railway to the sea. The easiest export route is a refurbished railway from Liberia's hinterland down to Buchanan port. Nevertheless, Vale and BSGR have proposed a new railway and port, both able to handle more tonnage than the old railway. Steinmetz says Guinea has secured transit rights for that route, although recent pronouncements from Conakry and Monrovia have raised doubts about that. The estimated cost is several billion dollars, depending on the route.

'We know that most of the mining companies with business in Guinea are also very concerned about the new [mining] law. We need a lot more clarification,' Vale's Chief Executive Officer, **Murilo Ferreira**, told reporters. This came amid talk that Vale's Rio de Janeiro head office was cooling

towards its African investments. Vale has been successful in **Mozambique**, where it recently brought the Moatize coalfields into production. Its enthusiasm for Africa, though, is associated more with its previous CEO, **Roger Agnelli**, who left last year, than with today's management. Its future in Guinea may become a test case of resource nationalism in Africa. If the new code prevails, Guinea will gain more from foreign mining investment. Yet by attempting to gain more, it may deter the firms it counts on to exploit resources. Simandou is a mountain with a few drill rigs in an inaccessible corner of the interior. It adds nothing to the tax base because there are no mines yet.

Although the new mining code might be a deal-breaker for Vale, Rio Tinto appears to have made peace with the changes. Last year, it agreed to grant the government a 15% free-carried stake in its blocks plus an earn-in option for an additional 20%. Rio also paid Guinea \$700 mn. in cash to settle outstanding questions about its rights to blocks 3 and 4, which had technically expired under mysterious circumstances. Rio appears to believe its investment can survive the state claw-ins. It says its consortium would build a 650-kilometre railway from Simandou to a new port south of Conakry, with four berths to handle 95 mn. tn. of ore a year. In November, Rio described Simandou, the railway and port, as the largest integrated mining project in Africa and said its estimated investment would be around \$10 bn. Vale would have to make commitments on a similar scale.

Rio Tinto has perhaps regained its status as favoured foreign mining investor and may be in a position to buy back the two blocks that it lost four years ago, when it seemed as frustrated as Vale does now. Yet if Vale makes good on its threats to sell out of Simandou, Rio would have to queue alongside its Chinese co-investors. Chinalco, Baosteel and others are keen to take their turn at the high-risk game of Simandou. They may feel encouraged – or otherwise – that the former Mines Minister Thiam, who negotiated the 2008 deal on Simandou 3 and 4 for Steinmetz, is now a Director of the wealthy China International Fund. Yet, in Conakry, as in Monte Carlo, the house usually wins. ●

CONDÉ TAKES ON THE ARMY AND OPPOSITION

Hard choices confront President **Alpha Condé** as he comes under pressure to set a date for parliamentary elections this year. Polling was postponed from November 2011, after Condé and the opposition parties failed to reach agreement over electoral registration and guarantees of the independence of the electoral authority. More ticklish still, it must deal with allegations against serving officers following the massacre by security forces in September 2009 (AC Vol 50 No 20). Since he came to power after winning the second round of the presidential election in November 2010, Condé has viewed the military with suspicion. His concern intensified after a band of dissatisfied, retired members of the Presidential Guard attacked his house last July.

Many Guineans believed the official investigation of the killings would be hushed up, partly because some of the suspects were supporters of Condé. Yet on 8 February, a court confirmed charges against Lieutenant Colonel **Moussa Tiegboro Camara** for his role in killing at least 150 people (some of them cut open with machetes) and the rape of at least 108 women (often with rifles and clubs). The brutal affair took place in Conakry's main stadium under the junta of Captain **Moussa Dadis Camara** (AC Vol 50 No 1). The killers were red-bereted troops of the Presidential Guard, led by Lt. **Aboubacar Sidiki Diakité** (aka **Toumba**), along with gendarmes of the special gangs and drugs unit, led by Camara, and others in civilian clothes.

The legal moves have angered many officers and come as the promised 'national dialogue' looks shaky. Opposition parties threaten a general strike against what they call the government's authoritarianism and disregard for human rights. A specific grievance was the arrest of four opposition leaders, including **Mamadou Bano Sow** of **Cellou Dalein Diallo's Union des forces démocratiques de Guinée**. The men were held then released in farcical circumstances that embittered the political climate. The opposition also wants sweeping reform of the *Commission électorale nationale indépendante*, revision of the electoral registers instead of a national census and an end to official violence against political opponents and the press. Both sides now seem willing to accept an audit of the electoral register, opening the way to elections to restore democratic rule. ●

GHANA

Who paid whom for what?

Ministers have lost their jobs, the President's anti-corruption halo is tarnished and the scandals are running out of control

The deepening row over **Alfred Agbesi Woyome's** financing of the governing National Democratic Congress (NDC) is a nightmare for President **John Atta Mills's** re-election campaign. The scandal has undermined one of Mills's strongest electoral assets: that he is a man of irreproachable personal integrity whose modest demeanour gives him a natural bond with the average Ghanaian on the *tro-tro*. The government's management of the affair has been defensive and cack-handed, if not outright dishonest.

The arrest and detention of Woyome on fraud charges on 6 February has prompted further revelations about beneficiaries of his largesse. Most but not all the recipients of Woyome's funds have been from the NDC. His arrest came after Mills ordered the Economic and Organised Crime Office (EOCO) to investigate payments of 'judgement debts' to individuals and companies (AC Vol 53 No 3). These are payments made after contractors have petitioned government to meet what they claim are outstanding invoices for goods and services provided to the state. If the government contests

the claims, the cases are then heard in the commercial courts.

Paying such debts has cost the government 640 million cedis (US\$380.7 mn.) over the past three years, with arrears still outstanding. Some debts stretch back to commercial disputes over 15 years old. The opposition New Patriotic Party (NPP) will be watching to see if future audits pick up more cases of bizarre payments, although it says it robustly contested all such claims when it was in power.

Woyome's claim for C51 mn. (\$30 mn.) for 'financial engineering' consultancy work on a project to build three football stadia and health centres was initially contested by government officials. However when Woyome took the case to court, officials in the Ministry of Finance and Economic Planning (MOFEP) and the Attorney General's Department of the Justice Ministry told the presiding judge they would not contest the claims. The government at first said that Mills had known nothing about the payments. Then the EOCO reported that he had specifically instructed officials not to pay Woyome because he questioned the legal

basis for the claims. Extraordinarily, the officials ignored Mills's instruction and paid off Woyome in instalments between September 2010 and September 2011.

A MOFEP legal officer and a chief state attorney were also detained on the recommendation of EOCO, which found that the state attorney's wife had received C400,000 from one of Woyome's accounts. Predictably, the NPP has accused Mills of negligence and incompetence. Yet some of their own members of parliament and officials have, by their own admission, received money from Woyome.

One report, so far unchallenged, claims that Woyome took a loan from a bank with links to a top government official and repaid it with C4.85 mn. from the proceeds of his judgement. The bank, the report says, attempted to conceal the transaction. Later reports say that although EOCO has frozen Woyome's company accounts with the bank, no government official interfered or intervened in the credit transaction.

One NPP member also claims that payments of several million cedis have been made from accounts held by Woyome since the NDC came to power in December 2008, some directly to the party: C30 mn. to contractors for a new party headquarters in central Accra, C2.5 mn. to the seat of government at Osu Castle, and C5 mn. to the state-owned Ghana Broadcasting Corporation (GBC). It also claims that another undisclosed sum was used to sponsor hundreds of supporters of the national football team to watch the World Cup in June 2010.

NDC Chairman **Kwabena Adjei Agyepong** made clear his dissatisfaction with the Castle's handling of the saga and claims his life has been threatened.

Woyome accuses his investigators of a witch-hunt, complaining that the EOCO, before which he had voluntarily appeared to clear his name, is 'attempting to conduct a virtual retrial of a lawsuit that has been determined by a court of competent jurisdiction'. He spoke of 'the unhidden intent to demonise me... when the fact exists that judgement debts have been paid in the past to a host of people and institutions by this [NDC] government, in respect of liabilities incurred by the previous Kufuor-led NPP administration'.

There are constitutional implications for all major parties. For the first time under the 1992 constitution, the executive has been forced to investigate itself. The use of EOCO to investigate creates a conflict of interest between Osu Castle (seat of government) and the law enforcement agencies, as EOCO reports directly to the AG's Department. As a result of the recommendations of EOCO, which is led by **Biadela Mortey Akpadzi**, four civilians have been arrested, effectively on the direct orders of the President. ●

THE WOYOME SCANDAL AND ITS CASUALTIES

The Woyome scandal has so far claimed two cabinet ministers. The Education Minister and former Attorney General, **Betty Mould-Iddrisu**, resigned on 23 January, after her successor as AG, **Martin A. B. K. Amidu**, was fired on 19 January for 'misconduct'. His dismissal – before which he made public claims that his life had been threatened and 'gargantuan crimes' against the state committed by an unnamed cabinet colleague – had triggered a crisis in the governing party just as a final pre-election ministerial reshuffle was being planned. That is now on hold. Mould-Iddrisu and one of her predecessors as AG, **Joe Ghartey**, have voluntarily made statements to the police and to Parliament's Public Accounts Committee (PAC), which first learned of the judgement debt payments in a report by the Auditor General, **Richard O. Quartey**.

Mould-Iddrisu has consistently argued that she asked the courts to stop the payments to Woyome when she realised her department had made an error in failing to contest them and that the matter was out of her hands by the time she was transferred to the Education Ministry. Ex-President **John Agyekum Kufuor** and three former NPP ministers have agreed to appear before the PAC. They deny that Woyome ever had a 'financial engineering' contract with their government to rehabilitate three football stadia before Ghana hosted the Africa Cup of Nations football tournament in 2008.

The NPP's barbs have been blunted by revelations that two of its own senior politicians, **Nana Oleg Akomea** and **Osei Bonsu Amoah**, have either benefited directly from Woyome's largesse or channelled it to their party when it was in power in 2000-08. Both men concede that they received funds from Woyome; one says he gave a receipt.

A journalist hostile to the NPP claims that Woyome's support went much further and involved financing the campaign of one of the party's top presidential contenders and the payment of some US\$500,000 into the private account of a senior party figure. Yet nobody has established a link between Woyome's sponsorship of NPP politicians and any benefits from the then NPP government. ●

MALI

Libyan arms fuel Tuareg revolt

Mali has rapidly moved from peaceful political campaigning to bloody military confrontation and inter-communal strife

Battle-hardened fighters of the *Mouvement national pour la libération de l'Azawad* – equipped with heavy weapons they brought back from **Libya** – are confronting the Malian army in hard combat for the control of key towns. Well-led and highly experienced, the Tuareg MNLA launched its offensive in January, having returned to Mali late in 2011 from the defence of Bani Walid, the last stronghold of forces loyal to the late Libyan leader, Colonel **Moammar el Gaddafi** (AC Vol 52 No 18).

The conflict is already provoking a backlash against Tuareg people in the south and angry crowds have attacked the homes and businesses of Tuareg living in Bamako and the nearby garrison town of Kati. This followed the news that rebels who had briefly taken over the remote Aguelhok military base had killed over 80 captured soldiers in cold blood. The growing tension has also seen the re-emergence of Gandakoye, which claims to defend the settled peoples of the north, such as Peulh (Fulani) and Songhai. It is fuelled by resentment of the MNLA campaign and the ongoing attacks and kidnaps by *Al Qaida* in the Islamic Maghreb. AQIM's operations, however, are tiny compared to the MNLA's.

The army fought fierce gun-battles with the MNLA in January over the towns of Ménaka and Tessalit. Reports conflict, however. Some say the government successfully defended the towns, others that MNLA has controlled Ménaka since the New Year and installed a 'government' there. A former minister under the **Moussa Traoré** regime (1968-1991) who later became an advisor to President **Alpha Oumar Konaré** (1992-2002), **Hama ag Mahmoud**, has been declared 'head of state of the Azawad' in Ménaka.

On the propaganda front, the media-savvy voices of the MNLA are already alert to the danger of being associated with AQIM or other strands of jihadism. 'We have nothing to do with AQIM. We want to create a secular republic, the "secular republic of Azawad"', rebel Spokesman **Moussa ag Assarid** told TF1 television in **France**, seven of whose citizens are currently held hostage by jihadists in Mali.

The MNLA also distances itself from Tuareg notables who are suspected of stirring up insecurity as a means of defending their interests in trans-Saharan

smuggling. In particular, the MNLA is putting clear blue water between itself and the early February talks in Algiers between the Malian government and *Alliance démocratique du 23 mai pour le changement*. The ADC is a broad group including some leaders of the mid-2000s Tuareg mini-uprisings such as **Iyad ag Ghali**, **Ahmada ag Bibi** and **Zeidane ag Sidalamine**, a diplomat and former leader of the 1990s rebellion.

MNLA TRIES MULTI-ETHNICITY

The MNLA accuses these men of enriching themselves at the expense of the Tuareg people and says they do not speak for them. Ghali, once a key advisor to President **Amadou Toumani Touré**, fell under the spell of Islamist radicals while a diplomat in **Saudi Arabia** and has

now founded a Salafist group of fighters of his own.

The MNLA is also trying to avoid accusations of pursuing an ethnic cause at the expense of the people of northern Mali as a whole. Sympathetic media outlets have started to describe its army as 'multi-ethnic' and a prominent defector from the government, Colonel **Hassane ag Mehdi** aka '**Jimmy le rebelle**', has called on 'all the sons of Azawad, Songhai, Arab, Tamashek and Peulh' to join the MNLA. Mehdi is now under arrest after fleeing to **Burkina Faso**.

Candidates in the April-May presidential election have turned their campaigns down to a simmer so as to focus on tackling a conflict which – as one of the favourites, **Ibrahim Boubacar Keïta**, recognises – has the potential to shred the broad consensus and spirit of compromise which has underpinned Malian democracy.

The focus on dialogue and consensus-building is very much in the Malian political tradition but whether this will wash with the MNLA's soldier-leaders – schooled in the *Machtpolitik* of Gaddafi's world, where many spent decades – is a moot point. ●

MNLA'S DEADLY MOBILITY

Attacks by the *Mouvement national pour la libération de l'Azawad* (MNLA) have been not only fierce but well planned. The late January assault on Ménaka, in the far south-east near **Niger**, was followed by operations against Tessalit and Aguelhok, 500-600 kilometres to the north, near the **Algerian** border. The aim was clearly to divide government forces and cause confusion. Then, the rebels attacked Léré, over 700 km. to the south-west, near the **Mauritanian** border, and Niafounké, near Timbuktu. After the Léré attack, some 1,000 civilians fled into Mauritania. The army has deployed five helicopter gunships to try to push back forces threatening Kidal, capital of the Malian Sahara.

In this highly mobile war in a remote region, reliable information about the military situation is hard to obtain. Both sides claimed victory after fighting between rebels and an army column sent to relieve the pressure on Tessalit under the command of Major General **Alhaji ag Gamou**, President **Amadou Toumani Touré**'s Deputy Chief of Staff.

The MNLA leader is believed to be **Mohammed Ag Najem**, a Tuareg former professional officer in **Moammar el Gaddafi**'s armed forces. At a young age he is believed to have emigrated to **Libya**, joined the military there and been deployed in some of Libya's foreign military conflicts, such as the 1980s war in **Chad**. He and the fighters who served in Libya as regular soldiers will make formidable foes.

When they returned to Mali, with speculation rife about how they crossed Algeria or Niger to get there, the government's initial response was to offer talks. Confronted by large numbers of heavily armed men, Touré's government did not attempt to arrest or disarm them. This may have been a strategic error and Touré is criticised for allowing the returnees to establish themselves. Some returning commanders did agree to give up their weapons; a couple even came to Bamako to meet Touré but most preferred to melt away into the desert rather than cooperate with the authorities.

Some MNLA elements are thought to be former supporters of **Ibrahim ag Bahanga**, who staged repeated unprovoked attacks in 2000-10, even when other Tuareg leaders were negotiating peace deals. He died in a desert vehicle accident last August. There have also been prominent defectors from the government cause, including some military officers. Ultimately, this is a campaign that a conventional national army will find hard to win in the vast expanses of the Sahara.

Amidst the spreading instability, the **United States** has opted to keep its distance by postponing this year's Operation Flintlock counter-terrorism training exercise with the Sahelian armies. Mali was due to host it this year and the USA clearly does not want to get accidentally caught up in the war. ●

SAHEL

Gadaffi's bequest to region

A UN mission to Libya's neighbours warns that the wave of returnees is increasing social tension and the risk of more terrorism

A report to the United Nations Security Council paints an alarming picture of Sahelian countries being severely stressed by the 420,000 returnees who have fled **Libya** since the beginning of the uprising there. Some of them were armed – and have fuelled the **Mali** revolt (see page 9) – and others have been spreading Libyan weapons through the region.

The UN's interagency mission went to the Sahel in December, speaking to politicians, civil servants and soldiers. They found that most of the weapons which had flowed out of Libya with some of the returnees ranged from rifles up to small-calibre anti-aircraft cannon mounted on pick-up trucks. In **Niger**, the government told the mission, one border operation captured 645 kilogrammes of Semtex explosive and 445 detonators, which officials said had been intended for *Al Qaida* in the Islamic Maghreb.

Niamey was particularly worried by the inroads AQIM was making in the south of the country, capitalising on disaffection among young people, and its linking up with **Nigeria's** *Jama'atu Ahlus Sunnah Lidda'Awati Wal Jihad*, better known as *Boko Haram*, to train some of its militants in Mali last summer. The report said that although **Nigeria** regarded *Boko Haram* as a domestic problem only, other governments in the region were becoming increasingly

worried by a possible convergence with AQIM. Seven members of *Boko Haram* were arrested while transiting Niger to Mali carrying documents on making explosives, propaganda leaflets, and names and contact details of AQIM members, Nigerien officials said.

The report also notes that at least two new jihadist groups have been set up. They are *Ansar Eddin* (Supporters of the Religion), founded in December 2011 by **Iyad ag Ghali**, leader of the 1991 Tuareg revolt in Mali (AC Vol 41 No 2), and the *Mouvement pour l'unicité et le Jihad en Afrique de l'Ouest*. Governments also told the UN mission that shoulder-launched anti-aircraft missiles may have left Libya but there was no hard evidence. Many parts of **Chad**, **Mali**, **Mauritania**, **Niger** and **Nigeria** have been overwhelmed by the Libyan refugees. In the absence of UN and other relief aid, some assistance came from AQIM, the mission was told, with obvious implications for potential recruitment and popular support.

BOOSTING MILITARY BUDGETS

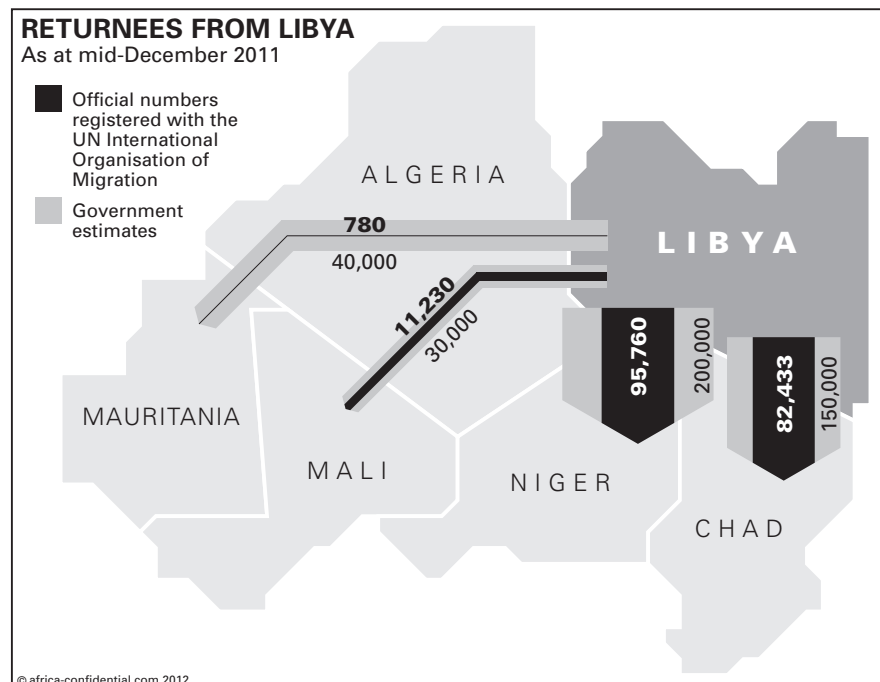
Faced with such security challenges, many governments cut spending on basic services in favour of increased military spending. This is something against which the UN report strongly recommends, for fear of increasing support for the extremists.

The report quotes the International Organisation for Migration as saying that each returnee used to support seven people while working in Libya. The regions they are returning to must cope not only with a massive influx but also with the loss of remittances. The returnees are 95% male, are mainly poorly-educated and aged 20-40, and all lost their savings during their escape. In 2010, ten million people faced a serious food crisis in the region and 859,000 children had to be treated for severe malnutrition, says the report. It adds that the 2012 harvest is expected to be poor.

The report says it is 'essential to address the sense of abandonment felt by the population closer to border areas, who often regard themselves as forgotten outcasts'. Yet Niger has increased its defence budget by 65%, while **Nigeria** has set aside more than 20% of its budget to fight *Boko Haram*. Probably the most advanced of the measures adopted to deal with the problems is northern Mali's *Programme spécial pour la paix, la sécurité et le développement du nord Mali*, a pet project of the outgoing President, **Amadou Toumani Touré** (AC Vol 52 No 24). The UN mission, however, reported local concern about poor management, failure to involve the local community and an overemphasis on security. Meanwhile, the Ministry of Internal Security and Civilian Protection, in conjunction with the UN Development Programme, has launched a similar programme, *Gouvernance partagée de la sécurité et de la paix au Mali*, but with no coordination with its northern counterpart, critics told the mission.

The report identified many areas of cooperation and expertise that need to be developed in the region and not just within the Economic Community of West African States (which does not include **Algeria**, **Chad** or **Mauritania**). While it is second nature for terrorists and organised crime networks to operate across borders and jurisdictions, the report makes it clear that the regional and cooperative mechanisms to combat them lag far behind. Structures are available, the report says, such as the counter-terrorist Continental Early Warning System to which all the regional countries subscribe, but it did not indicate how effective this was as a forum.

Less encouraging is the fact that in 2008, African ministers of justice adopted a Convention on Exploitation and Mutual Legal Assistance in Counter-terrorism but it remains unratified. The *Ecwas* Small Arms Control Programme, already mired in political controversy (AC Vol 53 No 3) is 'deemed ineffective', the report says. Its most urgent recommendations were for the UN to increase its own security presence and to support and strengthen the Global Counter-terrorism Forum Sahel Working Group. ●



GAMBIA

No freedom of the press

Although the President has consolidated his power, there is no let up in pressure on the media

The announcement by United Nations Commissioner for Human Rights **Navi Pillay** on 9 February that Gambia's putschist President **Yahya Jammeh** had requested UN assistance in the case of 'Chief' **Ebrima Manneh** was greeted with general scepticism. The *Daily Observer* journalist is widely believed to have died in detention. The case is just one of many, including the murder in December 2004 of *The Point's* **Deyda Hydara**, which still provoke public outrage. The Spokesman for the President's Office said it was unaware of – and could not confirm – any such request to the UN.

From soon after his 1994 coup d'état, when Jammeh told journalists he would 'bury' them, the government has consistently suborned, harassed and intimidated the media. Actions range from burning down radio stations to persistent arrest and worse of those considered disloyal. Most recently, the Committee to Protect Journalists (CPJ) accused the police of harassing **Momodou Jallow**, a journalist with the privately owned *Daily News*, for airing farmers' grievances against an official. The official had accused Jallow of criminal defamation.

The assassins of Deyda Hydara, one of

Gambia's most senior editors (AC Vol 46 No 6), are widely believed to have been the 'Green Boys', thugs from the ruling Alliance for Patriotic Reorientation and Construction (APRC). The group was officially disbanded but its successors are still in evidence. Hydara was killed two days after some of the 2004 press curbs, to which he was fiercely opposed: the Criminal Code (Amendment Act) toughened criminal libel legislation while the Newspaper Amendment Act increased financial constraints on operating media.

Jammeh officially denied all knowledge of the crime; in 2009, journalists belonging to the Gambia Press Union were gaoled for suggesting otherwise. The seventh anniversary of the shooting on 16 December attracted more protests than ever. In the annals of West African media martyrdom, it ranks with that of *Newswatch* journalist **Dele Giwa** in **Nigeria**, whose killing by parcel bomb in 1986 remains officially unsolved.

Ebrima Manneh was detained by plainclothes police officers believed to be with the National Intelligence Agency in July 2006. He was held at Mile Two Prison and was treated at one point for high blood pressure at the Royal Victoria

Hospital in Banjul. The government has refused to explain what happened to him and he is believed to be dead. In 2008, the Economic Community of West African States' Court in Abuja condemned the government, ordered it to release Manneh and fined it US\$200,000, to be paid to him or his family.

In October 2011, however, Attorney General **Edward Gomez** publicly said that Manneh was still alive, despite the fact that Jammeh had declared in March that the government had had no part in his death. **United States** Senator **Richard Durbin** wrote to Gomez demanding more information and to the **British** Foreign Secretary **William Hague** supporting any British role in an investigation. There have also been repeated protests from Amnesty, CPJ, Reporters Without Borders, the UN Human Rights Council and others. Dick Durbin's letter has to date produced no response from Banjul.

The few independent, private newspapers and radio stations fret about publishing criticism of Jammeh, and large numbers of Gambians work as paid government spies. Campaigners criticised the Commonwealth Secretariat for holding an international workshop on media development in Banjul last August, where ministers declared themselves, 'open to debate on media reform' despite the evidence. Ahead of March's general elections, Jammeh's government may be starting to react to international pressure. In addition to Pillay's claim, on 6 February, following calls for his release by the CPJ, Momodou Jallow was released after charges were withdrawn. ●

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POINTERS

Senegal

WADE RALLIES

■ After looking distinctly lacklustre in recent weeks, President **Abdoulaye Wade's** prospects for re-election have brightened considerably while the opposition looks divided and riot police keep the streets on lockdown. Some even speculate that Wade could clear the 50% hurdle in the first round on 26 February. Yet he remains extremely unpopular, especially in Dakar, although the opposition seems unable to channel the discontent into a coherent strategy.

Riot police bedecked in armour and equipped with water-cannon crowd junctions and other public places throughout the capital, their numbers swelling for public events. On 15 February, a perfectly legal rally was barraged with tear-gas and dispersed by mid-afternoon. The singer and disqualified presidential candidate **Yousouf N'Dour** was there, he said, to stand by the anti-Wade coalition, the *Mouvement du 23 février* (M23), and protest peacefully. However, ever fewer Dakar residents are willing to take the risk: five people have died in unrest since the Constitutional Court cleared Wade to stand in the poll on 29 January (AC Vol 53 No 3).

Disaffection has grown in opposition ranks, with the grassroots group *Y'en a marre* ('We've had enough') splitting from M23 because it feels conventional politicians have tried to exploit it. There is distrust in the electoral register and no confidence in the Electoral Commission, let alone the Constitutional Court.

The recent revelation that Wade used over US\$200,000 of taxpayers' money to consult **United States** lawyers about his eligibility to run in the poll did not stir even flickers of outrage. Ex-Prime Minister **Macky Sall**, meanwhile, is vigorously campaigning, taking in several towns a day and keeping his name in the headlines. He puts himself forward as the best man to beat Wade in the second round.

Zimbabwe

INQUEST BLUE

■ The inquest into the death of General **Solomon Mujuru** has closed on 6 February after hearing 39 witnesses. The evidence left after the raging inferno that killed him yielded no smoking gun or other positive signs of foul play (AC Vol 52 No 17). What did emerge was that at the time of the fire, most of his police detail were asleep, their phones were off and the forensic evidence and post-mortem were mishandled.

The verdict is unlikely to be conclusive or quell the speculation surrounding contradictory witness testimony or rumours about the body being engulfed

in mysterious blue flames. However, it has engendered considerable sympathy for the Mujuru family, whose request for an exhumation and a fresh autopsy has been refused. The episode may, in political terms, have strengthened Vice-President **Joice Mujuru's** faction in the Zimbabwe African National Union-Patriotic Front.

The performance of his men, along with the end of his official tenure on 31 January, might have convinced lesser men to resign but Police Commissioner General **Augustine Chihuri** did not budge. 'I support ZANU-PF as the ruling party. If another party wins, I will immediately resign so they can appoint their own man,' he said, revealing his understanding of how policing works in Zimbabwe. A year's renewal of his post quickly followed.

Meanwhile on 10 February, the state-owned daily *The Herald* published the First Draft of the Constitution, issued by a committee of distinguished lawyers. Beside it were four pages of detailed invective. President **Robert Mugabe** agreed, summoning a ZANU-PF member of the Constitutional Parliamentary Select Committee (Copac), which issues the drafts for consultation, to berate him for letting out a document so damaging to the party. But Copac never saw the draft before it appeared in *The Herald*, he protested. The document was hijacked before reaching the Committee, it emerged, and sent to *The Herald* for advance rubbishing.

Copac's deliberations on the draft may not offer much in the way of amendment and could be prolonged, so finely balanced is the panel between ZANU-PF and the Movement for Democratic Change. One fear has been that Mugabe might curtail the entire process and call snap elections. MDC leaders, we hear, are warning to this. They say Copac is discredited and are signalling their readiness to go to the polls under the old system.

Liberia

ELLEN'S GREEN CRED

■ President **Ellen Johnson-Sirleaf** is taking action on her green credentials after featuring in a *New York Times* piece headlined 'A Nobel Laureate's Problem at Home'. The op-ed accused her of being soft on incoming multinationals and hard on the communities they inconvenience. Veteran Agriculture Minister **Florence Chenoweth** and Minister of Justice **Christiana Tah** set off for Madina in western Grand Cape Mount County to meet community activists protesting against the **Malaysian** palm oil multinational Sime Darby Berhad.

In 2009, Sime Darby won a 220,000-hectare concession, spread over four counties. Company boss **Tun Musa Hitam** (also head of the World Islamic Economic Forum) pledged investment of US\$3.1 billion over 16 years. Local grievances against Sime Darby cover the destruction

of productive farmland and forestry, purchase of timber and land at knockdown prices, desecration of sacred sites and a lack of job opportunities for local workers.

The Kuala Lumpur-based Roundtable on Sustainable Palm Oil is considering the complaints, which a growing coalition of local and international environmental groups are taking up, including the Forest Peoples Programme and the Rights and Resources Initiative. Sime Darby strongly refutes all accusations against it but has discreetly hinted at a rethink before it starts planting elsewhere in Liberia. The President is indicating that she won't be held to ransom, warning local environmental group Green Advocates not to antagonise investors or stir up unrest. She has set up an inter-ministerial task force on the question.

Namibia

BLOW TO GEINGOB

■ The presidential ambitions of **Hage Geingob** appear holed beneath the waterline after he admitted taking a US\$300,000 consultancy fee from **French** nuclear power company Areva in 2008 (AC Vol 53 No 2). He had given advice that helped Areva's subsidiary UraMin (Namibia) secure a mining licence for their Trekkopje uranium mine, he told the state-owned *New Era* on 8 February.

New Era is often seen as a platform for Geingob's opponents in SWAPO, previously the South West African People's Organisation. Geingob, who was a parliamentary backbencher at the time, denies any wrongdoing. He also denies playing a role in Trekkopje securing coveted Export Processing Zone status when he returned to cabinet as Trade and Industry Minister that April.

While the consultancy may have been above board, it has only just come to light. Geingob insisted that granting EPZ status was 'a collective decision' by the cabinet. SWAPO's commercial arm, Kalahari Holdings, became a shareholder in the \$40-million desalination plant that Trekkopje needed. The mine, operating on thin margins, closed after the Fukushima nuclear accident in Japan caused uranium prices to crash and contributed to a \$2 bn. write-off by Areva in 2011.

Geingob's chances of getting the top job when President **Hifikepunye Pohamba** steps down in 2014 have taken a further blow. One of his most ardent cabinet supporters, Youth and Sport Minister **Kazenambo Kazenambo**, was quoted in a recent interview with a local magazine insultingly referring to his Oshiwambo cabinet colleagues as 'stupid Owambos'. Kazenambo is Mbanderu himself and Geingob is Damara; the Oshiwambo far outnumber both ethnic groups and chances of a 'minority' president following Pohamba now look slim.

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BLUE LINES

The sentencing this week of three former employees of the United States oil company Halliburton marks an end to attempts to prosecute the organisers of a bribery scheme to sell overpriced contracts on Nigeria's US\$6 billion gas export scheme.

The most senior of the three, Albert Jack Stanley, was sentenced to 30 months in prison. It was when Dick Cheney was Chairman and Chief Executive of Halliburton in 1997-1999 that he appointed Stanley as head of the Kellogg, Brown and Root unit, the third most important position in the company. Cheney left to become US Vice-President in late 1999 but remains active in Halliburton's African business.

Vital questions remain about how the bribery scheme was run and how much the top management of all the companies implicated knew about the conspiracy. By negotiating plea bargain deals, the individuals who ran the conspiracy and the companies they represented have avoided having to disclose many embarrassing details about their crimes.

Such details are vital for investigators, especially in Nigeria where no senior politicians or businesspeople have been convicted in connection with the scandal. Officials there believe the bribery fund was much bigger than the \$180 million admitted. They say that linked to the bribery scheme was a mechanism to sell Nigeria's gas for well under the international market price and divert the proceeds to accounts controlled by Western and Nigerian company officials.

UGANDA

Rebels with a cause

The latest intake of MPs from Museveni's party is causing ructions over oil and corruption as jockeying starts for the presidential succession

A group of truculent members of parliament in the governing National Resistance Movement has forced ministers to resign and is obliging President Yoweri Kaguta Museveni to contemplate sacking most of his cabinet. This is unlikely to include his near untouchable comrade-in-arms, Prime Minister John Patrick Amama Mbabazi. In the absence of effective constitutional opposition, the NRM has become the most important check on President Museveni's government. The young MPs are joining forces with some senior party members to challenge Museveni's policies and his appointments.

Museveni's authority is being challenged as never before. A year after his overwhelming election victory, he is said to be planning a fresh start to placate the troublesome MPs. The NRM rebels' willingness to confront their leader goes beyond the usual jockeying for position. Over 60% of MPs are newcomers who won their seats in the elections in February 2011. They believe they have the right to be heard after winning competitive and expensive primary elections for NRM candidacies. There is a more assertive mood in the political class. Politicians and activists argue heatedly over the government's management of the oil sector.

After over a year's delay, Ireland's Tullow Oil won a production licence for the Kingfisher field on Lake Albert on 8 February. This is despite a parliamentary petition to halt all deals, including Tullow's, until new legislation is in place (see Box). 'Oil is an emotive, nationalist issue,' an analyst in Kampala told us. 'It's making it harder to push people down the government line.'

A political crisis is still in full flow. Six cabinet ministers have been forced to resign in the last five months, while ten positions remain vacant. This includes Foreign Minister Sam Kahamba Kutesa, who 'stepped aside' in December to face corruption charges related to the 2007 Commonwealth Heads of Government affair (AC Vol 52 No 21). The latest ministers to go, on 16 February, are the Minister of Gender and Social Affairs, Syda Namirembe Bbumba, and the Minister for General Duties in the Office of the Prime Minister, Edward Khiddu Makubuya, after the Public Accounts Committee accused them of approving 'excess compensation' payments to companies owned by an NRM Executive Committee member and key party-benefactor Hassan Basajjabalaba.

Nearly 200 NRM MPs signed a petition calling for Bbumba and Makubuya to resign over the 142 billion Ugandan shilling (US\$70 million) payments. That left State House with little option. Both ministers denied wrongdoing but the scandal tarnishes the President's reputation. Museveni admits he issued orders for Basajjabalaba's companies to be rewarded for construction work in Kampala that wasn't done. But he denies authorising payments on such a scale.

The ministerial departures may have wider significance. The resignation letter from Bbumba, who was Finance Minister at the time of the payments, pointedly referred to her influential Baganda family's military service. This is a coded criticism of Museveni for abandoning her while protecting his fellow Banyankole westerners in power.

At the same time, NRM 'historicals' (veterans of the 1981-86 guerrilla war),

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A report by a former TFG accountant again exposes financial confusion and crime.		Whispers of possible negotiations with Al Shabaab were drowned out by the drums of war.		The last of the Kikuyu Big Men, Mwai Kibaki, has to reassess his plans for succession.		Agricultural investors will lose out but presidential pals will benefit from new rules on land ownership.		ZAMBIA	9
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such as the Justice and Constitutional Affairs Minister, Major General (Retired) **Kahinda Otafiire**, are showing their anger at Museveni's perceived favouritism towards Amama Mbabazi. Hidden tensions are surfacing, some relating to ethnic loyalties and rival families. Former Vice-President **Gilbert Bukenya**, back in Parliament after the humiliation of a night in gaol on corruption charges, went on television to defend Bbumba. 'Don't be fooled that this is about corruption,' he said. 'It's about finishing the Baganda off.'

Museveni's problems have escalated since October, when independent Western Uganda Youth MP **Gerald Karuhanga** tabled bank documents in Parliament purporting to show corrupt payments by Tullow Oil to Kutesa and Internal Affairs Minister **Hilary Onok** in 2010.

MPs have called on Mbabazi to defend himself against allegations, in a **United States** diplomatic cable released by WikiLeaks, that he benefited from a relationship with **Italian** oil company ENI. The documents first appeared in 2010 via a **South African** intermediary with the apparent intention of derailing Tullow's buy-out of Heritage Oil's licences (AC Vol 51 No 23). At the time, ENI had been hoping to enter the market via a deal with **Tony Buckingham's** Heritage but it lost out. We hear experts are in South Africa investigating the history of the forgeries.

All of those accused of accepting bribes deny wrongdoing. But the allegations have poisoned the atmosphere in the NRM as factions assert themselves. The position of **Wilfred Niwagaba**, 40, a lawyer in his second term, is typical of Parliament's new generation. 'The old party structures don't work any more,' he said. 'The question is, "Will the NRM survive the end of Museveni?"' Niwagaba and fellow NRM rebel **Theodore Ssekikubo**, a long-standing rival of ousted Foreign Minister Kutesa and advocate of transparency in the oil industry, have been mobilising the new MPs at informal meetings and proposing motions criticising ministers.

New Kampala MP **Muhammad Nsereko** is influential. Speaker **Rebecca Kadaga** has been an independent bulwark

against pressure from the executive. New independents, who beat off challenges from rivals within the NRM to win their seats in 2011, such as **Gerald Karuhanga**, are willing to make cross-party alliances.

Museveni was on the verge of pacifying the core of 50 malcontents last year when the oil bribery allegations surfaced. Since then, his enforcers have tried to bring them into line at party caucuses and ideological seminars. For the new intake, talks on 'deepening ideological consciousness for better service delivery' are an embarrassing throwback to the NRM's military past. Claiming more pressing engagements, Ssekikubo and others boycotted a January 'retreat'. 'Being a troublemaker is still a career move,' said one sceptical former NRM MP. 'It often leads Museveni to take notice and bring you inside his circle.' Critics say that's why Karuhanga made the claims about Tullow: to get a safe seat at the next elections.

The NRM rebels rarely call for the President to go. The much criticised Mbabazi, whom most see as Museveni's likely successor, acts as a lightning conductor for discontent. The opposition Forum for Democratic Change focuses on street protests, with Colonel (Rtd.) **Kizza Besigye** leading more Walk to Work protests. On 21 February, his leg was wounded by a flying tear gas canister (AC Vol 52 No 9). Besigye, who is not an MP, has said that he intends to step down as FDC Chairman in June. The former Chairman of the Public Accounts Committee and leader of the opposition in Parliament, **Nathan Nandala-Mafabi**, is tipped to succeed him.

Bugweri FDC MP **Abdu Katuntu** is also winning support and has been cannily working with the NRM rebels. Maj. Gen. **Gregory Mugisha Muntu**, a strong contender for the FDC leadership in 2010, is set to try again. He is the man Museveni would least like to face in any future election. Nevertheless, Besigye told *Africa Confidential* that he will continue the protests and does not rule out taking on Museveni in 2016: 'Any member of the party is entitled to run.'

The poor state of public finances constrain room for manoeuvre. Early February's announcement that electricity subsidies would end has shocked everyone. Power-cuts in Kampala are more frequent than ever. The government has slashed public spending after last year's pre-poll spree. The Central Bank has set interest rates at over 20%, aiming to reduce the current 25% inflation to single digits by year-end. Growth forecasts have been revised downwards to 3-4% for 2012. The International Monetary Fund may applaud the tighter monetary strategy, but it means a big drop in living standards for most Ugandans. This comes at a dangerous political time for State House. ●

ALL GO FOR TULLOW

After over a year of political and commercial disputes, **Ireland's** Tullow Oil has signed for its production licence in Uganda, which means mid-2013 is now a realistic date for oil to flow, in trial quantities. Now Tullow's new partners, the **China** National Offshore Oil Corporation (CNOOC) and Total, can begin work in the Lake Albert oil blocks.

Substantial revenues will not flow until 2017 but there will be short-term cash for Uganda from the capital gains tax on Tullow's US\$3 billion deal to bring in partners. Uganda wants \$472 million in tax on the sale. Tullow paid \$141 mn. of that on 22 February but disputes the full figure. This is separate from ongoing legal proceedings over capital gains tax in the sale of Heritage's licence to Tullow.

Negotiations between the government and Tullow were stuck on Uganda's demand for a windfall tax. Energy Ministry Permanent Secretary **Fred Kabagambe-Kaliisa** won a concession: Tullow's income tax can be increased when oil prices are high so long as it does not 'substantially' affect company profits. Some doubt the government's preparedness. Three bills on oil management have only just been presented to Parliament and bad blood over corruption claims (see Feature) may slow the new legislation.

Tullow's breakthrough means work can begin on a 20,000-barrel-per-day refinery near Hoima, which President **Yoweri Museveni** insists should be expanded to 120,000 bpd. Local refining capacity was always central to Uganda's strategy: the foreign oil companies want to export crude. CNOOC and Total are confident there is enough oil to do both. The regional politics around Uganda's first plan, to run a pipeline further south to Mombasa (AC Vol 53 No 4) are getting more complex. After its recent dispute with Khartoum, **South Sudan** plans a pipeline to Lamu, **Kenya**. Commercial logic dictates South Sudan and Uganda should try to share a pipeline, but talks on the matter are yet to progress. A possible third partner – **Congo-Kinshasa** – on the pipeline to the Kenyan coast is still mired in contractual disputes over the start-up of its oil industry.

CNOOC will control the production licence at the Kingfisher field while Total begins work in Murchison National Park and areas north of the Lake, with Tullow at Mputa field. CNOOC and Total will lead on the multibillion-dollar infrastructure needed. Uganda will earn some \$2 bn. annually when full production starts. Activists worry about the shock of that windfall on a fragile, \$17 bn. economy: inflation, wasteful expenditure and the crowding-out of job-creating parts of the economy. ●

SOMALIA

Cashing in on chaos

The work of a former government accountant again exposes financial confusion and crime on a grand scale

While February's London Conference on Somalia sought ways out of the military and political quagmire, a former civil servant in the Transitional Federal Government was documenting how its finances are bogged down in a murky swamp of their own. **Abdirizak Jama 'Fartaag'**, former head of the TFG's Public Finance Management Unit, has unveiled the second of his two unofficial government audits, indicating poor financial management and evidence that politicians are profiting handsomely from it.

After his first report resulted in his sacking and forced him into exile (AC Vol 52 No 12), on 21 February Fartaag launched his second report, which details US\$58 million of government income for 2011. The TFG hotly disputes Fartaag's case, insists it is doing its best and resents continuously topping Transparency International's list of the world's most corrupt countries. The London Conference set up a Joint Financial Management Board (see Box) but it is still some distance from starting work.

THE INCOME

According to the report, Mogadishu port accounted for \$17 mn. of the \$20 mn. TFG income that was generated domestically. Although Mogadishu is about four times bigger than Berbera and has better facilities, its revenue still lags far behind the Somaliland port. Nearly \$2 mn. came to the TFG from the country's bustling airport, now run by a British-owned, Dubai-based company, SKA Air and Logistics. Somalia has been earning money from overflight fees since 1996 but that is locked up in an account administered by the United Nations' International Civil Aviation Organisation. Some airlines with connections to local politicians refuse to pay landing fees.

About \$34 mn. comes from cash donations from countries such as Sudan and the United Arab Emirates, says Fartaag. The Foreign Ministry deposits cash in the government account with no explanation. Sudan, he says, is supposed to give \$1 mn. per month and the UAE \$5 mn., meaning deposits should total \$72 mn. However, they add up to only \$34 mn. Britain and the United States routinely express their frustration in private that Arab governments and donors continue to hand over large sums in cash despite the existence of a government

account administered by international accounting firm PricewaterhouseCoopers. The account was set up by **Abdusalam Omer**, who also works as an advisor to the Minister of Finance. It is used, among other things, by the USA to pay some \$100 a month to around 7,000 Somali soldiers.

An unusual source of income that Fartaag recorded was a \$3.6 mn. cash sum intended to pay off pirates who had captured two ships. TFG officials, however, seized the money at the airport in June 2011. Although the TFG issued a receipt for the money to Salama Fikira, who brought the cash to the airport, this windfall never made it to the government account, Fartaag said. The company's lawyers are exploring legal options to recover the money and investigating certain Somali officials who have a second Australian, British, or US citizenship, including former Prime Minister **Mohamed Abdullah Mohamed 'Farmajo'**.

Of the \$54 mn. that made it into the Central Bank, \$49 mn. was spent in 'recurrent expenditure', such as salaries, says the report. Another \$2.5 mn. went to the Benadir government, led by the strong-willed Mayor of Mogadishu and former candidate in London Borough of Camden elections, **Mohamud Ahmed**

Nur 'Tarzan', who has won praise for organising street-lighting and refuse collection. The rest was swallowed up by local businesses and other small charges.

\$51 mn. went to individuals, according to the report, with the remaining \$3 mn. on 'official payments' which had scanty documentation. Among those receiving the most cash were a leader of the TFG-allied **Ahlu Sunnah wal Jama'a** militia and three low-ranking civil servants, one from the Ministry of Finance and two from the Office of the President, who are believed to withdraw the cash on behalf of others. The four of them accounted for withdrawals of \$17.5 mn. last year.

The UN Monitoring Group on Somalia and Eritrea, headed by Canadian long-time Somalia specialist **Matthew Bryden**, has had its mandate extended to include corruption this year and is looking closely at officials who are flush with cash. The Group has the power to recommend that the UN Security Council freeze assets and issue travel bans if it thinks it has found officials with their hands in the till.

Fartaag estimates that the government could make at least \$179 mn. per year domestically. The four top potential revenue earners are a 3% tax on the telecommunications companies, which currently only pay their employees and provide free phone lines for the government; a tax on diaspora remittances; proper collection of port fees; and the collection of an import tax on *qat* from Kenya, which was apparently agreed with Nairobi but never implemented. In spite of the apparent chaos, some civil servants got paid in 2011, although fewer in the last months of the year. ●

BOARD TO PROBE FINANCES

Privately, diplomats in Mogadishu agree that the reports by **Abdirizak Jama 'Fartaag'** are the best source of financial information about the Mogadishu government. They say what everybody knows but few wish to face: that important political actors are using their indispensability to the diplomatic process to take advantage of financial laxity and enrich themselves. February's London Conference on Somalia created a Joint Financial Management Board staffed by Somalis and foreign technical advisors to try to deal with official finances including, they hope, Arab cash.

The United Nations is appealing for US\$1.5 billion this year to help Somalia but the Transitional Federal Government insists it will see little of it. Particularly galling, says the TFG, is the non-payment of Somali police by the UN Development Programme more than a year after Japan donated \$10 million for salaries. The UNDP replies that it made a single, partial payment in November. The financing of the African Union Mission in Somalia is likely also to become a factor, we hear, because the terms under which the troops are paid for are to change. Previously, Amisom was not reimbursed for its troops at the same rate as the UN pays for its 'Blue Helmets', but this is to change. The amount of money that Amisom governments can claim back is to increase substantially under the new terms and this will include military equipment costs, too. We hear, Uganda is anxious to deploy its helicopters, as the funding could pay for them to be refurbished.

Britain is pushing hardest for the Board, its main champions being the new, non-resident, British Ambassador, **John William Matthew ('Matt') Baugh** and the Department for International Development advisor **Jonathan Hargreaves**. Initially, members will include the TFG, Britain, France, the European Union and World Bank. Some diplomats think Fartaag would be a good choice but others fear the TFG would never agree. ●

SOMALIA/BRITAIN

Martial music plays in London

Whispers of possible negotiations with Al Shabaab were drowned out by the drums of war

The Foreign and Commonwealth Office (FCO) may have been hosting the London Conference on Somalia but there was no doubting that Downing Street was in the driving seat. As the final press conference began on 23 February, British Foreign and Commonwealth Secretary **William Hague** sat down alongside the media, a guest in his own department, to face, above him, Prime Minister **David Cameron** on the podium.

Peppering his responses with 'why I decided to call this conference' and 'what I wanted to happen here', Cameron looked to build his world statesman image. He also had something for the domestic audience, emphasising help for the starving while looking tough on Islamist terrorism abroad and at home. Yet neither he nor his fellow platform occupants – Somali Prime Minister **Abdiweli Mohamed Ali**, United Nations Secretary General **Ban Ki-moon**, and African Union Commission President **Jean Ping** – could announce any breakthrough (AC Vol 53 No 4).

Despite little political change before the Conference, there was a marked increase in military tempo afterwards. When questioned, Conservative Party leader Cameron pointedly failed to deny the possibility of air strikes on bases of the *Haraka al Shabaab al Mujideen* and Abdiweli even welcomed them, provided they were well targeted and did not hit civilians. However, **United States** Secretary of State **Hillary Rodham Clinton**, at her own one-person press

conference after the quartet had left the stage, observed that 'air strikes are not a good idea'. Nevertheless, a US drone strike killed four *Al Shabaab* 'foreigners' in a car the next morning, a Transitional Federal Government official told the media. The UN Security Council authorised an increase in the African Mission in Somalia contingent from 12,000 to 17,730 the day before the Conference, increasing the volume of the martial mood music. Amisom's mandate now extends to the whole of Somalia. Abdiweli was so far from the concept of talks that he did not refer to *Al Shabaab* when he faced the press, instead calling it '*Al Qaida*' after their public merger and denying its Somali identity.

USA LEADS FROM BEHIND

Nobody was saying outright that Somalia's problems had a purely military solution but that was the impression. The USA, though ostensibly leaving everything to David Cameron, was, we understand, 'leading from behind' in the company of **Ethiopia**, ruling out even the idea of negotiation with *Al Shabaab* reaching the London agenda.

This may explain why those amenable to talks with Somalia's jihadists (**Qatar**, **Turkey** and the **United Arab Emirates** more or less openly, Scandinavian and some other European governments less so) had a smaller profile at London than FCO briefings in the run-up to the Conference had led many to expect.

Ethiopia honoured the opening of

the Conference by 'liberating' Baidoa the day before and **Kenya** carried out an air strike in its area of operation. *Al Shabaab*, however, had begun evacuating its fighters' families from Baidoa in early February and their heavy equipment left the town at least twelve hours before Ethiopian troops arrived. *Al Shabaab*'s tactics are now reverting to classic, non-confrontational, guerrilla warfare, according to one *Shabaab*-watcher. It will no longer defend towns and cities and will retreat before superior forces – despite some public statements to the contrary, made for image purposes, observers say. It is building alliances with sub-clans in rural areas and keeping the bulk of its forces intact in places that are virtually inaccessible to conventional forces and can give plenty of warning of their arrival.

Al Shabaab also claims to have recently received at Kismayo two shipments of ammunition, enough to fill 15 trucks, in a report which analysts judged more credible than usual. Ammunition had been short (AC Vol 52 No 17). Militias in the Galgala mountains have reinforced the forces of **Mohamed Said 'Atom'**, we hear, and are also declaring themselves part of *Al Shabaab*, a new development (AC Vol 51 No 16).

More ominously, *Al Shabaab* is planning terrorist atrocities in neighbouring countries, *Africa Confidential* understands, at least in part to show the world it is still a force to be reckoned with, whatever reverses may come in Somalia. Since October, Kenyan and **Ugandan** intelligence and border police have stopped 50-70 *Shabaab* infiltrations – of money, equipment or individuals, apparently aimed at bomb attacks.

An anti-*Shabaab* offensive in Somalia may cost the jihadists dear but many fear the coming campaign will amount more to attrition than decisive victory, leaving the conundrum as knotty as before. ●

KENYA

Kibaki loses his peers

Standing alone as the last of the Kikuyu Big Men, Kibaki has to reassess his plans for succession

It was a tough week for President **Mwai Kibaki**, 80. While he was attending the Somalia Conference in London, two of his closest friends died. The death from a heart attack on 21 February of **John Michuki**, 79, a minister and friend of Kibaki's for over 60 years, was followed two days later by that of another old intimate, politician and businessman **James Njenga Karume**, 82. Returning

from London, the President devoted himself to the rituals of grieving, with televised trips to the widows' homes and a typically stiff speech at Michuki's funeral.

It is impossible to tell what private sorrow lies behind the bland façade. Setting aside past rivalries, the political establishment – both sides of the increasingly querulous coalition government – and the media have lionised the two men, casting the

inscrutable Kibaki in a sympathetic light. The President must now manage his succession virtually on his own. Not since the last years of Founding President **Jomo Kenyatta** have the politics of succession been as awkward as they are today. With Kibaki, Michuki and Karume had been on the scene for 50 years and represented the three main regions of Kikuyuland. They have in their own ways so dominated Kikuyu politics as to banish discussion of the succession. They personified Kikuyu ideals of success and authority.

Michuki, a Murang'a man, cut his teeth as a colonial administrator, ensuring a seat at the high table before his later plunge into politics as an overt champion of elite Kikuyu causes. Karume, from Kiambu, began as a charcoal seller in the Rift Valley, took advantage of the young

nation's new commercial opportunities and reinvented himself as a tribal chieftain, founder of the Kikuyu, Embu and Meru Association. Their rise was rooted in ideas of what it meant to be a Kikuyu Big Man in the independent country and they remained active political operators to the very end. They hoped to craft an orderly succession, while ensuring that their own community kept its hold on power after Kibaki, whose trajectory exemplified Kenya's modern aspirations: the boy from Nyeri and poverty, a star student in high school and university, a solid reputation as an administrator and technocrat and, until his rise to State House, an advocate of careful nationalist politics.

On the surface, it would appear that the deceased differed on the succession. Michuki last year endorsed the suspended Finance Minister and International Criminal Court (ICC) suspect, **Uhuru Kenyatta**, as heir to the leadership in Kikuyuland. Karume's crowning as Chairman of the Kikuyu Council of Elders last December was viewed with suspicion, especially by Kenyatta's supporters.

A pragmatist to the very end, Karume was said to have lately become a supporter of Prime Minister **Raila Odinga's** quest for the presidency. He understood that the rest of the country would be unwilling to accept another Kikuyu president and his push for the Luo candidate – anathema to many Kikuyu – was seen an attempt by the rich *wazee* of the tribe to secure their interests after Kibaki.

The President must choose whether to prefer tribe or nation. Kibaki has been reluctant to name an heir and has publicly shown his irritation with the politics of succession. Similarly, in the late 1970s a fierce debate raged around the succession to Kenyatta Senior. Majority Kikuyu opinion held that a non-Kikuyu could not take over. Kibaki, along with former Attorney General **Charles Mugane Njonjo**, backed **Daniel arap Moi**, then Kenyatta's deputy. He was rewarded with the vice-presidency but Arap Moi's ruinous 24-year dictatorship damaged the Kikuyu barons and Kibaki has spent a decade trying to put that right.

Kibaki will have to choose whether to succumb to the ethnic jingoists and endorse Uhuru or reach out and identify a candidate who would not go after the Kikuyu elite once he retires. The first choice would reveal him as the Kikuyu chauvinist many believe him to be. Beyond that lies the looming drama of the ICC. As a suspect, Kenyatta Junior's bid for the presidency is in real doubt. Yet he is the man from a younger generation who some might think would guarantee the security of Kikuyu interests.

Kibaki's supporters cite his record in strengthening the economy, expanding road and telecoms infrastructure, introducing free

primary education, bulking up the middle class and delivering a new constitution. Yet he has stuffed the civil service with his ethnic kinsmen, skewed development projects to his native Mount Kenya and allowed the emergence of a Kikuyu tender-cracy. All that was instrumental in fomenting the post-election crisis of 2007.

KIBAKI'S OLD-BOY NETWORK

By surrounding himself almost exclusively with an old-boy ethnic network, he has left himself with few candidates outside Mt. Kenya from which to anoint a successor. At the top of that very short list is Vice-President **Stephen Kalonzo Musyoka**, who, as the post-election violence raged in 2007-08, traded his political support for an assurance that Kibaki would back his candidature at the next election. That trade-off shored up Kibaki's numbers in Parliament, crucial while he headed a minority government.

Recently, Musyoka's loyalties have been called into question. Many in Kibaki's circle see him as an opportunist and unsafe. Soon after the 'Ocampo Six' suspects had

been named, he went on an abortive round of African Union states, hoping to persuade them to back a withdrawal of the Kenya case from the Hague. Even that was construed as political opportunism. He would be the net beneficiary if an ICC trial locked Kenyatta out of the running.

The Group of Seven is a multi-ethnic grouping around Uhuru Kenyatta and Kalenjin supremo and fellow ICC indictee **William Ruto**, in their bid to avert an Odinga presidency. Within the G-7, few presidential candidates enjoy a national stature. The Kibaki-Michuki-Karume axis was built on a specific idea of Kikuyu entitlement.

Closeness to the regime secured wealth, power and minimum legal and public scrutiny; public service entitled them to a large slice of the national cake, whose proceeds were dished out to ethnic compatriots. Michuki and Karume made a success of it. Like Jomo Kenyatta, they have gone peacefully to their graves. Kibaki, who always hedged his bets and thus won the ultimate prize, is left to deal with the mess. ●

JOHN MICHUKI (1932-2012): A LIFE

John Stanley Njoroge Michuki had a hero's send-off in his native Kangema constituency on 28 February, testimony that the idea of the Big Man is alive and well in Kenya. He was the first African colonial district commissioner and the last of a generation of educated Africans whose vision of power was little more than an extension of colonial rule. As the tributes pour in from a public who respected his hard work and professionalism, Michuki, who was aged 79, may be remembered with some ambivalence in his Kikuyuland.

The son of **Michuki Kagwi**, a prosperous chief with 47 wives, Michuki Junior was driven into poverty by the death of his father when he was eight. His mother, **Mariana Wanjiku**, managed to send him to school; he paid his fees through a host of odd jobs, eventually ending up at the prestigious Mang'u High School, the Catholic mission school where he met **Mwai Kibaki**. Kibaki proceeded to Makerere University in **Uganda**; Michuki joined the colonial service and, as an administrator during the anti-colonial Mau Mau insurgency, developed his tough reputation, becoming known locally as *kimeendero*, the testicle-crusher, for his brutality against suspected Mau Mau sympathisers.

After graduating from Oxford University in the early 1960s, Michuki joined Kenyatta's government in various capacities in the Treasury and later as Executive Chairman of the influential Kenya Commercial Bank. He used these positions to acquire considerable wealth, land and property and his political career as a member of parliament and assistant minister in **Daniel arap Moi's** government consolidated his position as a Kikuyu leader. Under Mwai Kibaki, he came into his own, first as the no-nonsense Transport Minister who faced down the 'rude boys' of the *matatu* collective transport business, later as the Internal Security Minister who went after the *Mungiki* militia.

As Transport Minister, he introduced the 'Michuki Rules' that brought a semblance of order to Kenya's chaotic transport. As Internal Security Minister, he ordered the infamous raid on the Standard Media Group, led by a duo of **Armenian** mercenaries. *The Standard* was suspected of planning to run a story on the First Family's involvement in a drug cartel, allegations that have never been made public (AC Vol 47 No 21). Michuki's soundbite: 'If you rattle a snake, be ready to be bitten', confirmed suspicions that the raid had been sanctioned by government and revived memories of his anti-Mau Mau days.

That reputation was entrenched by his shoot-to-kill orders against the *Mungiki*, whom he viewed as terrorists. Hundreds of young Kikuyu men were 'disappeared' and killed in 2007-09. Allegations about his role in these events were never investigated. At the beginning of the post-election crisis in 2007, he ordered a ban on live broadcasts and public demonstrations, which his opponents criticised as exacerbating tensions. His last role was as Environment Minister. Against all expectations, he embarked on a clean-up of the filthy Nairobi River and received international commendation. ●

CONGO-KINSHASA

Kabila targets the land

Agricultural investors will lose out due to new rules on land ownership while presidential associates stand to benefit

The new law on 'Fundamental Principles of Agriculture' removes the right of foreigners to own farmland in Congo-Kinshasa and seems certain to discourage external investment in the already neglected sector. The first law enacted by President **Joseph Kabila**, just four days after his inauguration on 20 December, slipped by almost unnoticed amid the rows over electoral fraud (AC Vol 53 No 2).

The law specifies that titles to land may be held only by a person of Congolese nationality or by a legal entity of which the state and/or Congolese hold a majority of shares. The upshot is that foreign landowners must now reduce their shares to a maximum of 49% by the end of 2012. President Kabila's *Parti du Peuple pour la Reconstruction et la Démocratie* (PPRD) government claims the law will encourage national food self-sufficiency and promote rural economic development.

Kabila has taken a personal interest in the law, already getting Parliament to tighten the restrictions on non-Congolese owners of farms in August. The law's supporters say the President is trying to restrict the over-exploitation of land by foreigners, although its opponents doubt whether locals would be any less likely to exhaust the land than foreigners.

Regardless of government protests to the contrary, the law raises for some the spectre of the 'Zairianisation' of 1973, when President **Mobutu Sese Seko** transferred the ownership of foreign concerns, not only in agriculture, to friends, relations and other people of influence. The result was the collapse of most of the enterprises after they had been plundered, along with food shortages and other business failures. In 1976, Mobutu repealed the decree and foreigners were allowed to regain up to 60% interests in the enterprises but by then, the damage had been done.

Hardest hit by the new provisions are the remaining **Belgian** interests in the economy. **George Forrest**, in addition to his concerns in mining, cement, civil engineering and banking, owns – with his friend **Aldo Vastapane** – 44,000 head of cattle in Katanga, where a subsidiary of the Forrest group, Agrifood, also grows rice. **William Damseaux**, the country's main importer and exporter of food, is one of central Africa's largest cattle farmers, with 13,000 head on six farms owned by the *Société des élevages du Bandundu*

occidental (SEBO), a subsidiary of the Belgo-Congolese Damseaux family's *Société d'organisation, de participation et de management* (Orgaman) empire, which began in 1931.

The **Lippens** family, through its *Finasucre* subsidiary, owns 60% of Congo's biggest sugar refinery, the *Sucrerie de Kwilu Ngongo*, with the rest owned by the state. **Horst Gebbers**, a **German**, and **Étienne Erny** from **France** own *Pharmakina*, a pharmaceutical company whose anti-malaria drugs derive from 400 hectares planted with quinine (cinchona) trees.

THE BUSINESS LOBBY PROTESTS

Jean-Claude Damseaux (William's son) is Vice-Chairman of the farming and forestry section of the main business lobby, the *Fédération des entreprises congolaises* (FEC). On 25 January, he described the law as 'dangerous and confusing for the future of agriculture in our country'. Excluding foreigners would, he says, be unconstitutional; he wonders what would happen if the land for sale attracts no Congolese buyers and he points out that, since all land is owned by the state, foreigners hold their farms under fixed-term contracts while nationals hold them on contracts of unlimited duration.

In other words, the law is discriminatory and should be rejected. If the PPRD government really were aiming for food self-sufficiency and rural development, the argument goes, it would issue tariffs and taxes to deter imports and favouring Congolese domestic production, regardless of the nationality of business owners.

The *Confédération nationale des producteurs agricoles* (Conapac), which represents small farmers, disagreed with the FEC's position, saying the law was neither unconstitutional nor inimical to foreign investment. It disagrees, however, with Articles 82 and 83, under which foreign farmers and foodstuff importers have only a year to divest. Conapac thinks they should be allowed gradually to transfer ownership to Congolese. It favours the law because it could help protect against the massive 'land grabs' that have been going on in other countries, where enormous acreage is leased to foreigners with inadequate safeguards.

Conapac's publication, *La voix du paysan congolais*, welcomes the proposed creation of an agricultural development

fund led by financial institutions, involvement of farm professionals by means of a consultative council and a conciliation procedure to avert litigation over land ownership.

Belgian lawyer **Michel Lion** claims that the new law contravenes the *Organisation pour l'harmonisation en Afrique du droit des affaires* (OHADA), a 16-nation Francophone group to harmonise business law which Congo-Kinshasa is due to join in a few weeks. Some in Kinshasa suspect that Kabila really wants to help some of his friends to own agricultural land.

As land comes under state control, it could be put up for sale by the public debt management department, the *Office de gestion de la dette publique* (Ogedep), and the exclusion of foreigners from the bidding could ensure that the few Congolese purchasers with sufficient funds to bid at auction – if auctions are even held – would acquire land extremely cheaply. The FEC lobby also points to the handicaps which commercial farm investors face: the lack of transport infrastructure, shortage of credit and scarcity of qualified managers.

A conference in December at the University of Liège, Belgium, emphasised the risk of food insecurity, although **Thomas Kembola Kejuni**, head of the Agriculture Ministry's coffee follow-up department, the *Comité national de suivi de la filière café*, argued that the country's 75 mn. ha. of potentially arable land could feed up to a billion people 'if carefully managed'.

Only 10% of that land is used for farming, so it can feed only 53 million people, three-quarters of the population, with the rest depending on imports. Kembola pointed out that food production was rising by 2% a year and the population by 3%; at that rate, it would reach 116 million by 2025 and dependence on imports would rise from 25% to 40%.

If Kabila is trying to win back the rural support that he lost at the elections, one provision of the law may have the opposite effect. Article 19 provides that farms working under the traditional system of collective decision-making, in which most small farmers work, need not be covered by registration certificates. That, says Conapac, subjects them to 'legal insecurity'.

There is still time for the law to be revised. Conapac believes the government could have taken this opportunity to regularise the position of traditional small farmers whose ancestors have worked the same land from time immemorial but lack formal legal title. In court actions, such farmers have found themselves unable to defend themselves against encroachment on their land or theft because they haven't got formal title deeds. ●

AFRICA/MINING & COMMODITIES

The Glencore-Xstrata merger

Two of the world's biggest mining and trading companies are joining forces to launch new ventures in West and South Africa

A new African empire stretching from the Sahara to South Africa is in the making as Glencore and Xstrata, two giant mining and trading companies, finalise their plans to merge into one US\$90 billion resource company. Not since the days of **Harry Oppenheimer's** Anglo American Corporation has there been such a potentially powerful force influencing which African mines are developed – and when. Indeed Anglo American, the old incumbent in South African mining, would be a prime target for the Glencore-Xstrata conglomerate as the two companies consolidate their financial and technical strengths over the next five years. Last year, the two companies posted combined profits of \$16 bn., bringing a phenomenal financial capacity to expand in Africa.

The chief executives of Xstrata, **Mick Davis**, and Glencore, **Ivan Glasenberg**, are both South Africans, albeit ones with long international experience. Davis, who will become Chief Executive of Glencore-Xstrata, argues that the mining industry is consolidating into a handful of mega-corporations. Suddenly Anglo, which is a vast multinational in its own right, looks small next to gargantuan competitors such as **Australia's BHP Billiton**, **Anglo-Australian Rio Tinto**, **Brazil's Vale** and London-listed **Glencore-Xstrata**.

Anglo owns the most profitable mining assets in South Africa, including the iron ore mines and platinum reefs of the Northern Cape. It also owns diamond conglomerate **De Beers**, since the **Oppenheimer** family sold up last year for \$5.1 bn. However, the new company will need to branch out from mining hubs such as South Africa. Davis pointed out the advantages of a larger company better positioned to invest in the world's mining frontiers. 'Sources of [metals] supply are diverging from traditional mining regions to more complex and disparate locations,' he said when announcing the merger last month, alongside Glencore's Glasenberg.

The company's African assets will have geographical reach. They are a motley lot. Glencore-Xstrata will inherit the sum of two very different investment strategies rather than a strategically coherent asset base. With the merger not yet approved and the companies not yet integrated, there is no certainty about which projects will win favour from the new, Xstrata-dominated management team. This is important

to **Congo-Kinshasa**, where Glencore's most lucrative African projects are based. Glencore, founded by the legendary **Marc Rich**, who employed his protégé **Glaserberg** in the company's coal division in Johannesburg in the 1980s, is known as the world's biggest trader of commodities such as oil, zinc and grain (AC Vol 50 No 12). Yet most of its profits come from mining. In turn, a large, growing chunk of Glencore's mining profits, comes from the **Congo-Zambia** copper belt.

BUSINESS KATANGA STYLE

Glencore controls some of Congo-K's most productive copper and cobalt mines. It also operates two Congolese mining companies called **Mutanda** and **Kansuki**, whose concessions could yield significant new supplies of metal. On the **Zambian** side of the border, Glencore controls **Mopani**, a company whose smelter is vital to processing Glencore's Congolese copper and whose tax affairs have come under scrutiny from the Extractive Industries Transparency Initiative (AC Vol 52 No 6).

A year ago, Xstrata executives said privately that they would not invest in Congo-K because the country was too risky. Xstrata has discounted many ideas – including a merger with Glencore – until the last minute. Many publicly listed companies share Xstrata's squeamishness toward Congo. Glencore's bullish strategy

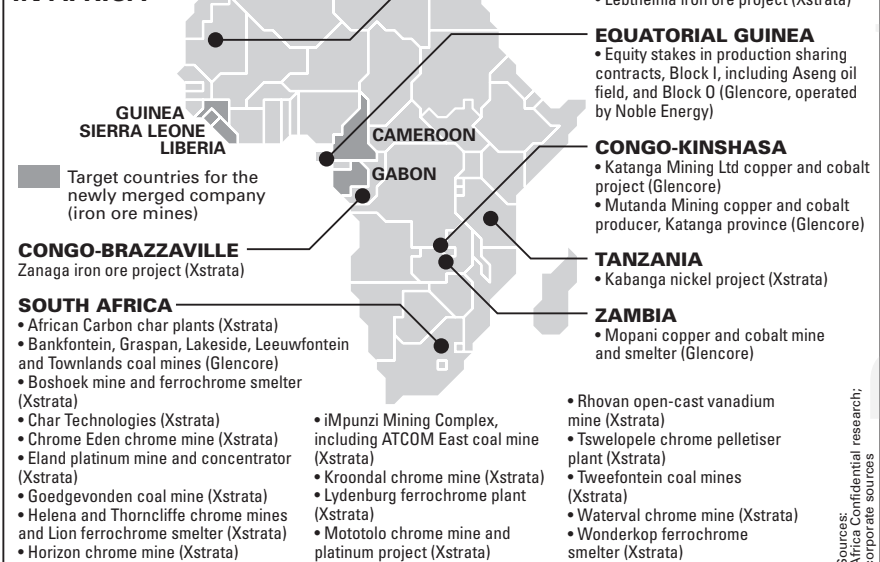
in Congo and Xstrata's aversion to the country suggests their corporate cultures remain far apart.

Glencore entered Congo in a different guise from the one it wears today. Until last year, it was a private company with no need to please public investors, submit to onerous regulatory scrutiny or deal with critical civil activists. After 18 months of intense deal-making and fighting off counterbids by rivals such as ex-England cricketer **Phil Edmonds**, Glencore won control of **Katanga Mining** in 2008. Glencore saw that the owner of one of Africa's best copper-cobalt deposits was on its knees because of the financial crisis.

Over the next two years, it bought control of Toronto-traded **Katanga** for a few cents on the dollar through loans that converted to stock. As a trading-led business, Glencore did not need a copper mine. Yet it saw a deal too good to pass up. Glencore's trading ethos is to pounce on such opportunities immediately, often within seconds. Glencore's edge was its ability to deploy capital quickly in a high-risk country and take on a controversial partner in **Dan Gertler**, the Congo mining magnate who retains a minority stake in **Katanga** (AC Vol 52 No 16).

Such investments raise important questions for Glencore-Xstrata in Africa. The company will have a big, profitable position on the copper belt. It will be one of the three big multinational players in Congo alongside **Kazakhstan's Eurasian Natural Resources Corporation** and **Freeport-McMoRan** of the **United States**. Billions more dollars will need to be spent to expand its resource base. That may have been an easy decision for Glasenberg and his private partners but will it get past the investment committee of Glencore-Xstrata PLC? Directors may read with concern

GLENCORE-XSTRATA'S GROWING REACH IN AFRICA



reports from risk consultancies detailing the adventures of Congo's President **Joseph Kabila**, Gertler and their cronies in the ruling clique. There will always be easier projects to approve in Australia, Canada and Latin America.

This is important as the cost of building mines has risen exponentially over the past decade. It is especially costly in remote areas of Africa where infrastructure such as ports and roads must be built alongside a mine that itself can cost over a billion dollars. Even in Xstrata's base in South Africa there are challenges. Xstrata is South Africa's biggest producer of ferrochrome. If it wants to expand its chrome mines and build new ferrochrome smelters, it may need to build a new power plant because of the country's electricity shortage. Glencore-Xstrata will be able to finance expensive projects that it favours in Africa's more undeveloped areas.

The West African iron-ore region could

pull in substantial investment. Xstrata has long wanted to become an iron-ore producer. Glencore has been trading increasing amounts of iron ore in recent years. Yet, the world's best iron-ore mines are in the hands of its Australian and Brazilian competitors. If it wants to enjoy economies of scale, Xstrata may need to build up a new iron ore region from scratch. This is a very costly proposition, but at Glencore-Xstrata, Davis will have a bigger balance sheet to play with. Xstrata has operations at opposite ends of the West African iron-ore region that runs from the Sahel to the Gulf of Guinea. Last year, it took control of Sphere Minerals, an iron-ore explorer in **Mauritania**. It also took control of Zanaga Iron Ore Company, an explorer in **Congo-Brazzaville**.

These moves are modest but Xstrata's team is known for its canny mergers-and-acquisitions strategy. Mauritania and Congo-B may be two nodes that the

new companies will connect through iron-ore investment in **Cameroon, Gabon, Guinea, Liberia or Sierra Leone**. In each, the scramble for iron ore is intensifying but there has not yet been a regional consolidator. That is in part because none of the multinational miners have committed the huge sums necessary to build mines and infrastructure in more than one West African country.

Investors should not expect Glencore-Xstrata to make any bold moves in Africa over the next year. Integration will take a long time. Xstrata's executives will lead the new company but Glencore is the architect of the merger. Glasenberg's influence over the new company's strategy may be greater than his title of Deputy Chief Executive suggests. He may want to focus on the central African copperbelt – finishing the work Glencore has already begun – rather than consolidate the West African iron-ore region. ●

AFRICA/OIL AND MINING

Companies fight regulation

New US laws and planned European regulations are coming under fire from well-organised oil and mining lobbies

Extractive industries don't always like compulsory disclosure requirements. Companies are now fighting a rearguard action against recent **United States** and European Union legislation. One target is the Dodd-Frank Wall Street Reform and Consumer Protection Act, with a threat of litigation against the US Securities and Exchange Commission (SEC). They are also lobbying hard in Europe against proposals to toughen the EU Transparency and Accountancy Directives. EU directives have the force of law in all 27 member countries.

On 20 February, the EU Council of Ministers debated changes to the proposed measures and agreed to agree by 30 June, as mandated by EU heads of government in January. The changes would then come into force by September, insiders said. In October 2011, the EU Single Market Commissioner, **France's** former Foreign Minister **Michel Barnier**, published the proposed amendments, which went further than many had expected. They matched the Dodd-Frank Act's disclosure requirements, extending them to forestry and covering large private, as well as public, companies. The SEC has jurisdiction only over companies publicly listed in the USA, whether American or not.

Most EU member countries are indifferent to the changes, we hear, allowing those where the major extractive companies are based to lead. The latter,

however, are divided. France most strongly favours the changes, according to a source familiar with the meetings; **Britain** is officially in favour but thought to be less robust behind the scenes (AC Vol 52 No 19); **Germany** has been expressing doubts. The argument that the EU would not want to lag behind the USA on this kind of legislation is believed to hold much sway in Brussels.

The EU's proposed changes are similar, and indeed partly based on, the rules which the SEC proposed for Dodd-Frank, which President **Barack Hussein Obama** signed into law in July 2010. Section 1504 stipulates that all companies publicly quoted in the USA divulge, on a country-by-country and project-by-project basis, everything they pay to host governments, in taxes, royalties, profits in kind and so on. The aim is to reduce corruption, capital flight and other illicit activities by revealing the terms under which extractive companies operate (AC Vol 52 No 6).

Some major extractive companies – mainly oil but involving mining companies too – have moved from restrained opposition to outright confrontation as the transparency measures come closer to implementation. Royal **Dutch** Shell's Chief Executive Officer **Peter Voser** has been leading the charge of the oil companies since he spoke out against Dodd-Frank at the Extractive Industries

Transparency Initiative (EITI) conference in Paris last March. Newspaper reports on the day of the Council of Ministers meeting quoted Shell sources attacking the proposed changes.

The industry's challenge to the SEC came in a seven-page letter on 19 January from the American Petroleum Institute, which groups some of the biggest global oil companies, including Shell. The letter claims the rules published by the SEC take insufficient account of the law's potential impact on 'efficiency, competition and capital formation', effects it is obliged to consider when drawing up the rules, which were first published for comment in December 2010.

EFFECTS AND CONSEQUENCES

The aim is to state clearly to the public how the SEC will implement and interpret the Act, which covers many other aspects of the financial world, including Wall Street trading, for example, derivatives trading. Because of the broad compass of the law, rules have been complex and slow to emerge from the SEC. Whether or not the SEC has heeded the API will become clear but possibly not until June, *Africa Confidential* understands.

The US government has resisted pressure from the industry and from Republicans in Congress. The current challenge to the SEC is, one observer said, the API's last-ditch defence. Its letter claims that US oil companies would suffer significant competitive disadvantage, at the hands of foreign state-owned oil companies in particular, which could piggyback on the US disclosures in order to bid low and wrest business from them. It specifies **Russia's** Gazprom, the **China** National Petroleum Corporation and the **National Iranian Oil Company**. Defenders

Dodd-Frank, including the campaigning group Publish What You Pay (PWYP), which was influential in getting Congress to pass the Act, point out that the law does not cover bids prior to contract awards. The competitive disadvantage would be minimal, if any, they say, adding that the US and proposed EU legislation would cover 70% of the world's listed extractive companies, making 'transparency the norm'.

Instead of Dodd-Frank, the industry lobby proposes reporting on company activities by 'level of government' in the host country, e.g. local, regional and national, rather than project-by-project. They also want a US\$1 million or 1 million euro floor, below which reporting would not be necessary. A briefing document on the industry position repeats the API's argument, that 'EU disclosure rules should reiterate the basic principle that any disclosure should be made in accordance with the laws of the host country'.

This, campaigners point out, would nullify all disclosure laws since a corrupt elite siphoning off resource revenue is likely to be in a position of power in the host country, if not in government itself. Such a provision in EU and US law could provide a 'perverse incentive', according to PWYP's **Joseph Williams**, to 'put in place secrecy laws and undermine the intent of the legislation'.

Williams also told AC that many of the companies campaigning against disclosure laws and represented in the API support, sponsor or even sit on the board of the EITI, the main pro-transparency international body. Among them are Chevron, Exxon, Shell and Statoil. The oil companies counter-pose EITI to Dodd-Frank, saying that their membership of the former makes legislation by the latter superfluous, duplicates it and creates onerous reporting requirements. EITI, they say, is a bottom-up and fairer process, instead of Dodd-Frank's and the EU's top-down approach.

The response of the Chair of EITI, former Secretary of State for International Development **Clare Short**, and of legislators who favour compulsory transparency rules, is that EITI is complementary to and not a substitute for legislation. Williams called the behaviour of the anti-transparency companies 'hypocrisy'. 'We find it remarkable that these same companies can sit comfortably on the EITI board and enjoy the reputational benefit that comes from supporting a transparency initiative, while seeking to undermine transparency laws behind the scenes'.

Short of a late change of heart among the big EU member countries, said one independent observer, the EU was already set on the road to disclosure requirements at least as tough as Dodd-Frank. ●

ZAMBIA

Lusaka restarts the anti-corruption campaign

President Sata starts to deliver on promises of cleaner government

President **Michael Sata** is cheering donors and his supporters by relaunching the fight against corruption begun under the late President **Levy Mwanawasa** but curtailed under President **Rupiah Banda**. A strong new legal team is at work and the government is finally registering in Lusaka a US\$58 million judgement in the London High Court against the late President **Frederick Chiluba** and his associates from 2007.

The legal team includes **Mutembo Nchito**, appointed Director of Public Prosecutions in January; **Mumba Malila**, reappointed Attorney General after serving in that role in 2006-09; and **Rosewin Wandji**, Director General of the Anti-Corruption Commission. Sata appointed **Maxwell Nkole** as Permanent Secretary in the Ministry of Home Affairs. Nkole was the Chairman of the now defunct Task Force on Corruption whom Banda sacked in 2009 (AC Vol 50 No 25).

The former Law Association of Zambia President **Musa Mwenye** becomes Solicitor General. Although mainly a lawyer in private practice, Nchito was lead prosecutor in Mwanawasa's anti-corruption crusade, which saw a number of key figures from Chiluba's ten-year rule gaoled for offences which included corruption and abuse of office. Although the team is not called the TFC, it is composed of staff from the Zambia Police, Drug Enforcement Commission and ACC. It even uses the TFC's old office.

The main targets, at least initially, are members of Banda's Movement for Multiparty Democracy government, who are fighting back. MMD members of parliament put up a strong rearguard action against Nchito's appointment, forcing a parliamentary confirmation vote, which he won, by 86 to 50. Nchito hit the ground running, taking over the prosecution of former Labour Minister **Austin Liato**, who faces charges over 2.1 billion kwacha (US\$412,000) in cash found buried at his farm. There were procedural deficiencies in charging and Liato, we hear, and Nchito took personal charge to ensure the case stayed on track.

Investigations focus on officials of the previous government over campaign materials used in the 20 September polls (AC Vol 52 No 20). Many bicycles, most of them from **China**, are believed to have gone astray. Among those arrested are former Mines and Mineral Resources Minister

Maxwell Mwale (AC Vol 52 No 21) and his Deputy, **Boniface Nkhata**. Other officials pursued over the cycles include former Finance Minister **Situmbeko Musokotwane**, MMD Spokesperson **Dora Siliya** and former Energy Minister **Kenneth Konga**. Police removed 1,230 bicycles from Musokotwane's home in early October and asked him for evidence that they were bought with private funds.

'The plunderers were sophisticated when stealing,' said Home Affairs Minister **Kennedy Sakeni**, commenting on the difficulty of bringing prosecutions. Some thieves had taken legal advice, he observed. One key problem for today's prosecutors is the weakening of the 1996 anti-corruption legislation. In 2010, government-sponsored legislation removed Article 37, which outlaws abuse of public office. Sata has promised to restore the clause during the current session of Parliament but in the interim, other ways of pursuing culprits must be found. He has also taken action closer to home and on 25 January fired his Senior Private Secretary, **Alfred Chipoya**, after an envelope containing \$2,000 was reportedly found in his office (AC Vol 47 No 9).

A former economic advisor to Banda, **Richard Chembe**, and his former Legal Advisor, **Joseph Jalasi**, Siliya and Banda's son **Henry** are some of those being investigated over the privatisation of Zamtel, the former state-owned telecommunications network. Siliya and Henry were influential in the sale of 75% of Zamtel to **Libya's LAP Green Networks**. Henry Banda was involved with the company RP Capital, which carried out the valuation of Zamtel (AC Vol 52 No 12) and earned a \$12.5 million fee in connection with the sale.

The government is also to register the London High Court's \$58 mn. judgement in 2007 against Chiluba and seven associates for defrauding the state, according to a statement to Parliament by Justice Minister **Sebastian Zulu** on 21 February. Lusaka had sued in London because profits from the fraud, which involved intelligence service accounts for foreign operations, went toward lavish properties in England. The government registered the judgement in its favour in Lusaka but in August 2010 Lusaka High Court Judge **Evans Hamaundu** set it aside in a highly controversial ruling. Banda's government then said it would not appeal. ●

MALAWI

Pressure mounts on Mutharika

The IMF still wants devaluation, while a former Attorney General claims the governing party is hiring thugs to silence critics

Ralph Kasambara is voicing the concern of many when he warns of a campaign of intimidation against civil society activists by criminals hired by the party in power. The former Attorney General, who served in President **Bingu wa Mutharika's** first government, has called for the President's resignation or impeachment for 'incompetence and violation of the constitution'. Isolated and erratic, Mutharika is under continuing pressure from donors to devalue the currency and to stop intimidation (see Box). A gang of five thugs armed with petrol-bombs went to attack Kasambara's Blantyre offices on 13 February. Three were captured after the prominent lawyer had received a tip-off and prepared a reception committee.

Kasambara's two usual bodyguards, supplemented by three more, detained the would-be attackers, who were injured in the process. 'After interrogation, they revealed they were sent by government to petrol-bomb my offices, Kasambara told *Africa Confidential*. 'We recorded their confessions on tape.' However, when he took the perpetrators to the police, they arrested and charged the lawyer and his five associates with kidnapping, assault and causing bodily harm. The

police took the three injured men not to a public hospital, where essential drugs are in short supply, but to a costly private hospital. Kasambara is calling for civil disobedience by the public, for example by refusing to pay taxes, boycotting presidential functions and staging nationwide demonstrations against what he calls 'this illegal government'.

According to statements given to police and affidavits by his lawyers, the would-be attackers were driven to the vicinity of Kasambara's office by **Paulos Chisale**, a soldier who works as a valet at State House. He has not commented publicly. A source claimed that another State House official had paid the hospital bills for the three injured men and driven them away in a State House vehicle when they were discharged. None of them were charged. 'We only have abduction and assault charges against Mr. Kasambara and his friends but we don't have any charges for the three,' said Blantyre Police Spokesperson **Beatrice Bwanali**.

Kasambara was held in Zomba Maximum Security Prison before going to hospital on 17 February as a result of his long-term heart condition. He left gaol on bail on 21 February and flew to Johannesburg, **South Africa**,

where he remained as AC went to press, for treatment. Foreign diplomats were angered by the incident and one told AC, 'This won't help Bingu's case with donors.'

Information Minister **Patricia Kaliati** denied government responsibility. 'The five were peacefully enjoying their beer when Mr. Kasambara abducted them,' she said, claiming that their confessions to Kasambara had been obtained by torture, which he denies. Yet former Home Affairs Minister **Uladi Mussa**, who is now in opposition, revealed in Parliament that he knew that the men belonged to the governing Democratic Progressive Party (DPP) because he had recruited them to the party himself. 'They were later recruited into the Secret Intelligence Agency,' he told a stunned Parliament.

Kasambara's arrest rekindled memories of the 20 July events, where thousands of people poured into the streets to protest against the deteriorating economic and political situation and police shot 20 of them dead (AC Vol 52 No 17). On 19 July, hoodlums wielding pangas had driven through Blantyre in blue vehicles, clearly marked as belonging to the DPP, threatening anyone thinking of joining the next day's demonstrations. 'Whoever ridicules the *Ngwazi* (the 'Great One' or the 'Conqueror') won't sleep – we'll harm them!' 'Police watched without making arrests.' The attack on Mr. Kasambara is shameful,' said Rev. **MacDonald Sembereka**, Executive Director of the Human Rights Consultative Committee and himself a victim of arson, adding, 'Now, evidence is coming out clearly that all those attacks on human rights defenders were well coordinated by government. But how can a government wage war on its own people?'

Meanwhile, the DPP is in danger of splitting. The 'Hope Alliance' openly condemns its policies. 'President Mutharika is surrounded by sycophants who are not telling him the truth,' said group Spokesman **Moses Kumkuyu**, a Blantyre member of parliament. 'If the DPP doesn't change its ways, it will be difficult for it to reclaim power in 2014,' he said.

Presidential brother **Arthur Peter Mutharika**, a constitutional law Professor at Washington University, St. Louis, **United States**, is under pressure to renounce his US citizenship to show his commitment to Malawi: the President wants his brother to succeed him (AC Vol 52 No 16). 'The economy is in tatters and Bingu's dictatorial tendencies are there for all to see,' said a university lecturer. 'It is not only Peter's campaign that will be tough; everybody associated with the DPP will suffer if Bingu doesn't reform.' However, the lecturer added, 'Peter himself is not sure whether the presidency is his for the taking, that's why he is not ready to renounce his American citizenship.' ●

KWACHA DEVALUATION: NOT IF BUT WHEN

The debate about whether to devalue the kwacha has moved on and become 'by how much?' President **Bingu wa Mutharika** remains determined not to devalue, though the International Monetary Fund insists on it as a loan condition and local economists see it as inevitable. Mutharika seems to fear the inevitable steep price rises would anger the poor and the rural population. Their discontent might then combine with that of the urban middle class to threaten his political survival.

'Monetary policy has relocated from the Reserve Bank of Malawi to State House,' the longest serving central bank head, veteran opposition leader **John Tembo**, told Parliament last month. The kwacha officially trades at K165 to the US dollar but at K300 on the parallel market. 'For all intents and purposes the kwacha has already been devalued,' said Malawi Congress Party member of parliament **Rachel Mazombwe Zulu**. 'And prices of commodities are already going through the roof.'

Chancellor Kaferapanjira, head of the Malawi Confederation of Chambers of Commerce and Industry, wants devaluation, in part to stop imports from pricing out local products. There are three ways the economy can be saved, says IMF Resident Representative **Ruby Randall**: liberalising the exchange rate (devaluation), reviewing the budget, easing foreign exchange controls (which necessarily involves devaluation).

The budget was framed on the premise that the economy would grow by 6% in 2011/12 – assuming that external budget support, normally 40% of the total, would resume (AC Vol 52 No 25). Mutharika's refusal to bow to donor demands over the economy and human rights leaves the funds frozen. The already dire foreign currency shortage has worsened and the shortage of imported raw materials is slowing industry and costing jobs. Economists are revising estimates of 2011/12 growth to as low as 2%. ●

EGYPT

Unity on cash crisis

The IMF offers concessions to the Islamist-dominated parliament

The Muslim Brotherhood-dominated Freedom and Justice Party, the largest in the new Parliament, is now on a neo-liberal economic course as it supports government proposals to borrow US\$3.2 billion from the International Monetary Fund to support the 2012-13 budget. The highly concessional interest rate of 1.2% is expected to be ratified when IMF regional Director **Masood Ahmed** visits in March. The FJP, analysts say, recognises the economic emergency and is anxious to allay foreign fears and help restore investor confidence.

Prime Minister **Kamal el Ganzouri** addressed Parliament on the grave economic situation on 26 February. In

2011, 3 billion Egyptian pounds (US\$500 mn.) were injected into the economy, while all economic sectors saw massive losses, he said. Some 1,500 factories remain inactive and Egypt lost over \$10 bn. in foreign investment.

The Central Bank of Egypt is refinancing the country's debt on the internal market at the unsustainable interest rate of 16%, we hear. The Bank's support of the currency helped keep its fall to only 1%; the objective was to prevent the price of food, much of which is imported, from rising and compounding problems caused by the high number of unemployed people, which El Ganzouri put at 3.5 million. Supporting the

currency, however, cost much of the foreign reserves, which fell in January to \$16.35 bn., \$4 bn. of which is in gold and sovereign debt, we understand, and not, therefore, liquid.

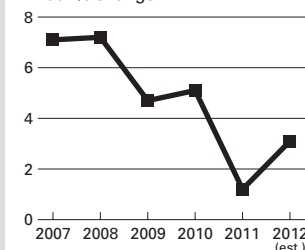
January's IMF mission made it clear it desires a domestic political consensus to support its view that subsidies, especially on fuel – two-thirds of the total – must go. The consensus is there, in Parliament at least. When the IMF deal is in place, the European Union is expected to come in with an additional \$500 mn.; other multilateral lenders should commit another \$1.5 bn.

Some analysts say the FJP is inclining towards maximising social solidarity or programmes to help the poor through donations rather than any notion of wealth redistribution. The MB Deputy Supreme Guide and major contributor to the FJP campaign, **Khairat el Shater**, a tycoon in his own right, is believed to be key to inspiring the FJP's liberal economic posture. All eyes are now on the IMF loan conditions. ●

EGYPT'S ECONOMY AFTER THE REVOLUTION

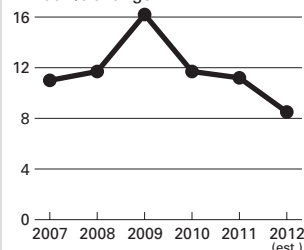
REAL GDP

Annual % change



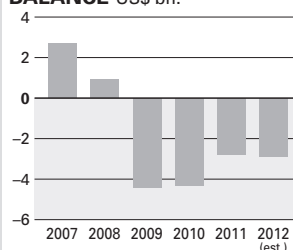
CONSUMER PRICES

Annual % change



CURRENT ACCOUNT BALANCE

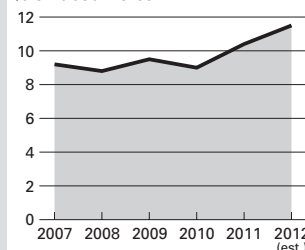
US\$ bn.



Sources: IMF; Renaissance Capital

UNEMPLOYMENT RATE

% of labour force



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POINTERS

South Africa/Madagascar WHO'S THE DEMOCRAT NOW?

■ South Africa seeks a global role and is standing up for democracy – in Madagascar, anyway. International Relations and Cooperation Minister **Maite Nkoana Mashabane** insists that Malgasy leader **Andry Rajoelina** should allow the unconditional return of the man he ousted, with military backing, in 2009. Exiled ex-President **Marc Ravalomanana** currently lives in South Africa.

Sceptics suggest President **Jacob Zuma's** government has tired of the Madagascar question and wants a trade-off in which Ravalomanana goes home and the Southern African Development Community (SADC) presides over a vote that Rajoelina wins. The problem with that plan is that a returning Ravalomanana would almost certainly fight the election and Rajoelina could not be assured of victory without foul play. Other states in SADC argue that peace matters more than democracy and Ravalomanana's return would reignite conflict.

The Economic Community of West African States is formally committed to upholding democratic principles even at a risk to peace but SADC has no such rule. On **Zimbabwe**, it argues for peaceable compromise and power-sharing rather than respect for election results. On **Côte d'Ivoire** last year, Ecowas argued that the election winner, **Alassane Dramane Ouattara**, was the rightful President and it was prepared to intervene militarily to enforce the result. Zuma opposed this, arguing that Ouattara and the election loser, **Laurent Koudou Gbagbo**, should form a power-sharing government like those of **Kenya** or **Zimbabwe**.

At the London think-tank Chatham House on 22 February, Nkoana Mashabane rejected suggestions that SADC was less committed to democracy than Ecowas, claiming that her government's stance on Côte d'Ivoire had merely reflected the absence of an Ecowas observers' report (although the United Nations had shown its own detailed reports to Zuma and other leaders). In contrast, Uganda's President **Yoweri Museveni** told Chatham House it was better to encourage democrats through the African Union's peer-review mechanism than to sanction malefactors, and that outsiders should intervene only where there were massive abuses of human rights, as in **Rwanda** in 1994.

Nkoana Mashabane was in London for the **Somalia** Conference on 23 February. She had attended a meeting of Group of 20 foreign ministers in **Mexico**, preparing for the G-20 summit in July. She pushes hard

for UN reform, with permanent Security Council representation for key emerging countries, including an African one – not necessarily, she tactfully says, her own.

Senegal WADE POLL SHOCK

■ President **Abdoulaye Wade's** failed to clear the 50% hurdle in the first round of the presidential election on 26 February and must slug it out again on 18 March. In the second round, he is up against his former Prime Minister and estranged acolytes, **Macky Sall** (AC Vol 53 No 4). Wade polled 34.82% against 26.57% for Sall.

Although rioting had been under way for weeks, and candidates **Idrissa Seck** and **Sheikh Bamba Dieye** had hoped to provoke enough disruption to postpone the vote, polling day itself was peaceful enough. Earlier fears of widespread unrest, however, had led to the arrival of **Olusegun Obasanjo** at the head of a 'peace mission'. Wade rejected the **Nigerian** former President's compromise suggestion that he serve just two years if he won.

Wade's own experience of voting was a revelation, to judge by his and his family's shocked and horrified expressions, as *Africa Confidential* witnessed, when they found themselves being loudly booed as they went to vote. Surrounded by security men, wife **Viviane**, son **Karim** and daughter **Sindié** looked appalled. Father looked old and extremely frail. After voting, he left to a chorus of the popular song 'Na Dem' ('Go away'). The count showed he had lost the vote at that station to another former ally, ex-Prime Minister **Moustapha Niasse**, who did better than most had expected.

A current of apprehension ran through Dakar when, late on polling day, Wade's Spokesman **Serigne Mbacke Ndiaye** claimed Wade had won the first round with around 54%. As indications were then that Sall and Wade were roughly level, many took this as the prelude to Wade stealing the election. Wade then silenced his Spokesman and made it clear the second round would go ahead unimpeded.

Liberia TIMIS DRILLS DEEP

■ Controversial **British**-based mining entrepreneur **Frank Timis's** African Petroleum Corporation announced a 'significant' oil find off the Liberian coast on 21 February. The find was in its **Narina 1** well in the **LB-09 Block** and APC said it would carry out further offshore exploration in its other concessions this year. It is also exploring widely off other West African countries. The **United States'** **Chevron** and **Anadarko** previously announced potentially commercial finds in neighbouring Liberian blocks.

Market reaction was muted, although the largely pro-Timis, **Sierra Leonean** press called it 'another massive success'.

It remains to be seen if the find is truly 'significant', a New York oil industry source told *Africa Confidential*. The well is extremely deep, at 4,850 metres, and much testing and evaluation will be needed before its ultimate value and viability show. Timis is undoubtedly also treading warily because of his record on oil finds. In November 2009, after a Financial Services Authority investigation, the London Stock Exchange fined the directors of Timis's **Regal Petroleum** £600,000 (US\$957,000) for misleading investors about the commercial viability of an oil well in the Aegean Sea in 2003 (AC Vol 51 No 25).

Timis's **African Minerals Limited** reached a significant milestone for its giant **Tonkolili iron-ore mine** in **Sierra Leone** on 13 February when **China** authorised **Shandong Iron and Steel Group's** US\$1.5 billion investment in the mine; they have the rights to 25% of output (AC Vol 52 No 13). The investment was said to be finalised last June but endorsement by Beijing's **National Development and Reform Commission** makes it official. Earlier in February, **AML** announced it had secured financing worth \$868 million for **Tonkolili**.

Ghana DIPLOMATIC CHALLENGE

■ Calling for African Union membership to be limited strictly to democratic states, Ghanaian presidential candidate **Nana Addo Dankwa Akufo-Addo** said in London on 29 February that the AU had proved impotent in the face of last year's conflicts in **Côte d'Ivoire** and **Libya**. The AU was sidelined because it lacked a determined commitment to promoting democracy, he said. He lamented the lack of public criticism of President **Abdoulaye Wade's** attempts to take a third term in **Senegal**.

'The AU must move away from automatic membership earned by geography and insist on strict adherence on membership eligibility based on certain fundamental democratic principles,' **Akufo-Addo** told the **International Institute for Security Studies**. He argued that the **European Union** had set a useful precedent with its strict membership rules for **East European** states making the political transition from **Soviet** domination.

Akufo-Addo's bold plan revives parts of the elaborate **African Peer Review Mechanism** launched by **South African** former President **Thabo Mbeki**. **Ghana**, **Rwanda** and **South Africa** signed up to peer reviews, but the process in other states has lost momentum. **Akufo-Addo**, who is the **New Patriotic Party** candidate in December's election, diplomatically avoided responding in detail to a question on the **Woyome** payments scandal that is plaguing his rival President **John Evans Atta Mills**, saying he was confident that **Ghana's** police and judiciary were capable of managing a credible investigation.

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BLUE LINES

Has the International Criminal Court, as Paul Kagame charged, 'been put in place only for African countries'? Having spent hundreds of millions of dollars, only securing its first conviction on 14 March, it might also be thought a shameful waste of resources. All that effort, just to convict Thomas Lubanga Dyilo for recruiting children as soldiers nearly ten years ago.

Prosecuting criminals with vast resources at their disposal, however, is neither cheap nor easy – some of them are heads of state, after all, and have vast funds with which to fend off justice. This was also the court's first case. It needed to be a success.

So much for the resources. And the fairness? 'Why not Argentina, why not Myanmar, why not Iraq?' Jean Ping complained. The court's answer was, because most of the cases were themselves referred by Africans. They knew their own countries were too fragile to bring to justice villains of such magnitude.

Which, lest we forget, the ICC did. Lubanga was a frequent visitor to these pages in 2002 and 2003 during the worst of the Congo-Kinshasa bloodbath, a cruel, greedy warlord with the blood of tens of thousands of Congolese civilians on his hands. There were many like him. Indeed, in the lonely years to come, he may echo Ping's words and ask, 'Why me?' Why not those who gave him orders, sponsored, condoned and collaborated with him, such as first the Ugandan, and then the Rwandan, governments?

NIGERIA

Oil cuts as Delta erupts

Piracy and militant attacks are cutting oil production in the Niger Delta as the government struggles with northern insurgents

As the government contends with a *Boko Haram* militia determined to make the north ungovernable, a new round of attacks has erupted in the oil-producing Niger Delta. Apart from the financial damage of a new Delta crisis, it adds to the government's credibility problem. As a government led by Niger Deltans, it was expected to pacify and then start developing the region.

Addressing the ecological and socio-economic devastation in the Delta would realistically take decades; local communities expect their government to make palpable progress with investment and job programmes. There is little sign of that happening: instead, local political feuds and vendettas are being pursued with the help of militant groups. Some of the worst clashes are between rival factions of the governing People's Democratic Party (PDP).

The latest violence there, in President Goodluck Jonathan's political base, threatens the government's amnesty deal with militants and costs the economy as much as a million barrels of oil per day. Nigeria was producing some 2.7 mn. barrels per day in February, compared with its potential of 3.7 mn. bpd. Industry sources say there's no prospect of hitting 3.7 mn. bpd in the near future, mainly because of insecurity.

Over half of production is now offshore and better protected from attack. Now, the rise in piracy in the Gulf of Guinea is also changing security calculations at sea. Of current production, a further 140,000 bpd are lost to elaborate schemes of bunkering and oil theft run by militant groups and pirates, according to Royal Dutch Shell. For now, the biggest pressure is around

the onshore oil fields operated by Shell and Chevron. Offshore piracy in the Gulf of Guinea is growing, posing risks to international shipping along one of the continent's busiest routes. Small, agile gangs in speedboats board vessels, raid them for oil and other cargo and move on (AC Vol 52 No 21). Insurance premiums are rising. Piracy is an international problem under investigation by the United Nations (AC Vol 52 No 20).

NO PROGRESS, NO JOBS

Piracy can be lucrative for criminals and impoverished young people locked out of the official amnesty process for the rehabilitation of the 'stood-down' rebel fighters. These loiter in several large camps – three of the largest being in Bayelsa – as part of job-creation schemes that never lead to actual employment. The government pays gangland bosses well to oversee the boys in the camps, yet roads and other infrastructure projects do not materialise, leaving the reasons for the revolt unaddressed.

Piracy also gravely threatens the coastal environment, as shown in December by the leak of about 40,000 barrels of oil from Shell's deepwater Bonga facility, caused by a ruptured pipeline. Transferring oil between boats at sea is even riskier. The impact on coastal communities of the Bonga spill – fishermen report depleted catches and show the media oil-soaked nets – are being assessed by Nigeria's National Oil Spills Detection and Response Agency, which has taken a more robust view of Shell's role in the spill than the parallel Nigeria Maritime Administration and Safety Agency.

Growing piracy at sea seems to have

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encouraged more militant attacks in the creeks and on land. The official amnesty for militants negotiated in 2009-10 fails to benefit most Delta residents, let alone ex-militants. Many of the beneficiaries appear to be those who organised oil theft operations in collusion with state officials. Less well-connected militants vent their frustration. Some are openly breaking with the amnesty deal, others have paid the price for defying the amnesty in the past year. Renegade **'General' John Togo** (AC Vol 51 No 25) died in May 2011 after an aerial bombardment by the army's Joint Task Force (JTF) on the camp where he was hiding, and his Niger-Delta Liberation Force was disbanded.

Militants of the Movement for the Emancipation of the Niger Delta are pushing Jonathan to act faster on amnesty. MEND Spokesman **Jomo Gbomo** claimed responsibility for attacks in Bayelsa State and for the abduction on 28 February of the captain, engineer and a crew member from the Dutch MV *Breeze Clipper*, anchored off Port Harcourt in Rivers State.

These acts seem part of a political drive to accelerate the demands of Delta radicals for more resources and revenue.

United States Department of State cables from Abuja, released by WikiLeaks, named two ex-Delta governors as sponsors of militancy since 2003. In 2007, the disgraced former Governor **Diepreye Alamieyeseigha** was convicted of corruption after being pursued by Nigeria's Economic and Financial Crimes Commission to London, where he skipped bail. Back home again, he was held to have served his time already and was released from gaol within hours. Alamieyeseigha is acknowledged as an elder statesman of Bayelsa politics and a godfather of the PDP. His schemes failed to keep him in office and ex-Governor **Timipre Sylva** may be pressing the President for a similar, comfortable exit strategy.

FLASHPOINT BAYELSA

The latest political flashpoint in the Delta is Jonathan's home state, Bayelsa, where violence and crime regularly mix with politics. He was Governor there until becoming Vice-President after the 2007 elections. After months of political turmoil around polls for the Bayelsa state governorship, an uneasy peace was finally shattered on 1 March. **Shedrack Itokofuwe**, alias **'Mammy Water'**, a notorious pirate of the Bayelsa creeks and shoreline who hails from Azagbene in Southern Ijaw Local Government Area, launched a deadly attack in speedboats from his base in Forpoa against the JTF.

They intercepted a JTF convoy heading

from Ogbia to Nembe in Brass, leaving an officer believed to be Lieutenant Colonel **Abubakar Malik** dead, along with three other servicemen. Soon after, four marine policemen were shot dead at a checkpoint on Nembe's waterways. That same day, two Agip pipelines were attacked and there were explosions in Brass and Southern Ijaw. The evening before, north of Brass, there were explosions close to the JTF's Bayelsa headquarters. The JTF claims it had found and killed Mammy but locals say otherwise. Five large military operations to smoke him out failed when plans were leaked. His gang is very much at large, we understand.

In February, Jonathan faced a dangerous split in the PDP in his home state. Rival candidates fought it out for his old job: the party had deselected the incumbent, Sylva, and passed over three other political heavyweights who wanted to replace him (AC Vol 52 No 3). Jonathan's own man, **Henry Seriake Dickson**, was parachuted in and, unsurprisingly, won the governorship election on 13 February.

Dickson is carrying out the customary purge of his predecessor's loyalists. Bayelsa's Accountant General, **Francis Okukoro**, left his job on 6 March and, unofficially, Dickson's office has briefed on corruption under Sylva. The PDP Chairman in Southern Ijaw, **Ben Foreman**, had already been suspended for 'anti-party activity' and threats against political rivals. Southern Ijaw, where Chevron is the main oil operator, has been a focus of armed militancy and is Mammy Water's home turf.

Sylva is determined to retain a role in politics and business. His enemies say he has a formidable shadow security structure, Famou Tambei ('hit and remove it', AC Vol 51 No 24), though it was officially disbanded before November. He cannot look to his former gangland sponsors and allies for support. **Victor Ben Ebikabowei** ('Gen. Boyloaf'), **Eris Paul** and **Africanus Ukparasia Tuwonwei** have joined Jonathan's amnesty camp and enjoy official largesse in Abuja. However, criminals such as Mammy, making their income from international piracy, can enlist recruits for a resumption of wider hostilities in the Delta, filling a void left by those who have been co-opted. Delta-watchers with long memories will recall that the first wave of violence in 2003 began with arms caches being handed over to gang leaders **Mujahid Dokubo-Asari** and **Ateke Tom** to rig elections.

These days, Asari lives a quieter life, commuting between Abuja and Cotonou, **Benin**. After initial doubts about Jonathan's status as Delta President, Asari is now a stout defender of the new order. He has even offered to enlist a Delta army to defend the south against attack from **Boko Haram** and their affiliates. ●

ABACHA'S GHOST AND BOKO HARAM

Security agents trying to disentangle the roots and widening network of the **Boko Haram** militia have identified links with a group of senior military and police officers who held power in General **Sani Abacha's** junta. A key figure is **Zakari Bui**, who served as assistant superintendent of police under Abacha and was a member of the 'strike force' led by the regime's chief security officer, Major **Hamza al Mustapha**. Many of Abacha's security kingpins were purged by the subsequent civilian government of President **Olusegun Obasanjo** and some were arrested.

Boko Haram activists publicly support Al Mustapha. He was sentenced to death by a Lagos court for plotting the murder of **Kudirat Abiola**, the wife of the winner of the 1993 elections, **Moshood Abiola**. Bui was sacked after activists accused him of running assassination squads and torture sessions but negotiated a return to the police force, helped by his friend, former Inspector General **Hafiz Ringim**. In March, the Police Service Commission sacked Bui again, this time for his role in helping the escape from custody of **Boko Haram** member **Kabiru Sokoto**. Sokoto was charged with organising the bombing of the Madalla church near Abuja on Christmas Day that killed more than 30 people.

Bui's exit followed that of his sponsor, Ringim, who, although ultimately responsible for Sokoto's escape, was bizarrely allowed to take 'early retirement' in January so he could receive full pension rights. Neither Bui nor Ringim, we hear, are to face criminal charges. Acting Inspector General of Police **Mohammed Dikko Abubakar**, who replaced Ringim, also faces credibility problems despite his public admission on 14 February that the police had reached its lowest ebb and that its services were now freely 'available to the highest bidder'. Abubakar was named as unfit to hold public office by the official **Niki Tobi** Commission of Inquiry into the Christian-Muslim clashes that killed 700 people in Jos in November 2008. ●

ETHIOPIA

Empire-building in Addis

A fast-growing economy, grand hydropower schemes and one of Africa's biggest armies all reinforce Ethiopia's regional dominance

Leaders from **China, India, Europe, Japan, Turkey, the United States** and across Africa are expected at what the government plans as a show of Ethiopia's regional leadership. The Tana High-Level Forum on Security in Africa will take place in the Amhara Regional State capital, Bahir Dar, on 14-15 April.

The gathering will underline Ethiopia's role in the African Union and the regional Inter-Governmental Authority for Development (IGAD, whose members are **Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda**, with **Eritrea** suspended). The political longevity of Prime Minister **Meles Zenawi**, in power since 1991, has made him a prominent spokesman for the AU, which his country hosts, and he is likely to run for the chairmanship of the AU Commission after he retires, before the next elections in 2015. Somalia will dominate the Forum. Ethiopia's strategic role there loomed large at February's London Conference on Somalia (AC Vol 53 No 4). Addis Ababa considers it has the leading regional security role there, beside the USA, with Uganda and Kenya as highly influential.

Stability in Somalia still seems far off but Ethiopia believes the withdrawal of the *Haraka al Shabaab al Mujahideen* forces from Mogadishu and recent advances by the AU's Mission in Somalia (Amisom) mark a turning point. Ethiopia's own operations in Belet Weyne and its move into Baidoa just before the London Conference bolster its conviction that *Al Shabaab*, although capable of much damage, has lost momentum.

This encourages some to favour moving into other areas of Bay and Bakool, notably Bur Hakaba and Dinsoor, which are tactically necessary for the defence of Baidoa. In the Baidoa operation, Ethiopia deployed three regiments, including an armoured unit: one has moved towards Bur Hakaba, another towards Dinsoor. Another regiment is in Belet Weyne in Hiran and other units are in Gedo, including a regiment at Bardhere.

Questions may arise about such plans since *Al Shabaab* has taken to guerrilla tactics. It ambushed Ethiopian troops at a base near Luq in a firefight on 10 March lasting several hours, say independent reports. Each side claimed the other had sustained heavy casualties. Ethiopia remains cautious about its

Somalia operations. It is unlikely to join with Kenyan forces in an attack on the port of Kismayo, a key *Shabaab* source of revenue, and wants all its troops replaced by Amisom. Unlike Kenya, it rejects the 'rehatting' of its men as Amisom.

Like the USA, Ethiopia opposes negotiations with the jihadists and favours creating 'regional entities' – local administrations as large as Somaliland or as small as the Kenya-backed Juba Initiative – balanced by a smaller government in Mogadishu. This strategy requires keeping *Al Shabaab* on the run and incapable of major military initiatives.

Addis Ababa officials worry that a view of their country as a regional bully will cause resentment and undermine its diplomatic effectiveness. In February, Somaliland President **Ahmed Mohamed 'Silanyo'** visited Addis to consolidate relations. He also criticised the role of Ethiopia's Somali Region special police, the *Liyu*, along the Somaliland-Puntland border in supporting the Sool, Sanaag and C'ayn clans, and in allowing easy travel to politicians who participated in the Taleh conference, which set up the Khatumo State.

Ethiopia does not favour Khatumo, we hear, but it may have received a friendly reception from the President of Ethiopia's Somali Region, **Abdi Iley**, because of clan connections. He is an Ogaden, a Darod clan like the Dholbahunta, who dominate Khatumo. The Transitional Federal Government in Mogadishu wants to stay away from the issue altogether.

PRESSURING ERITREA

Although Ethiopia believes it has won the diplomatic argument against **Eritrea**, it maintains pressure on all fronts. It is on this at one with the USA, whose financial contribution to the varied military and government initiatives in the region should not be underestimated. Ethiopia accuses Eritrea of sponsoring separatists and terrorists and is working hard to increase diplomatic pressure on its former ally, as well as sanctions. IGAD, which Eritrean President **Issayas Afewerki** dismisses as an instrument of the USA, supports sanctions against Asmara.

When the United Nations Security Council imposed sanctions on Eritrea last December, it was supported by the TFG, Djibouti, Kenya, Uganda, South Sudan and even Sudan. Ethiopia wants sanctions to

include controls on Eritrea's ever-growing mining revenue and is increasing support for the opposition. The National Congress for Democratic Change in Eritrea met last November in Hawassa, southern Ethiopia, where it elected a 127-member National Assembly. Its 21-member Executive Committee, headed by **Yusuf Berhanu** of the Eritrean National Salvation Front, is shaped like a government-in-exile.

Since last year's **Egyptian** revolution, foreign relations have improved markedly. Egyptian Prime Minister **Essam Abdel Aziz Sharaf** visited Addis Ababa last May and promised to back an integrated development plan for the Nile Basin. The two countries agreed to a technical committee to evaluate Ethiopia's proposed Millennium/Renaissance hydroelectric dam on the Blue Nile. This committee will have two experts each from Egypt, Sudan and Ethiopia, with another four foreign one, and will report later this year. However, Ethiopia has already broken ground on the controversial project and ructions with Cairo and Khartoum are expected if the dam looks like reducing the Nile flow.

Kenya has told Addis Ababa it is worried the dam will affect Lake Turkana's levels. It wants a commission to look at development in the Omo and Daua river basins, and although Meles agreed to respond after a comprehensive study of the Omo Basin, Ethiopia is unlikely to change its plans. Kenya has agreed to purchase 400 megawatts of power from Ethiopia annually, mostly from the controversial Gilgel Gibe III dam on the Omo. Further water controversy is bound to follow. Ethiopia plans to increase hydropower output from less than 2,000 MW to 10,000 MW by 2015. The projects are key to future relations with neighbours and will test Ethiopia's regional clout.

Ethiopia is key promoter of the AU and its policies. These include refusing to endorse the International Criminal Court's indictment of President **Omer Hassan Ahmed el Beshir** and other Sudanese officials, and backing the AU position on Darfur peace talks. Ethiopia worries about its oil supplies following South Sudan's decision to close the pipeline to Sudan.

Above all, it does not want to drive Khartoum into the arms of Eritrea. An Ethiopian brigade works with the UN Interim Security Force for Abyei. So far, 3,700 troops of 4,200 promised have been deployed with 80 military observers. UNISFA has effectively demilitarised the region but only because the people have fled to South Sudan: Khartoum has refused to withdraw its troops as promised.

In late December, the Ethio-Sudan Joint Political Committee held its second meeting (the first was in May 2009) and the Joint Border Development Commission has met regularly, covering exchanges of

security information and joint military patrols. Ethiopia will open consular offices in El Gedaref and Ed Damazine, and Sudan will open consulates in Gondar and Bahir Dar. Ethiopia is sympathetic to

Juba's problems with Sudan and critical of Khartoum's activities in Darfur and along the joint border – but only privately.

Ethiopia and South Sudan held their first Joint Ministerial Commission

meeting in Juba in February. It agreed on a Joint Strategic Partnership to 'promote development, peace, security and stability'. Ethiopia sees South Sudan as an ally on Nile issues. ●

SUDAN

Opposition turns up the heat

Civilian and military opponents of the Khartoum regime win more battles in their campaign

Over a hundred people tried to storm a police station in Khartoum's Ed Deim area on 6 March after **Awadia Agabna** died in clashes with police. Protests then spread. She was from the Nuban Ama tribe's royal family, whose head is **Nayal Edam**, a member of the National Islamic Front government after its 1989 coup. Awadia stood for the National Congress Party in the 2010 elections.

The events reflect the NCP's uncharacteristic disarray and the strength of public anger with the regime. Even fellow Islamists from **Hassan Abdullah el Turabi's** Popular Congress Party call for 'regime change', fuelling suspicion that they are the NCP's reserve team. On 13 March, Arab media reported that Arab governments led by **Saudi Arabia** had asked President **Omer Hassan Ahmed el Beshir** to step aside. Underlying this change of climate are three major factors:

- the military success of the Sudan Revolutionary Front (SRF), especially in the Nuba Mountains, South Kordofan;
- rising economic stress after the

Government of South Sudan cut Khartoum's oil supplies in January (AC Vol 53 No 3);

- the GOSS refusal to yield to Khartoum's pressure over the 'outstanding issues' from the 2005 Comprehensive Peace Agreement (CPA).

The Sudanese regime is not used to being taken by surprise. Its strategic skill and the opposition's inertia have made sure of that. It has, though, underestimated the South, thanks to its Islamist and Arabist mindset. It did not and may still not believe that Juba could maintain its total oil embargo. Along with outside observers, Khartoum took the line that Juba's shutting down its oil wells and pipeline was a mere negotiating tactic.

Juba halted its 375,000 barrels per day in January (98% of revenue). Petroleum and Mining Minister **Stephen Dhieu Dau** says it plans to export at least 35,000 barrels a day by lorry until it can build a pipeline to the **Kenyan** coast or **Djibouti**. In June, it will announce the route and the companies involved. We hear **Chinese**

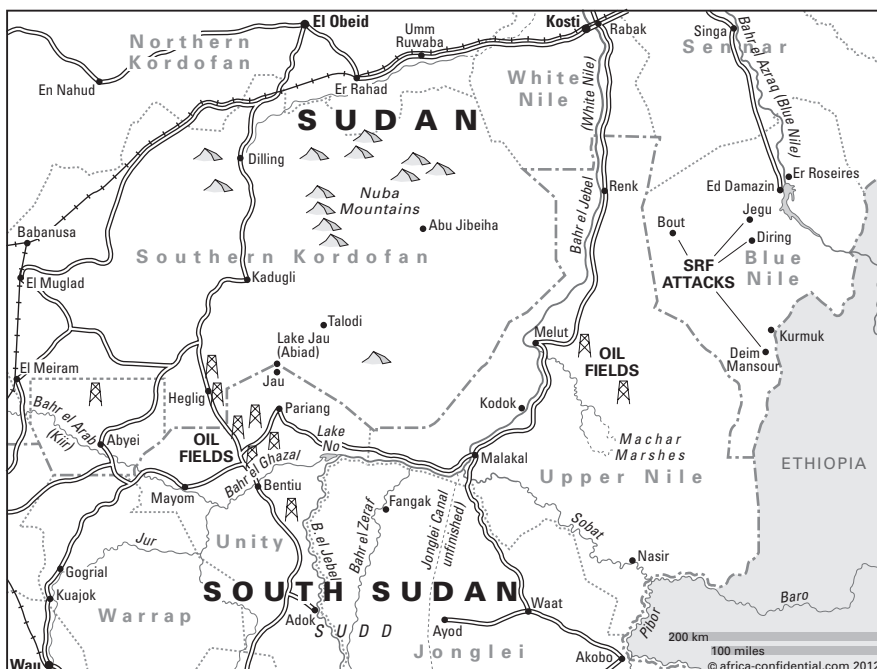
construction companies are offering a pre-financing deal based on Juba selling its oil forward for ten years.

To counter the loss of 75% of its oil revenue since Southern secession in June, Khartoum is seeking investors in six new blocks. Industry sources are sceptical. The 23-24 March Istanbul investment conference was called off amid pressure from human rights bodies and the **United States**, citing the regime's air strikes on civilians in Kordofan and Blue Nile. Khartoum, which has close Islamist friends in the **Turkish** government, is furious at this loss of an opportunity to look like any other government.

The NCP has always been confident of keeping the upper hand in talks with the North, the South or the outside world. 'Do not be fooled by the negotiating techniques of Khartoum,' the former United Nations Resident Representative, **Mukesh Kapila**, warned a meeting at **Britain's** Parliament on 8 March. Such negotiating techniques don't work so well against a GOSS dominated by the Sudan People's Liberation Movement, which understands the NCP. It learned strategic thinking in the North's military colleges and in over 20 years of war. There was 'a solid group doing the thinking for the South', commented one long-standing SPLM official, citing party Secretary General **Pa'gan Amum Okiech**, Justice Minister **John Luk Jok** and Information and Broadcasting Minister **Barnaba Marial Benjamin Bil**, all SPLM veterans.

This round of the NCP-GOSS talks under African Union auspices in Addis Ababa ended two days early on 14 March. It was quietly agreed the oil talks had hit stalemate and the parties moved on. They agreed (again) on the rights of Southerners in Khartoum (not including religious freedom) and (again) to form a committee to define the border.

This is dragging on because the GOSS is no longer giving in and there is a sense that the future no longer depends on such talks. Power is shifting away from the NCP and towards the opposition. The Sudan Revolutionary Front is building its political structures while taking on the Sudan Armed Forces in Blue Nile and Southern Kordofan. In late January, some 700 SAF officers warned Field Marshal **Omer el Beshir** and Defence Minister **Abdel Rahim Mohamed Hussein** (indicted on 1 March on 41 counts of war crimes and crimes against humanity) that the armed forces were in no state to confront their South Sudanese counterpart, the Sudan



People's Liberation Army (SPLA), and were losing against SRF forces in the Two Areas (South Kordofan and Blue Nile).

Recent SRF operations bear this out. After earlier fighting at Jau, a major battle began there on 26 February and the SAF was routed. The SRF claimed 'the complete destruction of two NCP brigades' and the seizure of three tanks, seven cannon, over 140 vehicles 'in good condition' and 300 Dushkas (DSHK heavy machine guns).

The silence from Khartoum was deafening, not least because the battle took place within South Sudan. The border indeed runs through Lake Abiad/Jau. However, Jau itself was a CPA demobilisation assembly point for SPLA forces and accepted by all as being in the South. Only when the SAF attacked there, by land and air, did Khartoum claim it for the North. Curiously, a senior British official told *Africa Confidential* that 'our map people' put it in the North.

After fighting in the Nuba Mountains, the SRF collected and photographed dozens of tins of Iranian anti-personnel mines. Independent sources recently in the area say SAF plants them around houses. This breaches the Ottawa Convention which bans the 'use, stockpiling, production and transfer' of APMs and stipulates their destruction. Khartoum signed up in 1997.

INVISIBLE ARMS SUPPLIERS

Tehran has a long history of military cooperation with the NCP. Last year, the Small Arms Survey noted that 'Several of Sudan's state suppliers, notably China and Iran, are invisible within the UN Register's voluntary reporting' and 'a large number of Iranian YM-III anti-tank mines in Jonglei state were identified in arms stocks taken by the SPLA from a Southern Sudan Defence Force (SSDF) militia in Jonglei State after the group's reintegration'. That means Khartoum had supplied them.

The UN reported Khartoum's air strikes against Unity and Upper Nile states in South Sudan, as well as the Two Areas. On 6 March, the UN High Commissioner for Refugees said over 100,000 Sudanese refugees from the Areas had been registered in South Sudan and over 30,000 in Ethiopia. Khartoum had 'targeted its campaign very well', said Kapila, because people could not plant their crops. It was 'like Darfur-plus', he said, recalling the time when he was forced out as UN Ambassador in 2004 for accusing Khartoum of genocide.

The Darfur conflict continues with reports of daily killings and rapes, mainly by government or government-backed forces. The UN and foreign governments are trying to back resettlement and development but there are few takers because of worries about more fighting. Darfur's Radio Dabanga on 5 March summed it up: 'Defence Minister rejects

arrest warrant, IDP and refugee camps across the region welcome it'.

The three main Darfur insurgent groups have joined the SRF (AC Vol 52 No 3). These are the Justice and Equality Movement, now led by the late **Khalil Ibrahim Mohamed's** brother, **Jibreel Ibrahim Mohamed**; Sudan Liberation Movement/Army-Minni **Arkou Minnawi**; and SLM/A-**Abdel Wahed Mohamed Ahmed el Nur**. On 14 March, a joint statement agreeing to produce a programme to remove the regime 'fusing various modes of struggle' and a roadmap for the aftermath was issued by the SRF, the National Umma Party and Democratic Unionist Party (Original). The signatories for the two main, traditional parties were **El Tom Haju** and **Nasr el Din el Hadi el Mahdi**, senior politicians critical of their parties' less than energetic stance (AC Vol 52 No 21). It would 'cause an earthquake inside those parties', said a source.

The SRF uses guerrilla tactics, not

aiming to hold land. It says it recently destroyed two convoys of SAF and militia, inflicting 'heavy losses'. One was at Diring, two kilometres from Baw, south-west of Ed Damazine; the second at Bigis and Jegu, some 15 km. from Damazine. It killed 25 soldiers, destroyed two 'technicals' and captured two vehicles and 'a large amount' of ammunition, losing two SPLA fighters. Then on 3 March, it attacked SAF and NCP militias at El Ahmer-Sidik in Tadamon locality, Blue Nile, killing 24 men and capturing 5 vehicles, two loaded with food supplies and artillery shells, it says. Officers fled to Bout town. On 13 March, it destroyed another convoy near Deim Mansour, South of Kurmuk.

On 13 March, JEM announced that the SRF had shot down a government *Zagil* (carrier pigeon) unmanned aerial vehicle. It was identical to the Iranian *Ababil* drone that SLM-Unity Command shot down in Darfur in 2008 (AC Vol 49 No 18), said a Western military source. ●

KHARTOUM REWRITES HISTORY

Despite bombing civilians, the National Congress Party (NCP) has some success abroad in the propaganda war, persuading governments to accept its version of events: that the Sudan People's Liberation Front/Army-North (SPLM/A-N), backed by its former comrades in Juba, launched an unnecessary war in South Kordofan and Blue Nile when negotiations were under way. This version does not mention that the SPLM/A-N went to war following the reappointment of **Ahmed Mohamed Haroun Adam** after elections which locals and foreign observers say he could not possibly have won. He is wanted by the International Criminal Court for war crimes.

Yet a February Statement by the **United States** Director of National Intelligence, **James R. Clapper**, spoke of the NCP's 'military response to provocations' by SPLM-N rebels. The US report, to the Senate Armed Forces Committee, neglected to mention NCP Islamist activity but did warn that Khartoum was 'likely to use all available means to prevent protests from escalating' in Khartoum and elsewhere.

Many now expect a major onslaught on the Nuba town of Kauda, where the SRF was formed in November. Whether Khartoum has the morale and numbers for this is questionable. Even Popular Defence Force fighters, including ardent jihadists who volunteered for battle in the South, are now refusing to fight, we hear. Air and long-range bombardment look more likely than a conventional assault.

'The second genocide of the 21st Century is unfolding now,' **Mukesh Kapila** told *Africa Confidential* after visiting the region. The NCP was employing the same ethnically-driven policies as in Darfur, he said. The former official of Britain's Department for International Development was scathing about international, and particularly British, engagement with Khartoum. Foreign and Commonwealth Secretary **William Hague** had again advocated 'critical dialogue', said another source.

Whitehall is also advocating debt relief, conditional on Khartoum unblocking aid to civilians in Kordofan and Blue Nile. 'Not in my name!' Kapila told a Westminster meeting. Blocking aid constituted a crime against humanity under international law, he added.

Meanwhile, Sudan's Commissioner of Disarmament, Demobilisation and Reintegration, **Sulaf el Din Salih Mohamed Tahir**, has lambasted donors for not helping the DDR programme in South Kordofan – a programme which the NCP had neglected to implement, thereby leaving the largely Nuba SPLA units intact: they have now become SPLA-N. Former Humanitarian Aid Commissioner Sulaf el Din had not been heard of for some time, which suggests that, as a core party veteran, he was busy elsewhere.

Now the man who once headed **Muessessa Muwafaq el Kheiriya** (*Muwafag* or Blessed Relief, later terrorist-listed by the USA) keeps popping up, urging Britain, **Canada**, the **Netherlands** and UN to implement resettlement programmes. 'There is now enough space of freedom, democracy, participation and assimilation,' he declared last week. The UN Development Programme has long backed a 'reconciliation programme' in South Kordofan. Arguing that 'we have to accept' last year's election results, one Western official told AC that Governor Ahmed Mohamed Haroun had been 'really helpful'. ●

ANALYSIS

SOUTH AFRICA

How to buy growth – for \$100 billion

Both trades unions and business question the accountability of the government's huge public spending programme, which would invest 850 billion rand (US\$112 bn.) in power generation, transport and telecommunications over the next three years, plus more than R400 bn. for six new nuclear power stations by 2030. The announcement of these grandiose schemes in Parliament last month coincides with leadership contests within the governing African National Congress, which will choose its presidential candidate at its conference in Mangaung in December. Critics claim that wealthy ANC supporters will be promised state contracts in return for political and financial backing.

NEW JOBS IN A GREEN ECONOMY

Amid the global economic slowdown, the government aims to double the current average growth rate of about 3.5 % a year and create 5 million new jobs by 2020. Official unemployment is running at 23% with youth unemployment nearing 40%, fuelling political dissatisfaction (AC Vol 51 No 21). Better supplies of electricity for industry and households are central to the programme. South Africa currently produces more than 90% of its electricity from coal-fired power stations and accounts for just over 1% of the world's man-made greenhouse gases. The government says it will move to a low-carbon economy over the next decade; in December, it agreed with business and labour a 'green economy' accord which, they say, will create 300,000 jobs. A report for the Industrial Development Corporation and the Development Bank of Southern Africa says that the country's 'rich endowment of solar and wind power' could drive the massive programme to generate more power and create jobs. Even then, South Africa would rely heavily on coal-fired and nuclear power.

President **Jacob Zuma** leads the push for infrastructure investment in cabinet, delegating core functions to 'clusters' of ministers, task teams and committees. The South African Reserve Bank has called for a more aggressive approach to productive investment in both the public and private sectors. The National Planning Commission says the country faces a R1.5 trillion infrastructure backlog; the bill for maintenance and

refurbishment alone stands at R30 bn., growing by R2.5 bn. a year. Fixing that would cost some 25% of gross domestic product, according to the Commission's latest report in December. At the end of 2010, infrastructure spending was 19.3% of GDP, boosted by the cost of hosting the 2010 football World Cup.

So far, according to a report prepared for the cabinet, efforts to run infrastructure projects by national, provincial and municipal governments have been plagued by mismanagement and corruption. The report points to poor coordination between departments, lack of project preparation, shortage of technical skills, political interference in appointments, meddling in technical decisions and corruption. The Auditor General surveyed 247 infrastructure projects in health (worth a combined R6.6 bn.) and education (R1.8 bn.), and found that contracts were often awarded without checking that the contractors could deliver on their promises. Site inspections were rare and poor workmanship was seldom identified or addressed. Payments to contractors were often late, causing more delays.

Of the projects audited, more than 70% were completed late, with an average overrun of 22 months. One example was the construction of the Cyril Clarke Secondary School in Mpumalanga: after five months of work, with 89% of the money paid to the contractor, the land for the project was found to be reserved for the new Mbombela football stadium. The building was demolished and the school housed in temporary structures, which increased the cost from R508,593 to R8.5 million. The temporary buildings were then found to be on a railway site and they too were demolished.

Preliminary figures in the cabinet infrastructure report showed that in 2010-11, only 65% of the budget for infrastructure investment to national, provincial and municipal authorities was actually spent. The document blames the underspending on lack of planning in municipalities and on cuts in capital spending by non-financial public enterprises, such as the electricity utility, Eskom. Big state-owned entities have cut their capital spending plans because of difficulties in raising finance from private investors. In cases where government departments got conditional grants from the National Treasury for specific infrastructure projects, 71% of the budgeted money was spent in 2010-11.

Auditor General **Terence Nombembe** said only seven of the 237 municipalities had received a clean audit for the 2009-10 financial year. A report for the National Treasury, due for release later this year, shows that of the 286 municipalities and municipal entities, 66 are in financial distress and another 37 are at risk. Many municipalities underspent on capital items and cut spending on infrastructure maintenance.

A separate Treasury report late last year criticised municipalities for relying on central government grants instead of their own funds. Municipalities often exhaust their cash reserves and some use government grants for capital spending, devoting their own funds to recurrent costs, such as wages. Cuts in repairs and maintenance, the report pointed out, are less 'politically sensitive' than cancelling capital projects or cutting

AT THE TOP, A THREE-WAY SPLIT

The cabinet is split three ways over control over the state-owned enterprises (SOEs) and infrastructure spending. The argument mirrors the ideological battle between, on the one hand, Finance Minister **Pravin Gordhan** and his ally, **Trevor Manuel**, the National Planning Commission Chairman, both of whom hold conventional Keynesian economic views, and on the other hand, their ideological rivals Economic Development Minister **Ebrahim Patel** and **Rob Davies**, the Trade and Industry Minister, representing the left wing of the cabinet (AC Vol 52 No 5). Public Enterprises Minister **Malusi Gigaba** represents the so-called African nationalist view.

Gigaba is battling it out with both Patel and Gordhan over the role of SOEs. Gigaba wants to consolidate under his Ministry all the non-financial SOEs, especially those responsible for infrastructure. At present, he controls only the big ones, such as South African Airways (AC Vol 52 No 24). Gordhan in practice controls many SOEs that do not fall under his jurisdiction, because he controls the budget allocated to them. This leaves line ministers resentful. ●

entertainment expenses. Yet another Treasury overview found that almost a third of municipal budgets were insufficiently funded: revenue projections were unrealistic, operating expenditure too high or capital budgets too ambitious. Overall, municipalities underspent R15 bn. of their capital projects allocation.

Zuma's government is often accused of providing state patronage, including government tenders, to family and friends and to people who hope that, if he wins a second presidential term, they will be favoured when government contracts are handed out. Parliament's Standing Committee on Public Accounts has been told that government departments racked up irregular spending of R21.1 bn. last year: national departments R2.3 bn., provincial departments R16.5 bn., public entities R2.5 bn. and provincial legislatures R53 mn. The Deputy Auditor General, **Kimi Makwetu**, said that flawed procurement was mainly to blame, with officials or their families and friends securing government tenders. The cabinet has not yet set up its high-level team to consider complaints about tender irregularities and delays.

NUCLEAR CONSORTIUM

Opposition parties, civic groups and trades unions fear that the government's tender for four nuclear power stations – discussed with French President **Nicolas Sarkozy** when Zuma visited Paris last year – could follow the pattern of the notorious \$6 bn. arms deal with European weapons manufacturers. A consortium tying up France's Areva, China's Guangdong Nuclear Power Group and South Africa's Aveng is tipped to win some key contracts, with **Russian, South Korean and United States** companies also lobbying strongly. Zuma will set up an energy coordination committee to oversee the management of the nuclear tenders. Deputy President **Kgalema Motlanthe**, seen as a political rival to Zuma, said the committee would be run by people of integrity. However, **Zwelinzima Vavi**, General Secretary of the Congress of South African Trade Unions (Cosatu), said the aims were laudable but government moved too slowly and inefficiently to achieve them. The priority, he insists, should be to address corruption and wastage.

Last year, Zuma announced a new Presidential Infrastructure Commission, chaired by himself and consisting of ministers who hold infrastructure-related portfolios. Zuma said he was aware that his government needed 'to move away from perpetual planning to visible action that will respond to the needs of the people', and that the Commission would ensure that infrastructure projects were systematically selected and implemented without delay. Yet there is confusion in cabinet over the Commission's mandate and it has not met since it was announced.

There is already an 'infrastructure cluster' in cabinet. Zuma also plans to set up other cabinet teams to coordinate aspects of infrastructure provision. For example, a special team of ministers will report to their colleagues responsible for job creation, apparently focussing on changing laws and regulations to unblock private-sector projects. We also hear that the ministers of Trade and Industry, Mineral Resources and Economic Development have been asked to propose ways to reduce steel prices.

The Minister in the Presidency, **Collins Chabane**, said the Infrastructure Commission would resemble the high-level bodies formed to prepare for the soccer competition. Energy Minister **Dipuo Peters** said it would make an 'asset management audit' and prioritise infrastructure delivery at local government level, led by a small senior team. It looks as if the new institutions will add to the current duplication and mandate-creep.

Cosatu has dismissed the Infrastructure Commission as a band-aid measure and Vavi advocates reforms to deal with 'public officials incapable of implementing government policies, resulting in unspent budgets and vacant posts'. He wants a crash programme for training managers and claims that the wrong economic policies are perpetuating the 'economic structure we inherited from colonialism and apartheid, which is over-dependent on the export of raw materials rather than on manufacturing industry'.

Most infrastructure projects appear as isolated investments, not coordinated as part of a long-term integrated plan. Moreover, they are not linked to existing programmes, such as the draft from the National Planning Commission, the Industrial Action Plans, New Growth or various job-creation schemes. Little provision seems to have been made for maintaining existing infrastructure. Vavi has complained of a lack of detail about how the investment would improve people's lives, especially in rural areas. ●

BUSINESS GETS A SEAT AT THE TABLE

Infrastructure investment is financed partly from the National Treasury or appropriations by Parliament. Yet a large share of the finance comes from the budgets of state-owned enterprises (SOEs), national and provincial departments, and municipalities. One present difficulty is that the SOEs are particularly vulnerable to problems in global markets and the eurozone crisis makes it hard for them to raise funds. Borrowing on world markets is also affected by outside perceptions, often unfavourable, of how well South Africa manages its finances. As the pressure rises to fund social services, particularly in health and education, many projects in the government's 850 billion rand (US\$112 bn.) infrastructure programme will have to raise the capital they need on private markets and that puts into doubt the size and pace of the programme.

The National Treasury intends to sell minority stakes in government holdings of companies it considers non-strategic, we hear. Treasury Director General **Lungisa Fuzile** says this would go towards a reserve fund worth 'tens of billions of rand' to finance infrastructure. Large public entities such as Eskom (power) and Transnet (transport) are considered strategic and are not up for privatisation. However, Fuzile said there 'are small entities in which government owns small stakes', which do not form part of its long-term strategy. The infrastructure fund could also find revenue by cutting government departmental budgets and taking cash surpluses generated by SOEs.

Economist **Elna Moolman** at the investment bank Renaissance Capital said she expected the government wage bill to be higher than forecast, putting pressure on the budget deficit: 'We expect the 2012 budget deficit to be about R20 bn. (or 0.4% of GDP) larger than government's latest prediction.'

The state energy company Sasol says it plans to spend R40 bn. on growth projects over the next two years. Private companies are less eager. The most recent figures from Nedgroup Investments show that corporate cash deposits exceed R470 bn., with companies apparently reluctant to spend or invest. **Michael Jordaan**, the Chief Executive of First National Bank, the third-largest retail bank, says local companies are being overcautious in not investing in big capital projects; he still believed gross domestic product would grow faster than the global economy this year; 'This is good by global standards but obviously not enough to create more than 200,000 new jobs'.

Jordaan also pointed out that companies faced economic uncertainty locally as the country struggled out of its recession, and that the prospect was darkened by the European debt crisis; companies' investment intentions were low, as evidenced by low drawdowns on existing credit lines. Banks were willing to lend but companies were not investing significantly in long-term, capital-intensive projects.

In 2012, the government intends to approach the private sector, especially mining companies, to supplement state funding for infrastructure. The Public Enterprises Minister, **Malusi Gigaba**, argues that the very large mining, industrial and financial companies have most to gain from an accelerated infrastructure programme. He hopes to 'forge social compacts' with them, to unlock their balance sheets and actively build funding partnerships to speed up the rate of investment in infrastructure. ●

ZIMBABWE

Constitutional reform blow

ZANU-PF opposes the reforms planned to precede the elections and knows how to scupper them

The process of drafting the new constitution is teetering towards collapse. So the various factions are honing their plans for what could be a bruising election campaign under the existing law. The five-year electoral cycle ends early next year but rivalries within each party militate against any of them adopting a coherent plan by then.

From the outset, the hardliners in President **Robert Mugabe's** Zimbabwe African National Union-Patriotic Front were determined not to allow any but token changes to the constitution which has served them so well for three decades. At the start of public consultations on the new draft, alternative viewpoints were stifled by disruption inspired by ZANU-PF in urban areas, watched by the acquiescent police, and by more direct action in rural areas where (outside Matebeleland) full use was made of traditional leadership structures. ZANU-PF lacked an overall majority in the Constitution Parliamentary Select Committee (Copac), whose task is

to draft the constitution, and so could not exclude all other views. After a violent invasion of Parliament last October, for which nobody has been arrested, a second round of consultations was effectively dropped (AC Vol 53 No 2).

A relentless state media campaign was interrupted by a phoney debate on gay rights (which interested few except for Mugabe and the Gays' and Lesbians' Association of Zimbabwe). Ideologues criticised the drafters' comparative studies of other constitutions as irrelevant to Zimbabwe. Even when they were dispatched to a secluded mountain retreat, their presence was leaked to **Jabulani Sibanda** and his 'War Veterans', who dropped by to make their views known.

Ultimately, the state media were informed, falsely, that the pending draft made provision for gay rights and ruled out presidential candidates over 70. An incomplete draft was published in *The Herald*, into which, it was alleged, the drafters had insinuated gay rights and

age limitations without authorisation, personally aiming at Mugabe. In reality, the draft simply provided for a maximum ten-year tenure for future presidents and the protection of minority rights, referring only to race, religion or gender. By the time the independent media had picked up the propaganda coup, it was firmly entrenched in the public mind.

Cabinet Secretary **Desire Sibanda** gave notice that Copac needed to finalise its report by 15 March. Finance Minister **Tendai Biti**, who doubles as chief negotiator for the Movement for Democratic Change, remarked that the reduction in public consultation meant the constitution would be negotiated rather than driven by the people. The hardliners' propaganda supremo, **Jonathan Moyo**, used his *Sunday Mail* column to rubbish the notion of negotiations with the MDC.

Moyo had at least gone through the draft line by line and made no mention of gay rights or presidential age limits. Yet he dealt with a number of issues in the draft which would have alarmed the hardliners. The drafters had opted for parliamentary confirmation of presidential nominees for senior appointments, as in the **United States**; for a separate Constitutional Court and an independent prosecuting authority; and (in recognition of concerns in Matebeleland) a modest opening for devolution. The hardliners want no such safeguards, only an unfettered unitary presidency in which party structures take de facto precedence – issues lost in the phoney media debate. Prime Minister **Morgan Tsvangirai** will have trouble reinstating them and much will depend on Biti's ability to advise his leader.

Yet Mugabe and the hardliners do not agree on everything. It may be significant that the announcement on the draft deadline was made by Desire Sibanda, not the official spokesman, **George Charamba**. The hardliners want an overwhelming parliamentary majority, so they can sort out the succession on their own terms. Vice-President **Joice Mujuru** and the ZANU-PF reformers want a more balanced chamber and are campaigning on corruption, on which the hardliners are more vulnerable.

Meanwhile, Youth and Indigenisation Minister **Saviour Kasukuwere** is about to hold a showdown with mining interests over his plans. Matebeleland is shaping up for a battle between **Simon Khaya Moyo** and Mines Minister **Obert Mpofu** to succeed Vice-President **John Nkomo**, who was too ill to attend Mugabe's 88th birthday bash. Nor did **Grace Mugabe**, who was in **Singapore**. Both Defence Minister **Emmerson Mnangagwa** and General **Constantine Chiwenga** fancy their presidential prospects and it seems that Jonathan Moyo is now leaning towards Chiwenga. ●

THE RISE OF TENDAI BITI

Tendai Biti has been the star both of the Movement for Democratic Change as its General Secretary and of the Government of National Unity as its Finance Minister. He was perhaps lucky, as his predecessors had so ruined the economy that some recovery was inevitable and he was helped by the coming on stream of diamond and platinum mines. He now has that quality that nearly all other politicians lack – domestic and international credibility. Within his own party and countrywide, he is seen as the natural successor to the more pedestrian, gaffe-prone **Morgan Tsvangirai**. Periodic rumours of plots to install him as leader are dampened only by the recollection of how dearly the split with **Welshman Ncube** cost the MDC in 2008.

Even President **Robert Mugabe**, who is grudging in his praise, admires Biti as hard-working and intellectually thorough – almost, but naturally not quite, worthy of being treated as an equal. Biti is not overawed by the President and is one of the few who stand up to him since the death of General **Solomon Mujuru** in August. When Mugabe tried to blame Biti for failing to finance the poorly performing new farmers as they faced a possibly disastrous season, Biti pointed out that they seemed to have squandered on non-farm activities much of the US\$2 billion pumped in since 2009; no more was said. Yet Biti has failed to hang responsibility for the economic mess on the policies of the Zimbabwe African National Union-Patriotic Front and they are still bleating that it is all the fault of sanctions. Nor has he managed to rein in the Indigenisation and Empowerment programmes, without which the recovery might have been more impressive.

ZANU-PF aims to protect its own immediate, long-term interests and to cripple the MDC's structures before the polls. Biti is in its sights. It was getting ready to hobble Tsvangirai with a charge of fraud concerning his official residence but now realises that, with Biti ready in the wings, a victory might be self-defeating. Having extended the securocrats' tenure (AC Vol 53 No 2), Mugabe publicly told junta members to lay off from prosecuting Tsvangirai without a cast-iron case, a warning which they seem to have ignored, along with warnings on Biti, too. He, in turn, is creating a Special Purpose Vehicle to probe the Reserve Bank of Zimbabwe's debt of \$1.2 bn. and all shady transactions including any with security service chiefs, who are rumoured to owe millions. ●

ALGERIA/MOROCCO

The neighbours start talking

A new warmth in relations could mean the reopening of the common border but agreement on Western Sahara remains problematic

Several high-level diplomatic meetings initiated by Prime Minister **Abdelilah Benkirane** in recent weeks have raised hopes that Algeria and Morocco might finally reopen their border, closed since 1994. Benkirane took over as head of government on 4 January following legislative elections on 25 November in which his Islamist *Parti de la justice et du développement* won 107 out of 395 seats in the National Assembly.

An Algeria-Morocco rapprochement would be immensely popular in both countries and there are claims it could add 1-2 percentage points to regional gross domestic product. It also scores in the wider North African region since **Tunisia** is leading efforts to revive the five-nation *Union du Maghreb arabe* (UMA, see Box). The PJD shares with Tunisia's *Hizb Ennahda* (Renaissance Party) roots in the Muslim Brotherhood (AC Vol 52 No 25).

The reason for the rapprochement appears to be the need of both governments to deliver political reform while avoiding uprisings. The new Moroccan Foreign Minister, **Saad Eddine el Othmani**, made Algiers the destination of his first foreign trip. His Algerian counterpart, **Mourad Medelci**, reciprocated and Benkirane held talks with Algerian President **Abdelaziz Bouteflika** on the sidelines of the African Union summit in Addis Ababa in January.

The media on both sides predict normalisation soon. Morocco's *Office national de l'électricité* (ONE) could buy more gas from Sonatrach to fuel its power stations, while Moroccan firms are keen to enter Algeria's petrodollar-fuelled market. Othmani is keen to make a breakthrough but, a senior Moroccan source told *Africa Confidential*, he 'will have to be wary that he does not move too fast and get duped by the Algerians. We have a very long history of disappointments and building trust will take a long time.'

MOROCCAN TURF WARS

The PJD fought hard to get the Foreign Affairs portfolio during weeks of horse-trading to form a government. It had been expected that a secular politician would get the job. The Palace favoured **Hassan Abouyoub**, now Ambassador to Rome (AC Vol 42 No 10), but faced problems with his party, the Berber-focused *Mouvance populaire* (MP), whose leadership wants to keep jobs for its allies. Othmani got the job but is supported – insiders say shadowed

– by an influential junior minister, the Foreign Affairs and Cooperation Minister, **Youssef Amrani**, a well-connected member of the *Istiqlal* party.

King **Mohammed VI** has appointed former Foreign Minister **Taieb Fassi-Fihri**, an enormously experienced 'safe pair of hands', as one of his formal advisors. In theory, the government is responsible for day-to-day management of Morocco's affairs, while the King and his advisors concentrate on longer-term strategy. However, the Palace sees foreign affairs, especially relations with the old enemy, Algeria, as its own preserve and will probably tussle with the independent-minded government for control of policy.

Algeria is less enthusiastic. Medelci is a long-time ally of the President's, with whom he spent much time in **Swiss** exile prior to Bouteflika's return to Algeria in the late 1990s. Bouteflika was born in the Moroccan border town of Oujda during the **French** colonial period and is steeped in Moroccan culture but he distrusts Rabat's intriguing. Bouteflika is also, several sources told AC, wary of a major economic opening that could allow efficient Moroccan companies, especially banks, to outperform Algeria's weak private and sclerotic public companies. Looming over

everything is the disputed Western Sahara, which Morocco continues to develop as an integral part of the kingdom, while the Polisario Front – backed by Algeria since its creation in 1973 – is pressing for a full United Nations decolonisation process. Bouteflika's association with the question dates from Polisario's birth, when he was the late President **Houari Boumedienne's** youthful Foreign Minister.

This, by itself, could scupper the rapprochement with Morocco, says a senior Algerian source. 'Of course Bouteflika wants a resumption of ties with Morocco and the relaunch of the UMA, to a big fanfare, to be part of his legacy. But not at the cost of letting the King of Morocco get his way on the Saharan question. There will be no accommodation of Morocco while Bouteflika remains in charge – and probably not for some time after that.'

The diplomatic outlook for an enduring Saharan settlement remains poor. A **United States**-backed process of informal talks between Morocco and Polisario, mainly held at Manhasset in New York state, continued in mid-March, when observers from Algeria and **Mauritania** also attended. The meetings, convened by the UN Secretary General's Western Sahara Envoy, US former Ambassador **Christopher Ross**, would discuss the 'progress' made so far and 'measures of trust', said a UN Spokesperson, the language barely concealing that there was little of either. Ross says 'environmental issues, natural resources and de-mining' will also be on the agenda, so the meetings could 'then move on to other subjects'.

Morocco continues to stick to proposals for a solution that would give the territory

TUNISIA LOBBIES FOR THE UMA

There is growing talk that the moribund *Union du Maghreb arabe* will hold its first summit since 1994. Tunisia's popular President, **Moncef Marzouki**, is particularly keen to get the five members – **Algeria, Libya, Mauritania, Morocco** and Tunisia – round the table. He timed his February visits to Algeria, Morocco and Mauritania promoting the revival of UMA to culminate in Tunis on the anniversary its foundation on 17 February 1989 in Marrakech, Morocco. Tunisia wants a summit before the end of the year.

The upsurge in enthusiasm reflects long-held views that the Maghreb's slow-growing economies could benefit hugely from the synergy and opportunities that cooperation offers. The regional predominance of Muslim Brotherhood-linked politicians is also a factor. They want to reduce the Maghreb's dependence on Europe. The dormant UMA Secretariat plods on under veteran Tunisian diplomat **Habib Ben Yahia** but it is a new generation of politicians out of the Arab Spring that will take forward the regional unity agenda. In Tunisia, Foreign Affairs Minister **Rafik Abdesslem** of the Islamist *Hizb Ennahda*, whose team includes the financial expert **Abdallah Triki** as Secretary of State with responsibility for the Arab World and Africa, is pushing a pan-Arab agenda that has made 'reviving the UMA a priority'. It is a priority shared by other MB-influenced politicians across the region.

During the years of President **Zine el Abidine Ben Ali**, Abdesslem moved from Morocco, where he took his first degree at Rabat's Mohammed V University, to **Britain** before moving to **Qatar**, where he was Director of Research at *Al Jazeera* Satellite Channel. This gave him a big media profile, which, along with his academic credentials, helps to counter claims of nepotism. He is married to *Ennahda* leader Sheikh **Rachid Ghannouchi's** daughter **Soumaya Ghannouchi** (AC Vol 52 No 21). ●

'autonomy' under the Moroccan monarch. Polisario insists on a UN-organised referendum for the Sahrawi people to choose between autonomy under the King and full independence.

Everyone is anxious to exploit the potential of the Sahrawi Arab Democratic Republic, not just for the phosphate mined by Moroccan state giant *Office chérifien des phosphates* and for fish but also for oil, gas and wind-power. Germany's Siemens has just won a contract to install wind-turbines

there to generate electricity for the ONE. Oil exploration is constrained by the UN mandate but several international oil companies are present in exploration and production blocks awarded by Morocco's *Office national des hydrocarbures et des mines* (Onhym). Kosmos Energy holds a licence for the offshore Boujdour block (AC Vol 52 No 7). TSX Venture Exchange-listed, British-based Longreach Oil and Gas, and Ireland's San Leon have Onhym-licensed acreage in the Zag-Tindouf Basin

concession, which overlaps the colonial-era border in the north-east.

Polisario is holding its own licensing rounds, attracting firms such as Wessex Exploration and Tower Resources, both listed on the London Stock Exchange's Alternative Investment Market, and Ophir Energy. Work must await a UN-approved settlement, but in the Zag Basin, which spans the disputed border, Longreach says it completed 1,674 kilometres of seismic testing in January. ●

TANZANIA

Poisoning the atmosphere

President Kikwete remains aloof from party strife, so the anti-corruption faction and its enemies keep on fighting

Bitterness is growing in the disputes within the governing *Chama Cha Mapinduzi* and government and CCM skeletons are refusing to stay in the closet. The latest row concerns the Deputy Minister for Works, **Harrison Mwakyembe**, and whether or not he was poisoned by rivals anxious to prevent corrupt officials coming to justice. Mwakyembe chaired the parliamentary select committee which produced the damning report on the Richmond/Dowans affair (AC Vol 52 No 13). Police

have refuted the poison claims. President **Jakaya Kikwete**, however, refuses to get involved which, some analysts say, explains his frequent trips abroad.

At the same time, corruption has stayed on the front pages because of a belief that the late Bank of Tanzania Governor, **Daudi Balali**, has been tweeting (see Box). Last October, Mwakyembe developed a serious skin condition and flew to India for treatment. Reports said he was shedding skin and was very ill. Since his return home, apparently

recovered, neither he nor his doctors have given the name of the disease or identified a possible toxin.

Some media reports claimed that the office cleaner who was responsible for changing the soap and towel in his office has since died. Political colleagues of Mwakyembe have claimed that the towel and soap carried poison although Mwakyembe himself was not so specific. There had been previous allegations, too. He had claimed that an incident when a lorry pushed his car off the road in Iringa in May 2009 was an attempt on his life. He also said government members had hired *Al Shabaab* terrorists to kill him.

Mwakyembe said that the police reaction 'showed me clearly that the police did not have a firm resolve to investigate the matter'. The Minister for East African Cooperation, former Speaker of Parliament and unofficial leader of CCM's reforming faction, **Samuel John Sitta**, has asserted that Mwakyembe was definitely poisoned and that the police were in cahoots with those wanting him dead. Sitta has been driving home this message in the media and at public meetings. Speaking at a church service on 5 March to welcome Mwakyembe back from **India**, Sitta claimed that 'greedy individuals who have amassed wealth were hatching devious plans against committed leaders'.

The Director of Criminal Investigations, **Robert Manumba**, rubbished Mwakyembe's poison claims, as did Health and Social Affairs Minister **Hadji Hussein Mponda**. Police and security sources told *Africa Confidential* they had seen no evidence to support Mwakyembe's claims, which are short on specifics. Local reports last October, citing Mwakyembe family sources, said he had been suffering from exfoliative dermatitis, a debilitating skin condition which is not known to be caused by poisoning. Meanwhile, early this month, the CCM Ideology and Publicity Secretary, **Nape Nauye**, a Sitta faction member, told local editors and security officials that Lowassa had sent a girlfriend to poison him. When the plot failed, he told them, the woman fled to London. 'Nape is Mwakyembe's sympathiser and that made us suspect the allegations,' a security source told us. ●

DEAD BANKER TWEETING

In mid-February, the governing *Chama Cha Mapinduzi's* old guard and their well-connected business friends experienced a collective shudder when the former Bank of Tanzania (BOT) Governor, **Daudi Ballali**, started broadcasting on micro-messaging service Twitter. @daudibalali has tweeted over 250 times, with messages such as 'It's time to go home. I didn't die, I'm not dead.' Ballali was thought to have died in May 2008. He resigned in September 2007 over the notorious External Payment Arrears (EPA) fraud (AC Vol 49 No 2), although President **Jakaya Kikwete** officially 'sacked' him in January 2008. He then went to the **United States** (he was a US citizen), for medical treatment. There are no reports of his corpse being seen or sent home, or a funeral held.

Kikwete had been sitting on an audit by financial firm Ernst and Young, identifying the scam and the Bank management's role in it from September 2006. Ballali had been Governor since 1998 and his position made him a central figure in all the most notorious thefts from the public purse of the previous decade, including the **British** Aerospace radar scandal, the 'Twin Towers' affair, which involved allegedly inflated contract prices for building the BOT headquarters, and the Richmond/Dowans power-generator scandal. The principals in most of these crimes remain unprosecuted. Prior to Ballali's sacking, no audits had taken place at the BoT for three years.

The EPA account was a Finance Ministry facility that had been transferred to the BoT. The idea of the EPA was for foreign companies owed money from abroad to be reimbursed under an International Monetary Fund-supported debt conversion programme. However, fake companies, some of them not even registered, produced invoices for payment, and when questions arose at the Bank, Ballali ordered staff to ignore them and pay up. Some 133 billion Tanzanian shillings (US\$117 million) went missing into 22 company accounts. Best known among the payees was Kagoda Agriculture Limited (AC Vol 48 No 14). Some 25 officials and businessmen are still on trial. At the time, the Tanzanian media reported that proof of Ballali's demise was lacking. @daudibalali threatens major revelations: 'I have a grand plan laid out and which I must follow. I don't have to be rushed into doing anything; I'll decide myself when to do what and how.' ●

BRITAIN/AFRICA

Getting out of the bush

Accountants and managers at the BBC are calling time on the African service and cutting British influence on the continent

The British Broadcasting Corporation's decision to eviscerate its highly successful African Service looks counterproductive. It is all the more surprising given that Africa is being targeted by well-financed Chinese, Iranian, Qatari, Russian and Turkish media organisations, all keen to supplant the BBC's influence. The thousand cuts inflicted on BBC broadcasts to Africa and other developing regions coincide with the exodus of the BBC World Service from its much-loved Bush House headquarters in London's Aldwych to the shiny new Broadcasting House in Portland Place.

Over 1,200 staff at Bush House share nostalgia for the heyday of international broadcasting and foreboding about more cuts to external services. Bush House became a United Nations of international broadcasters: it has housed the World Service since 1940, when World War II bombing drove the BBC European Service out of Broadcasting House.

The biggest change for Africa listeners will be the loss of Network Africa, to be merged with The World Today in 30 hours per week of news. Managers have already axed Africa Service programmes about sport, the arts, business and a topical

phone-in, 'Africa Have Your Say'. Africa accounts for over a quarter of the World Service's 240 million listeners, many in countries without free media.

Defenders of the changes say merging with the World Today will raise the profile of Africa at the BBC but an African producer warned: 'By definition, it will reduce the coverage.' The Africa Service will continue, as will the African language services – in Hausa, Kiswahili and Somali. Because the Africa Service's programmes are made mainly by Africans, it has managed to shake-off the colonial tag and is widely regarded as a fair broadcaster. Africa and World Service journalists will now work in the glitzy, state-of-the-art, steel and glass, £1 billion-plus (over US\$1.58 bn.) Peel Wing, an extension of Broadcasting House (BH) at the rear of the famous façade, to which the entire Bush House and Television Centre population, over 4,500, are moving.

The World Service celebrated its 80th birthday on 29 February. It looked like a farewell party, especially as few programme-makers were invited. Instead, it was packed with friends of BBC Trust Chairman Chris Patten. The BBC is funded mainly (£3.513 bn.) from viewers' licence

fees; commercial sales bring in £206 mn. The World Service gets a £299 mn. grant from the Foreign and Commonwealth Office, which during the Cold War would vet staff and occasionally try to interfere. Now, Foreign Secretary William Hague has ended the grant from April 2014, and the World Service will have to compete with all other BBC departments for its share of licence fee funds.

The same applies to Cabinet Office funding for the BBC Monitoring Service from April next year. Quantity has already declined in Monitoring's subscription service, translated from over 100 languages. BBC Chairman Mark Thompson has promised total cuts of 20% by 2017. The BH site has been sold and is being leased back, and Television Centre in west London is for sale. Big questions hang over the BBC's planned new Africa TV, also due to start before the Olympics.

Qatar's Al Jazeera is again luring BBC staff with better salaries and conditions: it launches a Kiswahili television channel in August. With direct backing from Emir Hamad bin Khalifa al Thani, Al Jazeera is one of the wealthiest broadcasting corporations. Another expanding broadcaster is China Central Television, whose Africa News Production Centre opened in Nairobi in January as part of Beijing's \$10 bn. investment in soft-power diplomacy. It already employs 100 people, many, such as Beatrice Marshall, poached from local media. It wants to tell the world 'good stories' of Africa, China and 'China-Africa friendship', said Ambassador Liu Guangyuan. That's something the BBC will never match. ●

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POINTERS

Gambia/Iran

FRIENDS REUNITED?

■ Could President **Yahya Jammeh**, who has run one of the region's most corrupt and brutal regimes since 1994, be planning to reopen diplomatic relations with Iran? After **Nigerian** security agents revealed that a cargo of arms from Iran it seized was en route to Banjul, Jammeh was pushed into breaking formal ties with Tehran in November 2010.

Rebutting suspicions that Iran was supplying him with arms to support the Casamance rebels in **Senegal**, Jammeh denied he was aware of the shipment. Yet he issued no public rebuke to Iran and is a loyal supporter of its nuclear programme.

Jammeh, who rarely hides his contempt for human rights, has publicly threatened to kill critical journalists and activists (AC Vol 53 No 4). However, Banjul has symbolically realigned its media sympathies. Instead of the **United States'** flagship Cable News Network (CNN), the multiple television screens at Banjul airport now broadcast the Iranian government's Press TV. Iran, which is currently making a big push into Africa, set up the English-language channel in 2007 to break the 'Western stranglehold' on world news.

Although Gambians may be the main target, Jammeh may also be trying to bring the benefits of Press TV to Britons. The majority of foreign travellers are UK holidaymakers bound for Gambian beaches; since January, they have been deprived of watching the Iranian channel in their homeland. UK media regulator Ofcom cancelled its UK licence on the grounds that it was controlled from Tehran, not from its London offices.

Press TV had also failed to pay a £100,000 (US\$157,230) fine after an interview with journalist **Maziar Bahari**, gaoled in Iran, that Ofcom said had been conducted 'under duress'. Press TV has responded to the British ban by sub-contracting journalists working for other media companies, some of whom have called the *Africa Confidential* office looking for interviewees.

Guinea Bissau

GOMES IN THE LEAD

■ On 18 March, Guinea Bissau chooses a successor to the late President **Malam Bacai Sanhá**, who died in harness on 9 January. Speaker of Parliament **Raimundo Pereira** is interim President. Leading the field of 14 presidential candidates by a considerable distance is **Carlos Domingos Gomes Júnior** of Sanhá's party, the governing *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC), but his long-standing

rival. Gomes Júnior gave up his job as Prime Minister on 10 February to stand. His replacement is **Adiato Djaló Nandigna**.

The leader of the *Partido de Renovação Social* (PRS), **Kumba Yalá**, who was toppled as President in the 2003 military coup, is doing poorly (AC Vol 44 No 19). Since his conversion to Islam in 2008, his electoral base has shrunk. The closest rival to Gomes is thought to be **Henrique Pereira Rosa**, who was well-regarded as interim President in 2003-05, and scored a respectable 23% in 2009's election.

If, as seems likely, no candidate polls over 50% in the first round, Rosa will probably be Gomes's opponent in the second. The PRS and extra-parliamentary groups in the Democratic Opposition of Guinea Bissau say Gomes's candidacy is unconstitutional and complain that the electoral register is out of date. Gomes is the favourite candidate of Angola, which exerts powerful influence over small Lusophone nations in West Africa.

Gomes has good relations with Luanda's 200-strong military mission, which is helping the Security Sector Reform programme's efforts to put the country's 'narco-state' past far behind it. He is also thought to be the best at handling the country's fractious and dangerous officer corps. Nor will his prospects have been hurt by the International Monetary Fund's positive verdict on the economy on 13 March after a two-week mission.

South Africa/European Union

EURO-RIGHT BACKS BOERS

■ Afrikaners complaining of a 'Boer genocide' are joining forces with far-right members of the European Parliament to protest the murder of white farmers in South Africa. In 2010, they had filed complaints against South African politicians over 'genocidal hate speech' to the International Criminal Court (ICC) in the Hague. On 6 March, 48 MEPs from 19 countries issued a 'declaration' to the Parliament condemning the violence. They include **Philip Claeys** (of Belgium's *Vlaams Belang*), **Andreas Mölzer** (Austria's *Freiheitliche Partei Österreichs*) and **Fiorello Provera** (*Lega Nord*, Italy, and Foreign Affairs Committee Vice-Chairman).

This follows the visit of the Transvaal Agricultural Union Vice-Chairman, **Henk van de Graaf**, who called for individual sanctions against South African government members if they did nothing about the farm murders. Since 1994, he claims, 1,554 white farmers or their families. (Most mainstream **British** media use a figure of 3,000, while a 2010 *New York Times* article quoted SA police saying 900 in 2001-10.) The Brussels campaign meeting included *Vlaams Belang* ex-leader **Filip Dewinter** and the British National Party MEP **Nick Griffin**.

The complaints to the ICC name

twelve top politicians, including President **Jacob Zuma** and former African National Congress Youth League leader **Julius Malema**. The Pro-Afrikaans Action Group also sent a complaint to the ICC last May, citing Malema's singing of *Ayesab' amagwala*, which includes the line 'Dubhula iBhunu' ('Shoot the Boer'). This presents difficulties for the ANC since SA courts have already banned the song as 'hate speech'. Most analysts see the murders as a product of SA's exceptionally high murder rate and a legacy of apartheid, not a systematic attempt to wipe out the Boer people.

Sierra Leone

PERSONAL, NOT BUSINESS

■ Correspondence on the recall of the United Nations chief, **Michael von der Schulenburg**, indicates an almost irrational hatred of him by President **Ernest Bai Koroma** (AC Vol 53 No 4). Letters seen by *Africa Confidential* show that Koroma had formed a visceral dislike of the Executive Representative for the UN Integrated Peacebuilding Office in Sierra Leone.

This is perhaps based on his fury at the Sierra Leone People's Party choosing as its presidential candidate **Julius Maada Bio**, who was once Koroma's gaoler under military rule. The letters show Koroma has not acknowledged Bio as a candidate, refused to meet him and even had his photo removed from the 'picture gallery' of former leaders at State House, even though several other leaders were unelected or had mounted coups.

After Schulenburg found out that he had to leave, the correspondence shows, people close to Koroma tried to get him to change his mind. The President's personal assistant had a long meeting with Schulenburg and word arrived from the President's wife that she was 'working on his case'. Three cabinet ministers and the central bank governor tried to arrange a reconciliation but to no avail. Koroma shocked his interlocutors during a government consultation with the European Union by telling them he would not tolerate any undue 'flirting' with the opposition.

Fears for the fairness and peace of November's poll also increased after the 25 February revelation that US\$4.5 million worth of small arms were imported via a company controlled by Israeli diamond merchant **Serge Muller**. Local reports, still unverified, say the arms were destined for the paramilitary police, the Operational Services Division. **Britain** helped form the OSD in 2002 with £1 million (\$1.57 mn.) worth of weapons, a quantity London later regretted as excessive. One policing expert consulted by AC declared that the UK arms were more than enough and the latest shipment was way beyond anything the OSD would normally require.

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BLUE LINES

Is it worth Africa challenging the United States for the Presidency of the World Bank? There has been a remarkable show of continental solidarity with Nigeria's Finance Minister, Ngozi Okonjo-Iweala. If Asia and Latin America back Africa's candidate, they will stand a chance of shaming the Bank's Executive Board into ending the stitch-up that has guaranteed Western leadership of the world's two biggest financial institutions for sixty years. After backing from South Africa and Angola, the African Union also declared for her.

Together with the international acclaim in the US press, it was good-news day for Goodluck Jonathan's besieged government. The numbers are against Okonjo-Iweala beating the US nominee, Jim Yong Kim, but many development specialists attest to her inside knowledge of the Bank, its shareholders and clients. However, it would take more than her talents to break the post-war US-European deal. Even Dominique Strauss-Kahn's ignominious departure as head of the International Monetary Fund could not break the mould. Washington backed Christine Lagarde to head the IMF so long as the US right to have an American run the World Bank remained.

With the USA and European shareholders controlling 60% of the votes, it could hardly be otherwise. President Obama's inspired choice of a South Korean-born US citizen and seasoned development health specialist in place of the usual middle-aged, East Coast, white male is likely to win the day.

NIGERIA

The President tightens up

Jonathan is getting a grip on his party and perhaps preparing to run again, despite his northern rivals

On the eve of the national convention of the governing People's Democratic Party on 24 March, former President Olusegun Obasanjo deplored the lack of discipline in the PDP. Loyalists were squabbling over positions and pursuing personal vendettas, he observed in a conciliatory tone. When he was President, in 1999-2007, Obasanjo did things differently, sending in the Economic and Financial Crimes Commission and security agencies to shove the dissidents into line.

At last his successor, President Goodluck Jonathan, has started to use his enormous powers to hunt down perceived enemies. Take Timipre Sylva, the ousted Governor of Bayelsa State in the oil-rich Delta, homeland of his predecessor, Jonathan. In February's governorship election there, Jonathan openly campaigned for the winner, Henry Seriake Dickson, whose overwhelming qualification was that he was Jonathan's man. All other contestants fell in behind him.

On 24 March, the President pulled off the same trick and Alhaji Bamangar Tukur emerged as the PDP's National Chairman. Three days earlier, he had been trounced by Musa Babayo in the primary in his own north-east zone, to which the chair had been assigned. Party enforcers, led by the President's Chief of Staff, Chief Mike Oghiadomhe, went in, telling party bosses that Jonathan preferred the 77-year-old Tukur to the younger Musa Babayo. Rival candidates stepped down in favour of Bamangar Tukur.

Among those who got out of the President's way were Professor Rufai Ahmed Alkali, Alhaji Gambo Lawan, Adamu Bello,

Alhaji Ibrahim Bunu, Senator Mohammed Abba-Aji, Ahmed Mu'azu, Ambassador Adamu Danjuma Idris Waziri, Ibrahim Shehu Birma and Babayo himself. Among Tukur's better-known cheerleaders were the Finance Minister, Ngozi Okonjo-Iweala, and Obasanjo, who, according to presidential insiders, is the real champion of Tukur's appointment as Chairman.

On his Facebook page, a British-Nigerian historian, Ayo Akinfe, wrote that, at 77, Tukur should be taking a back seat, not the job of party Chairman: 'Bamangar Tukur, your "appointment" as party chairman just reflects everything wrong with Nigerian politics at the moment...'. Other observers said it was not about Tukur but about the 2015 presidential election. They say that since Atiku Abubakar is back in the party he helped to found, the contest will not be democratic. A key issue is the convention that the party's presidential candidate (perhaps Abubakar) and its chairman should not come from the same zone.

SECOND TERM FOR JONATHAN

Jonathan has not declared his intention to stand in 2015 but his body-language says otherwise and his foot soldiers are awash with resources. A close advisor told *Africa Confidential* that if the President succeeded in his efforts to reform the oil and gas industry and provide reliable electricity to the country's 170 million people, then he would have every right to seek a second mandate. As to the north-south tensions involved in a second Jonathan term, the advisor said: 'The north held the executive for over 40 years; if a Delta president can make some progress in

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four years, he is entitled to run for a second term and then we hand over to the next candidate from wherever.' That would once again deny the north a chance of the presidency; a perception which is said to help to fuel the *Boko Haram* insurgency in

the north. For the PDP loyalists in Abuja, it seems almost certain that Jonathan will contest and win: it is almost impossible to defeat an incumbent Nigerian president. The political flexibility seen in Ghana in 2000 and 2008, and last week in Senegal, has not yet reached Nigeria.

Jonathan's main opponents, northerners insisting that it is their region's turn for the presidency, are in disarray. The behind-the-scenes wrangling of the chairmanship election points to the fact that the years of 'one north' are over. The candidates who stepped down for Tukur did so grudgingly, after promises of board appointments and other favours. Popular discontent is widespread and the fuel subsidy crisis may be far from over. The promised palliative measures have not

been seen and the promised buses are not yet on the road.

When Jonathan opened the Dangote Cement factory at Ibeshe in Ogun State last month, he told Alhaji Aliko Dangote, Femi Otedola, Wale Tinubu and other industry captains that he was ready to go anywhere in the country to open factories, because Nigerians needed jobs. Nigeria is still a hard place for business but some regulations that made power distribution so inefficient have been revoked and antiquated railway laws are being tweaked to allow serious private sector investors to come on board, said the Transport Minister, Senator Idris Umar.

Even Okonjo-Iweala, with her reputation as an economic purist, turns out to be more political than many had thought. She is frequently in the media, with a large coterie of both admirers and detractors. At the convention, she sported an outfit with a PDP logo. Yet she is blamed for the fuel-price rise and critics say the economy is not visibly improving, while food prices keep rising.

Her political and diplomatic skills should not be overlooked. Last week, she managed to galvanise South Africa and Angola, both of which had been hostile to Nigeria in recent years, behind her successful bid to become Africa's candidate for World Bank President.

Agriculture Minister Akinwumi Adesina is well regarded, particularly at home. He has helped to bring in Oklahoma-based Dominion Farms as partner in a mega-project to produce over 300,000 tonnes per year of rice. Also popular on the street is the Central Bank of Nigeria Governor, Sanusi Lamido Aminu Sanusi, but members of Jonathan's kitchen cabinet watch his moves closely, wondering whether he may run for the presidency in 2015.

As the PDP top guns genuflected before Jonathan at the national convention, it became apparent that he thinks he can now afford to make a few enemies and may soon reshuffle the cabinet. It would be a miracle if the Petroleum Minister, Diezani Allison-Madueke, kept her job. Tipped to take over is Princess Stella Oduah-Ogiewwonyi, now Aviation Minister and a top PDP financier. If Okonjo-Iweala wins the World Bank presidency, she will leave: her cabinet job is on the line and she was playing to save it at the party convention.

Insecurity has left the front pages but the government's strategy is not working. It is said that negotiations with *Boko Haram* have broken down though almost nothing is known about the interlocutors on either side. Whatever other aims *Boko Haram* may have, one faction at least seems determined to stop Jonathan from standing again for the presidency. That will almost certainly be Jonathan's intention. ●

THE PEOPLE WHO RUN THE PDP SHOW

● Chief Mike Oghiadomhe, Chief of Staff to the President: as Edo State Deputy Governor, he made friends with his opposite number in Bayelsa, Goodluck Jonathan. He is powerful and ruthless in Jonathan's kitchen cabinet and the President runs the People's Democratic Party (PDP) through him.

● Princess Stella Oduah-Ogiewwonyi, Aviation Minister and owner of the hugely successful downstream petroleum company SPG: she contributes lavishly to the PDP and ran the huge money machine behind Jonathan during the 2011 election campaign. Her ex-husband, Chris Osa Ogiewwonyi, formerly a PDP bigwig and Minister of State for Works, also held a senior post in the Nigerian National Petroleum Corporation.

● Godswill Obot Akpabio is in his second term as Governor of Akwa Ibom, an oil-producing Delta state, home to ExxonMobil's Qua Iboe Terminal (QIT). He has leveraged his state's huge federal government allocation to make it a big force in the PDP money machine; he recently proclaimed that the PDP would rule Nigeria for the next 50 years.

● Alhaji Abubakar Kawu Baraje, outgoing acting PDP National Chairman.

● Chief Ojo Maduekwe, former Foreign Affairs Minister, a close ally of ex-President Olusegun Obasanjo from the south-east region. Former PDP National Secretary and Deputy Director of its 2011 presidential campaign, he headed the 75-person National Convention Committee in the latest convention.

● Rotimi Chibuike Amaechi, second-term Governor of the oil-rich Rivers State and Chairman of the powerful Governors' Forum. He is ruthless and knows what to do with power: how to get it and keep it with the PDP.

● Alhaji Bamangar Tukur: elected PDP Chairman after an initial setback in the north-east zone primaries (see Feature). Formerly on the PDP Board of Trustees, he was Jonathan's chosen candidate, which is why the others withdrew. The chairman is powerful because he influences the choice of presidential candidate. He is President of the African Business Roundtable and was Governor of the now dissolved Gongola State.

● Atiku Abubakar was Obasanjo's Vice-President. A PDP founding member, he is from the same zone as Tukur.

● Hajia Maryan Inna Ciroma, outgoing PDP National Women's Leader; wife of Mallam Adamu Ciroma, Chairman of the Northern Political Leaders' Forum and a highly influential northern bureaucrat. He led the northern PDP's search for a consensus candidate that produced Abubakar as Jonathan's rival in the party primaries before the 2011 election. She is a tough politician and opposed her husband then. He believed the north could keep power through the Convention People's Party; she backed the PDP and won.

● Kema Chikwe, newly elected PDP National Women's Leader, former Aviation Minister and Ambassador to Ireland. From Abia State in the south-east, she is a loyal party member who was in Obasanjo's kitchen cabinet.

● Tony Anenih, Obasanjo's former party enforcer now operates in the background but is still powerful in the governing party and on its Board of Trustees.

● Olagunsoye Oyinlola, newly elected PDP Secretary; ex-Governor, Osun State in the south-west. His brief is to rally support in his Yoruba-speaking region and regain ground taken by the Action Congress of Nigeria, led by Asiwaju Bola Ahmed Tinubu.

● Mallam Umar Garba Chiza, PDP National Youth Leader, aged 60. He holds the job because his godfather, Niger State Governor Alhaji Mu'azu Babangida Aliyu, thinks he can do it. This vexes some of the party's real youths. ●

ZAMBIA

Sata stumbles

The promise of a clean sweep of corruption is unfulfilled and the commitment to open politics undermined

Six months after their sweeping election victory, President **Michael Chilufya Sata** and his Patriotic Front (PF) are struggling to live up to their promises. They are in danger of losing public confidence for failing to hit any major targets in the anti-corruption fight and for constraining democracy by banning the former governing party, the Movement for Multiparty Democracy (MMD). On 21 March, Finance and National Planning Minister **Alexander Chikwanda** admitted to the visiting World Bank Managing Director, **Sri Mulyani Indrawati**, that the PF was experiencing difficulties. 'People are becoming increasingly vocal. They haven't seen any meaningful change, so we are under pressure,' he said.

Apart from the discovery of 2.1 billion kwacha (US\$395,000) dug up at the farm of former Labour Minister **Austin Liato**, there is little to show for the 'massive plunder' of national resources of which the PF accused **Rupiah Bwezani Banda's** government (AC Vol 53 No 5). 'Zambians will not get much from what they expected from these investigations. In my view, apart from the bicycles [2,000 bicycles found at the farm of Minister **Situmbeko Musokotwane**], I have not heard any serious issue that has been uncovered,' former Home Affairs Minister **Lameck Mangani** said on 20 March. He is a former ally of Banda's who switched camps to the PF and became a close associate of Sata's.

Sata is not inspiring confidence in his approach to growing disaffection in Southern Province. He plans to remove two of its electoral districts and attach them to Central Province, supposedly to increase administrative convenience. Critics say it's to dilute the Province's political strength. Sata has also incurred the wrath of many in Western Province. During the election campaign, he promised to restore the May 1964 Barotseland Agreement, under which the *Litunga* (king) of Barotseland retained important powers; these were taken away at Independence that October (AC Vol 52 No 12).

Secessionists and supporters of the Agreement clashed with security forces in the provincial capital, Mongu, in January 2011 and two people were killed. Sata duly appointed a commission of inquiry led by eminent human rights lawyer **Rodger Chongwe**. However, on receiving its report on 29 February, Sata said, 'I will be very reluctant to advise my

government to reinstate the Barotseland Agreement because by so doing, that is opening the Pandora's Box.' This reversal has caused much anger and illustrates the challenges Sata faces in trying to exercise his populism while maintaining the stable political and economic environment the economy needs.

KICKING THE MMD

The row was on a small scale compared to the one that followed the deregistration of the MMD. Ostensibly, the Chief Registrar of Societies, **Clement Andeleki**, took the decision independently of the government on 14 March on the grounds that the party had not been paying its annual registration fees. According to Andeleki, only one of 43 registered branches had paid its dues consistently since 1993. The MMD apparently owes K390 million. If deregistration goes through, by-elections will be required in all 53 MMD constituencies. Few in Lusaka believe that Sata did not inspire the move.

With the opposition United Party for National Development (UPND) threatening to withdraw its 29 legislators from the 158-seat Parliament in solidarity with the MMD, it began to

look as though Zambia was heading for a constitutional crisis. On 15 March, the MMD successfully applied to the Lusaka High Court to stay the cancellation of the MMD's registration. Analysts agree that Sata's motivation lies in the narrowness of his victory over the MMD.

With only a six-seat majority, Sata is attempting to remove the MMD as a threat. 'No one kicks a dead dog,' a University of Zambia political science professor told *Africa Confidential*. 'Sata knows MMD is his greatest threat and no wonder he is kicking them around.' Even MMD sources doubt the by-elections will take place but Sata is attempting to intimidate and demoralise the party.

The Catholic and other churches which rallied behind Sata for last year's elections condemned the move. MMD Spokesperson **Dora Siliya** described it as an assault on Zambia's democracy. Key donors not only question its legality but deplore the interference with the country's image as a beacon of democratic practice for having held fair and hotly contested elections followed by a peaceful handover.

Sata sticks to his guns, claiming that MMD had only itself to blame for not paying the fees and that this was no political witch hunt. Meeting **Botswana's** parliamentary opposition leader, **Botsalo Ntuane**, on his first visit to Zambia, Sata convinced no one when he declared to the press, 'We have got nothing against them; we just want them to obey the law by paying the registration fees. Government wants them to pay and once they have paid, the Registrar will reregister their movement.' ●

SOOTHING THE INVESTORS

Finance Minister **Alexander Chikwanda** and President **Michael Sata** spent the first two months of 2012 meeting key shareholders in foreign-owned mining companies to reassure them that the government had no intention of nationalising the mines or increasing Zambia's stake in them. Nevertheless, in early March, the global ratings agency Fitch downgraded Zambia's outlook from 'stable' to 'negative', citing a statement by Mines Minister **Wylbur Simuusa** that the government would raise its stakes in the mines to 35%. At Finance Minister Chikwanda's instigation, we hear, Minister Simuusa was quickly sacked to reassure investors.

Meanwhile, talks have been going on behind the scenes between the government and the **Netherlands'** Rabobank over the current inquiry into the US\$8.25 million sale in 2007 of 49% of the Zambia National Commercial Bank (Zanaco, AC Vol 48 No 8). The state founded Zanaco in 1969 and after the part-sale to Rabobank, it went public on the Lusaka Stock Exchange in 2009. On 10 February, former Vice-President **George Kunda** said the Patriotic Front government wanted to reverse the privatisation in accordance with its 'socialist/communist policies'.

On 2 March, Chikwanda said the government was based on the rule of law, adding, 'We have total scrupulous respect for property.' PF Secretary General **Wynter Kabimba** chimed in: 'Nationalisation of private property is not one of those programmes of the PF.' **Libya** remains unhappy, however, with the renationalisation of Zamtel, in which LAP Green Networks had bought a 75% share in July 2010 for \$257 mn. (AC Vol 52 No 12). The move is based on a claim of corruption in the sale, not on a policy of expanding public ownership. Investors' fears appear to be subsiding after the government reassurances, which it made after the International Monetary Fund advised it to clarify its position. ●

ZIMBABWE

Where's the indigenous cash?

Impala Platinum will let 51% of Zimplats go to public ownership but it looks as though the government has not got the cash

The Youth, Indigenisation and Empowerment Minister **Saviour Kasukuwere**'s campaign to compel foreign-owned companies to sell majority stakes to Zimbabweans has stalled amid questions about how the government and local investors will pay. The indigenisation campaign will be critical in the forthcoming elections, when loyalists of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) hope to make it a powerful rallying call for nationalist voters, just like their campaigns in 2002 and 2008 for fast-track land reform. Their rivals in the Movement for Democratic Change (MDC) are noticeably less enthusiastic.

Money is the main obstacle. The South African platinum mining company, Impala Platinum Holdings Limited, owns 87% of Zimbabwe Platinum Ltd. (Zimplats). On 13 March, Implats said it had agreed in principle with the government to cede 51% ownership, to be shared between a new sovereign wealth fund and trusts for local communities and employees. Yet despite Kasukuwere trumpeting in the state media, the details remain opaque about who will pay for 51% of one of the world's biggest platinum miners and how to value the stake.

With no money in the reserves, Kasukuwere has suggested that the value

of the known resources in the ground could be used to pay. Zimplats, in the middle of a US\$450 million expansion of the mine, is unlikely to accept. A key constraint, signalled to South African newspapers by Implats chief **David Brown**, is that such a deal might breach an existing bilateral agreement between Zimbabwe and South Africa which states that sales of this nature must be made with fair compensation.

Implats proposed that, on top of a 10% shareholding in Zimplats set aside last October for a local community trust, another 10% would be sold to an employee share-ownership trust. However, the crown jewel is a 31%, fully contributory stake to be made available for sale to the National Indigenisation and Economic Empowerment Fund, effectively a new sovereign wealth fund. Implats said it wanted this paid in 'cash at an independently determined fair value at the time'. This would be done only on 'receipt of compensation' owed to Zimplats, which in May 2006 voluntarily released to the government mining rights on 36% of its land on the Great Dyke, worth \$153 mn. and with a potential 60 mn. ounces of platinum underground.

This was an attempt by Zimplats to show willing, as political pressure mounted for redistribution of the country's

natural resource wealth. That pressure led to the gazetting of the Indigenisation and Economic Empowerment Act in March 2008. Initially, Zimplats said it would accept empowerment credits in lieu of cash but the government rejected that offer. The compensation issue has resurfaced as the crux of an agreement on the new indigenisation plan. The released land, the top third of Zimplats's 100-kilometre stretch, has since been leased to **Chinese** and **Russian** companies, none of which are known to be in the mining business. Platinum mining is costly and tricky: nothing has been done.

Another section of land was released in similar circumstances at the south end of the Great Dyke by Anglo Platinum. In 2008, it was leased to Todal Mining, a joint venture between the Zimbabwe Mining Development Corporation and the Central African Mining and Exploration Company. In 2009, the Eurasian Natural Resources Corporation (ENRC) bought out CAMEC and retained a 60% stake in Todal.

TARGETS AND ASPIRATIONS

The government has written to Zimplats giving it a 14-day ultimatum to agree details on the implementation of the plan. A joint technical committee has set to work with members from Zimplats, Implats and the National Indigenisation and Economic Empowerment Board. Amid the backroom negotiations, MDC and ZANU-PF politicians continue to disagree on the legal interpretation of the Indigenisation Act and the regulations that followed it in 2010. Lawyers regard the two documents with incredulity. Finance Minister **Tendai Biti** of the MDC has pointed out that Section 3 of the Act states that the government shall merely 'endeavour' to secure at least 51% of public companies for indigenous Zimbabweans. This, he says, means it is not a legal requirement but an aspirational target, which can be dropped if it proves unpalatable. Kasukuwere is still pushing hard for 51%.

Among other legal issues, Implats owns only 87% of Zimplats. Lawyers have suggested that any shares for sale might have to be offered first to the minority shareholders before any indigenisation proposals could be carried through. There is also a question mark over whether the Companies Act would allow Zimplats to lend money to the community and employee trusts so as to enable them to buy their 10% stakes.

So far, no company has chosen to take the government to court to show that the law as it stands is unenforceable. With the judicial system under pressure from President **Robert Mugabe**'s ZANU-PF, few companies, no matter how big, are prepared to test the legal standing of the indigenisation policy. ●

POWER TO THE PRESIDENT

President **Robert Mugabe** and Prime Minister **Morgan Tsvangirai** have failed to pay huge electricity bills over the last two years, according to documents from the state power company leaked to local media. Bills from the Zimbabwe Electricity Supply Authority (ZESA) showed that Mugabe's family owed over US\$345,000 as of 31 December 2011. Tsvangirai had already admitted to Parliament that he had not been paying for electricity to his Strathaven house in Harare but said he had settled an outstanding bill for \$5,000.

Energy and Power Development Minister **Elton Mangoma** came under stinging attack from Mugabe over the leaks during a heated cabinet meeting on 20 March, according to minutes that were also leaked. Other ministers and military men had their debts aired. Youth Development, Indigenisation and Empowerment Minister **Saviour Kasukuwere** is said to owe \$100,602, and Defence Minister **Emmerson Mnangagwa** \$240,824.

The leaks came after Mangoma blamed blackouts in Harare on **Mozambique**'s decision to reduce the power supplied to Zimbabwe from the Cahora Bassa hydroelectric dam over an \$80 million debt. Zimbabwe has generating capacity of 1,100-1,300 megawatts but needs 2,220 MW and relies heavily on imports. Maputo denied pulling the plug. In an effort to persuade Mozambique that Zimbabwe would pay, Mangoma was meeting debtors in late March before going to Mozambique to visit its Energy Minister.

At an investment conference in Harare two days after the cabinet meeting, Mangoma was at pains to condemn the leaks but confirmed that ZESA faced unpaid bills of \$550 mn., accumulated since the dollarisation in February 2009. Striving to get what it is owed, ZESA has been turning off households in residential areas and some big companies have been disconnected, too. ●

MALI

Rebels and putschists

Behind the coup in Bamako lies deep discontent at impunity as well as the mishandling of the Tuareg revolt

The protests in Bamako started out with disgruntled soldiers, angry at how politicians had allowed their comrades to be overrun by Tuareg rebels. This then snowballed into a more general revolt against President **Amadou Toumani Touré**. More than one observer speculated that this was an 'accidental coup', where mutinous soldiers suddenly realised that the reins of power were in their hands, ready for the taking. They did, exploding Mali's reputation as one of Africa's best-functioning democracies.

Touré's exact whereabouts remained a mystery as *Africa Confidential* went to press but the **French** Foreign Affairs Ministry said on 28 March it had been in touch and he was safe. 'ATT' himself surfaced later that day, telling *Radio France Internationale*, 'I am free and in my country' and that what mattered was not him but democracy and Mali.

The new power in Mali is the *Comité national pour le redressement de la démocratie et la restauration de l'état*, led by Captain **Amadou Sanogo**. It may not be so for long. The African Union has suspended Mali and the World Bank, African Development Bank and **United States** have cut financial aid. The Economic Community of West African States sent a military delegation to Bamako on 28 March with an ultimatum to the putschists to stand down or face consequences that could include force. The least they can expect is a travel ban. Western governments and the United Nations have joined a chorus of condemnation of the death of Mali's democracy just weeks before a presidential election.

In the days after the coup, as shops and petrol stations opened again and life returned once more to normal, men and women, educated and not, told AC they were happy to see the back of the President. The poor, they said, were getting poorer and the rich – Touré, his friends and relations – were getting richer. Despite the apparent stability of the electoral system, many held the democratic edifice to be corrupt. Many hundreds of people have nevertheless turned out for pro-democracy demonstrations and leading public figures denounced the coup.

On 27 March, presidential candidate **Soumaïla Cissé** addressed a crowd of about 1,000 in the capital, urging the military to return to barracks and fight the rebels, not the civilian government.

Further protests are planned. Analysts say that the democratic establishment may have sunk shallower roots than was believed and the military had not given up as much as previously thought, enshrining corrupt practices under a pluralistic cover. The middle class may have embraced democracy but the poor saw no change.

When Touré won the 2002 election, Transparency International ranked Mali 77th of 182 in its Corruption Perceptions Index but it had fallen to 118th by 2011. A report based on World Bank Enterprise surveys found that 66% of Malian businesses paid bribes to win bids. Insiders told AC that doing business under Touré was a case of negotiating a web of nepotism, where contracts were given to unqualified companies and money was siphoned off at all departments and ministries. Laws against financial crimes were weakened under President **Alpha Oumar Konaré**. People working on donor-funded business who brought up issues of transparency with the government promptly lost their contracts.

What now appears to have been a rout of the army by Tuareg rebels is not, we understand, unrelated to the corruption. The army was riven by nepotism, mismanagement and corruption. Money from the USA to train and equip soldiers to fight the Tuareg rebellion and jihadist

terrorism was siphoned off by high-ranking officers with disastrous implications for the logistics of the northern garrisons, which quickly folded, suffering high casualties, when attacked.

However, indications are emerging of a major fissure in the northern rebellion (AC Vol 53 No 4). The group which launched the uprising, the *Mouvement national pour la libération de l'Azawad*, has distanced itself from 'criminals whose aim is to establish a theocratic regime in total contradiction to the foundations of our culture and civilisation'. They are referring to **Iyad ag Ghali** and his *Ansar Eddine* (Supporters of the Religion). MNLA leaders have since said they will fight the Ansar if they have to.

Ag Ghali, a Tuareg notable who fell under the sway of Salafist preachers and was later expelled from the Jeddah consulate for consorting with jihadists, has infuriated MNLA leaders with his calls for the national imposition of *Sharia* (Islamic law). His pronouncements, particularly in view of his alleged kinship with a local leader of *Al Qaida* in the Islamic Maghreb, have tarred the MNLA with the jihadist brush, something it had striven to avoid. Then in a public humiliation, Ag Ghali's men turned back a Red Cross relief convoy that the MNLA had invited to Tessalit, a remote border town they had just taken.

Behind the MNLA's anger, however, may lie a latent recognition that Ag Ghali's forces have done most of the hard fighting against the army and that he is exploiting this to marginalise his secular allies. At one point, the MNLA claimed it had attacked and captured Tessalit but YouTube videos of the assault showed guerrillas fighting and also at prayer, in the style of jihadists' films of their military actions. ●

SENEGAL OUSTS WADE

Dakar's streets were just as joyful as those of Bamako at the fall of their long-term leader, although Senegalese were relieved that the agent of change was electoral and peaceful. There had been fears that **Abdoulaye Wade** might steal the election if he looked like losing or that a restive military would dislodge him if he did so (AC Vol 53 No 5). In the event, he accepted defeat graciously, telephoning **Macky Sall** to congratulate him, as **Abdou Diouf** had done for him twelve years before.

Early results showed Sall winning by a 3:1 ratio. The 85-year-old *Lèvre* (hare, a local symbol of guile) had tried everything to stay in power but the tortoise Sall, with his solid preparation and persistent groundwork, had prevailed. Sall's strategy was marked by tireless campaigning in both town and country. While many of the opposition were out in Dakar's *Place de l'Indépendance* marching against Wade's decision to stand, Sall was on the stump, campaigning on a platform of good governance, anti-corruption and a reform of economic policy. Sall knows the game and was long part of the system, serving as Wade's Premier in 2004-07. This leads many Senegalese to wonder if he can make good on his promises to lower food prices, fix the disastrous energy sector and attract enough private investment in agriculture to boost youth employment.

Many doubt that anyone who spent so long at the heart of Wade's deeply corrupt government is capable of acting as a new broom. However, twelve of the 14 opposition candidates declared for him and with the hugely popular singer **Yousouf N'Dour** and civil society groups such as *Y'en a marre* ('We've had enough') on his side, he has all the backing he needs for substantial change. ●

ANALYSIS

UGANDA/SOMALIA

Al Shabaab's waiting game

Regardless of the recent defeats of *Al Haraka al Shabaab al Mujahideen*, senior African Union Mission in Somalia commanders privately admit that the next phase of military operations is fraught with potential difficulties. Since forcing *Al Shabaab* out of Mogadishu in August, five years after Amisom first came to Somalia, the Ugandan People's Defence Force's 5,500-strong contingent is slowly moving out to assume control of new territory beyond the capital. Any bolder moves to occupy territory further afield, however, depend on leaving currently-occupied zones to Transitional Federal Government (TFG) soldiers and police, whose competence and reliability are in some doubt. Amisom commanders also worry because communications are scant and coordination absent with the Ethiopian forces to the south. Now that the Kenyan forces have been re-hatted as Amisom, links with them should improve.

TREADING WITH CARE

Lack of trust in the TFG forces who have to take over the Ugandan and Burundian positions when Amisom moves out of Mogadishu is making Amisom tread cautiously. The TFG forces are all young and some are teenagers. Some fighters, those of *Ahlu Sunna wal Jama'ah* (ASWJ) in particular, are trusted and have a track record working with the United States' and Ethiopian presence. Yet Ugandan officers training the TFG say that many of the Somali recruits are beginning to express nationalist resentment of the AU presence and they are concerned about infiltration. A car bomb attack on a police building on 17 February was facilitated by TFG soldiers from a former militia of the Islamic Courts Union (AC Vol 47 No 8). Low pay does not help. Most TFG men receive just US\$200 every six months, if at all.

UGANDA'S PROFITS OF WAR

Uganda's political and military elite is content with a long conflict in Somalia, while its Ethiopian and Kenyan allies prefer as short an involvement as possible. The war has been good for an army anxious to recover a reputation damaged by the eastern Congo-Kinshasa interventions of a decade ago, 'ghost soldier' and procurement scandals and the failed hunt for Joseph Kony and the Lord's Resistance Army (see Pointers).

The Ugandan People's Defence Force is the spearhead of the African Mission in Somalia (Amisom) forces and senior commanders are making names for themselves there, not least their force commander, Brigadier Paul Lokech. As a rare northerner in a top rank, Lokech has become an influential figure, much to the chagrin of the Chief of the Defence Forces, General Aronda Nyakairima, we hear. The US\$500 million-a-year mission also brings much needed money, training and new equipment from the United States, while the United Nations' funding formula for Amisom is more generous than the AU's. A US private military company, Bancroft Global Development, remains based in the Amisom camp, training both Amisom and Transitional Federal Government forces.

Next to arrive are nine utility helicopters and three attack helicopters funded from UN-assessed contributions. The Amisom Spokesman, Lieutenant Colonel Paddy Ankunda, confirmed that that is likely to cover the refurbishment of Uganda's controversial Mi-24s, part of the consignment of helicopter gunships bought from Belarus in 2003. That purchase was overshadowed by allegations of corruption over two helicopters previously bought from Belarus in 1997 which proved defective. A May 2003 judicial enquiry under Justice Julia Sebutinde found that the earlier purchase had involved overpayment and commissions to Gen. Caleb Akandwanaho, aka Salim Saleh, the former head of the army and President Yoweri Kaguta Museveni's half-brother (AC Vol 44 No 12). ●

Fear of *Al Shabaab* and defeat at its hands once united old clan and militia rivals but as the TFG heads towards the end of its tenure in August, the divisions are reopening, despite the international pressure to secure a final defeat of *Al Shabaab* before the politicians sit down to thrash out a deal on the country's future. Factions jockeying for political primacy may find it hard to cooperate on the battlefield. Negotiations with *Al Shabaab*, as was underlined at February's London Conference on Somalia, are not an option (AC Vol 53 No 4).

The military position for Amisom is apparently easier now that it no longer faces battle in urban areas, where casualties were so high in 2010-11. However, *Al Shabaab's* change in tactics has created new challenges. There were two mortar attacks in the space of a week on the presidential compound, the latest on 19 March, which missed the compound and killed six civilians in a refugee camp close by. That attack highlighted the jihadists' continuing ability to move heavy weapons in and out of the city. Improvised explosive devices are proliferating; a security consultant with the United Nations told *Africa Confidential* two or three IEDs were being discovered every day and their quality was improving all the time.

Amisom forces cannot relax. The residential area of Medina hugs the western end of their main base at Halane and nobody leaves the camp with fewer than three armoured personnel carriers. In March, shrapnel from an IED explosion in Medina hit the roofs of Amisom prefabricated buildings. Many of the 16 districts of Mogadishu have neither an Amisom nor a TFG presence. Civil society groups worry that the urge to make gains outside the city will come at the expense of ensuring security inside it. While the streets are full of people during the day – the population is edging back up to a million – there is tension at night. Assassinations of *Shabaab* defectors continue, most recently

on 5 March. Defectors are housed outside the main Amisom camp. There, TFG forces supposedly 'de-programme' them but some are inserted straight into TFG units with no vetting and some are not defectors at all but infiltrators.

In Burundi's sector, in the northwest of the capital, a 20-kilometre advance towards the *Shabaab* stronghold of Afgooye has been on hold for weeks even though the road is clear. They are waiting for reinforcements of 2,000 men from both Burundi and Uganda, who are expected to deploy by April, bringing the total Amisom strength in Mogadishu up to just under 12,000. Nevertheless, the risk of stretching the force too thin is real, according to one Burundian commander whose battalion is subject to dawn and dusk attacks along its front line from groups of 40-50 *Shabaab* fighters. It also comes under sporadic fire from snipers and from 82-millimetre mortars fired from up to 4 km. away.

In spite of the lack of cover on the scrubby terrain, *Shabaab* fighters are constraining Amisom's forward movement. They do not linger in prolonged engagements and their retreats are well organised. Knowing

that Afgooye is next on Amisom's agenda, they have blown up its tallest building in anticipation of the Burundian arrival so as to deny the newcomers a convenient vantage point. They are unlikely to leave until the last minute and are probably preparing mines and ambushes. *Shabaab* casualties appear not to have been high in recent weeks. Although Amisom boasts of capturing new ground and 'liberating' towns and villages, they are often deserted when the forces arrive. 'I do not expect *Al Shabaab* to fight Amisom head-on for more than six hours outside Mogadishu,' says one Somali defence analyst. 'They may, most likely, let the peacekeepers expand and hit their fringe bases with the hope of overrunning some of them.'

For the Ugandan force, the expansion to the north and north-east, as well as south to Merka down the coast, is also proceeding slowly – to the frustration of officers hearing of Ethiopia's swift advances. There is a perception among the higher Ugandan ranks that Ethiopia is stealing the headlines in the short term, leaving Uganda to clean up the messy aftermath. One officer complained that Ethiopia talks more to the USA than to Amisom.

Amisom is supposed to take over 'liberated' parts of Bay and Bakool from Addis Ababa, whose military attaché in Kampala confirmed to AC that the Ethiopian force wants to be out by the summer. Others in the Ethiopian capital mention April as a leaving date. 'It's not in our interests to remain there too long,' the attaché said. Baidoa, however, newly captured by Ethiopia with forces estimated by local sources at 10,000 men, remains subject to regular insurgent attacks and could prove too difficult for Amisom peacekeepers to contain (AC Vol 53 No 6). With the current Amisom force far from confident of advancing, even when it reaches the full complement of 17,730, and a weakened *Al Shabaab* still capable of mobilising several thousand soldiers, a long and messy insurgency looks likely.

RULES OF ENGAGEMENT

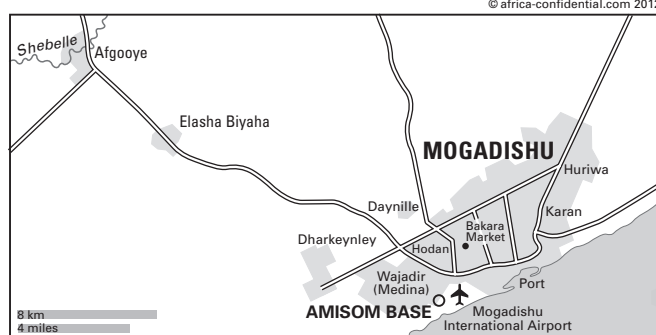
Amisom's beefed-up mandate since the UN Security Council vote on 22 February allows it to initiate attacks more readily but there are risks. Somali-language websites regularly list civilian casualties from Amisom's mortar fire. Some reports are more credible than others but the suspicion remains that the rules of engagement on 'indirect fire', which prohibit peacekeepers from using heavy weapons or artillery unless a clear target has been identified, are being abused in some cases. Amisom frequently 'clears' areas it intends to occupy with mortar, tank and anti-aircraft cannon fire, leading to civilian casualties. Human Rights Watch warns of an information vacuum. Britain helped to design a civilian casualty-tracking programme, partly because European Union donors were concerned about 'collateral damage' compromising the Mission, but it remains unimplemented for lack of funds.

While fighting moves out of Mogadishu, there should be less controversy over mortar use but *Al Shabaab* is still present in Daynille district, a small area in the north of the capital, and outside it, especially Elasha and Afgooye. Meanwhile, there are mixed messages about the use of US unmanned aerial vehicles. Some Ugandan officers say they do get access to surveillance imagery from the UAVs but others complain of a lack of coordination. Drones are visible cruising over target areas before ground attacks begin but they may be on unrelated missions, such as pursuing assassination targets, rather than integrated support for Amisom infantry operations.

The question of Amisom casualties remains controversial, with individual commands reluctant to give numbers. The official Ugandan death toll since 2007 varies from 100 to 200. Professor Phillip Apuuli Kasaija, who served on Uganda's team at the Djibouti peace conference in 2008, told AC the real figure was almost certainly much higher. Bujumbura is also wary of discussing casualties, not least since the controversy last October when *Al Shabaab* claimed, with some credibility, to have killed around 70 Burundian peacekeepers just outside Mogadishu in one battle alone while the AU said only ten had



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died. Despite all this, there is no doubt that *Al Shabaab* is far weaker than formerly. Eritrean backing has been cut for a year at least, we hear, although Asmara's renewed fighting with Ethiopia, which attacked three targets inside Eritrea on 14 March, could cause President Issayas Afewerki to resume support. Officers in Mogadishu view Kenya's addition of 4,000 troops to the Amisom contingent as a mixed blessing. Commanders doubt it has the experience for a hard fight in Lower and Middle Shabelle. Its air force is assisting, however, with some bombing missions, if not always accurately.

Djibouti's 200 peacekeepers, long thought the least warlike of all the Amisom troops, are in Mogadishu but are yet to be deployed. Sierra Leone has promised 850 soldiers by June. It is likely these new contingents will maintain control in the capital while Uganda's battalions move south. That task may not be so simple if *Al Shabaab*'s IED and mortar attacks increase.

Uganda's Force Commander, Brigadier Paul Lokech, admits that much could go wrong. He compares the mission to US counterinsurgency operations in Afghanistan and Iraq although most Somalis do not yet see Uganda as an occupying force. The Qatari and Turkish missions move freely around Mogadishu since they arrived and are seen as more neutral. Turkey's scholarship and aid programmes are hugely popular. If Amisom fails to offer security to local people while the political process stalls, the perception of the Ugandan role could change for the worse. 'Our lines of supply are about to get longer,' Lokech says. 'The area spreads out and so we need more troops to occupy the ground. We had to adapt to fighting in built-up areas. Now we have to adapt again.' ●

CONGO-BRAZZAVILLE

Sassou for ever

The President remains confident his people and his donors will accept autocracy as a small price to pay for peace

With little support outside his ethnic power base in the north, President **Denis Sassou-Nguesso** does not count on democratic legitimacy to justify his rule. He has long calculated that the Congolese and the Western donors and lenders will accept his old-fashioned autocracy as a good alternative to the civil war of the 1990s. Sham elections, a coalition with political parties that are in reality fronts for regime insiders, harassment of the real opposition and solid support from the army are the ingredients of Sassou's stability.

Talks with the opposition, termed the 'concertation' (attempt to agree on action), have been underway since November. They concern the conditions for the legislative polls due in June and promise much while delivering little. They are firmly under the control of Interior Minister **Raymond Zéphirin Mboulou**, who has supervised Sassou's elections since 2007. He is also a fellow Mbochi, the ethnic group forming some 20% of the population.

As much of the opposition refused to be consulted, the talks have been primarily between Mboulou and the pro-presidential *Rassemblement pour la majorité présidentielle*. The RMP is a collection of small parties which are vehicles for individual politicians competing for a share of the spoils inside the government, rather than competing to become the government. Many of the

RMP parties, previously numbering 60, are slowly being incorporated into the ruling *Parti congolais du travail* (PCT).

The opposition is demanding an independent, arm's length, electoral authority to replace the *Commission nationale d'organisation des élections* (Conel), which the government says is independent but is controlled by the Interior Ministry. The government has granted the opposition some representation on Conel but will not grant it independence. A previous update of the electoral register before the last presidential election in August 2009 was padded to include 458,000 ghost electors in a population of 3.7 million. Most of the imaginary voters were in the President's northern heartland. Independent scrutiny of the register is not permitted.

Registration for the polls began on 1 March. They must be held before July, when the current Parliament's mandate expires. Civil society and opposition parties want to test the government's intentions, despite scepticism about registration. **Mathias Dzon** was previously Finance Minister and a Director at the *Banque des états de l'Afrique centrale* but now represents an opposition grouping, the *Alliance pour la république et la démocratie*. The ARD, a coalition of twelve parties, boycotted the talks with the regime but has urged the public to participate in electoral registration. The largest opposition group,

the *Union panafricaine pour la démocratie sociale* (Upads), the former governing party of exiled President **Pascal Lissouba**, has endorsed registration, together with the parties in its own coalition, the *Alliance pour une nouvelle république* (ANR). Upads is taking part in the talks and retains support in its former strongholds in south-central Congo – Niari, Bouenza and Lékoumou or 'Nibolek' – but will never again be a serious contender for power. It is also divided into two factions, under **Pascal Gamassa** and **Christophe Moukouké** and locked in a leadership battle to succeed the elderly Lissouba, whose political career is over. Otherwise, it is one of only two real opposition parties with parliamentary representation. The other is the *Union pour la démocratie et la république-Mwind*a (UDR-Mwind) of the late **André Milongo**, which is now led by **Guy-Romain Kinfoussia**.

Veteran regime hardliners, including Sassou's nephew and intelligence chief, **Jean-Dominique Okemba**, calculate they would lose a free contest and have blocked even moderate electoral reforms. This included the last *concertation* before the 2009 presidential election, an initiative backed by the then Prime Minister, **Isidore Mvouba**, a southerner and regime moderate but long-time presidential loyalist. Most of the opposition was banned or boycotted a vote that resulted in an 89% victory for Sassou and was followed by a crackdown (AC Vol 50 No 21).

The government may now be prepared to offer more to the opposition because the lopsided electoral landscape has become an embarrassment. Elections are so lacking in credibility that vote-rigging is blatant and mass abstention the norm, with a turnout of only 10-15%. In the last parliamentary elections in 2007, the opposition won less than 9% of seats. Sassou can afford to make more reforms. That is the message that Brazzaville's traditional ally, **France**, is sending.

Sassou's February visit to Paris was an indication of a cooler, more businesslike approach to bilateral relations from President **Nicolas Sarkozy**. Sarkozy's political advice was blunt: Sassou should not change the constitution to permit another presidential term when the current one expired in 2016; a democratic political opening-up would also be desirable. Sarkozy had made similar statements during his own official visit to Brazzaville in 2009. Sassou has hedged on his presidential term-limit, saying that the constitution could still be altered.

Efforts are being made to groom for the succession presidential son **Denis-Christel Sassou-Nguesso**, who was elevated to a senior role in the PCT during its party congress last July. Now in his 70th year, Sassou Senior is physically fit and more in charge than ever. ●

DYING BY THE SWORD

Although he has long since traded in his uniform to rule as a civilian president, **Denis Sassou-Nguesso** likes to be associated with the pomp and power of the *Forces armées congolaises*. That's why the devastating explosions on 4 March also damaged his reputation. More importantly, the series of blasts in an arms store of the Armoured Regiment in Mpila claimed at least 300 lives and left 1,500 people seriously wounded.

Negligence is to blame, we hear, and the armed forces were aware of the dangers. The military had not followed recommendations for safe storage of its munitions. One party providing technical advice is a **British**-based non-governmental organisation, the Mines Advisory Group, which has been working with the Congo-Brazzaville army since 2007 to dispose of old and unstable ordnance.

A MAG report given to the armed forces in 2010 highlighted the risks and even included a simulation of the destruction that would follow an accident at the depot of the *Régiment Blindé*. This document proved remarkably prescient about the events of 4 March: the only surprise was that the bang was not bigger.

The authorities' first reaction was to issue statements emphasising that a military coup was not under way. Subsequent action was weak and uncoordinated, indicating the lack of emergency response systems. Much of the devastation centred on a two kilometre wide blast zone in eastern Brazzaville, not far from the homes of much of the northern, Mbochi, officer elite. Sassou himself was not home at the time. ●

CONGO-KINSHASA

Keeping an eye on oil

The watchdogs have been pushed out of Parliament and another resource rampage looms

Congo-Kinshasa is on its way to becoming a significant oil-producer, providing more opportunities for corruption and other enrichment to the government and its friends. The National Assembly, elected on 28 November amid widespread accusations of fraud, has lost several important voices which were not afraid to speak out about corruption and incompetence over natural resources.

This has serious implications for the environment as well as the exchequer as oil prospects are being confirmed in the east, especially in Virunga National Park, which the United Nations Educational, Scientific and Cultural Organisation (UNESCO) lists as a World Heritage site. Virunga has exceptional wildlife habitats and is home to the endangered mountain gorilla.

The French oil major, Total, has bought shares in Sacoil of South Africa, whose exploration permits include Virunga. In early February, President Joseph Kabila Kabanga authorised aerial magnetic surveys in Block Five of the Lake Albert Basin, which covers part of the Park, where Britain's Soco International has been working. Environment Minister José Endundo Bononge suspended all oil exploration activity in the park in March 2011, except for aerial surveys. UNESCO is worried nonetheless and declared that permitting the surveys, agreed in a 2007 contract between the government and Soco, 'only increases the vulnerability of the Virunga National Park'. Early in March 2012, two colonels and a major from the Congolese military intelligence service entered the Park to prepare security for Soco's proposed base at Nyakakoma.

Also early this March, a team led by the Congo-K interim National Coordinator of the Extractive Industries Transparency Initiative (EITI), Jeremy Mack Dumba, noted a disparity of US\$70 million between the tax revenue for 2008 and 2009 declared by the mining companies and those declared by the state. Dumba teaches economics at Cheikh Anta Diop University in Dakar, Senegal.

In the previous Parliament, such a discrepancy would have attracted comments from lawmakers such as Modeste Bahati Lukwebo, President of the Alliance des forces démocratiques du Congo (AFDC). He lost his North Kivu seat, however, to the current Sports and Youth Minister, Claude Nyamugabo.

Bahati Lukwebo says Nyamugabo bribed local officials of the *Commission électorale nationale indépendante* (CENI, AC Vol 53 No 2). The government will be pleased to see the back of Bahati, an embarrassment

when he headed the audit subcommittee of Parliament's Economic and Financial Commission and called for transparency in the sale of state mining assets to Israeli businessman Dan Gertler (AC Vol 51 No 5 & Vol 52 No 23).

Another missing watchdog is independent member of parliament Kashemukunda Kasongo Numbi. CENI officials are suspected of ensuring his defeat in Kabongo, Katanga Province, at the hands of one of the late President Laurent-Désiré Kabila's daughters, Jaynet Kabila Kyungu, after an implausible but official turnout of 92.41%.

MILITIA HIDES BEHIND CIVILIANS

The Eastern Province is ripe for a clash between disgruntled rebels and returning national army units. The *Forces de résistance patriotiques en Ituri* under 'Cobra' Matata Banaloki have been flexing their muscles since the FRPI occupied the town of Bukiringi on 24 February. Local units of the national army, the *Forces armées de la République démocratique du Congo* (FARDC) are due back in the area in April, so fears of armed clashes and harsh consequences for the civilian population are rising. France's Total has stopped oil exploration work in the area because of the threat of violence (see Feature).

The crisis began in the second week of February when FARDC generals mutinied in Marabo, Ituri, denouncing the 'deplorable conditions' in which soldiers were forced to work and the diversion of their pay by higher-ups. Kinshasa sent Major General Gabriel Amisi Kumba (aka Tango-Four) to meet the mutineers and resolve the dispute. The upshot was a plan to reorganise the army in the region over 45 days, starting on 20 February. All FARDC men in Ituri left their posts for four new locations for retraining, leaving a vacuum of authority and security which the FRPI, a Lendu militia active in the conflicts of 2003 (AC Vol 44 No 13), quickly filled.

Cobra Matata had integrated into the FARDC with his men as a colonel in 2006 but left in 2010, protesting that he had not been given a proper position. He resumed organising the FRPI and reports said he had returned to the bush in June 2011, his men attacking villages and burning down homes in November that year (AC Vol 52 No 22). FRPI claims 1,500 members but independent estimates say that figure includes dependants and that the core of armed men does not exceed 250. The FRPI now dominates the road from Bukiringi to Kagaba in South Irumu, according to UN sources. The rebels do not appear intent on a fight with the FARDC: they want Kinshasa to listen to their demands, which they put in a letter that *Africa Confidential* has seen. It calls for a ceasefire, proper integration of the FRPI into FARDC and recognition as a political party. As AC went to press, FRPI forces had been dispersed to several villages and towns, to use villagers as human shields to avoid major losses if the FARDC were to choose to attack.

Initially, the local population was supportive of Matata and his men, partly because they were being terrorised by FARDC soldiers. Kinshasa has not yet engaged with the FRPI, however, and as the weeks go by, the inhabitants of Bukiringi and Gety, which were taken by the FRPI on 14 March, are tiring of supplying the rebels with food and provisions. 'Many of the people in Bukiringi are internally displaced persons who were forced to leave their homes by violence involving the FRPI years ago,' said William Bahemuka Mugenyi, the local Anglican Bishop leading a relief effort for the townspeople. 'They haven't enough food to keep feeding the FRPI. The NGOs [non-governmental organisations] are just looking on; they can't give food to the locals as it will end up with the rebels.'

The silence from Kinshasa also raises the ominous possibility of an armed clash when the FARDC men return from their retraining in early April. If the FRPI's demands are not met by then, observers fear they will protect their position in South Irumu by force. 'They will absolutely have to fight if the government refuses to deal with them and sends back the soldiers,' said Bahemuka Mugenyi. 'The FRPI has promised to retreat if soldiers return, as they don't want war, but can anyone believe them? They are becoming increasingly agitated each day that Kinshasa doesn't engage with them.'

The United Nations' team, the *Mission de l'organisation des nations unies pour la stabilisation du Congo* is also worried and is monitoring the situation carefully. For now, the FRPI is cooperating with Monusco in South Irumu; it quickly agreed to leave the centre of Bukiringi and stay outside the town. Concern, however, centres on symbolic shows of strength, for example, turning violent as the time for FARDC to return approaches. Any conflict between soldiers and rebels is likely to claim many civilian lives, too. ●

Kasongo-Numbi, a geologist and former diplomat, fought keenly in Parliament to ensure that Congo got its fair share of offshore oil, arguing that the question should be referred to the appropriate international tribunal. He claimed that **Angola** had wrongfully taken control of the area outside the twelve-mile limit, adding that Prime Minister **Adolphe Muzito's** government had allowed Angola free access to up to 2 billion barrels of Congo's oil, annoying Kabila and Muzito.

An independent Kisangani MP, **Jean Bamanisa Saïdi**, also failed to be re-elected. In 2008, this trenchant critic of oil policy had asked the then Hydrocarbons Minister, **Lambert Mende Omalanga**, about an Angolan promise to Congo of \$600 mn. in return for signing up to a joint exploration zone in the contested offshore waters.

Bamanisa also claimed that the reserves in the Central Basin and around Lake Albert had been allocated to unqualified companies which, he said, had been 'preselected' by the Ministry. Bamanisa has also claimed that Hydrocarbons Ministry documents show that tax and royalties payable by dubious foreign property-owners have not been delivered to the Treasury. He called for a review of all production-sharing agreements.

Parliamentary oversight is also restricted by the decision of **Étienne Tshisekedi wa Malumba's Union pour la démocratie et le progrès social (UDPS)**

not to take up its 42 seats. Nevertheless, at least one outspoken MP remains. **René Isekemanga Nkeka** was elected as an independent in Befale, Équateur Province. He was the oil minister who, in March 2009, accused Angola of pumping several hundred thousand barrels of oil a day from deep waters that he regarded as Congolese. For declaring that the borders would inevitably be redrawn in Congo's favour, Kabila sacked him in 2010.

OIL AND INDEPENDENCE

Another critical voice in the National Assembly will be that of **Ne Muanda Nsemi Badiengila**, who was elected in Bas-Congo on the Congo Pax list and is leader of the politico-religious sect *Bundu dia Mayala* (formerly *Bundu dia Kongo*, now banned). It wants independence for Bas-Congo and the re-establishment of the pre-colonial Kongo kingdom, whose territory covered parts of what are now Angola and **Congo-Brazzaville**. In the last Parliament, Ne Muanda Nsemi demanded that oil revenue from Bas-Congo, where the operator is **France's** Perenco, be allocated to the Province as per the 2006 constitution, which said that 40% of tax revenue must go to provincial budgets.

Another re-elected rebel is **Fidèle Babala Wandu**, a former Spokesman for **Jean-Pierre Bemba Gombo** of the *Mouvement de libération du Congo (MLC)*, currently on trial at the International Criminal Court in the Hague for crimes

against humanity. In 2010, Babala spoke out against the 'diversion' of a state shareholding, managed by the *Office des mines d'or de Kilo-Moto* and covering 20% of the capital of Kibali Goldmines. Babala condemned the Minister in charge of State Assets, **Jeannine Mabunda Lioko**, for having agreed to the sale of the shares to AngloGold Ashanti and Randgold, for \$113 mn. Lioko replied that only certified, not potential, reserves had been taken into account. Yet this means the state may still have lost several hundred million dollars.

Babala claimed they were worth \$30 bn. Some critical voices remain in the Senate, the upper house which was not involved in November's polls. One is former *Gécamines* engineer **David Mutamba Dibwe**, President of the Senate Mines Commission. This Commission reported in 2009 that mining would never contribute to public finances so long as the current public management remained.

The report added that bad management was responsible for the country seeing no benefit whatsoever from exceptionally high metal prices in 2007-08. Like Jeremy Dumba just recently, the report noted significant disparities between what the Treasury declared it had received in tax and what the companies had paid. Another thorn in the government's flesh is the MLC Senator **Raphaël Siluvangi Lumba**, who accused the government of being afraid to stand up for the country against Angola over offshore oil. ●

GUINEA

Condé looks East and West

Rivalries among conglomerates – Western and Chinese – intensify as the President looks for development funds

Multinational corporations and anti-corruption activists are jockeying for influence in Conakry as President **Alpha Condé** talks to the **China** Development Bank about finance for a US\$8.6 billion development plan. Western companies and activists disagree over the need for accountability and transparency as the **United States** and European Union debate new laws to clamp down on corporate tax evasion and corrupt payments (see Pointer). Billionaire financier and philanthropist **George Soros**, **Britain's** former Prime Minister **Tony Blair**, **Russian** oligarch **Oleg Deripaska** and **Israeli** entrepreneur **Beny Steinmetz** have all held closed-door talks with Condé over the past year.

At stake are Guinea's world-class reserves of iron-ore and bauxite and over \$20 bn. worth of investment by companies

such as **Brazil's** Vale and **Anglo-Australian** Rio Tinto. On 2 March, Condé appointed his Presidency Advisor, **Ousmane Kaba**, to chair the *Comité de coopération sino-guinéenne*. He will coordinate policy on financing an ambitious programme to build railways between the Simandou iron-ore concessions and a new deepwater port and international airport, some 70 kilometres from Conakry (*Africa-Asia Confidential* Vol 5 No 6).

Condé's 18-month-old government is under pressure to improve living standards after decades of military dictatorship. On 17 March, it broke up a demonstration by the opposition *Union des forces démocratiques de Guinée* which was demanding sweeping reform of the *Commission électorale nationale indépendante* before the planned legislative elections on 8 July.

In March 2011, Condé accepted

an offer from Soros to review Guinea's mining code. The Soros team suggested that the state should take at least 30% of the equity in any new mining project, up from the current ceiling of 20%. The Revenue Watch Institute (RWI) and the International Senior Lawyers' Project, both supported by Soros, helped to draw up a new code, adopted in September 2011. All contracts and licences are under review and, if evidence of corruption is found, they are to be renegotiated or cancelled, perhaps with fines to follow. Talks continue about amending tariffs, taxes and royalties (AC Vol 53 No 4).

The companies are fighting a rearguard action against the recommendations for the state to increase its stake in mining. Some critics ask whether Soros is an advisor or an investor. One of his spokesmen told us he had 'no commercial interest' in Guinea (AC Vol 52 No 8). The Africa Governance Initiative (AGI), led by Blair, also advises Condé. It began work in Conakry last November with the aim, it says, of helping to implement priority projects and 'to improve the overall efficiency of the Presidency and its relations with other parts of the government'.

Blair's personal consultancy firm Tony Blair Associates has in the past advised the

United Arab Emirates' investment fund, the Mubadala Development Company, which plans to invest in the *Compagnie des bauxites de Guinée*, owned by Alcoa, Rio Tinto and the Guinean government. Mubadala already has a stake in the Global Alumina Corporation joint venture, which operates the Sangaredi alumina plant. The government wants \$300 million to expand the CBG mine.

Blair's group describes Condé as 'a lifelong democratic activist and political opponent of the ruling regimes'. Yet Condé has tightened security considerably since a coup attempt last July, after which his security forces rounded up followers of the previous military rulers, Captain **Moussa Dadis Camara** and General **Sékouba Konaté**.

As competition heats up for Guinea's minerals, old disputes about mining rights have revived. In December 2008, the then Mines Minister **Mahmoud Thiam** (who served under the late Gen. **Lansana Conté**, **Dadis Camara** and **Konaté**) announced the transfer of exploration rights on blocks 1 and 2 at the vast Simandou iron-ore concession from Rio Tinto to Beny Steinmetz Group Resources. Geneva-based BSGR then sold a majority stake in the blocks to Vale for \$500 mn., with another \$2 bn. payable as the project advanced. Condé's supporters have criticised this deal, especially **Abdoulaye Yéro Balde**, a former World Bank official who is now Deputy Governor of the central bank. Balde, who was then on the board of Global Alumina, openly clashed with Thiam during the military regimes.

Condé's Mines and Geology Minister,

Mohamed Lamine Fofana, has also raised questions about the BSGR-Vale deal. Deripaska, the main shareholder in Rusal, the aluminium company which operates the Friguia refinery, is faring better under Condé's government. Advised by Thiam, successive military regimes refused to approve Rusal's massive Dian Dian exploration permit, citing consultants' reports that criticise the Russian company for environmental degradation.

THIAM AT THE CIF

Thiam left Guinea after Condé's election in November 2010 and is now based in New York as a director of China Sonangol, an affiliate of the China International Fund, which has mining interests in Guinea at Forécariah and Kalia. Yet Thiam is out of favour with the government. This and Blair's advisory role could be good news for Deripaska.

Blair also advises the **United States** investment bank JP Morgan, which in 2008-09 was trying to broker a deal between Rusal and the **Libyan** Investment Authority, then under the control of the late **Moammar el Gadaffi**. The deal fell through and JP Morgan says it had not discussed the deal with Blair, who had held meetings with Gadaffi and senior regime figures during that period.

After expending great efforts to win over Konaté's previous military regime, Deripaska now has cordial relations with Condé, we hear. Rusal is also tightening its relations with the commodity trading giant Glencore, signing an alumina supply agreement in December. Rusal Chairman **Victor Feliksovich Vekselberg**

resigned on 12 March; some bankers say he was obstructing Deripaska's plans for closer relations with Glencore and its new partner, Xstrata (AC Vol 53 No 5). Attempts by Glencore-Xstrata to obtain iron-ore reserves in Guinea could interest Steinmetz. Glencore has acquired mining rights in **Congo-Kinshasa**, in partnership with Israeli businessman **Dan Gertler**. Both men hold stakes in the Kinshasa-based *Banque internationale de crédit* but their representatives say they no longer have any joint mining interests in Congo-K although they have other international interests in common (see Pointer).

Glencore executives may be able to use their relations with Gertler and Steinmetz to navigate Guinea's difficult politics. The Israeli tycoons, targets of attacks in the African and international press for a lack of accountability or transparency, want to extend their African mining interests, in partnership with the biggest companies. Both Gertler, who has nurtured a close relationship with Congolese President **Joseph Kabila**, and Steinmetz have consistently outmanoeuvred their corporate rivals in Africa.

With Rusal, both have hired public relations experts from FTI Consulting, a US firm whose Europe, Middle East and Africa division is chaired by **Mark Malloch Brown**. He is well connected, as a former Deputy Secretary General of the United Nations, a board member of Soros's Open Society Initiative, a former Vice-President of Soros's Quantum Fund and a former junior minister in the UK Foreign and Commonwealth Office under ex-Premier **Gordon Brown**. ●

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POINTERS

Senegal/Chad

HABRE HANGS ON

■ **Macky Sall's** election as President of Senegal has caused many to wonder if Chad's ex-President **Hissène Habré** will still be welcome. Habré went to Dakar in a hurry and, we hear, with plenty of cash, when he was overthrown in 1990. Ever since, he has proved untouchable, under **Abdoulaye Wade** and his predecessor, **Abdou Diouf** (AC Vol 42 No 22).

For twelve years, **Belgium** has been seeking his extradition to answer charges of crimes against humanity. A Belgian judge went to Chad and discovered documents identifying 1,208 deaths in custody and 12,000 victims of human rights abuses during Habré's rule, from 1982 to 1990. These provide the evidence backing the criminal complaints against Habré by three Belgian citizens of Chadian origin.

Between 12 and 21 March, the International Court of Justice in the Hague, the United Nations' highest legal instrument, heard Belgium's plea for it to compel Senegal to extradite Habré. Various Senegalese courts have found various reasons not to permit this, the latest being a determination in January that Brussels failed to provide the proper paperwork. In 2009, the buck was passed to the Hague. Dakar then changed tack to claim that extradition was unnecessary, as he could be tried in Senegal. The Court of Justice of the Economic Community of West African States ordered Senegal to try him before 'an ad hoc tribunal of an international character' in 2010 and that became another reason for Dakar not to act.

Senior Senegalese lawyers have long presented Habré's case against extradition; one of his own lawyers was **Madické Niang**, Wade's Foreign Minister. The key, many say, to Habré's survival is the money he is said to have spread around Senegal's religious brotherhoods, whose influence is pervasive. The Court is expected to rule before the end of the year.

Congo-Kinshasa

OFFICE POLITICS

■ If he is not careful, President **Joseph Kabila** could see fights breaking out in his anteroom. He has struck forestry deals with a **Lebanese** businessman whose company is under **United States** sanctions for allegedly financing the **Lebanese** militia, **Hizbollah**. Kabila is known to be close to **Israeli** billionaire **Dan Gertler**, who owns many mineral interests in Congo-Kinshasa. Gertler's fellow **Israeli** billionaire, **Alexander Mashkevitch** (also a **Kazakh** citizen) is a key shareholder in Eurasian Natural Resources Corporation,

which has bought valuable Congolese mining assets from companies affiliated to Gertler. Another **Israeli** diamond and mining magnate, **Beny Steinmetz**, also has interests in Congo-K.

The man they won't want to see outside Kabila's office is **Ahmed Tajideen**, the **Lebanese** whose general trading company, **Congo Futur**, is a key food importer in Congo-K. The firm also controls, Reuters reported on 16 March, a forestry company which recently signed 25-year leases on vast concessions, potentially worth hundreds of millions of dollars, with the Kinshasa government. **Congo Futur** has been under US Treasury sanctions for alleged financing of **Hizbollah** since September 2010. Ahmed's three brothers, **Husayn**, **Kassim** and **Ali**, are what the US Office of Foreign Assets Control calls 'Specially Designated Global Terrorists'. It says they have funnelled tens of millions of dollars to **Hizbollah** over the years. Ahmed himself is not under sanctions, however. Ali was a senior **Hizbollah** commander, OFAC says. He and the other brothers have trading companies in **Angola**, **Gambia**, **Sierra Leone** and South America.

The Tajideens came to Congo in 1997, when the late **Laurent-Désiré Kabila** toppled **Mobutu Sese Seko**. Kinshasa businessmen say Angola's President **José Eduardo dos Santos** introduced them to Kabila. The sanctions have not stopped **Congo Futur** trading freely in Congo-K. Washington wants it expelled but US officials complain privately that Kabila Junior is reluctant. In February, **Ron Prossor**, Israel's Ambassador at the United Nations, said West Africa was now a 'hub' for **Hizbollah** operations but he did not mention Congo.

Nigeria/Britain

IBORI GOES TO SOUTHWARK

■ Having pleaded guilty to ten money-laundering charges and obtaining a money transfer by deception and fraud, **James Onanefel Ibori**, the former Governor of Delta State, will be sentenced on 16 and 17 April at London's Southwark Crown Court (AC Vol 52 No 16). He is thought to have stolen at least US\$250 million while in office, 1999-2007. Ibori's is the first scalp claimed by the Metropolitan Police Service's new Proceeds of Corruption Unit, funded by the Department for International Development. DfID is trying to deter crooks with influence at home from regarding Britain as a safe haven for their loot. Ibori's wife, mistress, sister and lawyer are already in gaol on related offences but their cases could not be reported until Ibori had pled guilty.

Those who hoped, wishfully perhaps, that accusations of arms-dealing, drug-trafficking, torture, use of armed militants and bunkering (oil theft) would also be on the charge sheet were disappointed. Prosecutors had limited jurisdiction. This is some relief to oil companies in the Delta

such as **Royal Dutch Shell**, **Chevron** and the **Nigerian National Petroleum Corporation**, all of which rented houseboats for their employees from a company owned by Ibori at a cost of millions of dollars. Charges over that affair were dismissed with 170 others when the Federal High Court freed Ibori in December 2009, clearing the way for the English trial.

The former head of Nigeria's Economic and Financial Crimes Commission, **Nuhu Ribadu**, tried to persuade Britain's Serious Organised Crime Agency to charge Ibori in relation to arms and drug trafficking. It is said that Ribadu has safely hidden boxes of evidence in London. The guilty plea means the full details of Ibori's crimes will not see the light of day. Evidence of other crimes will also probably stay hidden.

Britain/Tanzania

TAKING BRIBES SERIOUSLY

■ The outgoing head of Britain's Serious Fraud Office, **Richard Alderman**, has spoken out about the shortcomings of the British criminal justice system in relation to corporate crime and bribery. This came during a Royal African Society discussion on Africa and the Global Arms trade at London University's School of Oriental and African Studies on 20 March. Not only is accumulating evidence difficult but when the SFO did a project on intermediaries in corrupt deals, it found most of them were not subject to British law. 'It is very difficult to get behind the facts without whistle-blowers,' he admitted.

Alderman defended the SFO plea agreement with BAE Systems over the Tanzania radar scandal, which resulted in the arms-maker having to pay the British exchequer £30 million (US\$79.9 mn.) but \$400 mn. to the **United States** (AC Vol 52 No 15). At least something went back to help Tanzania, he said, unlike the US fines. (£29.5 mn. is going to Tanzanian schools).

Alderman was not optimistic about the future: 'It takes too long to get cases through.' He thought that commentators did not appreciate the difficulties in amassing evidence. Judges' sentences in bribery cases were lenient; fines were often in the 'low millions' and some higher courts had reduced even these on appeal.

He had been told not to get involved in sentencing, the SFO Director said. Yet there are no guidelines on how judges should punish bribery. The government has slashed the SFO's budget, with a 25% cut between 2010/11 and 2014/15, while its responsibilities, including the new Bribery Act, are increasing. Alderman said there should be higher fines and harsher punishment for bribers and corrupters but it would require new laws to bring them about and that would take public pressure.

● The SFO's confidential hotline for reporting fraud or corruption is 44 20 7239 7388; e-mail <confidential@sfo.gsi.gov.uk>

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BLUE LINES

It was the hottest ticket in Lagos this year. The queue stretched back through the opulent streets of Victoria Island. It looked like a presidential inauguration but in fact was the 60th birthday party of Asiwaju Bola Tinubu, the godfather of Lagos politics and one of the country's most acute strategists.

Tinubu astutely promoted his career as an oil industry deal-maker while burnishing his credentials as exiled democracy campaigner against the depredations of General Sani Abacha's junta in the 1990s. That prepared him well for the rigour of civilian politics in Nigeria, where he fought off pressure from President Olusegun Obasanjo and the People's Democratic Party to hold power as Governor of Lagos State from 1999 to 2007.

Today, Tinubu is regarded as the power behind Governor Babatunde Fashola: he does the politics while Fashola runs the administration, some say. Certainly, Fashola and the other youngish Turks of the Action Congress of Nigeria owe much of the party's resilience to Tinubu. It controls all but one state in the south-west and is parliament's biggest opposition party. Its record of effective government in the south-west raises the question whether Tinubu and his governors can pose a national challenge to President Goodluck Jonathan and the PDP in the 2015 elections. When *Africa Confidential* asked guests at Tinubu's birthday party about the ACN's chances, we were assured 'A change is gonna come' to the strains of the late Sam Cooke from the public address system.

SUDAN/UNITED NATIONS

UN clash over Beijing bullets claim

UN experts' reports differ over Darfur arms violations

A seismic diplomatic row is rumbling at United Nations headquarters in New York over the circulation of a damning report by former UN experts pointing to the supply of Chinese-made ammunition to the Sudan government for use against civilians in Darfur. The row exposes fresh divisions on Sudan at the UN Security Council and disarray in Secretary General Ban Ki-moon's office. It may also unpick Beijing's careful diplomacy as it seeks to realign its relations between Sudan and South Sudan.

The report, which is circulating clandestinely at UN headquarters, was written by three of the original members of the UN's Panel of Experts, which monitors violations of the UN arms embargo in Darfur. It argues that the Darfur crisis, far from winding down as Khartoum and some press reports suggest, is worsening, with new incidents of ethnic cleansing, arms deliveries and aerial bombing. *Africa Confidential* has obtained two separate reports on Darfur (available at www.africa-confidential.com), one commissioned by Ban's Under-Secretary for Political Affairs, B. Lynn Pascoe, which is highly conservative in its findings, and a more forthright, detailed unofficial version by the three specialists who resigned from Pascoe's appointed Panel on Darfur in 2011.

Weapons experts Mike Lewis (Britain) and Claudio Gramizzi (Italy), and Darfur and Chad specialist Jérôme Tubiana (France) resigned, AC has learned, after Pascoe's department declined to take seriously their complaints about the standards of competence and neutrality on the Panel. The trio have now sent their own report – with lengthy annexes – to the Security Council.

This unofficial report details Sudan army ammunition found in Darfur that appeared to be Chinese-made. Some may have been made in the Sudan Technical Centre, a Sudanese military company in Khartoum. The findings upset China, which says the report is not an official document and should not be given a hearing. Diplomats from the United States and Britain are nonetheless backing the report in private.

TARGETING ZAGHAWA

The report also documents the role of the government's officials and Popular Defence Force militia in recruiting non-Arab militia for a campaign of ethnic cleansing against the Zaghawa tribe. The leader of one wing of the Sudan Liberation Movement/Army, Minni Arkou Minnawi, is Zaghawa. He angered Khartoum by recently withdrawing from the Darfur Peace Agreement, which he had signed in Nigeria in 2006. Deploying non-Arab militia is a new tactic for Khartoum, which has long used Arab *Janjaweed* to kill. The report says that up to 70,000 civilians have fled their homes in Darfur since recent attacks in 2011, the highest number since the conflict peaked in 2003-06.

It also describes in detail the presence in Darfur of suspect Antonov aircraft from Ukraine. The former Experts obtained photographic evidence of at least one such aircraft parked next to aerial bombs. At least two such aircraft have been serviced in Ukraine and have flown through European airspace in 2009 and 2010. Lewis, Tubiana and Gramizzi also reported aerial bombing of civilians in the Zaghawa strongholds of Shangal Tobay in early 2011; the use of an

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Armenian-registered Ilyushin to ship cargo between Khartoum and Darfur for the army; and also five Sukhoi ground attack fighters, which the Belarus government confirmed were part of a consignment of 25 bought in 2008-10. A Sudan People's Liberation Movement official told AC this suggested Khartoum had long planned to attack South Sudan.

These revelations come as the main

Darfur insurgent groups consolidate their military and political cooperation with the SPLM/Army-North in the Sudan Revolutionary Front. This new alliance poses problems for UN policy-makers in New York who have to coordinate a global Sudan strategy through two separate peacekeeping operations, the AU-dominated UN-African Union hybrid Mission in Darfur and the UN Mission in South Sudan (UNMISS). Neither addresses the growing crisis in South Kordofan and Blue Nile states and the Nuba Mountains. Khartoum banned UNMISS's predecessor, the UN Mission in Sudan, after South Sudan's Independence last July.

In stark contrast, the official UN report was submitted to the UNSC in February by a new Panel appointed by Pascoe and led by **Debi Prasad Dash** of India. It has just four paragraphs on attacks against civilians in Darfur and was unable to

confirm Khartoum's role in targeting the Zaghawa. It also contains little on current arms embargo violations. Although it sometimes criticises Khartoum piecemeal, it lacks analysis of political or military policy. It often appears to take Khartoum's assurances at face value, for example, that the **Iranian**-made unmanned aerial vehicle, which rebels shot down in Darfur in 2008 and which the UN examined, was there to monitor locusts (AC Vol 49 No 18 & Vol 53 No 6). **Russia** has blocked its publication at the UNSC because it mentions Khartoum's use of Russian incendiary bombs in Darfur in 2009.

The new panellists are **Issa Maraut**, a French diplomat once based in Khartoum; **Brian Johnson-Thomas**, a British arms expert; **Mohammed Moufid**, a retired Moroccan aviation official; and **Rania el Rajji**, a **Lebanese** human rights consultant, formerly with Amnesty International. ●

UGANDA/CONGO-KINSHASA

The LRA is down but not out

Small bands of the Lord's Resistance Army are going into eastern Congo and employing new methods to terrorise local people

Lord's Resistance Army (LRA) fighters have left **Central African Republic** for Garamba, in **Oriente Province** in north-eastern **Congo-Kinshasa**. They are now concentrating on theft and looting rather than gratuitous violence and mass abductions. The **United States** has deployed a special forces unit against them and the African Union is readying its own force, launched in March. **Joseph Kony** and his army face growing international pressure, so the change of tactic may be temporary. The effective but bizarre KONY 2012 social media campaign by the US organisation Invisible Children has given Kony global anti-celebrity status.

It was in Garamba National Park that the LRA was most at home in recent years before the joint military operation supported by US military advisors in 2008, Operation Lightning Thunder (OLT), pushed it into CAR and back into **South Sudan**. Many suspect they have returned to search for buried caches of food, medicine and arms. The LRA is now operating in three hot-spots in **Oriente**, according to Congolese and United Nations military intelligence sources:

● The first is on the axis between Faradje and Gangala Na Bodio, 67 kilometres from Dungu in Haut-Uele. Some 20-25 LRA are believed to be operating here under the

command of **Vincent Binany**.

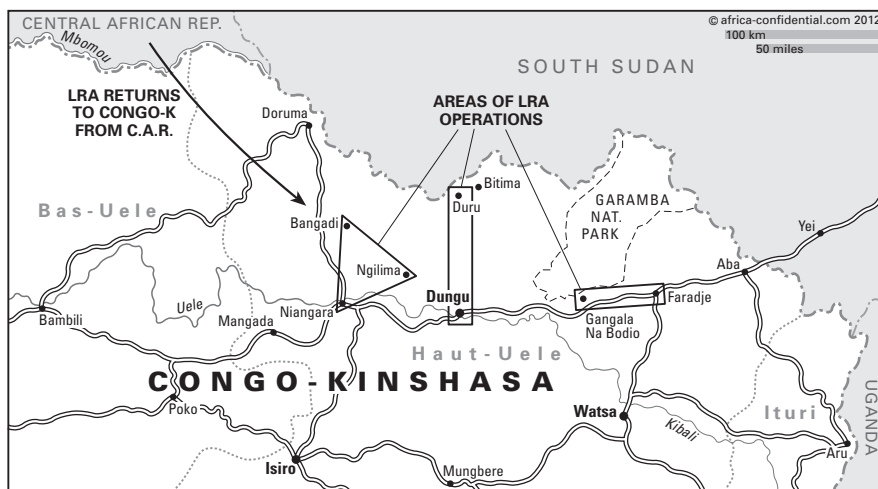
● The second group operates in the triangle between Bangadi, Niangara and Ngilima under **Sam Otto Ladere**.

● The final group, eight to ten strong and apparently led by **Dominic Ongwen**, operates along the Duru-Dungu axis. Ongwen himself is reported to be injured and staying somewhere in or close to South Sudan, possibly near Bitima in Congo-K. He is wanted by the International Criminal Court for crimes against humanity.

The United Nations High Commissioner for Refugees reports that the number of LRA attacks in **Oriente** has dramatically increased since December 2011, with 33 reported in the first three months of 2012 and more occurring on an almost daily basis. In March, the majority occurred in and around Dungu. The most recent important attack was on 10 March, when the LRA pillaged a settlement just 7 km. from the centre of Dungu, displacing over a thousand people and abducting one individual, later released. Some 30,000 people in the Dungu area have been forced from their homes into small 'secure' areas around larger towns, according to **Jorge Holly**, UNHCR Head of Office in **Oriente Province**. The expansion in population has led to friction with local communities and overcrowding is affecting sanitation and access to services and aid supplies.

There is much speculation about why the LRA has been using much less violence than usual. In September 2011, Kony summoned his commanders to a meeting in CAR, we hear. All of them attended, even Ongwen, who had in the past refused such summonses. The return to Congo began after this meeting: groups crossed near Doruma before heading south towards Bangadi and Dungu.

Some believe the LRA is at a low ebb and independent sources put its numbers



at somewhere between 150 and 250, compared to around 400 in early 2011. The suggestion that it is in 'survival mode' would fit with a headlong dash to Garamba to recover supplies and a concentration on looting rather than potentially costly fighting. In November 2011, an LRA group near Duru released women and children who said that they were freed because the group could not feed them any longer.

LRA fighters have written to villagers to urge them not to resist when they arrive to take provisions. In Gangala Na Bodio, *Africa Confidential* saw one such letter. It stated that anyone who ran from or attempted to fight the LRA would be killed and messages from the LRA transmitted by recently released abductees said that if people willingly gave up their food and goods, they would be left unharmed.

Military sources in Orientale, however, say LRA tactics vary and that it would be wrong to assume the group was in decline. 'The recent reduction in the intensity of LRA violence does not necessarily indicate that they have lost the capacity to commit mass atrocities,' said **Paul Ronan**, an LRA analyst and co-founder of the US-based advocacy group Resolve.

Kony and senior LRA commanders are aware of the political and psychological effect which atrocities against civilians can have, and historically have strategically intensified violence or laid low, depending on their own fighting capacity and how the

international community is responding. 'LRA commanders may be intentionally reducing violence against civilians in the hope that renewed US and regional initiatives lose momentum,' Ronan added. One hundred US Special Forces are acting as 'advisors' with the Ugandan People's Defence Forces (UPDF) and are believed to be looking for Kony in CAR near the border with South Sudan and **Sudan**. A retired Western military officer working in the region told AC he believed Khartoum still supported Kony to destabilise South Sudan and the region (AC Vol 52 No 23).

ENGAGING THE LRA

Two of the US military advisors are based in Dungu and are helping to train the 391 Battalion of the Congo-K army, the *Forces armées de la République démocratique du Congo* (FARDC), to combat the LRA. It was this battalion that responded to the 10 March attack, killing two rebels and recovering two Kalashnikov rifles. This was the first time they had engaged the rebels, however, and analysts feel that they still lack the UPDF's capacity to track LRA elements through the bush.

Historically, there was little local confidence in FARDC because it preyed on local people and feared engaging the LRA. The 391 Battalion appears to be more professional and the local FARDC troops, who were mostly former members of the *Congrès national pour la défense du*

peuple (CNDP) militia, have been replaced by units from Ituri and Equateur Province. Villagers around Dungu welcomed the deployment of the US-trained soldiers and more FARDC soldiers have been sent to LRA hot-spots.

OLT spectacularly backfired in 2008 when the retreating LRA massacred civilians in revenge. Since then, Kony's rebels have tended to move in semi-autonomous small groups scattered across CAR, South Sudan and now north-east Congo. This makes it difficult for one national force to track them. OLT foundered because of leaks from the UPDF, as well as internal bickering and mistrust between the Kampala and Kinshasa governments. Kinshasa ordered all UPDF troops to leave Congo-K in October 2011, disrupting intelligence-sharing and joint operations against the LRA. Despite that experience, the AU is trying to coordinate the 5,000 soldiers pursuing the LRA from Uganda, Congo-K, South Sudan and CAR, with US logistical and intelligence input.

The AU could produce a draft plan as soon as mid-April, we hear. There are strong hopes that US funds will help encourage unity: some US\$30 million has gone to Uganda and \$10 mn. each to Congo-K, South Sudan and CAR under the terms of the LRA Disarmament and Northern Uganda Recovery Act, which was signed into law by US President **Barack Obama** in May 2010. ●

KENYA

Kibaki nervous over ICC

Threats, rivalries and renewed ethnic tensions befoul the air as the international court's suspects try to close down the case

The two declared presidential candidates facing charges of crimes against humanity at the Hague are determined to ward them off. An unexpected cabinet reshuffle at the end of March brought clear signs that the influence of the 'G-7' alliance, led by the suspects **Uhuru Kenyatta** and **William arap Ruto**, extends into State House (AC Vol 52 No 15). President **Mwai Kibaki** is growing nervous that the International Criminal Court (ICC) cases could ultimately implicate him.

The reshuffle demoted ministers in the Kibaki faction of the coalition who have criticised the anti-ICC campaign. The Justice Minister, **Mutula Kilonzo**, was the most visible casualty. His 'conversion' during the constitutional referendum campaign in 2010 won him plaudits from progressive elements within

government and civil society. He was once the personal lawyer of ex-President **Daniel arap Moi** but has recently stated repeatedly that both Ruto and Kenyatta are constitutionally barred from running in December's presidential election.

As Secretary General of Vice-President **Stephen Kalonzo Musyoka's** Wiper Democratic Movement (formerly Orange Democratic Movement-Kenya), Kilonzo fatally damaged his party leader's standing with the duo when he publicly denounced their presidential bids. His removal to the less conspicuous Education Ministry was therefore not unexpected and for weeks there have been rumours that other parties were courting him, including Prime Minister **Raila Amolo Odinga's** Orange Democratic Movement. The new Justice Minister, **Eugene Wamalwa**, is a younger brother of the late **Michael**

Kijana Wamalwa, who served as Vice-President and, recently, as a cheerleader for the Kenyatta-Ruto partnership.

Kibaki had seemed indecisive. Two of his old cronies, **John Njoroge Michuki** and **James Njenga Karume**, died within two days of each other (AC Vol 53 No 5) and the grieving President failed to decide how to deal with the pressure from the ICC. Its preliminary ruling in January had indirectly implicated him in the charges against Kenyatta, by accepting prosecution claims that several meetings to organise the reprisal violence in Naivasha and Nakuru in the central Rift Valley had taken place at State House. Kibaki had written to the Court on behalf of his former Cabinet Secretary, **Francis Muthaura**, whose charges were also confirmed. The Court was in effect dismissing the President's testimony and validating the accusations about the State House meetings.

That may have forced the President's hand. As well as Kilonzo, Kibaki's veteran acolyte **Moses Wetang'ula** got the chop. He apparently gave offence by casting aspersions on documents tabled in Parliament which claimed there had been a **British** plot to lean on the ICC to pursue the Kenya cases, thus sidelining Kenyatta and Ruto from the presidential race while favouring Odinga. The documents

are obvious forgeries. Kenya's National Security Intelligence Service (NSIS) and the British High Commission in Nairobi quickly dismissed them, although London's Parliamentary Under-Secretary for Africa and the United Nations, **Henry Bellingham**, had to deal with the matter. Whitehall insists that his visit to Kenya had long been planned and was in fact a follow-up to February's London Conference on **Somalia** but the Minister must at least have discussed the documents.

At the same moment, there arrived from the office of the ICC Prosecutor, **Luis Moreno Ocampo**, a letter alleging there had been attempts to hack into the ICC's witness files. Police in Nairobi arrested a young journalist, **Dennis Itumbi**, on suspicion of the hacking attempt. Itumbi briefly worked for the Voice of America and blogged on social networking sites.

Itumbi also worked as a media liaison officer for Kibaki's Party of National Unity in the run-up to the 2007 elections. He is said to have been associated with Kenyatta's campaign team but Kenyatta's Spokesman, **Munyori Buku**, denies it. Rumour-mongers claim that Itumbi and others were recruited to fake the forged British documents. We hear that one of the ICC suspects paid for their services and for two weeks put them up in a resort.

Itumbi was released without charge on the day Bellingham left Kenya, 26 March. Given the disarray of police investigations into the post-election violence, the mystery will probably be lost before it reaches the courts. Yet the ICC suspects are desperate to fight off the charges by any means necessary. Speaker **Kenneth Marende**

was criticised for allowing the documents to be tabled and a parliamentary investigating committee proved unable to summon NSIS chief, Major General **Michael Gichangi**, who insisted he had far more important matters to deal with.

CAMPAIGNS AND PRAYER RALLIES

It is feared that Kenyatta and Ruto will make political capital out of their predicament at the Hague. Since the charges against them were confirmed in January, they have campaigned across the country, organising prayer rallies that serve as attacks on Odinga. With political deftness and considerable resources, they have managed to sell the ludicrous idea that Odinga conspired with the ICC and Western powers to make their cases stick – putting the Luo leader back in his familiar role as political bogeyman. The anti-ICC campaigners' next effort may be to try to force the Court either to reschedule the hearings or to transfer them to the Kenyan courts where, presumably, the pair feel they will be better protected.

Moreover, there is strong talk of a campaign to identify, track down and either bribe or eliminate potential ICC witnesses. Threats in Kenya and abroad recently forced a crucial prosecution witness in the Kenyatta case to recant his testimony. There are unsubstantiated allegations that several witnesses who had been put up in safe houses in the region have been eliminated.

As the ICC cases become the central focus of the forthcoming elections, there have been a series of alarming community rallies to drum up support for

both Kenyatta and Ruto. In late March, the once-powerful Gikuyu, Emba and Meru Association (GEMA) organised a meeting in Limuru, birthplace of the Kenya African National Union (KANU), to endorse Kenyatta as community leader and to launch a petition calling on the ICC to postpone his case so that he could exercise his 'constitutional right' to run for the presidency. In early April, a similar meeting was organised for Ruto by the Kalenjin, Maasai, Turkana and Samburu (Kamatusa) group.

There are ructions in the ODM, too. Long regarded as its inevitable presidential candidate, Odinga now faces a strong challenge from his deputy, the usually docile **Wycliffe Musalia Mudavadi**, whose campaign threatens to tear the party apart, galvanising his Western Kenya Luhya voting bloc behind him. Mudavadi's surprising campaign has provoked speculation that he has been encouraged by the G-7 boys. Ruto and Kenyatta inevitably deny the allegations; Mudavadi insists he is his own man. However that may be, the ODM row severely weakens Odinga and further boosts the G-7's chances of a successful run at the presidency.

The forces circling against Odinga indicate a silent revival of the old KANU network. Mudavadi was Kenyatta's running mate in 2002; Kenyatta and Ruto cut their teeth at Moi's feet. Kenyan appeals to the ICC may look absurd but they show the levels of desperation among some in the political class as they see their ambitions thwarted. That desperation is stoking fears of more violence. ●

LIBERIA

Keeping it in the family

The President rejects charges of nepotism after appointing her eldest son to head the state oil company

Ellen Johnson-Sirleaf has unleashed a storm of controversy by appointing three of her sons and a nephew to important jobs in government. Most attention centred on her eldest **Robert Sirleaf**, 54, whom she named to chair the National Oil Company of Liberia (Nocal) in February. Robert is his mother's closest advisor and is sometimes described as Liberia's de facto prime minister. He threatened in February to return to the **United States**, where he had a career as a banker, if he were not made chair of Nocal, says a source close to the First Family.

The President defended the appointment, which has been described as 'pro bono' and is unpaid. 'My son is

qualified to serve in that position,' she said. Nocal presides over Liberia's oil resources, which are still some way from production and revenue generation. Chevron and **Frank Timis's** Africa Petroleum are among companies that have made discoveries but are not pumping oil (AC Vol 53 No 5). In spite of the absence of an oil industry, there are resource governance issues.

The international advocacy group Global Witness says Nocal has an inherent conflict of interest in being the oil industry regulator while acting as a commercial company in its own right. GW claimed Nocal had paid legislators to ratify oil contracts between 2006 and 2008 and it recommends that all oil contracts be

published, and all corruption and bribery in the industry be investigated. Analysts believe it could affect Robert Sirleaf's reputation if the proposed transparency is not adopted and audits not carried out.

Robert Sirleaf is reputed to be his mother's favourite. Along with the President's older sister, **Jennie Bernard**, he heads her inner circle of advisors. She appointed another son, **Charles Sirleaf**, Deputy Governor of the Central Bank of Liberia in February. Her nephew **Varney Sirleaf** became Deputy Minister for Administration in the powerful Ministry of Internal Affairs, also in February, and son **Fumba Sirleaf** is the Minister for National Security, as he was during her first term. Jennie Bernard, her husband **Estrada Bernard** (an unofficial legal advisor to the President), and Robert Sirleaf are reputed to have power of veto over any senior appointments. Presidential brother **Carney Johnson** is on the board of the mining exploration company Amlib.

Accusations of nepotism had been low-key until **Jefferson Kojee**, the 'Head of Auxiliaries' for the opposition Congress

for Democratic Change, published an article last month in *The Analyst* and *The Independent* claiming that Robert Sirleaf was bent on becoming a billionaire and he was going to divert oil revenue to that end. Robert responded with a claim for libel damages but withdrew after the publisher of *The Analyst* apologised.

Political analysts in Monrovia say that Robert has presidential ambitions. His mother cannot serve a third term under the constitution and he is planning, with his brother Fumba and the Finance and Planning Minister, **Amara Mohamed Konneh**, to make a bid in 2017, we

hear. Occupying positions of national importance, such as at Nocal, would help him. There are reports that Robert has interests in other industries such as quarrying, which is set for a boost thanks to the huge expected investment in roads. He is also involved in key decisions over investment from Asia, particularly **India**.

Insiders say that Konneh, who is expected to be Robert's running mate for vice-president, is at loggerheads with another presidential hopeful, Foreign Minister **Augustine Kpehe Ngafuan**. This has resulted in arguments in the cabinet which the President has to quell, we hear. In

March, a source in the local press claimed that Konneh had replaced the two-month-old carpets and air-conditioners in his new office. A government source told AC that it was fear of 'juju' by his predecessor in that job, Ngafuan, that prompted the replacements.

Robert Sirleaf's ambitions are shared by Unity Party Chairman **Harry Varney Sherman**, one of the richest Liberians. Others with an eye on the 2017 polls include **Samuel Kofi Woods II**, who may be wooing Johnson Sirleaf's fellow joint-winner of the Nobel Peace Prize, **Leymah Roberta Gbowee**, as running mate. ●

MALAWI

New leader, new broom

Africa's second female president faces a fickle parliament and a desperate economy

Joyce Banda, accepting promotion from Vice-President to President on the death of **Bingu wa Mutharika**, inaugurated her rule on 9 April by sacking the police chief, **Peter Mukhito**. It was an astute first move, as he was widely blamed for July's crackdown, which left 20 protesters dead. However, Banda nearly didn't make it. Although he died on 5 April, the late President's cabinet tried keep his death secret and blocked Banda's accession, hoping to sneak Foreign Minister **Peter Mutharika** into his brother's post.

Lengthy meetings late into the night explored the options as the authorities refused to confirm the death. Legal advisors broke the plot by telling ministers that what they were planning was a *coup d'état*. The conspiracy finally collapsed when Malawi Defence Force chief General **Henry Odillo** warned that the army might not support an illegal government. On 7 April, Joyce Banda announced her predecessor's demise.

Mutharika had sacked Banda from the governing party in early 2011 when she refused to support Peter Mutharika's nomination as the Democratic Progressive Party presidential candidate. In the event, the DPP barely outlived its founder. Some 100 of its 140 members of parliament have now declared their support for Banda's People's Party (PP, AC Vol 52 No 8). 'These are the same people who expelled Mrs. Banda from the ruling party and went all over the place vilifying her,' warned University of Malawi political scientist **Blessings Chinsinga**. 'Their pledge of loyalty is not genuine. They are just opportunists looking for favours.'

The PP is an unknown quantity. Banda is unlikely to end the popular farm subsidies which Mutharika introduced.

She will have to make cuts elsewhere, even though **Britain** and the **United States** will probably restore aid. US Secretary of State **Hillary Clinton** and British Foreign and Commonwealth Office junior minister **Henry Bellingham** were among the

first to congratulate Banda on her new post. A tough deal with the International Monetary Fund is likely to follow, though.

The scars left by Mutharika's government will heal slowly. Devaluation and fiscal cuts may not revive the economy rapidly. Too many businesses have stopped production in the crippling economic environment and will not return overnight. Nevertheless, Banda has a golden opportunity to blame all the past hardships – and those to come – on her predecessor and to use the respite to build public support and draw up plans. ●

HOW MUTHARIKA WENT WRONG

Bingu wa Mutharika was Malawi's third President, after **Hastings Kamuzu Banda** and **Bakili Muluzi**. Born in 1934 in the Thyolo district of southern Malawi, he was educated at mission schools and was one of only 32 Malawians picked by Banda for higher education abroad, at the University of Delhi in **India**. On his return, he became an administrative officer in the Finance Ministry but went into self-imposed exile in 1964 in **Zambia**, where he changed his name from his birth name, **Brightson Webster Ryson Thom**. 'Mutharika' is one of the chiefly names of his own Lhombe people, whom he favoured in government posts (AC Vol 50 No 23). From 1964-1990, he held positions in the Zambian government, the United Nations Economic Commission for Africa and the World Bank.

In 1991, Mutharika returned to Malawi and joined the United Democratic Front, which won the first democratic elections in May 1994. Encouraged and mentored by the then President and UDF leader, Bakili Muluzi, his career suffered steep ups and downs before Muluzi picked him as the UDF's presidential candidate in the 2004 election. Muluzi praised him as an 'economic engineer', helping him to victory, although he polled only 36% of the vote. The next year, his government began providing heavily subsidised fertiliser to subsistence farmers, boosting maize production and economic performance, with average growth of 7.6% in 2005-09. Mutharika had no further need of Muluzi, who was targeted with his supporters in an anti-corruption drive, resulting in a major falling-out.

In revenge, the ex-President and his UDF planned to impeach Mutharika, but he outmanoeuvred them by leaving the UDF and forming the Democratic Progressive Party. Members of parliament defected *en masse* to it, much as they have now to **Joyce Banda's** People's Party. Buoyed by a strong economic record, Mutharika won the 2009 poll with 66% of the vote. Power and success went to his head, many believed. His behaviour grew increasingly erratic, as he picked fights with critics domestic and foreign. Increasingly isolated, he railed against Western officials and harassed the opposition. The economy went into a nosedive as he travelled the world in his private jet with large entourages, and purchased luxury vehicles such as Hummers and Maybachs (AC Vol 52 No 2).

The late President will, presumably, be laid to rest in another monument to his extravagance, the white marble, two-storey mausoleum in Thyolo which he helped design himself to house the body of his late wife **Ethel**, who died in 2007. The tomb and a palace nearby were built by the **Portuguese** company Mota-Engil, which has a large number of valuable government contracts and mining interests (AC Vol 50 No 18). ●

SUDAN/SOUTH SUDAN

War drums sound as the South takes Heglig

Khartoum mobilises against South Sudan and breaks off all negotiations

The seizure of the oil town of Heglig by South Sudan's armed forces on 10 April ratchets up Juba's confrontation with Khartoum's National Congress Party (NCP) regime, which also faces growing pressure from its opponents in the North. Juba's Information Minister and Spokesman, **Barnaba Marial Benjamin Bil**, insisted that taking Heglig was in self-defence after Khartoum's forces had launched a ground attack from the town on 9 April. Juba's more assertive strategy shows its support for its former comrades in the Sudan People's Liberation Movement/Army-North (SPLM/A-N) and their vision for change – ending NCP rule.

Khartoum has also regularly bombed civilian targets in the South from the air over recent weeks (AC Vol 53 No 6), triggering negligible international condemnation. The African Union and United Nations Security Council rapidly requested the Sudan People's Liberation Army (SPLA) to withdraw from Heglig. The Heglig field now produces around half

of Sudan's petroleum output of around 115,000 barrels per day. Khartoum is desperate for that oil.

Heglig is widely seen as being in South Kordofan, Sudan, though South Sudan President **Salva Kiir Mayardit** claimed it as Southern on 26 March, when the SPLA first went into the town. Under the 2005 Comprehensive Peace Agreement (CPA), the international border is supposed to be that defined before Independence in 1956. However, demarcating it is one of many unresolved CPA issues. An additional problem is that Heglig town grew up only after Chevron found oil there in 1982: old maps show many places called Heglig/*Hejleej* ('Thou' in Dinka), because it means desert date or torchwood (*Balanites aegyptiaca*). Locally, it is seen as Southern, said a Kordofan source, home mainly to Dinka and Nuer people.

Retired judge and former Vice-President **Abel Alier** notes in his 1992 book 'Too Many Agreements Dishonoured' that oil revived the boundary dispute but

locals knew Heglig (Pan Thou in Dinka) was part of Benti Council, in the South. A Dinka source confirmed this.

On 11 April, Khartoum broke off all talks with the Government of South Sudan (GOSS) in Addis Ababa. (The talks had already been suspended.) It announced military mobilisation (though it had already called for 100,000 *mujahideen* to attack the South). Khartoum has complained to the UNSC but denies that Juba last week shot down one of its fighters over Unity. A burnt-out recognisably Sudan Air Force aircraft was shown on South Sudan Television, reported one viewer.

Pressure is mounting on Khartoum on the northern side of the border, too. Two recent film clips summed up the crisis. One was of the funeral of Sudan Communist Party leader **Mohamed Ibrahim Nugud**, where thousands, by no means all Communists, marched through Khartoum shouting, 'Liberty, Peace, Justice – Revolution is the choice of the people!' The other was of South Kordofan Governor **Ahmed Mohamed Haroun Adam**, widely seen as having rigged his own election, ordering his forces to cleanse the area and take no prisoners.

Mohamed Nugud, 82, died in Harlow, England, where he had gone for medical treatment, and was buried in Khartoum on 25 March. National Umma Party leader **El Sadig Sideeg el Mahdi** was there, as was Sadig's brother-in-law, **Hassan Abdullah el Turabi**, founding father of the NCP (then National Islamic Front, NIF). The NCP did not attend. The noisy procession calling for freedom reminded many of the *Intifadah* (uprising) which overthrew President **Ja'afar Mohamed Nimeiri** in March-April 1985.

Ahmed Mohamed Haroun, indicted by the International Criminal Court for war crimes and crimes against humanity, appears on a film broadcast by Qatar's *Al Jazeera*. It does not say that the SPLA-N had captured the film from the Sudan Armed Forces in the Nuba Mountains. A laughing Judge Ahmed tells beaming SAF and militia: 'Amsah, aksah, kushu! Ma jibhu hay!' ('Flatten, drive away, deal with them! Do not bring them alive!') On 3 April, he said this was simply the slogan of the Central Reserve Police (*Abu Tera*, AC Vol 52 No 21) but declared the word 'not' had been falsely inserted. Since his next instruction is 'Don't create administrative burdens' (i.e. prisoners) and since Nuba survivors of previous ethnic cleansing remember him from the 1990s, few believe his denials.

Hugely popular on the internet, the two clips point to the current foci of Sudanese political attention: events in Khartoum and the war in Blue Nile and Kordofan, not talks between the NCP and the GOSS in Ethiopia. 'Westerners are looking in the wrong direction,' a senior



SPLM-N official told *Africa Confidential*. 'They need to understand that the time for thinking that this is a simple negotiating matter is past.' All these issues are crucial to Southern stability and seen as a matter of sovereignty. The key unfinished CPA business for Northern Sudanese is not an oil agreement, which they expect to benefit only the regime, but the provisions on democracy, of which Britain's then Special Representative, **Alan Goulty**, said in 2003, 'You have to make sacrifices to get peace' (AC Vol 44 No 13).

Western diplomats and international organisations abandoned any support for Northerners seeking human rights and justice and began to engage more with the NCP. The regime had just unleashed the full force of its ethnic cleansing policy in Darfur (see Sudan/United Nations Feature). Interested governments focused on negotiations then, too, pressing the armed Darfur opposition to talk to the NCP and, as the groups split, mainly under the impact of Khartoum's divide-to-rule strategy, pushing for those groups to unite. Last November, the three main groups – the Justice and Equality Movement and the Sudan Liberation Movement (SLM) factions led by **Abdel Wahed Mohamed Ahmed el Nur** and **Minni Arkou Minnawi** did just that but were met with a deafening international silence, for they had merged not to talk to the NCP but to fight alongside the SPLA/N, joined together in the SRF (AC Vol 52 No 23).

While still setting up its political structures, the SRF is having considerable military success. Major General (Retired) **Fadlallah Burma Nasir**, Co-Deputy President of the Umma Party, recently told its Politburo that the 'circle of security' in South Kordofan now consisted only of a narrow band around major towns. Fadlallah, a Missiriya, is credited with

initiating the policy of arming Arab militias in Darfur in 1985 and was by 1986 Premier El Sadig's State Defence Minister, extending the policy in Kordofan. From 1989, the NIF expanded it hugely. Ambivalent as ever, the Umma has as its other Deputy President **Nasr el Din el Hadi el Mahdi**, a staunch SRF supporter.

INTIFADAH IN THE AIR

Support for the SRF is clearly growing. The once powerful Beja Congress has joined, prompting a threatening visit to the area by the regularly angry Presidential Assistant **Nafi'e Ali Nafi'e**, Ahmed Haroun's former director at Security. 'We are organising in the east,' a BC activist told AC. 'We are ready to do like 1990', referring to the significant role of Beja fighters in the eastern-based opposition alliance, the National Democratic Alliance, in the first decade of NIF rule. The region is home to the only port, the oil export terminal – and the **Eritrean** and Ethiopian borders.

The SRF has injected new energy into Darfur's opposition. The situation there was deteriorating, said an official from SLM-Minni, as did independent reports. Noting that Khartoum's border security agreements with **Chad**, **Libya** and **Central African Republic** were an attempt to encircle and choke off the opposition and give the NCP a free hand, he dismissed the (widely criticised) UN-African Union Mission in Darfur and called for a proper UN force or 'better, NATO'.

'The most crucial thing is that we want the international community to pressure the government to send medical supplies and food to displaced people,' **Omer Shurkian**, Chairman of the SPLM-N for the UK and Ireland told us. Hundreds of thousands of people from Blue Nile and the Nuba Mountains have fled not just the fighting between the two parties (which

has at least made it harder for the NCP to indulge in ethnic cleansing) but especially Khartoum's aerial and long-range bombardment. The NCP has refused for two months to accept an aid plan by the UN, AU and League of Arab States (despite its recent courting of potential Arab donors to help it out of its oil crisis).

Diplomats may have noticed the growth in opposition support. One senior Western diplomat recently touted the possibility of an 'Arab Spring' in Khartoum (most Sudanese would not like it to be called 'Arab', not least because civilians have twice overthrown military governments) but doubted whether the opposition had the military capacity to defeat the regime. Another Western official said that diplomats in Khartoum 'seem to fall into two very distinct groups, with half sounding strangely optimistic and the other half expecting some chaos'. These two categories may not be mutually exclusive. Most analysts think it would take a combination of military opposition in the provinces and an uprising in the capital to unseat the regime.

With **Egypt** and **Libya** still settling into their new situations, the key neighbour is Ethiopia, which is still dependent on Khartoum for its entire (cheap) oil supply. Premier **Meles Zenawi's** government hardly envisages itself as a hostage, though. It has signed up to the Lamu Corridor, is talking to **Djibouti** about trucking fuel by road and plans a railway link to the coast, as part of the Inter-Governmental Authority's grand regional infrastructure plans. Ethiopia is keen to remain even-handed between Juba and Khartoum but, we understand, thinks the NCP will not last long. This of course implies that it does not expect much from **South African** ex-President **Thabo Mbeki's** AU-sponsored talks in its capital. ●

EGYPT

Differences sharpen in presidential poll

The battle lines and electoral calculations are becoming clearer

The Muslim Brotherhood's nomination of its deputy leader, **Khairat el Shater**, as presidential candidate on 5 April reflects the MB's sharply deteriorating relations with the ruling generals. It also means that the two front-runners in next month's poll, El Shater and the Salafist preacher **Hazem Salah Abu Ismail**, are both Islamists. However, both face legal challenges to their candidacies.

A year ago, the MB promised not to run for the presidency, partly from fear

of a counter-reaction from the military or voters and partly because it could stretch the secretive organisation's resources too thinly. Its Freedom and Justice Party (FJP) is already the biggest in the National Assembly and the Senate (AC Vol 53 No 5). It also dominated a 100-member Constituent Assembly chosen by Parliament to draw up a constitution, until a court ruled on 10 April that the Assembly be suspended because it was not representative of wider society. Liberals,

representatives of Al Azhar University (Sunni Islam's leading institution), women and Coptic Christians were planning to boycott the Assembly before they persuaded the court to suspend it. A long court battle lies ahead.

At least six serious candidates will contest the first round of the presidential election on 23-24 May; a second round between the top two candidates is due on 16-17 June. To complicate matters, **Omar Suleiman**, ex-President **Mohamed Hosni Mubarak's** intelligence chief and his last Vice-President, has declared himself a candidate. Liberals were horrified that this pillar of the *ancien régime* had decided to run and El Shater called it an 'insult to the revolution and the Egyptian people'. Yet many see Suleiman's move as a bid for the anti-Islamist vote, designed to exploit a split in that vote between El Shater and the outspoken Salafist, independent

THE MEN WHO WOULD BE RAIS

● **Khairat el Shater**: A successful businessman, El Shater spent twelve years in prison under President **Hosni Mubarak**. From his cell, he still took a leading role in the Muslim Brotherhood and directed his commercial empire. In MB terms, he is a conservative but major force in guiding it towards engagement in electoral politics. Which many analysts see as tactical. He has won some Western support for his pro-market attitudes but is more back-room fixer than charismatic leader.

● **Hazem Salah Abu Ismail**: A populist, Abu Ismail prefers talking about social conservatism and anti-American and anti-Israeli rhetoric to policies to improve the lives of his overwhelmingly poor supporters. He has been far more critical of the Supreme Council of the Armed Forces than El Shater and more supportive of protests in Tahrir Square. Younger and more charismatic, he lacks an electoral machine, but the Salafist party *An Nour* may yet endorse him. Before El Shater and Omar Suleiman declared, he was scoring about 22% in opinion polls.

● **Amr Moussa**: Although a former Foreign Minister and Arab League Secretary General, Moussa is not as tainted by his former regime connections as Suleiman or **Ahmed Shafiq**. He will gain votes because he long ago declared he was standing and because he is seen, not always accurately, as a strong supporter of Palestinian rights. He has spoken out against immunity for the generals.

● **Abdel Moneim Abul Fotouh**: Seen as relatively liberal for a Muslim Brother, Abul Fotouh had long clashed with El Shater's economic and social conservatism. Last spring, he left the MB to announce his independent candidacy and was widely seen as Brother in sheep's clothing. He then made his differences with the MB known and hopes to attract defectors. His prospects now look dim.

● **Omar Suleiman**: The former intelligence chief uses activists from the formerly ruling National Democratic Party to campaign for him, say Cairo analysts. Despite the heavy baggage from Mubarak's era, Suleiman might just do well. Amr Moussa could prove his closest rival.

● **Ahmed Shafiq**: The former air force chief and Mubarak crony stood more chance before Suleiman declared. Shafiq also represents continuity with the ousted regime and threatens Moussa and Suleiman. The SCAF likes him but victory looks impossible. ●

candidate, Abu Ismail. Suleiman hopes to cash in as a restorer of order.

On 31 March, the MB's Shura Council decided by a narrow 56 votes to 52 to run a presidential candidate. Those in favour said the MB had to respond to the Supreme Council of the Armed Forces' refusal to dismiss Prime Minister **Kamal el Ganzouri**'s cabinet. They had wanted the SCAF to appoint a new one with El Shater as prime minister and strong Brotherhood participation, in recognition of its 37.5% vote in January's parliamentary elections.

The MB also believes it has convinced the **United States** and European governments that it can be trusted with power, having promised that it would not seek political domination nor violate the rights of non-Islamists. Now, the US State Department has made positive statements,

seeing the Brothers as a counter to the swelling, stridently anti-Israeli campaign by Hazem Abu Ismail and the Salafists. El Shater's candidacy may help to secure the loyalty of the MB base against Abu Ismail and veteran former Brother **Abdel Moneim Abul Fotouh**, who has won a reformist reputation.

PAST MISTAKES

MB strategists remember what happened in **Algeria** in 1991, when a military coup backed by the USA and **France** barred the Islamist *Front islamique du salut* from power as it was winning at the ballot box. Memories of the suppression of the Brotherhood by the late Egyptian President **Gamal Abdel Nasser** in 1954 remain alive and the SCAF has been reminding people by warning the MB to

avoid repeating 'past mistakes'. The winter months have shown the generals to be vulnerable to public pressure but unable to count on US backing for intervention in the constitutional process. Field Marshal **Mohamed Hussein Tantawi** and his colleagues lack the ambition to exercise executive power directly but would like to place conditions on those who will.

Political calculations are complicated because the Higher Presidential Elections Commission might disqualify several candidates. Abu Ismail's mother's US citizenship may rule him out. El Shater's conviction by a military tribunal under Mubarak in the Al Azhar militia case, and its annulment last year, could raise further hurdles. By 26 April, the HPEC will decide. If El Shater or Abu Ismail were ruled out, the streets could explode.

The MB is fielding a back-up candidate, **Mohamed Mursi**, who leads its FJP. Liberal candidate **Ayman Nour** of the *El Ghad* party has been disqualified by an administrative court over an old accusation against him that many say is politically motivated (AC Vol 52 No 21).

The SCAF has four main areas of interest which dictate its attitude toward constitutional reform and the presidency:

● Immunity for the military from prosecution for human rights abuses and corruption.

● A legal right to intervene in high-level politics, secrecy for the military budget and autonomy over its complex of commercial and industrial interests, which constitute, analysts estimate, 15%-40% of the economy.

● Strong presidential government, making the military deals easier to manage.

● A constitution giving no greater place to Islam than at present and, ideally, less.

Senior MB figures might agree to some immunity for the generals but a storm of criticism arose when the idea became public. We hear US negotiators promised the SCAF that they would support de facto immunity from prosecution for the generals as part of the deal which recently allowed some US citizens and other foreign nationals to leave Egypt after being accused of breaking the law on non-governmental organisations. ●

ANGOLA

Hope of peace for Cabinda

The threat of armed rebellion may fade after rebels offer to talk

After four decades of the struggle for independence in the oil-rich Cabinda enclave, the last fighting faction has launched an offer of peace talks. The octogenarian, exiled leader of

the *Frente para a Libertação do Enclave de Cabinda* (FLEC), **Henrique N'Zita Tiago**, needs to get his rivals behind him and to engage Luanda. This month, the government celebrates ten years since

the formal end of the civil war between the now ruling *Movimento Popular de Libertação de Angola* (MPLA) and the *União Nacional para a Independência Total de Angola* (UNITA). Yet Cabinda's conflict has simmered on.

The enclave, separated from the rest of Angola by a narrow strip of **Congo-Kinshasa**, produces about half of the country's 2 million barrels of oil per day. Yet it lacks basic amenities, medicine and infrastructure, and remains under the boot of the army. From far-off Paris, Tiago

sued for peace on 5 April in a dispatch to General **Manuel Helder Vieira Dias Júnior 'Kopelipa'**, the head of the military bureau in the Presidency, and appointed an intermediary. The main question is whether it's worthwhile for Luanda to make a deal with Tiago. FLEC has not posed a significant threat for years.

On 23 March, Tiago issued **Khendhrah Silverbridge**, an Angolan-born **United States** citizen, with a two-year renewable mandate to seek 'a peace settlement in Cabinda in conjunction with international organisations and institutions'. Silverbridge has close ties both to the Cabinda dissidents and to *Futungo de Belas*, the presidential palace and circle.

Her letter to Kopelipa (of which we have a copy) outlines three steps. First, Tiago would announce a unilateral ceasefire. Then the leaders of Cabinda's assorted armed groups, civil society organisations, intellectuals and exiles would get together to overcome 'internal differences'. Thirdly, a time and place would be set for talks with the government on a permanent ceasefire and a 'definitive peace settlement'.

Estimates of FLEC's armed strength range from 5,000 fighters down to the low hundreds. Last year, two of its senior commanders, **Gabriel Nhemba 'Pirilampo'** (Firefly) and **Mauricio Lubota 'Sabata'**, died in what rebels said were assassinations by Angolan security forces. Their replacements, **João Alberto Gomes 'Noite e Dia'** (Night and Day) and **David Nzau 'Mazina'**, suffered the same fate in March near Pointe-Noire, across the

border in **Congo-Brazzaville**, say sources familiar with FLEC's armed campaign.

FLEC's most recent operation was an attack by a shadowy splinter group (some say it was linked to Luanda) on the **Togolese** national football team, two of whose staff, **Amalete Abalo** and **Stanislas Ocloo**, and Angolan driver **Mário Adjoua**, were killed on their way to the January 2010 African Cup of Nations in Angola (AC Vol 51 No 2). The result was international opprobrium.

NO SERIOUS THREAT

The rebels don't seriously threaten the oil industry. It is too early to set out a negotiating position, says **Oswaldo Franque Buela**, FLEC's Paris-based Spokesman. Some Cabindans want independence, others autonomy and the government of President **José Eduardo dos Santos** wouldn't offer either. Buela said the usual contingent of 20,000-30,000 troops, police and other security officers in the province had swelled to 50,000-60,000; we cannot confirm that figure. In 2006, the government signed a deal proclaiming an end to Cabinda's separatist campaign.

The rebel signatory, **António Bento-Bembe**, had skipped bail in the **Netherlands** in November 2005 while wanted by the US Federal Bureau of Investigation in connection with the 1990 kidnapping of **Brent Swan**, an American employee of Chevron, in Cabinda. Bento-Bembe is now Human Rights Minister.

Members of Tiago's FLEC boil at the

mention of Bembe and his FLEC-Renovada faction, denouncing him as Luanda's stooge. Yet Tiago is cut off from reality in Cabinda. 'He is still in command,' insists Buela. Cabinda's 300,000 people have good reason to hope for a settlement. They have little but oil spills and penury to show for Cabinda's petroleum wealth which fuels state-owned Sonangol – and the personal fortunes of the political elite.

Some argue that big new deep-water finds under the Atlantic could reduce the relative importance of Cabinda's crude. But Chevron said in 2010 that it would invest in increasing production there, which then averaged 365,000 barrels per day. Chevron is also the biggest investor in a new US\$9 billion liquefied natural gas plant due to come into production this year at Soyo, just south of Cabinda.

Domestically, the peace bid comes at a sensitive moment. Splits are appearing in the governing MPLA and mistrust is deepening between Angola's two most powerful men, Dos Santos and Kopelipa. The President hopes parliamentary elections, which are due in September, will confer some democratic legitimacy on his 32-year rule. Before the last election in 2008, Human Rights Watch documented intimidation in Cabinda. The regime, which upset rights groups by clamping down on anti-government protests this year, wants to get out of the spotlight. Talks with Tiago and the united front of Cabindan luminaries which he hopes to assemble could make another round of suppression unnecessary. ●

MALI

The north and south of it

Tensions in Bamako ease as Sanogo withdraws but increase in the north as the rebels fall out

After regional leaders called his bluff with financial sanctions and threats of military action, putsch leader Captain **Amadou Sanogo** beat as dignified a retreat from power as he could muster on 8 April. He tried hard to make the deal mediated by regional officials as ambiguous as possible and has already spoken of his political ambitions. He is desperately trying to carve out a role in the delicate transition period before general elections.

Before agreeing to National Assembly Speaker **Dioncounda Traoré** taking over as interim head of state, Sanogo bargained hard. Traoré is a former minister, leader of the largest party, the *Alliance pour la démocratie au Mali-Parti pan-africain pour la liberté, la solidarité et la justice* (Adema-

PASJ) and the ultimate establishment insider. Sanogo has not exactly returned to barracks after the ultimate failure of his 21 March coup d'état. Partly to save face, he argues that Traoré's time in office should be limited to the 40-day interim term specified under the constitution. He argues that the northern rebellion precludes polls within that time-frame.

Sanogo insists that he, along with the Economic Community of West African States (Ecowas), should decide what happens next. That will prove much more contentious. Regional leaders may deride him as an upstart and opportunist – he's certainly a poor tactician – but the coup resonated among many town-dwellers angered by high prices, corruption and incompetence in handling the northern

crisis (AC Vol 53 No 7). Although ousted President **Amadou Toumani Touré's** credentials as the father of Malian democracy impressed foreigners, his government was mired in corruption. His style of government favoured inclusion and co-option but stifled debate and distanced politicians from the people. The radical **Oumar Mariko** was almost alone among party leaders in refusing cosy offers from Touré for his small group, *Solidarité africaine pour la démocratie et l'indépendance* (SADI). Mariko supported the coup along with the maverick **Mountaga Tall** of the *Congrès national d'initiative démocratique* and **Aminata Dramane Traoré**, the outspoken former Culture and Tourism Minister.

Touré also lost support when television viewers saw him meeting wives and mothers of soldiers massacred by the rebels at Aguelhok in January. He jokingly refuted their angry claims that he was secretly encouraging the rebels: that was seen as a tasteless insult and a sign he was out of touch. On 6 April, he abandoned the idea of staying in office when he emerged from hiding. ATT took office with some good intentions but lost steam,

REBEL AGAINST REBEL – AGAINST THE REST

Tuareg separatists of the *Mouvement national de la libération de l'Azawad* are in a bitter struggle with a jihadist faction – **Iyad ag Ghali** and his *Ansar Eddine* group. Ag Ghali has emerged as a committed Salafist and declared his intention to put all Mali under *Sharia* (Islamic law), angering the MNLA with which he had launched the revolt against the Bamako government. The two Tuareg movements were in negotiation as *Africa Confidential* went to press.

The Ansar appear to have stronger links with *Al Qaida* in the Islamic Maghreb than previously suspected and one unconfirmed report said that the Algerian-born AQIM leader **Yahya Abou el Houmam** had been nominated Governor of Timbuktu, which fell to the rebels on 1 April.

The MNLA captured Timbuktu without a fight after the Malian army abandoned the fabled trading post and the rebels cut a deal with a local *Bérabiche* (Arab) militia. A day later, however, Ag Ghali drove out the militia and has held the city ever since. Sources close to the MNLA say that although they have stronger forces than the *Ansar Eddine*, they do not want to fight them, in spite of the humiliation that Ag Ghali has heaped on them since the revolt began. 'We're in talks with him at the moment but obviously they're not going well because we want different things,' MNLA Spokesman **Moussa ag Acharatoumane** told AC. The MNLA wants Ag Ghali to 'renounce what he's doing' and fold his fighters into the mainstream rebel group, Ag Acharatoumane says.

This looks improbable but Ag Acharatoumane claimed that on 9 April, Ag Ghali's right-hand man and a veteran of two previous Tuareg rebellions, Sheikh **Ag Aoussa**, switched to the MNLA side. If true, this would be a serious loss for *Ansar Eddine*. Another reverse for Ag Ghali was his denunciation by the Amenokel of Kidal, **Intallah ag Attaher**, one of the most influential Tuareg leaders. Ag Ghali's importance as a leader lies more in his kinship and tribal roles than his new-found Jihadist militancy, analysts say, which might make it easier for the MNLA to woo away his core military units.

The MNLA public relations campaign to elicit broad international sympathy is now in tatters, thanks to Ag Ghali. One *Ansar Eddine* commander, a man with a flaming, henna-dyed tuft of beard called **Omar Hamaha**, has promised to slit the throats of 120 criminals he claims to have in custody.

In Gao, the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (Mujao) group has claimed a role in the fighting and may have been responsible for the abduction of seven Algerian diplomats from the consulate there (AC Vol 53 No 4). **Mohamed ag Najem**, the military leader of the MNLA forces and a former soldier in Libya, has accused the other groups of taking 'advantage of the situation and sowing confusion.' He blamed AQIM, of which Mujao may be a sub-group, for taking the Algerians hostage (AC Vol 53 No 4). ●

direction and discipline. The *Parti pour le développement économique et la solidarité* (PDES), created by his supporters to push his agenda, suffered from infighting.

Prospects of early elections look remote and would benefit the old order (AC Vol 52 No 24). The idea of holding them before freeing the north from rebel control would amount to de facto partition, unacceptable to most Malians. However, most of the administrative arrangements are in place, except in the rebel-held areas. Yet two hotly disputed issues could now resurface as political rivals try to capitalise on the sidelining of Touré and his allies.

Soumaïla Cissé's *Union pour la république et la démocratie* and over 40 other parties had argued that the electoral register be based on an administrative census using biometric data to prevent fraud. Adema favoured sticking with the register based on the standard electoral census, which may have aided the party with its support among local notables and elected officials around the country. SADI wanted the opposition to have five of the twelve seats on the independent electoral commission but got only one. Such issues may have been marginal before but they are central today.

Ecowas's handling of the crisis is seen as a success for its Chairman, **Ivorian** President **Alassane Dramane Ouattara**. He knew how CFA Franc Zone sanctions could undermine a defiant regime, as they did ousted President **Laurent Gbagbo**. He also realised they could backfire and boost support for the putschists if used to excess. As soon as Sanogo signed the deal to restore power to civilians, Ouattara ordered sanctions to be lifted. ●

NIGER

Issoufou under siege

As if food shortages and the collapse of Mali and Libya were not enough, a corruption scandal looms

Niger won much praise for the smoothness of the 2011 presidential poll, which returned the country to democracy after a year under the military junta that had deposed President **Mamadou Tandja**. President **Mahamadou Issoufou** started his term with international approval. Donors see him as someone who understands their world view. The **United States** Agency for International Development re-opened its office, US training and equipment have benefitted the army through the Trans-Sahara Counter Terrorism Initiative, and aid agencies battling the nascent food crisis speak highly of the new government's

commitment. The fallout from **Mali** and **Libya** is straining these relationships.

Some 200,000 young Nigerien migrant workers have returned destitute from Libya, passing through the northern town of Agadez. Hundreds of others, equipped with weapons plundered during the Libyan conflict, travelled through northern Niger's desert corridors, bound for Mali. Thanks to the 22 March coup in Mali and the Tuareg rebellion, at least 20,000 refugees fled the Menaka area into northern Niger, where food shortages were already acute. The government fears a political impact on its own Tuareg, led by the *Mouvement nigérien pour la justice*

(MNJ) revolted in the north in 2007-09. All it would take to spark another revolt, said one analyst, is 'a credible military officer, 40 men and an internet-savvy communications officer'.

Foreign Minister **Mohamed Bazoum**, an Arab from the north, said the MNJ rebellion could not be repeated because Niger has brought many former Tuareg rebels into the political fold. He criticised Mali for not taking similar measures or integrating Tuareg former rebels into the army. Niger had also taken the precaution of disarming many who arrived with Libyan weapons. Tuareg former MNJ rebels **Rhissa ag Boula** and **Agaly ag Alambo**, are in Niamey (AC Vol 40 No 24). Rhissa is a presidential advisor, Agaly advises the National Assembly. The positions do not carry power but symbolise the value Issoufou puts on reconciliation. Nonetheless, trust is not complete: Agaly was briefly detained in late March.

In one of his shrewdest moves, Tandja appointed Tuareg leader **Brigi Rafini**

Prime Minister in April 2011. He is related to one of the most influential northern figures, **Mohamed Houma**, Mayor of Iferouane. **Rhissa Feltou**, erstwhile MNJ Paris Spokesperson, is now the Mayor of Agadez, and **Mohamed Anako**, a rebel in the 1990s, is President of the newly created Regional Council. Both men, at least outwardly and despite rumours of Anako becoming impatient, express their faith in the new regime. 'Decentralisation is the key to managing our grievances in the north. Now that is happening people genuinely have hope,' Anako told *Africa Confidential* in late March.

COUNTING ON THE COALITION

Issoufou appears less adroit at handling more mundane political issues. A member of parliament from **Hama Amadou's** Lumana party, **Zakou Djibo**, and seven other MPs are suspected of stealing around 1.5 billion CFA francs (US\$3 million) through false invoicing, which they deny. Issoufou needs Lumana; it polled 20% of the vote in 2011 and is in coalition with Issoufou's *Parti nigérien pour la démocratie et le socialisme-Tarayya* (PNDS-Tarayya). Issoufou baulked at lifting Djibo's parliamentary immunity and the opposition is taking the case to the Constitutional Court and threatening to accuse Issoufou of perjury.

'He's made too many promises that he can't keep,' says a Niamey-based analyst, referring to Issoufou's electoral pledge to stamp out corruption. 'He's surrounded by opportunists who want to eat at the trough and get their pay-off for joining and supporting his party as it came to

GADAFI JUNIOR'S GAFFE

In September 2011, Colonel **Moammar el Gadaffi's** son **Es Saadi el Gadaffi** arrived in Agadez in the dead of night in a mysterious convoy of vehicles, surrounded by equal mystery over his father's whereabouts. Libya's National Transitional Council immediately branded **Niger** as complicit in Gadaffi's crimes and reacted angrily when, in November, President **Mahamadou Issoufou** granted Es Saadi asylum. The late leader's third son, best-known for his professional football career in **Italy**, later commanded military and paramilitary units against the rebels and is the object of a Libyan-requested Interpol 'red notice', which invites the host government to detain the suspect pending extradition.

Gadaffi Senior was generous in funding Issoufou's political campaigns and the President felt a sense of personal obligation. Es Saadi returned the favour by keeping a low profile, although the government heavily restricted his movement. Then he strained his host's hospitality by giving an unrepentant, combative telephone interview to *Al Arabiya* news channel in February. He predicted a new rebellion in Libya and claimed to be in touch with insurgents there. He promised a 'great uprising' because '70%' of the people were unhappy, referring to Libya by Gadaffi's name, the *Jamahiriyah* (state of the masses). Reports said his phone was promptly cut off and he was placed under de facto house arrest while Niger tried to repair the damage. Its official position is that he may be extradited to Libya once government and the rule of law are properly established. ●

power'. Senior figures have warned Issoufou privately to rein in the '*opérateurs économiques*'. The difficulty of dealing with rampant graft was vividly illustrated by an attempted coup last July, which seems to have been a backlash against a corruption crackdown in the army.

Issoufou's challenger in the 2011 presidential election, **Seyni Oumarou**, is still powerful, says a diplomatic source in Niamey. In the second-round run-off, he won 42% to Issoufou's 58%. He has since formed an opposition coalition with prominent opposition leader **Mahamane Ousmane**, of the *Convention démocratique et sociale* (CDS), which has exploited the President's errors. One fruitful area of mobilisation is discontent over the new

Chinese oil project in the east, which came on-stream in late 2011. People feel fuel prices are too high, comparing the price of locally refined diesel and petrol, at 570 CFA per litre, with neighbouring **Nigeria's**, at the equivalent of 350 CFA.

Protests took place in Zinder earlier this year, in Ousmane's home constituency and the region supposed to be the main beneficiary of the oil project. The recent announcement that the new uranium mine at Imarouen, which is expected to be the world's largest, is also delayed, adds to the public's sense of frustration over the distribution of mineral wealth. Issoufou will have to ride these currents carefully and not just rely on his good image abroad. ●

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POINTERS

Gambia

OPPOSITION POLL BOYCOTT

■ After President **Yahya Jammeh's** victory in November's presidential poll surprised nobody, the parliamentary elections of 29 March were similarly predictable. Anticipating fraud, the five major opposition parties boycotted the polls. They thought abstention would focus international attention on the absence of democracy much better than having to prove fraud after the fact. Consequently, 25 of the 48 seats in the National Assembly went unopposed to members of Jammeh's ruling Alliance for Patriotic Reorientation and Construction (APRC), which also won 17 of the 23 contested seats in an orderly and peaceful but low turnout. Of the remaining six seats, five went to independents and one to the National Reconciliation Party, the only opposition party to take part. However, NRP leader **Hamat Bah** – one of the looser opposition cannons – failed to win the seat he contested for the third time in a row (AC Vol 52 No 23).

The leader of the largest opposition party, the United Democratic Party, **Ousainou Darboe**, vehemently repeated the charge that the November election was rigged just before the parliamentary polls: 'This is a country that has fought for democracy for more than 50 years and we have only done it for 17 years. I am sure we will have to change President Jammeh, whether I will live to witness that or not, and whether Jammeh likes it or not, one day he will have to go.' Darboe claimed that more than 300,000 non-Gambians had been registered to vote, providing detailed comparisons of the electoral register with the national population census as evidence. Every election under Jammeh's rule has seen allegations that members of his Diola ethnic group have been brought in to vote from Casamance in **Senegal**.

Somalia/Turkey

TURKISH AID

■ Turkey is underscoring its engagement in Somalia through development projects in Somaliland and Puntland. It sees the projects as proving to the **United States** and European Union the seriousness of its commitment. However, politicians in Hargeisa and Garowe are trying to use them to support their claims to independence.

A high-level delegation led by Turkey's Ambassador to Somalia, **Cemalettin Kani Torun**, visited Hargeisa, Somaliland, on 29 March and Garowe, Puntland, on 1 April. Along with representatives of Turkish development agency *T.C. Basbakanlik (TIKA)*, Torun had been invited by **Mark Bowden**, United Nations Resident and

Humanitarian Coordinator for Somalia and UN Development Programme Resident Representative, to meet senior UN project managers. Project managers from the UN's Children's Fund, High Commissioner for Refugees, and Food and Agriculture Organisation addressed the visitors. Turkey is most interested in agriculture, education and health. This could see six schools built and provide economic self-help for internally displaced people, some of whom have been in Somaliland's refugee camps for over 15 years. Ankara, however, shows no sign of going along with Somaliland's ambition for recognition as a state.

Turkey's Islamist-led government has increased its diplomatic profile in **Syria**, **Libya**, **Sudan** and many African countries. The international powers involved in Somalia have welcomed the introduction of an Islamic nation, along with **Qatar**, to the mix. Turkey is focusing on Somalia's South and Central regions, where the insurgency is strongest (AC Vol 49 No 13). Somaliland and Puntland, to their chagrin, may benefit from Turkish development programmes but they are not being favoured over the rest of the country. The UNDP has welcomed Turkey's interest in Somaliland and Puntland, saying it would gain more leverage in Somaliland with such an important backer.

Mali

AND A FOOD CRISIS TOO

■ With Islamists, putschists and nationalists claiming all the attention in Mali, the growing food crisis in the Sahel is in danger of slipping under the radar. There were poor rains in the 2011 growing season (June to November) and in **Mauritania**, 700,000 people are at high risk of food insecurity. In parts of the far south and east of the country, famine threatens. Across parts of the Sahel, from **Chad** to western Mali and even **Senegal**, the situation is already critical.

Recent inflows of refugees escaping the Malian conflict and those fleeing the fighting in **Libya** last year have added to the pressure on food supplies in **Niger** and **Burkina Faso**, too. The core of the problem is disappointing cereal output. The weather may not be as severe as on some past occasions but the drought comes on top of successive poor harvests.

Villagers' food reserves, and their savings, are exhausted. Food imported to offset the shortage of homegrown supplies is too costly for poor people and a drop in remittances has hit hard. The exodus of migrant workers from Libya and the European economic crisis have sharply reduced the vital inward flow of cash.

The gloomy picture is mitigated by a drive to enhance coordination among the various sources of information on food supply across West Africa. This should help governments and donors plan support

more effectively, though donors are often poor at coordination. This year the strain will still be severe, as the collapse of state authority in northern Mali and rebel looting of food stocks in Gao and Timbuktu have made matters worse. In December, the United Nations warned of impending food shortages (AC Vol 53 No 4).

South Africa

ZUMA BATTLES JUJU

■ President **Jacob Zuma** is struggling to carry fellow leaders of the African National Congress with him in his campaign against dissident ANC Youth League leader **Julius Malema**. On 4 April, Zuma instructed the head of the ANC's disciplinary committee to suspend Malema for calling Zuma a dictator. The suspension would ban Malema from addressing meetings 'as an invited guest' of ANC structures and forbid him from making public statements on any matter pertaining to the ANC, 'even if such matters were in praise of the ANC'.

The disciplinary committee has yet to hear Malema's appeal against his five-year suspension for 'undermining' Zuma's presidency and calling for the overthrow of **Botswana's** government. Last week, Zuma summoned the ANC's top six leaders to endorse Malema's suspension but three refused: Deputy President **Kgalema Motlanthe**, Deputy General Secretary **Thandi Modise** and Treasurer **Mathews Phosa**. The ANC National Chairwoman, **Baleka Mbete**, was noncommittal. Only the General Secretary, **Gwede Mantashe**, unambiguously supports Zuma's re-election as President of the ANC.

Now the succession battle has spread to the state-controlled South African Broadcasting Corporation, where the head of news, **Phil Molefe**, was suspended on 10 April (AC Vol 51 No 18). Inside sources say he was pushed out for giving too much air time to Malema and his allies. Members of the Zuma camp suspect Molefe, a Zuma supporter during his struggle with **Thabo Mbeki**, of switching his allegiance to Motlanthe's camp, which currently supports Malema. Even before Molefe's suspension, the SABC had a rule that all dissident guests on its programmes – whether analysts or politicians – be cleared by Mantashe before appearing.

SABC journalists told *Africa Confidential* that two invited guests had recently been barred: the analyst **Prince Mashele**, who opposes Zuma's re-election, and **Zamikhaya Maseti**, a former South African Communist Party official and Zuma critic. We hear Zuma paid a surprise visit to the offices of Nedbank Chairman **Reuel Khoza** in Sandton last week after he had criticised in its annual report South Africa's 'strange breed' of political leaders who could not lead, 'due to sheer incapacity to deal with the complexity of 21st century governance and leadership'.

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BLUE LINES

Claims in a parliamentary report on 24 April that Nigeria has lost over US\$6.8 billion, due to corruption in its fuel subsidy scheme in 2009-11, are shaking the political system. Already National Assembly members are calling for the prosecution of senior officials in the state oil company and customs department. Fraud and the cost of the subsidy scheme rocketed to 2.6 trillion naira (\$16.6 bn.) last year, ten times its cost in 2006.

However, the parliamentary report by House Ad Hoc Committee Chairman Farouk Lawan had its roots in the mass protests against the government's efforts to abolish the fuel subsidy in January. There is great support in Nigeria for the principle that this oil-producing country should provide its people with cheap fuel – and mounting public anger about a scheme that enriches senior government figures and their corporate allies.

Lawan is an ally of President Goodluck Jonathan and Finance Minister Ngozi Okonjo-Iweala. The original idea of his report was to expose the massive waste of resources involved in the subsidy scheme. This and reports by the fuel subsidy committee led by Christopher Kolade and the oil revenue probe chaired by Nuhu Ribadu are adding, whether the government likes it or not, to growing pressure for accountability in the oil industry and state finances. Together with police investigations and independent auditors' reports by KPMG and others, these probes are lifting the veil on Nigeria's oil-fuelled political patronage system.

SUDAN/SOUTH SUDAN

All or nothing

Khartoum is fighting on three fronts: a determined Southern army, confident armed oppositionists and a hostile population

When President Omer Hassan Ahmed el Beshir told the Sudan People's Liberation Movement (SPLM), 'Either we end up in Juba and take everything or you end up in Khartoum and take everything,' he was acknowledging that the stakes could hardly be higher. What he didn't say, in his 19 April speech at the National Congress Party headquarters, was that the Southern armed forces have proved a match for those of the ruling NCP. The 10 April takeover of Heglig by the Sudan People's Liberation Army (SPLA) – and withdrawal under international pressure – were a significant show of power.

On paper, the Sudan Armed Forces (SAF) are far more powerful than the SPLA – in materiel, training and, most obviously, airpower. Yet several Western military sources told us they thought the military balance fairly even on the ground. Tactically, the SPLA should have stayed in Heglig, said one. Militarily, it certainly could have done. NCP protestations seemed aimed at disguising the extent of the SAF defeat. The SPLA Spokesperson, Colonel Philip Aguer Panyang, said the SPLA had killed some 500 SAF men, in the town Southerners call Pan Thou. Other sources say around 3,500 troops died, of about 6,000.

Enter the Sudan Revolutionary Front, which, we understand, first drove the SAF out of Heglig the week before the SPLA took it (AC Vol 53 No 8, p.6). These were mainly Darfur fighters from the Justice and Equality Movement, with some from the Liberation and Justice Movement who had refused to join Khartoum in 2010 with LJM head El Tigani Seisi Mohamed Ateem (AC Vol 51

No 19, p.4). The SRF pursued the SAF to Khorasana, where fighting continued as *Africa Confidential* went to press.

A key reason why both SPLA-N and SPLA have been able to defeat the SAF so readily is morale. The SAF never 'won' the war in the South and are even less likely to defeat the SPLA now it is better equipped and fired with the Independence spirit. The SRF, meanwhile, is fighting for its people, the marginalised of the 'New South', and a secular state, and against a regime it believes it can overthrow. It knows it has the support of many oppositionists and potentially, of millions, as it builds its own structures and its relations with Sudan's wide range of established parties.

LOW MORALE AND DESERTIONS

SRF confronts a once proud army of which the officer corps was systematically purged after the National Islamic Front coup of June 1989. Hundreds of officers were killed, gaoled, tortured or dismissed, the most famous case being that of the 28 officers shot in Ramadan (April) 1990. Ideological qualifications matter more than military ones and the SAF declined, leaving the field to the even more 'Islamised' security forces and the Popular Defence Forces (PDF), many of which fought at Heglig. Meanwhile, the army has lost its old recruiting grounds in the South, Nuba Mountains and Darfur. It now fights those who would once have fought in its ranks. Morale is so low that prisons are packed with deserters, we hear.

One result is that the SPLA is better placed to defend the 1,800-kilometre, still undelimited border (much of which,

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including by Heglig, the late President Ja'afar Mohamed Nimeiri's regime moved southwards). Expecting, correctly, the NCP to pursue its destabilisation policy, the Government of South Sudan (GOSS) has been rearming since 2005 and much hardware is deployed near the border. 'They're good at moving stuff around the country undetected', observed one Western former official, 'and they're ready to fight across the entire border'.

This leaves the SAF sandwiched between the SRF and SPLA. Its response is long-range and aerial bombardment, at Heglig and into the South. Satellite photographs show craters that only SAF can have produced but they don't prove who completely destroyed the adjoining collection manifold on which nearly half of Sudan's oil supply depended. A source close to the GOSS says it sent in engineers to shut down the plant safely and that if it had wanted to destroy the facility, it could easily have done so in ten days' occupation. Khartoum still demands compensation. SRF strategy is to target oil installations.

Khartoum has continued the sporadic aerial bombardment of the South it launched weeks ago, targeting the tens

of thousands of Sudanese refugees in camps there. That is why the GOSS, and Southerners in general, were outraged that the United Nations and friendly governments condemned the SPLA's entry into Heglig when they had been silent over the bombing, the earlier attacks on Abyei and other NCP abuses, North and South.

Having gained a sliver of international acknowledgement, though, Khartoum promptly accused Juba of implementing 'Zionist' and 'crusader' programmes and on 23 April, bombed Bentiu and Rub Kona, once Chevron's oil headquarters. The SPLA had blocked Heglig-bound journalists in Bentiu, so several filmed and reported on air raids which the SAF denied making. The UN, which confirmed the raids, warned aid staff to store supplies, be ready to 'self-relocate', take shelter and 'kindly note that shrapnel can not only travel downwards from the sky, but can also travel horizontally from the side'.

OMER'S SLAVERY THREAT

Omer threatened to attack Juba, too, and in terms that would only stiffen South Sudanese resolve. Addressing PDF *mujahideen* in El Obeid, he shouted, 'Despite our attempts to make them aware so that they understand and know where their interests are, they do not understand. God has created them like that. That is why the best thing to do with them is to pick a stick and make them behave well'.

This refers to a well known poem by **Abu el Tayeb el Mutanabi**: 'You shall not buy a slave without a stick with him' (to beat him with). The 'rope of unity' came in another reference to the master-slave relationship: 'We will throw this

rope around their necks once again, God willing'. Khartoum also responded by arresting SRF activists, including Deputy Secretary General **Ezdihar Juma** (house arrest) and the SRF representative on the National Consensus Forces, **Alawiya Kibeida**. Yet the protest contagion has spread: youth movements *Girifna* and *Shebaab min agle el Taghir* (Youth for Change) have joined the SRF, with *Girifna* rallying Muslim support for Christians when a Presbyterian church was burnt down in Khartoum this week. Even the cautious Umma Party leader, **El Sadig Sideeg el Mahdi**, ventured early this month that change was 'inevitable'.

This, the bombing and seizures of churches across the country may help to cure what one Western former official called the 'international community's endemic wilful blindness'. So may the pressure of some African governments. **Ethiopia, Kenya and Uganda** have held a series of urgent meetings and Kampala's Chief of Defence Forces, General **Aronda Nyakairima**, warned on 19 April, 'We cannot sit and watch. As a member of this region, Uganda will intervene'.

After Khartoum rejected more talks, Juba is trying to regain the international high ground. Senior officials went to Ethiopia on 24 April to tell the African Union, we hear, that the GOSS was willing to talk to the NCP but with a broader mediation team than that led by **South African** ex-President **Thabo Mbeki**. This means the Inter-Governmental Authority on Development and possibly more, on the Comprehensive Peace Agreement model. Juba is also taking this message to Europe, New York and Washington. ●

SOUTH SUDAN**A political and military test****Church peacemakers and SPLA troops try to end a complex conflict**

Conflict on the border with Sudan may have calmed things in Jonglei, where South Sudan's worst fighting had long been under way (AC Vol 52 No 18 p6). Phase One of the government's Disarmament, Demobilisation and Reintegration (DDR) campaign is also well under way and political minds are focusing on what to do with demobilised youths: the fighting has essentially been among young men of the Dinka, Nuer and Murle ethnic groups.

'The most remarkable thing about Jonglei, and indeed all of the South, is how upbeat everyone seems to be', said one aid source this week. 'Nobody seems worried by austerity and people are positively

energised by the conflict under way with Khartoum, which is a tremendously popular move'.

DDR has also been helped by a dual approach. The Episcopal Church Primate of Sudan and South Sudan, **Daniel Deng Bul Yak**, has led a series of grassroots gatherings and high-level meetings that began in Bor on 2 April. The name of the Presidential Committee for Peace, Reconciliation and Tolerance in Jonglei State clearly signals that Archbishop Daniel is working in tandem with the Government of South Sudan (GOSS), whose DDR campaign President **Salva Kiir Mayardit** launched on 12 March.

Vice-President **Riek Machar Teny**

Dhurgon, who with his Nuer forces had split from the Sudan People's Liberation Movement/Army (SPLM/A) in 1991, spent two weeks touring Jonglei last month. He again formally apologised for his forces' atrocities, a reference to the 1991 Bor Massacre of Dinka by Nuer fighters. Governor **Kuol Manyang Juuk**, a Dinka, accepted and apologised for anything he had done. This will help: Lieutenant General Kuol had a fierce reputation during the 1983-2005 war.

The DDR campaign is ambitious, deploying 15,000 SPLA in a bid to end violence which has officially claimed 4,000 lives in three years. Many hope the campaign, unlike previous ones, will be comprehensive and even-handed. Phase One is 'voluntary', more or less, with chiefs collecting guns or the SPLA going from house to house in towns and taking what it finds. This has been less heavy-handed than many had predicted but there has been brutality in some Murle and Nuer areas where the SPLA has taken out its frustration on civilians when it didn't find

weapons or the youths known to possess them. This has been fairly effectively hushed up, with the GOSS managing the Jonglei message better than the one about Heglig. However, the head of the United Nations Mission in South Sudan (UNMISS), **Hilde Frafjord Johnson**, warned on 6 April of human rights abuses that appeared 'individual and random cases rather than systematic' but had, she declared, to cease.

EATING THE HERD

Most DDR soldiers hail from outside Jonglei, in a bid to avoid family or community ties. Disarmament began in the capital, Bor, and even unregistered police weapons were confiscated. Phase One is seen as successful. Phases Two and Three may be less cooperative; the SPLA is going after and arresting youths known to have concealed guns. Phase Three will be selective. The SPLA will visit communities believed to have kept back weapons or where youths involved in recent raiding live and they will stay and, as one source put it, 'eat their way through the community's herds until the guns and the youth are handed over'.

Past disarmament has had mixed results. Confiscation of weapons in 2010 did lead to a dramatic drop in raids and deaths but communities quickly rearmed and violence escalated throughout 2011, culminating in serious losses by the Lou Nuer to Murle raids that August and massive Lou retaliation in December. Both Riek and Kuol have promised buffer zones between communities, with SPLA deployed for two years, we hear. Concerned by inflammatory claims that some diaspora South Sudanese have posted on the internet, international agencies have feared Jonglei was descending into a new war of ethnic extermination. Meanwhile, many locals are concerned that foreign aid workers have little knowledge of – or sometimes, interest in – their country. The **United States Agency for International Development** funded a conference in Nairobi last month to examine the war's cultural causes.

Yet in Jonglei, few people know of the anonymous internet postings which are a fund of misinformation, if not disinformation. There is a general consensus that the violence is a legacy of the recent war and the failure of state and national governments to provide security. Jonglei saw extensive militia activity during the war and Khartoum funded and supplied several armed groups, the largest being the Pibor-based Murle militia of Major Gen. **Ismail Konyi** (now involved in the peace initiative). Throughout the 1990s, after the SPLM/A split, many Lou Nuer sought and received weapons from Khartoum, ostensibly to fight the SPLM/A-Mainstream but in reality to protect



themselves from other militias. This fuelled a Nuer civil war of Lou against the Jikany of Nasir and even among Lou groups. The first DDR campaign after 2005's Comprehensive Peace Agreement therefore focused on the Lou. Many resisted and many died.

ARMED CIVILIANS

Other Nuer groups were also disarmed but not the Murle. Salva Kiir brought most of Khartoum's militias into the SPLA under the 2006 Juba Declaration. This accommodated many fighters but did little to control weapons among civilians. The Lou complained that from 2007, Murle raids increased, mainly for cattle. Raids also spread against the Bor, Twic, Nyareweng and Hol Dinka of Bor, Twic East and Duk counties. The SPLA lacked the resources or equipment to stem these guerrilla-style attacks and civilians therefore rearmed – some from long-established traders in **Ethiopia**, some from the Southern army and police, some from Khartoum via the Sudan Armed Forces in the Joint Integrated Units and latterly, through the late Lt. Gen. **George Athor Deng**, whose militia fought in Jonglei in 2010-11 (AC Vol 52 No 23 p10).

Revenge attacks and counterattacks among the communities of Pibor (mainly Murle), Akobo, Nyriol, Uror (mainly Nuer) and Bor, Twic East and Duk counties (mainly Dinka) escalated dramatically in

2009. Athor's role as arms conduit worried the GOSS but he could not mobilise young Lou against it: they were consistent in saying their quarrel was with the Murle, not the Juba government. Yet all sides – Dinka, Murle and Nuer – have criticised it for failing to establish security in rural areas. The main criticism is not only that disarmament has been incomplete but that government forces have not interdicted raiders from any community. Without government-enforced security, civilians have armed themselves. All groups demand more dry-season water for cattle to prevent grazing and water disputes, complain that the judiciary fails to try, let alone punish, criminals such as cattle rustlers, and lament that the recommendations of intertribal peace meetings have not been implemented.

Officials are now pressing international agencies to 'do something' about the youths who may be disarmed but not reintegrated. Existing programmes are under pressure to redirect their focus towards training or work for disarmed youth. Agencies say this should be the business of the GOSS but it has lost 98% of its income through the oil shutdown. When the UN Under-Secretary General for Humanitarian Affairs, **Valerie Amos**, visited in February, Salva left her in no doubt that he expected the world to help to feed some four million hungry people in South Sudan this year. ●

ZIMBABWE

Prophecies and fantasies

Religion and rumour dim the prospects for the presidential succession while the mining rows continue

A prophet has aroused some unchristian comment in Zimbabwe's media, official and independent alike. **Temitope Balogun Joshua**, a popular **Nigerian** televangelist, had foretold the imminent death of an aged African leader who, he emphasised, was not from West Africa. Did he have President **Robert Mugabe** in mind? The Zimbabwe African National Union-Patriotic Front's **Didymus Mutasa**, in one of his saner observations, said the deity did not reveal his intentions in that way. Then it was revealed that Mugabe had again sneaked off to **Singapore**, where he has been an out-patient for over a year, his ailment and treatment undisclosed. The sudden death of **Malawi's** President **Bingu wa Mutharika** closed the episode. The official media glossed over the jubilation in Malawi; the independent media struggled to mask their disappointment.

There followed a Good Friday vigil in Zimbabwe's national stadium, led by the nation's own evangelising prophet, **Emmanuel Makandiwa**, an expert in tired conjuring tricks. He smelled out a certain Precious Paraffin, reminding the capacity crowd that an earlier prophet had conned ZANU-PF's bosses, led by Mutasa, out of a large sum for striking boulders from which diesel oil gushed forth. (The diesel and associated pipework

are thought to have been supplied by Registrar General **Tobaiwa Mudede**; the prophetess has just been released from prison). Nonetheless, ZANU-PF Minister of Information **Webster Shamu** thought the event worth hijacking, as he has been doing at other fundamentalist religious revivals, and slipped his minders to jump on stage and dance with the gospel singers punching the air with clenched fists before remembering it was a celebration of the Prince of Peace and not a ZANU-PF rally.

After Singapore, Mugabe had difficulty with connecting flights back home. The effective demise of Air Zimbabwe has made his jaunts dependent on chartered aircraft which demand cash on booking and his security men will not divulge his travel plans in advance. Last year, his foreign travel cost almost three times the education budget. His Independence Day speech on 18 April was unexpectedly conciliatory, with calls to eschew violence and allow open debate before the polls. Unfortunately, ZANU-PF's youth wing, seated next to the VIP stand, kept up a chorus denigrating Prime Minister **Morgan Tsvangirai** and his Movement for Democratic Change (MDC). Mugabe stumbled as he mounted the saluting dais and had to be steadied by his minders.

Observers monitoring political violence report increased numbers of

rural victims seeking medical treatment. Many are from ZANU-PF but whether they were casualties of MDC action or ZANU-PF's internal faction fighting was at first unclear – until the scale of unrest within Mugabe's party emerged.

The ZANU-PF pre-election restructuring exercises seem to have been more ferocious this time round as supporters of the various contenders for the succession jockey for positions on the District Committees. The disputes have been so fierce that dissidents have occupied the party HQ in Bulawayo, Masvingo and Manicaland. Strong demonstrations by disgruntled party activists took place throughout the nation. In Masvingo, the press reported, Higher Education Minister **Stan Mudenge** was detained by angry members of one faction at the Muccheke Chiefs' Hall for an hour before he was rescued by police. Disturbances also took place in Matebeleland North and Mutare. Shamu has the job of attempting to quell the internal uprisings. In Mutare, however, they blame him for annulling the results of the elections that took place there in the second week of April.

One sign of trouble was the unprecedented non-appearance of provincial hierarchies at Independence rallies. In the Midlands, some districts have objected to army officers trying to control the process. In Mashonaland West and Central, there have been no clear winners, resulting in a stand-off between the **Emmerson Mnangagwa** and **Joice Mujuru** factions. To add to the turmoil, Indigenisation Minister **Saviour Kasukuwere** has put himself forward as the party's would-be saviour. Everyone vainly denies presidential ambitions.

If the official media can be believed, Tsvangirai and his MDC are in little better shape, with a faction around Tsvangirai himself, another around **Tendai Biti**, the respected Finance Minister, and a third around **Nelson Chamisa**, the darling of the grassroots. Conspiracy theorists claim that Western imperialists have put up a slush fund to lure Mujuru and like-minded ZANU-PF reformers into a coalition. A further claim is that the Co-Chairman of the Constitutional Parliamentary Select Committee (Copac), **Paul Mangana**, is dragging out the process to benefit his provincial leader, Mnangagwa.

President **Jacob Zuma** is on his way to put things to rights. Tsvangirai has another fiancée with ZANU-PF connections and has invited Pastor T.B. Joshua to Zimbabwe for another prayer rally. And so the rumours proliferate. Humour is at a heavy discount. A reveller, admiring the 88 balloons Mugabe released at his birthday bash, asked who helped to blow them up and ended up behind bars. Nobody dares to speculate how long Singapore's stocks of the resurrection elixir can last. ●

FROM THE STASI TO STATE HOUSE

The Independence Day theme was 'Indigenisation and Empowerment'. The Movement for Democratic Change objects that this will probably be the Zimbabwe African National Union-Patriotic Front slogan whenever elections are held (President **Robert Mugabe** wants them this year, while Prime Minister **Morgan Tsvangirai** wants them in March 2013). ZANU-PF's point-man is 41-year-old **Saviour Kasukuwere**, the Minister of Youth, Indigenisation and Empowerment, who is seen as having eventual presidential ambitions. He was trained by the **East German** Stasi secret police and eschews bourgeois legalism yet he and his 'Generation 40' group personify bourgeois aspirations. Many have built substantial fortunes and enjoy flaunting their politically-connected wealth.

Kasukuwere is in charge of the tricky negotiations with Zimbabwe Platinum Limited, with the protracted affair beginning to look more and more like an exercise in nationalisation without compensation. He insists ownership will be transferred, even though the two sides are miles apart on how the outstanding 30% of the shares to be transferred to the public are to be paid for.

Kasukuwere seems unaware that as a **South African** company, Zimplats should be covered by the two countries' Bilateral Investment Promotion and Protection Agreement (AC Vol 53 No 7, p4). During Mugabe's absence, he advised in a press advertisement that all non-compliant mining companies would be deemed 51% government-controlled. As Youth Minister, Saviour should be mindful of the adage 'never send a boy on a man's errand'. There are serious reservations even within ZANU-PF about the advisability of the Boy Wonder's bluster and confrontational approach. ●

TANZANIA

The youth rebellion heads east

Tanzania's peaceful reputation could suffer as politicians mobilise unemployed young people in their campaigns

A pattern of slowly mounting civil unrest is emerging as a major theme in Tanzania's political landscape as an increasingly restive young generation ponders its limited opportunities. The political atmosphere becomes more charged as the governing *Chama cha Mapinduzi* (CCM) faces growing competition at the polls, threatening Tanzania's hard-earned reputation for peace and stability. Almost half of the population is under 18 and over a quarter of people live in towns, which are growing at nearly 5% per year.

Former Prime Minister **Edward Lowassa**, who resigned in January 2008 over the Richmond scandal (AC Vol 49 No 4, p9), has described Tanzania's youth bulge as a 'time bomb' and in recent months, has crafted each public appearance around the need for youth employment. Rising political stars, such as **Zitto Kabwe**, of the opposition party *Chama cha Demokrasia na Maendeleo* (Chadema), and **January Makamba** of the CCM, seeking to appeal to the young, called recently for the removal of the age limit for presidential candidates.

Tanzanians wonder how all this will affect the 2015 elections. The signs are not good. April saw 300 youths, many armed, invade the Dolly Estate in the Arumeru East constituency. Land and water were the issue in the recent by-election there and in campaign rallies, the ultimately victorious Chadema candidate, **Joshua Nassari**, 27, had identified the estate for redistribution. As a nascent gated community with a polo ground and golf course, it may have made an obvious target but large landholders throughout the country will be worried.

In 2011 there were serious incidents of civil unrest in Arusha, Mwanza, Mbeya and Tabora. Riots in Arusha in January 2011 followed the banning of a Chadema demonstration and two deaths in clashes with police. Mwanza erupted twice. In July, 130 youths were arrested in clashes between street traders and police. Racial overtones – Asian-owned shops were targeted – worried Mwanza's minority communities. This year may see a similar pattern of urban unrest.

Riots in Songea in the south-west in February left up to four people dead and dozens injured. The trigger was a sequence of unexplained and unsolved murders, believed to be related to witchcraft. Although incidents are very different from

each other, each has been fuelled by the underlying demographic and economic trends. Current economic growth is at a historic high of over 6%. Yet this is mainly driven by extractive industry while agriculture is lagging behind, with annual growth of just 4% in recent years. Broad-based economic growth with attendant rises in employment remains elusive.

Less obvious is the relationship between the demographic trends and low-level violence that surrounds elections. The campaign for the Arumeru East by-election, which resulted in a narrow victory for Chadema on 4 April, was no different. Chadema youth wing leader **John Heche** reportedly called on his members to retaliate if attacked, though no such direction is necessary. Fighting between youths from rival parties is routine. The youth wings are key campaign tools. The response of the security establishment, however, is patchy (see Box).

Youth mobilisation by the two main parties so far focuses on achieving and retaining power but that rarely means addressing the economic needs of the youth. Party structures focus on leaders' short-term objectives. CCM's 'Green Guards' provide muscle during campaigning built on strong personal and party loyalty at local level. Its youth wing, *Umoja wa Vijana Chama Cha Mapinduzi* has long been the wellspring of the party leadership. Yet as that has fractured into camps, UVCCM remains mostly associated with Lowassa. He has been accused of using the presence

of large numbers of youth wing members at crucial CCM leadership meetings to intimidate tacitly, as at the November 2011 meeting of the National Executive Committee in Dodoma.

Chadema is less organised than CCM but has its 'Blue Guards' all the same. This semi-formal youth militia is mostly seen at election time. A key expression of Chadema's power in Arusha, for example, is not in the council chamber, where it has been outmanoeuvred by CCM, but its ability to pull public transport off the streets and get young men out on protests. A considerable number of *daladala* (bus) crews and touts in the town are organised Chadema supporters. Similarly in Mbeya, rioting did not stop until street traders – all young men – were calmed by the Mbeya member of parliament, **Joseph Mbilinyi**, a charismatic, talented hip-hop star with a huge following among youngsters.

So might the unhappy youth be a source of fundamental change to Tanzania's political landscape? Parties can channel dissatisfaction through their structures for particular ends but as yet there are no effective civil society networks to channel youth grievances into coherent demands and strategies. Beyond CCM, the best organised national networks are those of the main Christian churches but they have yet to intervene to try to end violence. In the short term, electoral politics may become more confrontational and violent, particularly in urban areas.

The next big test will be the CCM party elections in October. Ironically, internal constitutional reform giving greater power to the grass roots may encourage more chaotic power-broking and the aggressive use of the young unemployed to gain party control. In this, UVCCM will be key. Youth in numbers can be the friend of any ambitious politician and Lowassa will hope they can help him back into the inner circle of power. ●

POLICE FAIL PUBLIC ORDER TEST

The Tanzania Police Force's effectiveness in dealing with civil unrest is questionable. It is not properly equipped or trained for public order and the focus of commanders is distracted by corruption and driven by political needs. Rank and file police have little if any relevant training and minimal equipment, vehicles and weaponry. The elite Field Force Unit is more effective but brutal. The chain of command is also weak. The Inspector General of Police, **Saidi Ally Mwema**, was appointed in 2006 and was widely regarded as a clean pair of hands. Yet the police remain one of the country's most corrupt institutions and collusion with criminal gangs is widespread.

The police is also a politicised force. Its leaders are appointed by the government and in politically charged unrest, a bloody crackdown sends a message on behalf of the government as much as deterring crime. The police response to the Arusha demonstrations by *Chama cha Demokrasia na Maendeleo* in January 2011, when they opened fire when marchers changed route, was a departure from the more softly-softly approach that had characterised the mostly trouble-free election count in the previous October, when Chadema finally took the constituency. The replacement of Regional Police Commander **Matei Basilio** by the more politically loyal **Thobiasi Andengenyé** is believed to have contributed to the harsher approach. ●

Energy bonanza promises real financial independence

Mozambique is on the threshold of a multi-billion dollar energy boom destined to transform a country that, less than 20 years ago, was counted by the World Bank as the world's poorest, with per capita gross domestic product of US\$80. It is still a weak state that lacks capacity to manage such a large range of investment projects and there is concern that resource wealth will facilitate corruption and poor governance. State revenue from these riches promises eventually to deliver something else – revenue independence. This would be a big change for a country highly dependent on foreign aid: grants and concessional loans currently contribute 41% of the national budget.

Energy resources lie at the heart of foreign direct investment commitments worth \$28 billion. This is more than double 2011's total gross domestic product of \$12 bn. and could rise to \$90 bn. over the next ten years if another round of projects under study receives the go-ahead. Mozambique's rapid emergence as a major new coal producer is driving the current economic boom, with investment of \$10 bn. in mines and the associated rail, port

and other infrastructure. Annual coal exports, worth \$4 bn., may reach 20 mn. tonnes as early as 2016 and double again by 2020. Companies including Brazil's Vale, Anglo-Australian Rio Tinto and Beacon Hill Resources of Britain are working to raise output, and India's Jindal Power and Steel set to begin production soon.

The working coal mines face transport bottlenecks and are sitting on substantial idle capacity until they can develop their own dedicated rail and port infrastructure. In the meantime, they depend upon the inefficient state port and rail operator, *Portos e Caminhos de Ferro de Moçambique* (CFM) and its newly rehabilitated Sena railway. Running between Tete and Beira port, this has an official capacity of 6 million tonnes, although it is struggling to achieve this (AC Vol 52 No 11, p7).

Mining companies may wish to maintain operational control of export infrastructure but individuals and companies linked to the governing *Frente de Libertação de Moçambique* (Frelimo) desire direct involvement. This ranges from reserving a role for CFM to key shareholdings in infrastructure companies, such as *Corredor de Desenvolvimento do Norte* (CDN, Northern Development Corridor), 51% of which is owned by holding company Insitec, which is linked to President **Armando Guebuza** (AC Vol 52 No 18, p10). *Gestores de Moçambique*, Focus 21 and Intelc are other holding companies linked to Guebuza and his family which are active in the transport sector.

The government normally insists on such companies, known locally as 'Frelimo Inc', having 'carried' interests in joint ventures. They usually contribute no capital or management expertise and seldom pay for their equity. Frelimo-aligned companies have not yet participated directly in coal and gas investment, and have remained on the infrastructure side so far, though there are now signs they are coming in on the Vale Moatize deal (see Box). In addition to coal mining, a further \$10 bn. of investment is under consideration for hydro and thermal coal electricity projects, dependent upon power supply contracts to the region, primarily **South Africa**, as well as domestic industrial development.

HYDROCARBON BOOMS

Big as it is, the coal boom is overshadowed by the potential of new gas discoveries in the offshore Rovuma area of northern Cabo Delgado Province. These are on a world scale, with estimated reserves of 70 trillion cubic feet and may ultimately require \$70 bn. in foreign direct investment to develop. Having uncovered reserves of 30 trn. cu. feet, Anadarko Petroleum of Texas is fast-tracking development of a liquefied natural gas export plant to supply emerging demand from Asia. It is committed to spending \$18 bn. to get gas to the market by 2018. This tight timetable indicates the significance of the find. **Italy's** ENI has uncovered reserves of an estimated 40 trn. cu. ft and has spoken of investing up to \$50 bn. to develop the field, including its own LNG facility, which is moving fast towards project approval. **Malaysia's** Petronas and Norsk Hydro, as well as energy companies from India and Japan, are also involved in their own exploration programmes.



OPERATIONAL RISKS

The biggest risk for multi-national companies is their relationship with Mozambique's weak institutions and parastatal companies. Although the mining companies have the capital and capacity to finance and develop the mines, they depend on inefficient parastatal monopolies for access to roads, railways, ports, power and water. Models for private participation have still to be finalised and Frelimo's instincts are for its own involvement and for control or at least for minority stakes in joint ventures. In the oil and gas sector, the first such company may have emerged. *Osho Limitada* has all the appearances of a company holding 'carried' Frelimo interests and its beneficial owners are unknown. It is part of the Osho consortium, the successful bidder for Area B of the Third Licensing Round in southern Mozambique. The operator is Orient Petroleum International Incorporated of **Pakistan**, alongside ETA Star Holdings Limited of the **United Arab Emirates** and the hitherto unknown Osho Energia Ltda.

The scale of the current, multi-billion dollar investment has overwhelmed local supply networks. There is no spare capacity among qualified local building and service companies capable of meeting the needs of large multinationals and all are booked out on project work for the next three years or longer. Labour constraints, the traditional weakness, have become critical. The pool of skilled labour is smaller and less qualified than in other countries in the region. This is exacerbated by strict quotas under the 2007 labour law, which is a compromise between nationalist sentiment and the needs of business. Expatriate labour is capped at 5% in larger companies. Many concerns complain that they must employ unqualified people. They are responding by training local people, sending them abroad to work in their foreign operations and partnering with universities and technical institutes.

PERILS OF FREEDOM

Foreign companies use legal and administrative stratagems to hire additional expatriate labour – employing consultants on 90-day renewable contracts, hiring individuals as stand-alone sub-contractor companies or out-sourcing project work to their offshore offices. The Labour Ministry grants exemptions on labour quotas on a discretionary basis. In October, the government agreed with the Chamber of Mines and the private sector employers' association, the *Confederação das Associações Económicas de Moçambique* (CTA), to temporary labour code revisions.

The recent gas discoveries will vault Mozambique into the ranks of global energy producers. The fiscal impact is estimated to be large enough substantially to lower the share of foreign funding for government spending, which stood at 51% as recently as 2010 and, eventually, displace it entirely in ten years, by which time resource revenue could be equivalent to the current value of the entire state budget.

As one of the most aid-dependent countries in the world, Mozambique has long maintained close relations with foreign donors, which have underwritten the post-war 'economic miracle', including market reform, huge increases in social spending and reductions in poverty. The core donors in the Group of 19 surrendered most of their own aid projects to fund the state budget directly. They have a privileged dialogue with the authorities over the direction of

economic and social policy and revenue independence will see that influence decline. Foreign governments' objections, such as the 2010 'donors' strike', will become increasingly futile and foreign companies will have a big sway (Vol 51 No 6, p7).

Political pluralism and other indicators of economic and political governance have been in retreat for a decade. Frelimo is now effectively merged with the state and private sector. More encouraging is the debate within Frelimo itself over the impact of new-found resource wealth, amid anxiety that mismanaging this opportunity will produce further popular resentment.

Rioting in Maputo in September 2010 was put down with bloodshed. It served to remind the party of the potential risks (AC Vol 51 No 18, p4). Although Frelimo believes itself destined to rule – and to profit from that rule – it derives legitimacy from fostering poverty-reduction and social mobility. The party knows its old friends in the former Soviet bloc and **China** cannot substitute for the budget and governance support of aid partners in the European Union and North America. Nor can it do without the anchor relationship with the International Monetary Fund and World Bank, whose imprimatur gives markets and investors confidence in its macroeconomic management. The government also understands that the capital intensive megaprojects may create resource wealth but they will not reduce poverty. So it remains focused on promoting traditional, labour-intensive economic sectors, including agriculture.

With the start of coal exports this year, the fiscal impact of the resource boom has only just begun and will not become substantial until 2015. Gas exports will not begin until two years after that, at the earliest. There is still time for Mozambique to avoid the problems of Africa's other oil-states. ●

STAKES AND TAXES

The government has announced that it will tax mergers and acquisitions in the resource sector. The first is Royal **Dutch** Shell's proposed purchase of **Britain's** Cove Energy, holder of an 8.5% share of Anadarko's offshore Area 1. The figure mentioned is £1 billion (US\$1.61 bn.) but it is subject to a bidding war with the Petroleum Authority of **Thailand** (PTT) and **India's** Oil and Natural Gas Corporation Limited (ONGC). In April, Mineral Resources Minister **Esperança Bias** imposed a 12.8% capital gains tax on the sale of Cove, fulfilling an earlier pledge that the state would profit from such deals. Rio Tinto's £2.5 bn. purchase of **Australian** mining company Riversdale's coal project in Tete last year is still resented for eluding local taxation.

Despite questions about Mozambique's jurisdiction over foreign transactions, Cove has made little protest, wishing to avoid a protracted tax dispute similar to Heritage Oil's troubles in selling its Ugandan assets to Tullow Oil (AC Vol 52, No 21, p8). Attempts to control resources in countries such as **Angola** and **Congo-Kinshasa** has involved breaking contracts, expropriation and secret payments. Mozambique knows its legalistic approach is infinitely preferable. The country is a candidate member of the Extractive Industries Transparency Initiative. On 30 March, it published its 2009 EITI Report, revealing that the government had received \$15 million from mining companies and \$25 mn. from hydrocarbon operations.

Industry and Trade Minister **Armando Inroga** has spoken forcefully about the reputational risk of not respecting existing contracts being greater than any benefits that renegotiation could bring. There remain, however, legitimate concerns that investment in the megaprojects provides meaningful fiscal benefits in the short term as well as the long. Earlier sweetheart investment deals, like the favourable tax terms granted to the \$2 bn. Mozal aluminium smelter in the late 1990s – a 1% tax on turnover, justified at the time by the need to attract investment – have served their purpose.

Last July, Bias announced a review of the mining code, drafted in 2002 with World Bank assistance at a time when the country had little mining activity and which has been credited with helping to mobilise foreign investment. The Minister has since assured investors that terms will remain attractive and competitive. The proposed changes will increase local revenue and grant the state the option of an equity stake in mining projects. The first is the Vale Moatize project, which agreed to sell a 5% stake to the government on 12 April, valued at a heavily discounted \$21mn. or less than 10% of book value, as well as a further 10% to local investors who will, undoubtedly, be front companies aligned to the ruling *Frente de Libertação de Moçambique*. ●

GUINEA BISSAU

Return of the narco-state

The coup appears to be the work of the same officers who were involved in previous seizures of power and drug smuggling

The military coup of 12 April was the culmination of a steady rise in tension and political instability over several weeks. An alliance, possibly temporary, of ex-President **Kumba Yalá** of the opposition *Partido de Renovação Social* (PRS), some extra-parliamentary parties and officers opposed to army reform deposed the Prime Minister, **Carlos Gomes Júnior**, and his *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC). International condemnation, however, has been so strong that some of the politicians who initially supported the coup are retreating while the Economic Community of West African States (Ecowas) and the United Nations Security Council ponder how best to restore civilian rule.

The putsch prevented the 29 April second round of the presidential election, a run-off between Gomes, who won 49% of the vote in the 18 March first round, and Yalá, who took 23% (AC Vol 53 No 6, p12). Gomes has been an international favourite for pushing reform of the economy and the security sector. The latter aims to constrain the power of the armed forces and stop their involvement in drug-trafficking. Yet many Bissau-Guineans hold Gomes responsible for the deaths of the army chief, General **Tagme Na Waie** and President **Nino Vieira** in March 2009 as well as other politicians (AC Vol 50 No 5, p12). Vieira and Gomes led rival PAIGC factions.

Yalá's PRS and some minor – mostly extra-parliamentary – parties came together to form the Democratic Opposition Collective last year. In January, it claimed Gomes's presidential candidacy was unconstitutional because of the way he had handed over the premiership to **Adiato Djaló Nandigna** in order to stand. Their protest rallies demanded that Gomes resign and the **Angolan Support Mission for Military Reform** (Missang) leave. Missang's 200 staff have been in Guinea-Bissau since early 2011, helping with the Security Sector Reform programme, but the opposition portrays it as a glorified bodyguard for Gomes. Many Guineans believe this because of Gomes's increasingly unpopular policies and what they see as provocations by the army. On 26 December, an attempted coup took place but Missang quashed it while Gomes took refuge in the Angolan Embassy. Critics also say that Angola's

motive was to protect its growing interests in mining, banking and oil. Luanda, however, came under too much pressure and withdrew Missang on 9 April. Many took this as a sign of an imminent coup.

An even earlier signal came when uniformed men assassinated the former military intelligence chief, **Samba Djaló**, shortly after polls closed on 19 March. Djaló and the then Chief of Staff, **José Zamora Induta**, both supporters of army reform, were ousted from control of the army by Induta's deputy, **António Indjai**, in April 2010. Indjai became head of the army in June 2010, despite international protests over his alleged involvement in the drug trade. He repeatedly warned against foreign military intervention before this month's *coup d'état*.

YALA CRIES FOUL, AGAIN

After Djaló's assassination, Induta sought refuge in the European Union mission on 21 March as the coup loomed. The day before, five presidential candidates including Yalá had accused Gomes of electoral fraud, calling for a boycott of the second round and pointing out that no electoral registration exercise had been held. Yalá's credibility is undermined by the fact that he has claimed fraud on all three occasions when he lost a presidential election since 2003. On 28 March, the National Electoral Commission overruled the candidates' objections. Yalá, who is famous for his shameless populism, thirst for power and erratic policies, rejected international mediation.

The coup itself came on the night of 12-13 April, when soldiers attacked the Gomes residence and occupied strategic points in the capital. Gomes, Interim President **Raimundo Pereira** and some ministers were detained by the army. The Red Cross has reported them safe and well. A self-proclaimed Military Command announced an interim government headed by leading PRS politician **Ibrahima Sori Djaló** in a statement signed jointly with the Democratic Opposition. Former Parliamentary Speaker **Manuel Serifo Nhamadjo** was appointed President. He had come third in the first round of the presidential poll and was one of those who called for a boycott of the second round. No Guineans doubt, however, that Indjai is behind the coup, despite his efforts to stay in the background. The official

line of the coup leaders is that they were defending the army against imminent attack by Missang, backed by the African Union, **Ghana** and **Brazil**. The Command claims to have in its possession a secret document signed by Pereira and Gomes outlining such a plot. Many Guineans believe this accusation, which reduces public sympathy for Gomes, even though most are sick of the military's continual seizures of power.

On 14 April, the coup leaders convened the opposition parties to form a transitional unity government, retaining under military command the Interior and Defence portfolios, in breach of their previous declarations. Yalá is known for his close ties to the army and took part in that meeting. Many soldiers share his Balanta ethnicity and approve of his populist style. Yalá was widely accused of having been complicit in previous coups and few Bissau-Guineans doubt he was involved in this one.

On 15 April, opposition parties, including the PRS, agreed to work with the soldiers in a National Transitional Council. One day later, however, and after gauging the strength of international hostility, Yalá condemned the coup. The remaining four presidential candidates followed suit, leaving Indjai and his colleagues more exposed than they had expected. Nevertheless, the treaty that was signed on 18 April was negotiated by **António Artur Sanhá**, a Yalá ally and former PRS Prime Minister. According to the accord, both Parliament and government are dissolved and replaced by the Council that is supposed to rule for up to two years before new elections. Its commitment to army reform, economic reform and the fight against drug trafficking and organised crime are not being taken seriously abroad.

The position of the coup leaders is now uncertain. The opposition coalition has abandoned them, ending any chance of international recognition – though the robust position of Ecowas over the earlier coup in **Mali** had made the international reaction obvious. Yalá has not got sufficient credibility to be the military's partner in power, which has left the officers relying on Nhamadjo, who was a rival of Gomes in the factionalised PAIGC, keeping the controversial Yalá out of sight.

The chief objective of the army is to resist army reform and scotch any efforts to curtail its involvement in the drugs trade. As *Africa Confidential* went to press, all options, including military intervention – possibly by a **Portuguese** force or the United Nations – were being considered. Sick of the military as many Guineans may be, however, they are unlikely to welcome foreign military intervention. ●

CONGO-KINSHASA

Wanted – the Terminator

A general has become a rebel again and the patchwork of militias integrated into the army is unravelling and endangering security

General **Jean-Bosco Ntaganda**, who is wanted by the International Criminal Court for crimes against humanity during the 1998-2003 civil war, has taken to the bush in command of an independent force. He was spooked by the ICC conviction of **Thomas Lubanga Dyilo** for recruiting child soldiers and evidently fears the fate of his former comrade-in-arms (AC Vol 53 No 6, p1). Despite general alarm, President **Joseph Kabila** is not keen to pursue him.

Ntaganda was regional military commander of the *Forces armées de la République démocratique du Congo* near the **Rwandan** border, based in Goma, North Kivu. His Tutsi former militia, the *Congrès national pour le défense du peuple* (CNDP), was the core of the FARDC and effectively untouchable. Kabila has to use other, equally dubious, FARDC elements against Ntaganda and he knows how chaotic that could be.

In the wake of Bosco Ntaganda's defection, Kabila rushed to Goma on 9 April, taking with him the army Chief of Staff, Lieutenant General **Didier Etumba Longila**, and his own Security Advisor, **Pierre Lumbi Okongo**. Kabila threatened to arrest Ntaganda but ruled out sending him off to the Hague. In South Kivu, there were disturbances in several districts as the former CNDP soldiers deserted the FARDC to join their leader, taking all the weapons, equipment and vehicles they could. Kabila's stomach for a fight with Ntaganda is also tempered by the knowledge that the CNDP fighters defeated the FARDC decisively in 2007

and 2008: it was one of the reasons for integrating them into the FARDC. Regardless of Ntaganda's own fears, the rank and file believe themselves to have been neglected by the FARDC hierarchy and they feel that the promises made in the peace agreement of March 2009 have not been honoured. These complaints echo those of '**Cobra**' **Matata Banaloki** and his men (AC Vol 53 No 7, p9).

SHOW OF FORCE

On 2 April, Ntaganda staged a show of force in Goma, where 25 jeeps equipped with rocket-launchers and machine-guns raced through the town. Only 300 extra men followed the vehicles into the bush, we hear. A few managed to join Ntaganda and others were arrested before they reached Masisi or Rutshuru. The former rebels are not united, with some followers of the former CNDP boss, Gen. **Laurent Nkunda**'s, regarding Ntaganda as a traitor since he lined up behind Kabila in 2009. So far, the military situation involves no more than sabre-rattling.

The government's counter-offensive is led by the Chief of Staff of ground forces, General **Gabriel Amisi Kumba** ('**Tango-Four**'), formerly of the rebel *Rassemblement congolais pour la démocratie* (RCD-Goma), who was sent to deal with the Cobra Matata rebellion. His human rights record is no better than Ntaganda's and he stands accused of war crimes, although not formally by the ICC, and of taking control of a gold mine in Walikale, North Kivu.

Kabila has threatened the deserters

with punishment but left the door open for their readmission. He cannot rely on the United Nations to help him and the position of the Rwandan government, a formerly staunch ally of Ntaganda and the CNDP, is not known. On 9 April, **Roger Meece**, the UN Secretary General's Special Representative in Congo, called for Ntaganda to be brought before the ICC. Yet a few days later, Meece urged Ntaganda's men to rejoin the FARDC while his deputy, **Leila Zerrougui**, urged the government to punish the defectors in Fizi and Baraka districts of South Kivu, accusing them of having arrested the local prosecutor and freed criminals from gaol.

The *Mission de l'Organisation des nations unies pour la stabilisation du Congo* will not join the pursuit and Monusco Spokesman, **Madnodje Mounoubai**, told the press that the UN Mission had nothing at all to do with arresting Ntaganda. Monusco describes the security situation as 'very volatile'. In North Kivu, the FARDC confronts the **Ugandan** rebels of the Allied Democratic Forces (ADF). Several other local militias, especially those known as *Mai-Mai*, get occasional support from Rwandan Hutu rebels. In early April, a rebel group took over the town of Pinga in Walikale district.

In South Kivu, according to Monusco, Ntaganda's defection distracted government forces and allowed rebels to cause trouble in several districts; in Fizi an ambush killed four employees of a local non-governmental organisation and several NGOs based at Baraka have pulled their people out of the area after threats by armed men. Seven soldiers and eleven rebels died in confrontations with *Mai-Mai* bands between 5 and 9 April, and armed rebels from **Burundi's** *Front pour la restauration de la démocratie* has been trying to establish bases in South Kivu. In Shabunda district, more than 45,000 residents have fled into the bush, according to the UN's humanitarian affairs office. ●

NIGERIA/BITAIN

Star-struck James Ibori

Delta State's most famous son is now in prison, while accomplices and other governors walk free

Ex-Governor of Delta State **James Ibori** could be back in Nigeria as early as late 2016. He was sentenced to 13 years in gaol for \$50 million worth of money-laundering and fraud on 17 April at Southwark Crown Court, London. Yet the man who was the principal financial backer of the late President **Umaru Musa Yar'Adua** becomes eligible for parole after

four and a half years. He will still be only 58. Judge **Anthony Pitts** said Ibori might have stolen up to \$200 mn. and all his British property would be traced, sold and returned to the people of Delta State, who were his main victims.

Even though Ibori's wife, mistress, sister, lawyer and two financial advisors had all been sent to prison before him for

involvement in the crimes he was charged with, he was all set to mount a last-ditch defence. Had he not changed his plea to guilty, Justice Pitts made clear, he might have sentenced him to 24 years in prison.

Many of Ibori's supporters at the court complained that he should be singled out from so many other corrupt governors. One Metropolitan Police officer at court told *Africa Confidential* the reason was that 'the stars miraculously aligned'. Essentially, the death of Yar'Adua, in May 2010, came at the worst time for Ibori. His plan, we hear, was to replace **Goodluck Jonathan** as Vice-President at the end of Yar'Adua's first term and use the post as a base for his own presidential bid.

In December 2009, Ibori walked free

from Asaba federal court. Judge **Marcel Awokulehin** had dismissed all 170 charges against him. Shortly after, Yar'Adua left Nigeria for medical treatment, never to return to office. With his bitter rival Jonathan now Acting President, Ibori was without cover. Britain, which had stood back to allow Nigeria's Economic and Financial Crimes Commission to prosecute him, could now proceed. Ibori understood this and fled to Dubai, whence he was extradited for trial in London.

Few believe the stars will align as propitiously for the prosecution of any other corrupt Nigerian politicians, even though Britain has outstanding extradition warrants for **Joshua Dariye** and **Diepreye Alamieyeseigha**, respectively ex-governors of Plateau and Bayelsa states (AC Vol 51 No 12, p12). Both skipped bail in England, in 2004 and 2005.

The most notoriously corrupt ex-Governor, **Peter Odili**, is still at liberty in Nigeria and still wielding political influence. As far back as 2006, AC named 13 other governors as being under investigation (AC 47 No 21, p5). Comment is sharpest on former Attorney General **Michael Aondoakaa** and the former EFCC Chairperson, **Farida Waziri**. Ibori's patronage was responsible for both their

appointments, we hear (AC Vol 50 No 14, p4). Both blocked foreign and domestic moves against Ibori and others.

Ibori still has friends. His cousin **Emmanuel Uduaghan** is a close associate, a protégé and his hand-picked successor as Delta Governor. State funds reportedly paid for Ibori supporters to fly to attend court in London and has been linked to multi-million dollar property interests in Washington DC (AC Who's Who).

THE VEE MOBILE SCAM

Most of the procurement scams were well-known but **Sasha Wass QC**, Counsel for the Prosecution, took the opportunity of Ibori's guilty plea to the Vee Mobile shares-sale fraud to outline it in unprecedented detail. It began when Akwa Ibom State Governor **Victor Attah** introduced **Bhadresh Gohil**, a London solicitor who specialised in money-laundering, to Ibori. Attah is on the Board of Trustees of the governing People's Democratic Party. Gohil, Wass said, had set up a 'private bank' for Ibori, enabling him to buy and sell property secretly.

Delta State owned 10% of the equity in Vee Mobile Nigeria, in 2005 the third-largest operator in Africa, and Akwa Ibom 18%. Ibori and Attah 'engaged' a fake

company, ADF, to 'advise' the states on the sale of their shares for a 5% fee plus a success fee of 25-30% of any total sale price that exceeded US\$6.50 per share. They set the share price well below the expected final sale price, to be sure of earning the success fee. When the sale went ahead, at \$7.60 per share, ADF collected from the two states \$37 mn., which then went to companies linked to Ibori and the other beneficiaries in the form of 'loans'.

No other advisers on the sale, Wass showed, earned more than \$3 mn. Other Deltans involved in the scheme included **David Edevbie**, then Commissioner of Finance, later Yar'Adua's Private Secretary, and former Finance Commissioner **Love Ojakovo**. In Akwa Ibom, Professor **Akpan Ekpo**, once a non-executive director of the Central Bank of Nigeria, was involved, said Wass. As for the financial institutions, none of the British banks, especially Barclays, where Ibori had several accounts, suffered for their failure to sound alarm bells over his transactions, one of which saw £1.5 mn. (\$2.4 mn.), much of it in cash, pass over the counter. Barclays have not commented on the case. HSBC, Abbey National (now Santander) and Citibank also held accounts through which Ibori moved ill-gotten gains. ●

CÔTE D'IVOIRE

A question of security

After a year of Alassane Ouattara holding power, neither government nor peacekeepers have made the country safe

Those leading Côte d'Ivoire's return to normality repeat time and again that security is improving. The government of President **Alassane Dramane Ouattara**, hoping to tempt foreign investors, says that law and order have been restored. The 11,000-strong United Nations peacekeeping force, the *Opération des Nations Unies en Côte d'Ivoire* (ONUCI), claims that the country is safer, thanks partly to its actions. 'The security situation is stabilising, those displaced have started to return, the economy is starting to show resilience and the legislative elections were held successfully,' the UN Secretary General's Special Representative, Head of Mission **Albert ('Bert') Koenders**, told the UN Security Council in January.

Ivorians have a different take on security: they see far too little of it in a country prey to crimes committed by people in and out of uniform: (former) soldiers, (former) militiamen and mercenaries. The danger extends from the suburbs of Abidjan to the main road to the north (declared unsafe at night),

to the region around the former rebel fief of Bouaké and to the Great West, where violent crime blends with ethnic killing.

The main guarantor of security is supposed to be the army, the *Forces républicaines de la Côte d'Ivoire*. The FRCI Chief of Staff, General **Soumaïla Bakayoko**, told the pro-Ouattara newspaper *Le Jour* in mid-March: 'We will soon have a disciplined army'. So far, it has been very undisciplined, an amalgam of former rebels, soldiers from the army of ex-President **Laurent Gbagbo** and mercenaries. Most troops are from the *Forces nouvelles* (FN), northern militants who supported Ouattara during the civil war and whose CoS was Bakayoko.

The FN Secretary General, **Guillaume Soro**, served as Prime Minister for Gbagbo and Defence Minister for Ouattara. He is now President of the National Assembly, the third most powerful position, and has ambitions to be national President. His current post is a perfect stepping-stone. Yet he faces tough questions from the International Criminal Court as it

investigates the massacres at Duékoué, in the West, of March 2011.

Allies of Gbagbo and many other local people accuse the FRCI and its allies of those massacres. If they are proved right, then Soro could bear political, and perhaps legal, responsibility for the killing. Ouattara has taken over the Defence Ministry but it remains to be seen whether the army top brass will listen to him or to Soro. Some political insiders speak of a deepening rift between the pair.

From the failed coup of September 2002 to its offensive of early 2012, the FN ran the north, financing itself by fleecing the territory, its inhabitants and passing travellers. Gbagbo's people did the same in the south. Côte d'Ivoire became an expensive place to move goods: a lorry-load from north to south could cost 120,000 CFA francs (US\$240). Warlords carved up the north into 'com-zones' and lived by smuggling and racketeering. **Issiaka Ouattara** (aka **Wattao**) ran Séguéla; **Martin Kouakou Fofié** ran Korhogo (and reportedly still does); **Ousmane Coulibaly** ('Ben Laden'), ran Odienné; **Losséni Fofana** ran Man and was implicated in the Duékoué massacre (he now leads the Battalion for the Securitisation of the West); **Chérif Ousmane ran Bouaké**, ran the rebel capital (AC Vol 51 No 5, p7).

Wattao, Ousmane Coulibaly and other, lesser com-zone commanders moved into Abidjan last year along with the FRCI. They are said to have divided the city

among themselves, much as they did the north, carrying their business habits with them. There's no need to ask for a receipt: passers-by who find themselves fleeced (politely, it must be said) by uniformed men on city streets at night can be sure they are lining com-zone pockets. Any taxi driver will tell you it was much worse in Gbagbo's days, with more roadblocks manned by soldiers barking orders.

The street rackets have merely changed colour. It would be politically risky for the president to deprive the FRCI commanders of a good source of income. The uniformed rackets force up the price of everyday items, as traders balance their losses on the roads by paying less to farmers and demanding more of customers. There are violent confrontations between FRCI and the public. A staunchly pro-Gbagbo daily, *Notre Voie*, runs a column cataloguing the extortion, titled 'Ah, les exactions!' Pending promised reform, the FRCI will continue to frighten the pro-Gbagbo population (particularly in the west) and provide ammunition for the anti-Ouattara media.

The pro-Ouattara media claim that those who point fingers at badly behaved soldiers have an ulterior motive. Human Rights Watch documented the crime wave in and around Bouaké, where cars, minibuses and even UN peacekeeping vehicles have come under attack, and published its report in March. It pointed to former combatants, inevitably linked to the FN which used to run the place, as possible culprits. The pro-government *Le Patriote* called the report 'make-believe' aimed at blackmailing the authorities and suggested that HRW's experienced West

Africa researcher, **Corinne Dufka**, could not possibly know what was going on. Then came claims that a coup had been prepared by a group of 'deserters' based in **Ghana** but prevented in the evening of 8 March. A paper allied to Soro, *Nord-Sud*, linked the story to a visit by **Laurent Akoun**, Secretary General of Gbagbo's *Front populaire ivoirien* (FPI), who was in Ghana at the time of the alleged plot.

THE WILD WEST

The west remains the most unruly region: guns and gangs have been circulating for over a decade. Gbagbo's government sent large quantities of arms to 'self defence' militias but any suggestion that former militiamen may still be engaging in criminal activity is denied. 'They say it's us. But there are many attacks against travellers in the Bouaké area. Now, how did we manage to make it to Bouaké?' protests **Firmin Yao**, a spokesman for the Nahibly internally displaced persons' camp near Duékoué.

The camp of up to 7,000 people is guarded by a few of ONUC's **Moroccan** troops but the civilian and military authorities call it a hiding-place for armed robbers and want it closed or at least brought under Ivorian control. Local people, most of them pro-Gbagbo, fear and distrust the FRCI and the traditional hunters known as *dozos*, who travelled south with the soldiers. *Dozos* sometimes join gendarmes on their patrols, without uniforms. Killing and revenge killing continues almost daily, blending ordinary crime with ethnic politics. 'FRCI kill the *Wé* [a western group] and loot their cocoa,'

said *Notre Voie* on 23 March, while the cocoa was being prepared for transport.

One man killed at night and robbed of his bicycle and money was said to be 'autochtone' (from here), so the wait was on for a revenge attack against an 'allochtone' (from elsewhere) or an 'allogène' (from another country). The World Bank-funded demobilisation programme makes little impact. The problem of ex-mercenaries is worst along the long, densely forested western border with **Liberia**. The few legal border posts are barely controlled and armed freelancers cross at will. There was briefly talk of a West African force to reinforce control but events in **Mali** scuppered the plan. ONUC Spokesman **Hamadoun Touré** said in March that border patrols had been intensified. The effect is minimal. Officials and police on both sides say that they lack everything – vehicles, staff, prisons – to control cross-border movement or arrest suspects.

A Burkinabè militia leader called **Amadé Ouérémi** is said to have installed himself and a small army in the *Mont Péco* National Park. Crime is rife in and around the nearby town of Bangolo and Ouérémi is rumoured to have taken part in the Duékoué massacre in March 2011. This March, Defence Minister **Paul Koffi Koffi** said he was going to rid the region of all unauthorised armed elements, preferably before a visit by Ouattara, planned for the third week of April. Carjackings, burglaries and highway robbery with Kalashnikovs are daily occurrences. Who is doing it? One year after the end of the post-electoral crisis, that still depends very much on your politics. ●

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POINTERS

Sierra Leone

KOROMA'S UN FEAR

■ The atmosphere is warming up, even though elections are still over six months away. Worries are growing that President **Ernest Bai Koroma's** All People's Congress (APC) is ramping up ethnic and political tensions in what promises to be a close contest with **Julius Maada Bio** of the Sierra Leone People's Party (SLPP).

Combative pro-government media are expected shortly to benefit from a US\$1 million special fund for the Information Ministry for 'media outreach', we hear. Coming on top of a controversial \$4.5 mn. arms shipment destined for the police's paramilitary Operational Support Division, which the opposition claims Koroma has stuffed with APC loyalists, omens point to a tense and possibly violent campaign.

The normally affable Koroma is influenced by paranoid members of his inner circle, say Freetown analysts. Underlying it all is his conviction that his own promotion to the top job was helped by the United Nations changing agenda in 2007. This, they add, explains the President's otherwise mysterious animus in forcing out the UN Special Representative, **Michael von der Schulenburg** (AC Vol 53 No 6, p12). On this reading, Koroma believes that the then UN Representative, **Victor Angelo**, came strongly to favour Koroma and helped ensure his victory in the 2007 election. When Schulenburg paid a courtesy call on Maada Bio after the SLPP nominated him for the presidency last August, Koroma 'reacted almost like a jealous wife catching her husband with a new lover', one senior foreign diplomat in Freetown told *Africa Confidential*.

Koroma feared a repeat of 2007 but with himself as victim rather than beneficiary. He went to great lengths to conceal his hand in managing Schulenburg's withdrawal but nobody was fooled and officials in Freetown now privately admit to his role. UN officials deny there ever was a 'regime change' agenda in 2007 or now, but SLPP officials say Koroma was the UN's favourite in 2007 and benefitted strongly.

Tanzania

CORRUPT BUT OPEN

■ The parliamentary caucus of the governing *Chama cha Mapinduzi* is demanding that eight cabinet ministers resign after the Controller and Auditor General issued a damning report on government corruption and financial laxity. This followed the threat by **Zitto Kabwe**, a member of parliament from the opposition *Chama cha Demokrasia na Maendeleo* (Chadema), to move a

motion of no confidence in Prime Minister **Mizengo Pinda**. The CAG's report, for the year ending last June, said government departments had made payments of over 8 billion Tanzania shillings (US\$5 million) without proper documentation or authentication.

The CAG, **Ludovick Utouh**, complained in the report of numerous breaches of accounting rules, fraud, and embezzlement across a wide range of departments (AC Vol 52 No 20, p8). The ministerial scalps the MPs are after include those of **Mustapha Mkulo** (Finance), **Omari Nundu** (Transport), **William Ngeleja** (Energy and Minerals), **Cyril Chami** (Industry and Trade) and **George Mkuchika** (Local Government). Kabwe's move demonstrates Chadema's new confidence after its important victory in the Arumeru East by-election (see Feature). That gives it a swathe of strategic constituencies in the north.

Ironically, while the storm was breaking in Parliament, President **Jakaya Kikwete** was in **Brazil** addressing the Open Government Partnership Forum and taking credit for 'opening up the reports of the Controller and Auditor General to enable the general public to know how their money is spent.' When Pinda reported to him on his troubles, Kikwete reportedly said these were 'political storms which would pass like others'. While hoping for better weather, people in Dodoma believe Kikwete will do nothing. It would damage him to remove Pinda just a year into his second term and Mkulo, for one, is seen as so close to Kikwete that he is untouchable.

Nigeria

HALF-TRUTHS ON SUBSIDIES

■ The report on the US\$6.8 billion fuel subsidy fraud by the Chairman of the National Assembly Ad Hoc Committee, **Farouk Lawan**, was tabled on 24 April. The 210-page opus concentrates its fire on state institutions and senior civil servants. Yet Lawan had little to say about the tens of companies named in an earlier (confidential) investigation by the State Security Service.

The number of companies approved to import fuel had increased to 140 by the end of 2011, from six in 2006. Those eligible include some of the world's biggest companies, local subsidiaries of oil majors and some of the smallest such as Nigeria-based Yanaty Petrochemicals and SPOG Petrochemicals.

SSS investigators accused SPOG of trying to claim subsidy payments on 15 oil cargoes when in fact it had brought in only five. Yanaty was accused of similar abuses. Oil industry insiders also claim that SPOG has been exploiting its top-level political connections in the Petroleum Resources Ministry via its Managing Director, **Bashorun Jide Omokore** (AC Vol 52 No 18, p3). As the Lawan report was debated

in the National Assembly, supporters of embattled Petroleum Minister **Diezani Allison-Madueke** gathered outside waving placards and shouting slogans insisting that she was committed to rooting out corruption in the industry.

IMF/World Bank

AFRICA'S RUN AT THE BANK

■ Incoming President of the World Bank **Jim Yong Kim** has two bulky Africa dossiers in his in-tray after seeing off – thanks to solid backing from the **United States** and Europe – his **Nigerian** challenger, **Ngozi Okonjo-Iweala**. President Kim will have to pacify those African governments, along with many activists outside the continent, who see him as having won a contest stitched up by rich Western countries.

Paradoxically, Kim is likely to steer a more radical path than Okonjo-Iweala, who was for many senior Bank officials the establishment candidate, with over two decades of experience in senior positions at the Bank. Some, such as a former Senior Vice-President, **Moeen Qureshi**, are calling for Kim to make an early statement committing the Bank to an open, accountable merit-based election in 2017 – as did several African officials at the spring meetings of the Bank and International Monetary Fund on 20-21 April. Some want Kim to go further and offer Okonjo-Iweala a new post, such as Senior Managing Director, which would give Africa a leading voice in a Bank in whose senior ranks Africans have long been under-represented and which would utilise her formidable institutional skills. Although Kim was quick to call Okonjo-Iweala after his appointment, more substantive discussion may have to wait until he takes the reins in June.

Kim's other African dossier is an environmental one, specifically the World Bank's backing for Halele-Werabesa hydro-power project in **Ethiopia** and the coal-fired power station at Medupi in **South Africa's** Limpopo Province. The Bank qualified its support for both projects: its failure to back Ethiopia's massive Gilgel Gibe III project allowed the **China** Development Bank to take the lead role in financing and contracting. The Bank faced the same pressures on the Medupi Power Station but negotiated a strict ceiling on carbon emissions from the plant. Now, we hear, the latest designs at Medupi will mean that ceiling will be breached by over 10%: that will yet again test the Bank's determination on environmental rules, as well as the credo of its new President.

Politics may complicate Kim's first overtures to Africa. The continent voted solidly for Okonjo-Iweala and was joined by **Brazil** and **Switzerland** (whose motives appeared more opaque) to give her 18% of the vote in an unprecedented contest for the Bank presidency.

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BLUE LINES

The past week of elections in Britain, France and Greece offer mixed tidings to Africa. The big economic message – and the voters' insistent rejection of austerity – is that Europe's economic travails are far from over. That means weaker European demand for African exports, as well as shrinking and more conditional aid budgets. Only Germany, which boasts a 6 billion euro Africa programme, is boosting aid in 2012, mainly to resource-rich and strategic countries.

France's election of President François Hollande on 7 May and the departure of Nicolas Sarkozy was seen as generally good news by Africa's reformers and at least a challenge by the kleptocrats. Hollande's appointment of lawyer William Bourdon as advisor breaks with tradition. Bourdon has pursued corruption and human rights cases against African leaders such as Burkina Faso's Blaise Compaoré and Equatorial Guinea's Teodoro Obiang, who had always relied on France's protection.

French Africa policy could change for the better if Hollande maintains this break with the *Françafrique* networks. His likely appointment of others such as former head of *Agence Française de Développement* Jean-Michel Severino and Algerian-born Euro MP Kader Arif suggests a substantial shift from the Sarkozy-Jacques Chirac era. However, the closeness of Paris to the pillars of *la Francophonie* in Côte d'Ivoire and Senegal is unlikely to alter, even if Hollande shows more steel in directing French aid to the poorest countries such as Niger and Chad.

ETHIOPIA

Development over democracy

International financial institutions rank Ethiopia as one of the fastest growing economies but debates rage over its political strategy and regional role

As business and political leaders descend on Addis Ababa for the World Economic Forum on 9-11 May, Premier Meles Zenawi's government will be trumpeting its economic achievements. Visitors expecting a war-torn land scarred by continuing famine will be shocked. Yet the economic claims of the government, the World Bank and other international agencies (which depend on state cooperation) deserve closer analysis. On several big issues, Meles has become the voice of Africa and de facto leader of the New Partnership for African Development. He attends Group of 8 and G-20 meetings, says the right things about climate change and gets on well with United States President Barack Obama and Britain's Prime Minister David Cameron on Somalia.

In cold statistics, Meles's government – in power for 21 years – has presided over a formidable economic turnaround. A recent World Bank report suggested that Ethiopia navigated the global economic crisis in 2008-9 better than many others. Modest declines in exports, remittances and foreign investment have recovered to more than pre-crisis levels. The International Monetary Fund recently suggested that Ethiopia could join the middle-income countries if its rapid growth continued. All this follows government claims of average 11% annual economic growth for the last eight years. When pressed, IMF and World Bank officials concede the government's calculations are 'optimistic' but 'not by more than 1 or 2%'.

In November 2010, Ethiopia launched an ambitious five-year Growth and Transformation Plan (GTP), aiming to improve the economy, incomes and social

indicators. The government finds Western models largely irrelevant, as was made clear at the opening of the new Chinese-built headquarters of the African Union in January. Meles talks of a 'Democratic Development State' on the lines of Taiwan, South Korea and (in the background) China.

Critical outsiders talk of 'developmental authoritarianism', lumping Ethiopia with Rwanda as its leading exponents. The idea is that the central government keeps a tight grip on political and social freedom, invests heavily in roads, power plants and communications, and promotes access to markets for small-scale producers. Apart from concern about political freedom, outside critics argue that developing states cannot credibly take on that role, even if backed by lavish Chinese finance.

ANOTHER GREAT LEAP FORWARD

The GTP assumes average growth of 11% at worst and 14.9% at best, doubling the size of the economy by 2015 and matching China's accelerated growth in the 1990s. It would involve doubling agricultural production, significant increases in industrial production (notably in sugar, with ten new factories), fertiliser, cement, metals, textiles and leather goods. Infrastructure plans include over 2,000 kilometres of railway and 88,000 km of new roads. Hydropower would increase by 8,000 megawatts to 10,000 MW, distributed to 75% of Ethiopia with the possibility of exporting to the rest of Africa and the Middle East. The target is to increase mobile telephone access to reach 45% of the population, a quadrupling of usage but still below South Africa and Nigeria.

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Critics say the lack of competition in Ethiopia's telecommunications sector and lack of internet access are still holding back development. Overall, the aim is to reduce the incidence of poverty from 29% (2010) to 22%. Larger objectives are defined as attaining high growth within a stable macroeconomic framework – in a stable, democratic, 'developmental state'.

The Horn of Africa suffered its worst drought in decades in 2011. This year's March to May rains began late and will be below the long-term average; these short *belg* rains reduce annual food production by up to 30% in northern areas and by 40-50% in the south. A second successive dry year will increase regional food insecurity, especially in the south and east where some 3 million people now get food aid.

Exporting is more difficult because Ethiopia has no port but export earnings for the first eight months of the fiscal year showed a 16% rise on the previous year, with increased earnings from gold and oil seeds (Ethiopia is now the world's fourth largest exporter of sesame). The main earner, though, is coffee exports, which

fell from 122,000 to 75,000 tonnes. The government's biggest problem is inflation, now at an annual average of 40%. Civil servants and teachers had pay rises last year, but below 40%. Even the director general in a ministry gets only 5,000 birr (US\$285) a month. The price of tef, the basic grain, has doubled in the past year, while food prices have more than quadrupled. Blaming this on corrupt profiteering, the government made a brief, unsuccessful attempt to cap prices by order and increased public-sector salaries.

In early February, Meles claimed that inflation had fallen to 32%, saying he hoped it would drop to single figures by July or August. Yet February saw another surge to 36%, then a fall again in March. In early April, he still claimed that control measures were working. He again blamed external factors but tacitly accepted some responsibility by admitting the government had cut public borrowing and was controlling the money supply.

LOCAL OPPRESSION

Some authority has been decentralised to district and local administrations which, some say, can be more oppressive than central government. Much control is organised through the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF), whose successes in the 2008 local and the 2010 national elections swept away the opposition parties.

An effort is under way to mobilise domestic savings. The government insists that the 78 bn. birr needed to fund the Grand Ethiopian Renaissance Dam on

the Abay/Blue Nile River (see Box) will be met internally though the sale of bonds and other resources. It is also trying to identify cuts to make without harming the whole. The customs authority is being reorganised and attempts made to maximise tax collection. The government is even preparing to take on the *Mercato* (market) in Addis Ababa, where it is estimated that half Ethiopia's financial transactions take place in 18,000 legal businesses and 9,000 illegal ones.

In 2011, the tax department took 50.8 bn. birr, 15 bn. up on the previous year; the first seven months of this fiscal year showed a further increase of 12.5 bn. birr. One much-criticised scheme is the drive to develop commercial agriculture by large-scale land leases to foreign companies: some call it land-grabbing. The government has identified 3 mn. hectares available for large-scale production of food or other crops, with nearly 1 mn. hectares of marginal land for bio-fuel crops: *jatropha*, castor, oil palm and *pongamia*. Last year's overall fuel bill was \$1.7 bn., up by 25% on 2009-10; it is likely to be higher this year, as tension between **Sudan** and **South Sudan** cut off supplies. There are plans to increase ethanol production from the sugar factories now being built.

Another policy international which non-governmental organisations criticise is the resettlement programme which would disrupt the traditional lifestyle of pastoralists – but give them secure livelihoods. In Gambella, Benishangul and Somali regions, 125,000 households have been resettled. On official figures, Ethiopia has reduced rural poverty, improved life expectancy, raised levels of education and other social indicators. The government says it is poised for take off with its large labour force and low wages. Yet the big political questions remain: how much freedom and accountability will the government allow? How fairly will the fruits of faster growth be spread?

Food, housing and water are deemed more important than democracy and trade unions. 'We're a fairly tough regime, no one denies that,' says an official in Addis, privately. He makes Ethiopia's world view clear: **Eritrea** is a menace; **Somalia** is not a cosy neighbour; the **Oromo** Liberation Front makes threatening noises but is in complete disarray. Foreign NGOs such as Human Rights Watch have difficulty entering the affected areas and horror stories emerge from the refugee camps about periodic political crackdowns.

Human rights training for the police has made little impact; trainees know that toughness is expected and that includes those trained by British specialists, whose contracts have been started, cancelled, then resumed. Meles talks of a democratic development state: it is likely to prove more developmental than democratic. ●

RUNNING WATER, VAULTING AMBITION

Four big hydroelectric projects are in operation, with another four under construction. They include Gilgel Gibe III on the Omo River, a dam which, say critics, will significantly lower Lake Turkana. The government agrees that it will disrupt traditional lifestyles in the lower Omo Valley but bring education, health and social improvements to a long-neglected area. Prime Minister **Meles Zenawi** has agreed to work with **Kenya** on conservation and exploitation of shared water resources; Kenya wants a formal agreement to establish a Joint Lake Turkana and Rivers Omo and Daua Basin Commission.

Fifteen more hydroelectric power projects will provide up to 10,000 megawatts of cheap power for industrial development, a country-wide electrification programme and foreign exchange earnings from the sale of power to **Djibouti**, **Kenya**, **Sudan**, **Yemen** and eventually **Egypt**. Moreover, the Ethiopian Electric Power Corporation is launching six wind-power projects this year. Total planned production is 1,250 MW, plus a 70 MW geothermal project and 104 MW from ethanol produced at three sugar factories.

Last November, the government launched a 'Climate Resilient Green Economy' strategy, aimed at boosting the economy while keeping greenhouse gas emissions constant. It involves protecting and replanting forests and expanding electricity generation from renewable sources (especially those dams).

In a separate development, last year Ethiopia started building the Grand Ethiopian Renaissance Dam on the Abay River, originally intended to generate 5,200 MW and now upgraded to 6,000 MW. It has also generated an impressive wave of public support. Thousands have contributed a month's salary or bought government bonds. Ethiopia aims to produce up to 20,000 MW over the next decade, spending some US\$12 billion over 25 years to become the power-generating hub for the region and beyond. It already sells Djibouti up to 80 MW of power. Ethiopia's theoretical energy potential is estimated at 45,000 MW, enough to meet most of the current needs of sub-Saharan Africa. ●

SOUTH AFRICA

Charity ends at home

Recession in the industrialised world has cut into financial support for NGOs and private think-tanks in Africa

Civic activists and concerned citizens are threatened by a steep drop in charitable donations. The funding model of voluntary donations for good works is a victim of the Western economic recession which started in 2008 and is still going strong. The idea that philanthropic individuals and companies should plough money into good causes in Africa with little public acknowledgment looks old-fashioned.

Massive charities financed by philanthropists such as computer billionaire **Bill Gates** or currency trader **George Soros** have well established brands and foundations – and they keep giving, despite swings in the market. Longer-established groups such as the Ford and MacArthur Foundations seem financially secure. Yet elsewhere, there is a scramble for a decreasing pool of finance. Mining and oil companies may be bigger and more profitable than ever but their notions of social responsibility centre on local services. They have little interest in promoting grassroots activism.

Events have overtaken the pattern of foreign-funded think-tanks giving birth to opposition political parties which seek Western disfavour for autocratic regimes. Governments are cutting aid and the big new source of capital for African investment, **Chinese** state companies, is not keen on protests. Western Catholic congregations, usually generous with support for development projects, give less amid the Church's internal controversies.

Debt-ridden **Portugal** exports its postgraduate engineers and computer scientists to find jobs in Luanda's booming oil and mining businesses and the Lisbon government is discreet about the coming elections in **Angola**. The European Union won't be sending an observer mission to the polls due in August or September, when the ruling *Movimento Popular de Libertação de Angola* (MPLA) of President **José Eduardo dos Santos** is sure to win.

With finance from Western governments, companies and charities shrinking, local civic groups face a crisis. Some, for example in **Nigeria**, seek new financing models, such as raising money in the diaspora. Others are becoming quasi-commercial operations, offering consultancies in information technology or related services to fund their research and lobbying. This may make them vulnerable to commercial or political pressure.

Sometimes they just shut down. That is the pattern in Southern Africa. Foreign support for local civic groups is declining everywhere, even in **Zimbabwe**.

In **South Africa**, many think-tanks, non-governmental organisations and civic movements are closing, while others have cut programmes and laid off staff. The Centre for Policy Studies closed after its European government donors cut its funding. The Treatment Action Campaign, the country's powerful civil movement-cum-NGO that was led by **Zackie Achmat** in a campaign for accessible HIV/AIDS medicine, has closed many of its operations for lack of money. Some contend, however, that TAC no longer needs its former level of support now that its campaign to change the government's policies on AIDS has largely succeeded.

CIVICS UNDER THREAT

Funds have dried up for the South African National Civics Organisations, once described as the fourth member of the African National Congress (ANC) tripartite alliance with the Congress of South African Trade Unions (Cosatu) and the South African Communist Party. (Sanco's internal bickering did not help, either.) The National Institute for Crime Prevention and the Reintegration of Offenders (Nicro) has cut a third of its services. Rape Crisis faces closures, as does Soul City, a youth health education NGO. Boksburg Child Welfare, which says it provides protection to 10,000 children, faces closure; Edenvale Child Welfare only has funds for three more months.

Joanne Harding of Funding Practice Alliance, a group representing several South African NGOs, reports, 'Some organisations are saying that they will probably have to close down or reduce operations by between 30% and 50%.' We hear that the Institute for Security Studies in Pretoria has had to close programmes, including its publication *The-African.org* (www.the-african.org), after major European donors cut core funding.

The Institute for Democracy in Africa has closed programmes and laid off staff after cuts from European and North American donors. Organisations that secure local corporate funding, such as the South African Institute of International Affairs, have seen their incomes decline. Local corporate donations from both white and black businesses to think-tanks

and NGOs barely exist. Government hand-outs to think-tanks and NGOs are inefficient, and may be refused to those seen as critical of government policies.

South Africa's National Lottery has recently been accused of supporting party political events, rather than NGOs or think-tanks. The TAC is hobbled by a delay in payment from the United Nations Global Fund for AIDS, Tuberculosis and Malaria. Like Soul City, it did not receive payments it had expected in July and January; the money came in February 2012, more than seven months overdue.

The Global Fund's money is paid to South Africa's National Treasury, which passes it on to the appropriate body: the Fund finally released US\$7,106,426.91 on 6 February, the day when seven of the grant's eventual recipients delivered an open letter to Minister of Health, **Aaron Motsoaledi**, pleading for an end to the Fund's 'life-threatening delays'.

There have also been complaints about the tardy administration of funds by the South African Department of Health, which says it is not to blame. Yet some South African NGOs say government funding for the sector is generally 'erratic' and that NGOs seen as critical of government may not get their money.

The National Lottery, a key conduit of funds for NGOs, has been criticised for favouring projects more likely to please ANC leaders than needy NGOs and causes. The Lottery's figures show that more than 3,500 applications had not been processed by the end of the last financial year, 40% of the appeals received for the year.

The opposition Democratic Alliance's **Wilmot James** said that the core challenge of the National Lottery was the 'politicisation of grant money'. DA Spokesman **Jacques Smalle** said that in 2011, the Lottery had begun to operate like an ANC slush fund. The Lottery allocated 40 million rand (US\$5 mn.) to a festival run by the National Youth Development Agency, which is dominated by ANC Youth League leaders and supported President **Jacob Zuma's** campaign to oust ex-President **Thabo Mbeki**.

The Lottery also allocated R1 mn. to a Cosatu election rally and R51 mn. to a foreign-based NGO 'that happens to employ the Lottery Board's Chairperson's daughter', according to James. The National Public Protector is investigating the National Lottery's allocations.

Trade and Industry Minister **Rob Davies** is responsible for Lottery matters. He told parliamentarians early this year that the Lottery had 'fallen on his plate' in 2009 when he took over and that at that stage there were already 'tons' of complaints about the distribution of funds – and the lack of it. Davies described these as 'administrative problems' that are being dealt with. ●

ZAMBIA

Sata's health and other scares

Question marks are multiplying about Sata's judgement, his choice of regional friends and his well-being

Even before his famous victory in last year's presidential election, Zambians heard rumours about **Michael Sata** being unwell. When he unexpectedly flew to **India** in March for medical attention, just a day after returning from a state visit to **Botswana**, they were confirmed. President Sata had been scheduled for a routine medical check-up in **South Africa** before the polls, *Africa Confidential* hears, but he postponed the trip for fear that talk of ill-health would cost votes.

The government put up a smokescreen for the Asia trip, with President Sata working to attract investment from Indian business, especially in the hospitality sector. The Indian media, however, spoiled the game by reporting that Sata had undergone a laser procedure for a urological disorder at Samved Urology Hospital, Ahmedabad.

Lusaka did not categorically deny the reports but was vague about his treatment when he returned on 30 April. Vice-President **Guy Scott** would say only

that Sata had had a health check-up and 'none of us is getting any younger'. On his return, Sata ducked all contact with the media. 'Simply put, the President is not well,' an official told *AC*.

PALS WITH ROBERT MUGABE

The flurry over Sata's illness comes in the midst of his campaign to impose himself as a credible regional figure. In order to help the transition in **Malawi** and ease the funeral arrangements for President **Bingu wa Mutharika**, he donated 3 million litres of fuel to alleviate temporarily the country's chronic fuel shortage (see Feature, p4). Malawi's new President **Joyce Banda** is a close ally of Sata's and relations between the two countries are bound to improve.

Sata (aka King Cobra) is also cosying up to **Zimbabwean** President **Robert Mugabe**. Sata surprised guests when, on a trip to Zimbabwe, he flashed the symbol of Mugabe's Zimbabwe African National Union-Patriotic Front during

the official opening of the Zimbabwe International Trade Fair on 26 April. At home, however, Sata faces an uphill task to consolidate his election victory with deeper political support. His political base in the countryside is weak and his Patriotic Front faces pockets of strong resistance in towns, where young people in particular are beginning to feel that the party has failed to deliver on its promises of more jobs and money. This could be critical, since the urban youth is the bedrock of the PF vote. King Cobra's anti-corruption campaign is faring little better, with little punishment on show for the 'massive plunder' by ex-President **Rupiah Banda** which he promised to unearth (*AC* Vol 53 No 5, p9).

Banda's Movement for Multiparty Democracy, however, has survived its de-registration by the Registrar of Societies over the non-payment of 390 million kwacha (US\$75,950) in renewal fees since 1991 and the risk of losing all parliamentary seats only to face another challenge. The MMD has lost nine seats since the High Court nullified certain parliamentary election results after ruling on petitions by losing PF candidates (*AC* Vol 53 No 7, p3). The Court cancelled the results after finding that the MMD had engaged in corrupt activities and abused public funds in the elections.

MMD Spokesperson **Dora Siliya** said the PF government was attempting to weaken all opposition and manoeuvre Zambia back to a one-party state. The MMD says it will appeal to the Supreme Court in at least five of the nine cancelled seats but indications are that the former governing party is unlikely to win.

The MMD accuses Sata of having autocratic tendencies, an impression he has not dispelled by ignoring the media. The President has held no press briefings since his election, breaking the tradition of leaders addressing journalists to explain policy. Only on two occasions has he accepted questions from journalists. He stands accused of clinging to the tradition of Founding President **Kenneth Kaunda's** one-party state, of which Sata was part, by refusing to see the party and state as separate entities.

Meanwhile, the economy is piling pressure on the government. Wildcat strikes and political uncertainty have taken their toll on mining production. The country recorded its lowest trade surplus in over three years, with only K47.4 bn. in February 2012, as against K348.8 bn. last January. The Central Statistical Office has attributed the change to a drop in copper exports to 40,000 tonnes in February, compared to 60,000 tn. in January. Strikes have hit the mining sector as workers who voted for Sata demand higher wages as their dividend from the PF's victory. ●

DISCONTENT OVER WYNTER

The growing influence of the Patriotic Front Secretary General, **Wynter Kabimba**, constitutes the starkest example of the PF's statist tendencies. He has been a source of controversy both within and without government. One of President **Michael Sata's** closest confidants, Kabimba openly wields his power over cabinet ministers. 'The cabinet of this country under the constitution is advisory on the President. The Central Committee of the [PF] party is not advisory on the President: the decisions of the Central Committee are binding on the President. He can't abrogate those decisions of the Central Committee because the Central Committee is above the President as President of the political party,' he remarked in March.

In light of Kabimba's view of the role of the party in government, his appointment to the board of Zamtel – the telephone network which the government took back into public ownership this January after its part-privatisation to **Libya's** LAP Green Networks in 2010 (*AC* Vol 52 No 12, p8) – is clearly significant. Libya is concerned about its investment and wants its shares back. Kabimba defends the appointment of PF functionaries to top government positions, saying it is not possible for the civil service to operate without PF cadres and the governing party will continue appointing them to strategic positions.

When Sata appointed him to cabinet, Kabimba at first refused, saying 'some of us need to be on the bench' but he gave in later. He is determined to build a base in the PF so he can take over its leadership in 2016. Neither Sata nor Vice-President **Guy Scott** have expressed any desire to govern beyond then and seem happy to have achieved their ambition of governing Zambia. Kabimba's influence in the party is unsettling some PF backers. On 13 April, Sata wrote to the Secretary to the Cabinet **Evans Chibiliti** directing that Kabimba should be recognised as third in the hierarchy at state functions. Sata asked for the change in protocol after Kabimba had complained of a lack of recognition.

'I think it is a mistaken position in that the party was given the mandate by people to form government which they have done,' said former MMD minister **Mike Mulongoti**, who campaigned for the PF but complains of not being rewarded. 'If he [Sata] wants to create a position of minister without portfolio, let him do it. He has got powers to do that in the constitution but not through the back door.' ●

MALAWI

A long-distance run for Banda

The new President is trying to correct her predecessor's blunders and persuade the people to face tough times ahead

President **Joyce Banda** has formed an inclusive government, appointing former enemies as well as allies in an effort to maintain a united front on economic problems. 'The economy is a mess,' she told her new cabinet when she swore it in on 30 April: 'I'm running, please run with me.'

Banda has dropped the late President's brother, **Peter Mutharika**, as Foreign Affairs Minister and others who plotted to prevent her from taking office, such as Information Minister **Patricia Kaliati**. Finance Minister **Ken Lipenga** stays and she has recruited ex-President **Bakili Muluzi**'s son, **Austin Atupele Muluzi**, as Economic Planning and Development Minister. This appears to be a shrewd move because at only 34, he is a rising star and ran a credible campaign as candidate for his father's United Democratic Front (UDF) in the last presidential election. By the same token, however, his presidential ambitions are clear and they could conflict with Banda's own.

There are tensions in cabinet, too. Aside from her Vice-President, **Khumbo Hastings Kachali**, 46, a graduate of Derby University, England, there are no jobs for key members of her People's Party (AC Vol 53 No 8, p5). Excluded are Secretary General **Henry Chibwana**, Treasurer **Brown Mpinganjira**, **Salim Bagus**, **Clara Makungwa**, Legal Affairs Director **Paul Maulidi** or Campaign Director **Phillipo Ngopi**. Bagus was once arrested, apparently on orders from Transport Minister **Sidik Mia**, whom Banda has retained, even though he has not defected from the Democratic People's Party (DPP) and remains its Treasurer. Her PP Director of Strategy is **Clement Stambuli**, whose bitter rival **Cassim Chilumpha** becomes Energy Minister. Many DPP members resent the President's preferment of political enemies to allies but she has pleaded for patience.

Banda, 62, founded the PP after the late President **Bingu wa Mutharika** (see Box) had her expelled from the then governing DPP for not endorsing Peter Mutharika as his successor for the 2014 election. She has no members of parliament but a good 80 DPP MPs have declared for her and her cabinet balances members from both the DPP and UDF. It's no surprise that Lipenga is still there. 'Dr Lipenga understood what was right to put the Malawi economy on the right keel,' said an International

Monetary Fund official, 'but President Mutharika used to reverse whatever we agreed with him.' The main hitch was Mutharika's insistence that the kwacha not be devalued.

Banda quickly decided to let new Reserve Bank of Malawi Governor **Charles Chuka** devalue from K167 to the US dollar to K252 to the dollar, a 49.9% drop. The kwacha had recently been trading unofficially at K300:\$1. The World Bank had already promised a grant to cushion the effects of devaluation and the IMF and bilateral donors are returning in strength after a lengthy hiatus over human rights and economic policies.

NO FUNERAL FOR THE DPP

The DPP's woes are severe, but Mutharika said at his brother's funeral, 'The DPP will not die. I'll continue the vision, Peter Mutharika will not leave you however tough things may be.' Most observers think that he has not got what it takes to run the party and will not relish losing the perks of high office. 'He drove in a convoy longer than that of the Vice-President. Now with all those trappings of power gone, he can't see any reason to stick around,' said an observer.

The DPP is not well suited to opposition, having fought only one election and been centred entirely on Bingu wa Mutharika in person. It depended on patronage and presidential power, and did not even have

its own headquarters. Secretary General **Elias Wakuda Kamanga** admitted the party was lost without its founder. 'That is the reason we quickly gave Peter the mantle to run the party, because he must know where his brother kept the money to sustain the party,' he said.

A contrite Kamanga apologised to Malawians at his leader's funeral: 'When we were enjoying the trappings of power, we might have done things that may have hurt some of you,' he said. 'Please forgive us.' Banda may have imagined that statement was directed at her, since she had become a special target for ridicule and misinformation after her expulsion from the DPP. Once, Banda even obtained an injunction to stop the state Malawi Broadcasting Corporation from airing a film making spurious allegations that she had ordered the killing of a village chief but the television station ignored it. MBC Director General **Bright Malopa** was one of the first people whom Banda sacked. Nor did it stop there.

The late President Mutharika appears to have tried to assassinate her too, probably because he was not constitutionally allowed to sack her as Vice-President. Banda was at the airport to welcome back him from a trip to Botswana when a member of her security detail received a tip, she told *Africa Confidential* in March. 'He insisted that I use a different car and I obliged,' she says. 'Just after 15 minutes, my official car was involved in a mysterious accident where it was hit by a truck full of maize, later believed to be a police truck. I requested the President to furnish me with the police report. But up to this day, I have not been informed of anything.' In her short speech after taking the oath of office, she talked of 'no vengeance' but she did sack police chief **Peter Mukhito** shortly after. ●

THREE DAYS IN APRIL

President **Bingu wa Mutharika**'s heart stopped during a meeting on 5 April with a member of parliament, **Agnes Penemulungu**. 'He just stopped talking and tipped over and the woman screamed,' says a State House source. 'Secret service burst into the room, they too panicked, nobody knew what to do.' First Lady **Callista Mutharika** was away so they called his brother, **Peter**. At Kamuzu Central Hospital the secret service burst in and started shoving people around. 'It was chaos,' says a nurse who was on duty. 'We tried to resuscitate him three times to no avail,' a doctor said.

Then the Foreign Minister, Peter Mutharika, along with senior members of the then governing Democratic People's Party, decided to buy time to subvert Vice-President **Joyce Banda**'s succession by flying the body to **South Africa**, claiming that the dead President was receiving further treatment.

Banda called the army commander, General **Henry Odillo**, and asked him if she could rely on his support. Crucially, he replied, 'Yes, Madam,' according to a senior officer, and sent a battalion to protect her. (It was this that changed the plotters' minds, we hear, rather than the adverse legal advice we reported in our last article, AC Vol 53 No 8, p5. Former Energy Minister **Goodall Gondwe** offered an explanation for the half-baked plot. 'Everyone was not thinking straight. Seeing a powerful man like Bingu lying there helpless in boxers with one foot without socks confused us all.' ●

SIERRA LEONE

Champagne for the candidates

Both Koroma and Bio try to shrug off accusations of chicanery and greed as they prepare for an epic presidential struggle

When the Sierra Leone People's Party (SLPP) chose **Julius Maada Bio** to compete against President **Ernest Bai Koroma** last year, the pro-government media reckoned the November 2012 polls were as good as over. The aggressive pro-government website *Cocorioko* reported that 'strategists and top echelons of the ruling All People's Congress (APC) popped Champagne, clinked glasses, and tap-backed themselves'.

Koroma is affable and reputed to be generous to friends and supporters but he and his inner circle have been showing signs of high anxiety about the forthcoming general elections, evidenced in his uncharacteristic hounding out of the United Nations Envoy, **Michael von der Schulenburg** (AC Vol 53 No 9, p12). The import of US\$4.5 million of small arms for the police's paramilitary Operational Services Division increases fears of

violence, as does the APC's apparent sponsorship of a Revolutionary United Front Party revival in the east (see Box).

Koroma's manifesto is his 'Agenda for Change', founded on developing infrastructure. He boasts of bringing electricity to large parts of Freetown by completing Phase I of the Bumbuna hydroelectric dam, even though it had been under construction for over 30 years. Power cuts are still frequent, though, as the increased capacity is still not enough to meet the capital's needs. Finance Minister **Samura Kamara** told a London meeting, *The Times* CEO Summit, on 19 March that the government was 'embarking on the most ambitious [roads] rehabilitation and construction programme' in Sierra Leone's history, with 'by now over 1,000 kilometres of roads constructed or rehabilitated'. With the APC's most voluble propagandist, **Sylvia Olayinka Blyden**, Kamara flew to London on **Frank Timis's** jet, we hear. The President did inaugurate the major road from Masiaka, a key transit point from Freetown, to Bo, the second-largest city, shortly after he took office but the work was already nearly complete.

Only one road, in Freetown's affluent west end and which was already tarred, is likely to be finished before the polls. The APC is asking voters to re-elect Bai Koroma so he can finish the roads. The Krio slogan '*De Pa dey still woke*' (the President is still working) is unlikely to appeal in Goderich, on the city's western fringe, where Koroma had an attractive villa. He vowed not to move into the presidential residence, State Lodge, in Hill Station, until the rutted and potholed road between Goderich and Freetown had been tarmacked. Four years on, he has moved into the official residence and Goderich road is unchanged, while the villa has been demolished, with a shiny mansion springing up in its place.

Government officials privately admit that Koroma's infrastructure timetable was too ambitious. Work began on several main roads at the same time but money was short to finish them all. The government still anxiously awaits revenue from the Tonkolili iron ore mine, operated by Timis's African Minerals Limited. Recently, we hear, he made his second promised payment of \$50 mn. to the exchequer as an advance on future tax and royalties. The first was in 2011. Sierra Leone received \$40 mn. in mining tax and oil block leases in 2011. If ore production stays on track, the government could earn about \$500 mn. a year in 2013-16, AML and Koroma's supporters say, a nice boost for the President's infrastructural plans.

Both AML and London Mining, the other major company which mines iron ore at Marampa, negotiated low tax and neither pays duty on importing capital equipment. The total value of waivers last

RETURN OF THE RUF

As Sierra Leone absorbs the guilty verdict on **Liberian** former President **Charles Ghankay Taylor** for 'aiding and abetting' Revolutionary United Front rebels, the Revolutionary United Front Party, a civilian political party formed from the RUF militia, is back and will stand in November's elections. Analysts suspect the RUF is a proxy for the governing All People's Congress (APC), with the aim of upsetting campaigning by the main opposition party, the Sierra Leone People's Party (SLPP) in the east, especially Kailahun district.

The RUF revival comes after five years of dormancy. The National Electoral Commission has now cleared it to enter this year's ballot. Its platform is an uncontroversial list of development and social aims but in their offices in the Freetown suburb of Wellington, the expectations of party officials are high. 'The election will be special... there will be a landslide for the party,' contends the Acting Chairman, Lieutenant **Eldred Collins**, a former RUF Spokesman (AC Vol 41 No 7).

Kailahun is an SLPP stronghold but a key defection may be changing the balance. **Tom Nyuma**, a member of the 1992 military junta which ousted Momoh, who then became an SLPP heavyweight, has now shocked the party by defecting to the APC. **Sheku James**, who was captured by the RUF at 16 and then became a loyal enthusiast, is now the RUF District Chairman. He claims over 100,000 members in Kailahun alone, an obviously absurd claim but possibly indicative of the ferocity of the coming electoral contest. 'The people here support the RUF because we care about them. We are from here; they helped us in the war,' he says. Collins predicts 'big things' in the Northern Province, where Temne and Limba peoples who traditionally support the APC predominate. The RUF has a strong geographical association with Mende people. Historically, it has been alternately ally and enemy to both APC and SLPP. Currently, it reserves its enmity for the SLPP; Collins blames it for 'victimisation and persecution' of RUF members during the 2002 elections, when the RUF candidate, **Almami Paolo Bangura**, obtained less than 1% of the national vote (8% in Kailahun District).

The RUF switched its support from SLPP to APC before the 2007 polls. The APC association remains, analysts say, and there are fears that the RUF's main role in the coming elections is to act as a spoiler, managed by the APC Interior Minister, **Musa Tarawally**, a former Resident Minister in the Southern Province and a feared political operator. Tarawally has been accused of mobilising former rebels in Kailahun and Pujehun. Nobody knows exactly where the money for the RUF's new offices and T-shirts comes from but the APC is strongly suspected. Local media speak of the APC courting SLPP-supporting former Kamajors (traditional Mende warriors). SLPP Kailahun member of parliament **Musa Tamba Sam** says the APC wants to bring the RUF and the Kamajors together to create fear among SLPP supporters and votes for the APC.

One donor agency official commented that the purpose of APC sponsorship of the RUF is to insulate it from blame should RUF actions lead to violence. Tamba Sam believes the RUF possesses arms but Collins is adamant that the party 'comes to the ballot box, not to the gun'. The RUF has mobilised discontented former rebels in the provinces who have seen little of the 'peace dividend' they expected. The APC is playing a dangerous game. With leaders such as James raising members' expectations to the sky, disappointment could bring severe consequences. ●

year was 342 billion leones (\$79 mn.), says a Finance Ministry source. Others who benefit include returning Sierra Leoneans. The Diaspora Office, which is responsible for them, is staffed largely by APC loyalists, friends and relatives. In 2007, when Koroma took power, waivers were worth Le15 bn.; in 2010, Le105 bn.; and in 2011, Le155 bn. A Freetown tax expert told *Africa Confidential* that total revenue losses from such waivers could amount to Le600 bn. in 2011. Some officials take bribes from returning nationals not to charge them import duty.

BIO POTTED

Controversy dogs Koroma's vice-presidential running mate, **Samuel Tamba Sam-Sumana**: two close aides were indicted on 17 April for accepting bribes from undercover journalists working for *Al Jazeera*. Bio's partner for the vice-presidency, **Kadi Sesay**, is respected and popular. Yet one of his team is causing him serious problems by tying him to a past he wishes forgotten, as one of the officers leading the National Provisional Ruling Council (NPRC) junta in 1992-96. **Abass Bundu** is a former Foreign Minister, one-time Executive Secretary of the Economic Community of West African States and a key advisor to Bio's campaign. On 16 April, he was bailed for Le500 mn., charged with conspiracy to defraud in 1994-95 for having sold passports worth \$210,000.

Bio was in government but not directly involved in the passport deal, AC hears. The sales were apparently made though a Hong Kong businessman, **Frank Yiu**. Bundu was said to have received \$210,000 from Yiu and was asked in 1996 to repay the money to the state. He made a partial payment; later, a final cheque to clear the



debt of \$105,000 bounced. By then, he was abroad but he returned to Freetown in 2005 and made his peace with President **Ahmad Tejan Kabbah**. He was cleared of all charges. Bundu claims Yiu had given him the money towards his (failed) 1996 presidential bid. Late that year, the government issued a cabinet paper which stated that the NPRC head at the time, Captain **Valentine Strasser**, had received \$602,000 from the passport sales, with \$380,000 going to Bio. The government of President **Joseph Momoh** had begun the sales but Strasser overthrew it in 1992, shortly after the war had started in 1991.

Bio has responded to the charge by saying the money was not for his personal benefit and that at the time, the country was bankrupt and selling passports was the only means to raise state revenue. The proceeds were used to buy arms and other supplies to fight the war. The released documents indicate that the junta diverted large sums from the sales for personal use. The pro-Koroma online media, led by Blyden, has leapt on the cabinet papers and reproduced bank statements that appear to show transfers of \$100,000 from Yiu to an account in **Britain's Channel Islands** in Bio's name. ●

EGYPT

Presiding over chaos

The presidential election is likely to go ahead but pitched battles over the new constitution are set to continue

Political turmoil has followed the rejection of several candidates for the presidential election, including the Muslim Brotherhood's **Khairat el Shater** and the Salafist hopeful, **Hazem Salah Abu Ismail**. It threatens to increase. Legal challenges are striking at the Constitutional Assembly and even Parliament itself as violence on the streets shows signs of persisting. What powers the office of the president will end up with is still uncertain.

The Brotherhood was prepared for the blow to El Shater, having put forward

Mohamed Mursi, leader of the Freedom and Justice Party, as insurance (AC Vol 53 No 8, p7). He is trusted neither by Salafists nor liberals. He was author of the policy that saw the Brotherhood collaborate with the regime of former President **Mohamed Hosni Mubarak** in 2005, enabling 88 Muslim Brothers to enter Parliament, and he had close relations with the security establishment. He also believes that only Muslims should be able to stand for the presidency and was one of those demanding the expulsion of **Abdel Moneim Aboul Fotouh** from

the movement. He is widely seen as a Brotherhood supremacist.

To some, Salafist support for Abul Fotouh was surprising. A prominent sheikh, **Ahmed Nashaat**, declared that Mursi was 'God's choice' but the Salafists nevertheless put it to the vote. The *Dawa al Salafiya* (Salafist Mission) and its political wing, the Nour Party, endorsed Abul Fotouh after Nour's board, its parliamentary group and its Shura Council all voted for him. The Salafists think Abul Fotouh the best qualified Islamist candidate to beat former Foreign Minister and Arab League Secretary **Amr Moussa**, currently the front-runner in the opinion polls, and the most likely to prevent the Brotherhood hegemony which the Salafists fear if Mursi wins, since he already heads the FJP.

Abul Fotouh has lost whatever liberal credentials he might have had. The influential writer **Alaa el Aswani**, now helping **Mohamed el Baradei** to build

a new Constitution Party, said he could not trust a candidate who called himself moderate while taking votes from Salafists (AC Vol 52 No 5, p12). Personal ties may be important here. Abul Fotouh knew many of the Salafist leaders when they were all in the Islamist *Jama'a el Islamiya* student movement that he founded in the 1970s, well before joining the Brotherhood.

While the candidates jockey for position and the motives and tactics of the Islamists come under the microscope, the transition to democratic government itself is growing ever more complicated since a series of legal developments. The chances of a constitution being drafted before a new president is sworn in, which should happen on 21 June, seems remote and could leave him with unknown powers.

On 10 April, the Cairo Administrative Court challenged the legitimacy of the Constitutional Assembly, which is to draft the new constitution, after law suits claimed it was not representative of Egyptian society. On 28 April,

however, the ruling Supreme Council of the Armed Forces seemingly overcame these problems with an agreement on new guidelines on the composition of a broader Constitutional Assembly. In the new Assembly, the different churches, for example, will directly nominate six representatives, rather than Parliament, as before.

COURT CHALLENGES

The number of representatives in the 100-member Assembly who are MPs will be 37, instead of 50 as formerly. Other special groups will include Al Azhar University representatives, ten legal and constitutional experts, along with assorted judges, public figures, women's representatives, students, disabled people, farmers and workers. Every article of the constitution should be approved by consensus or by at least a two-thirds vote. Failing that, a majority of 57 will be enough.

If the Assembly issue seems solved,

a more worrying one is in the offing. On 21 February, Judge **Magdy el Agaty** of the High Administrative Court (HAC) ruled that the newly elected Parliament was illegal because electoral procedure had violated the constitution. The Court held that the possibility for parties to run for both election as individuals and on the proportional lists created an unfair disadvantage for independent candidates.

The ruling affects one-third of the Parliament. The verdict was appealed. The Supreme Constitutional Court (SCC) was expected to issue a verdict on 6 May but will not now do so until early June, before the expected runoff for the presidential election. If the SCC confirms the HAC ruling, the effect could be cataclysmic. Many MPs would be disqualified and Parliament could be dissolved entirely. This could result in a president taking office with no parliament, no constitution and no clearly defined powers – little different, in fact, from the autocratic position of Mubarak before he fell. ●

EGYPT

Israel and the energy crisis

Cairo's cancellation of gas exports to Israel owe more to commercial interests than ideological conviction

The state-owned Egyptian Natural Gas Holding Company (Egas) had plenty of reasons to end the gas export deal with **Israel's** East Mediterranean Gas (EMG) and the Cairo government had good reasons to allow it. The underlying motive for the cancellation of the contract on 22 April is the better prices that Egypt can command on the world market and the need to fuel growing domestic demand.

In 2010, Egypt exported 2.1 billion cubic metres (bcm) of natural gas to Israel through the Sinai gas pipeline, making Israel its third most important gas export market. In total, it exported 15.7 bcm of that year's production of 63.3 bcm. Along with **Jordan**, Israel bought the gas at a discounted price, which we understand to have been in the region of US\$3-3.5 per million British thermal units. 'If Egas doesn't use the gas which used to go to EMG domestically, it can use it as feedstock for LNG [liquefied natural gas] and get at least double the price, if not 4-5 times the price if the LNG is sold in Asia,' said **Hakim Darbouche** of Britain's Oxford Institute for Energy Studies. Egypt has plenty of spare LNG export capacity at its facilities in Idku and Damietta on the Mediterranean.

This is particularly important due to Egypt's dwindling foreign reserves.

Egypt has been spending foreign currency to prop up the value of the pound but, although reserves rose slightly during April, they have declined by \$21 bn., which is well over half, since last year's revolution. For a country which imports 40% of its food, devaluation could be extremely problematic. For this reason, anything which increases the supply of foreign exchange looks like a good strategy at the moment.

Domestic demand, however, is a key concern. Egypt's electricity consumption is rising by around 7-8% per year, driven by the growth in consumer electronics and an increasing population. Well over half of the gas goes to electricity production, according to 2009 figures, and over 80% of electricity comes from gas, a figure that is expected to reach 90% by 2020. 'Egypt suffers from a gas shortage which is likely to last until new reserves are developed in 2015,' Darbouche told *Africa Confidential*. 'With demand for power growing very fast, the government, especially post-revolution, will have no choice but ensure that there is adequate supply of electricity. Power cuts, especially in the summer months, are very difficult to bear and consumers will now feel much less inhibited than before to express their anger. Thus, given that the bulk of Egypt's existing – as well

as future – power generation capacity is gas-fired, demand for gas will continue growing unabated.'

Because of the cost of importing substitute heavy fuels, Egypt may prefer to use gas for domestic power generation, rather than export. Furthermore, popular though largely unreported protests against construction projects have been slowing the development of new energy capacity. In the town of Idku, oil giant BP has permission to build a plant to process gas from a field within the offshore West Delta Deep Marine concession.

OCCUPY AL DABAA

Now, however, local people angry at the pollution caused by operations associated with the work of Egas and Britain's BG Group, among others, blocked roads in September and refused to leave until local military commanders had given an assurance that the project would be put on hold. Local people in Al Dabaa have occupied the proposed site of a nuclear power plant and they, too, seem to have won agreement for it not to proceed, at least for now.

In October 2011, EMG initiated international arbitration proceedings against Egas and its fellow state-owned energy company, the Egyptian General Petroleum Corporation, for failure to supply. They have quantified losses from all 14 occasions on which the Sinai pipeline has been blown up. However, Egas Chairman **Mohammed Shoaib** says that, like most contracts, losses from terrorist activity are excluded. The issue is hard to resolve because the original contract is secret. ●

MOROCCO

Keep smiling

In tough economic times, Islamist Premier Benkirane charms his critics while Mohammed VI in the Palace tries to keep pace

The economy is not growing fast enough to create the jobs needed, police continue to clash with protestors around the country and the Prime Minister's coalition partners are not happy. Yet **Abdelilah Benkirane** of the *Parti de la justice et du développement* (PJD) keeps smiling. He rides high in the polls and charms those who tackle him on the thorny issues confronting his government. As the 'moderate Islamist' party unrolls its ambitious policies, many Moroccans believe the kingdom really is an exception to the Arab Spring revolts and that the monarchy can oversee genuine reforms that give power to previously excluded groups, such as the PJD, which started as an offshoot of the Muslim Brotherhood.

Critics complain that the PJD is long on words and that its social-conservative agenda is more threatening than its leaders make out. It has appointed only one female minister, **Bassima Hakkaoui**, in charge of Solidarity, Women, Family and Social Development. That has offended the well educated women who lead the vibrant Casablanca business and media hub, and the administration in Rabat. Critics want her to speak out on issues such as polygamy and to overhaul laws on sexual abuse. The suicide in March of **Amina Filali**, who was raped at the age of 15 and then forced to marry her attacker, as the law allows, caused offence across the kingdom but no action by the government and coalition parties.

The PJD's attempt last month to impose a greater use of Arabic on broadcast media – notably state-owned 2M television, widely watched by the French-speaking middle class – presaged bigger battles. Communication Minister **Mustapha el Khalfi**'s revised regulations for broadcasters led King **Mohammed VI** to call in Benkirane, Khalfi and Minister of State **Abdellah Baha** on 22 April to remind them that the constitution guarantees multilingualism and political pluralism. Liberals welcomed M6's intervention.

Many Moroccans believe the PJD will consolidate its support in September's local elections and could win an outright majority at the next general elections. Unemployment is likely to remain stubbornly high, with the economy vulnerable to high oil prices, drought and volatile receipts from tourism and expatriate remittances, both suffering from recession in Europe. Yet the PJD's

unexpected popularity may have saved the monarchy from an Arab Spring revolution (AC Vol 52 No 25, p6).

Opposition on the street arose early last year, giving its name to the *Mouvement du 20 février* but never really taking hold despite support from young people and some backing from abroad: Egyptian activists advised on strategy (AC Vol 52 No 9, p12). The **United States** Embassy has offered young protestors classes on how to use social media but broadly supports the King and Benkirane. So does **France**, with electioneering visits by the Socialist candidate (now President) **François Hollande** and, for ex-President **Nicolas Sarkozy**, former Justice Minister **Rachida Dati**, who is of Moroccan descent.

An alliance between young, politically secular *20 février* activists and radical Islamists of the ailing Sheikh **Abdessalam Yassine**'s unregistered *Al Adl wal Ihsane* (Justice and Charity) failed to create a mass movement. Cynics suggested it might even have been promoted by the authorities. The activists now focus their complaints on official excesses and the police have been told to clean up their act. Yassine's militants have been outflanked by the PJD, which they used to despise as weak and compromised. 'The PJD was energetic and active in the Chamber of Representatives, unlike the other parties, and they have brought that into government,' said a Rabat-based observer who knows the PJD well. 'They are transparent – Benkirane just loves talking to the press – and everything hinges on the anti-corruption drive.'

BENKIRANE'S BALANCING ACT

Justice Minister **Mustapha Ramid**, who built his reputation as a firebrand Islamist lawyer, is committed to cleaning up the judiciary and business. Whether officials and business people identified with the Palace will be called to account and how the King will react remains to be seen. Critics say the government is strong on rhetoric but short on economic policy. Public spending rose in 2011 to ward off public pressure. This coincided with a surge in oil prices; the trade deficit ballooned, subsidies drain public funds and recession in Europe constrains growth. Yet Benkirane's supporters say he has carried off a brilliant balancing act. He was elected as 'the King's Islamist' and his team now wants to make the running

in policy-making as well as day-to-day management. Responsibility for overall strategy is held by M6 and his advisors. Tensions have been visible in Foreign Minister **Saad Eddine el Othmani**'s overtures to **Algeria**. The Palace – where the advisors include the experienced former Foreign Minister **Taieb Fassi Fihri** – counsels caution (AC Vol 53 No 6, p9).

But will the King give up as much power as the constitution implies or reduce the Palace's growing business interests? The late King **Hassan II** had financial problems in the 1980s and '90s, since when the royal fortunes have been remade, making the family big business players. The Palace's investment arm, Siger, is led by M6's Private Secretary, **Mounir el Majidi**. Siger/Ergis (an anagram of *regis*, 'of the king' in Latin) controls the prosperous *Société nationale d'investissement* (SNI) holding company, chaired by financier **Hassan Bouhemou**.

Along with other close royal friends, Majidi moved out of frontline activity after the Arab Spring. He and his team are back now, largely recruited from graduates of the *Collège Royal*, set up by the King's father to educate the princes and a few selected students. Another graduate, **Fouad Ali el Himma**, has returned as an advisor. In 2008, encouraged by the Palace, he created the *Parti authenticité et modernité*, which lost to the PJD and is now trying to remake itself without Himma. The PAM's new head is **Mustapha Bakkoury**, President of Morocco's Agency for Solar Energy since 2009. The Palace chose him to give the PAM a new image untainted by suggestions of influence-peddling. Himma won't wield the power he enjoyed pre-PAM, when he was de facto Interior Minister, but will be closely watched.

Protests over local grievances, as in the long-neglected town of Taza, threaten to explode into violence but are not seen as a threat to the regime. The *Hizb el Istiqlal* (Independence Party) has stayed in government beside the dominant PJD and pushes a liberal economic agenda through Finance Minister **Nizar Baraka**. Yet like the coalition's junior partners – the ex-communist *Parti du progrès et du socialisme* (PPS) and the Berber *Mouvance Populaire* – *Istiqlal* feels ignored. Its traditional leaders hope to retain their dominance at the party conference on 29 June-1 July, when a new leader will be picked to replace former Premier **Abbas el Fassi**. The old guard favours **Abdelouahed el Fassi**, grandson of party founder **Allal el Fassi**, while modernisers would prefer a reformer like the President of the Chamber of Representatives, **Karim Ghellab**. Also internally split is the old leftist *Union socialiste des forces populaires*: its electoral performance has dipped, and its leadership is bickering. With enemies like these, Benkirane can keep smiling. ●

CHAD

New financiers, new disputes

After falling out with the World Bank, President Déby wants to boost his political popularity with cheap fuel but China is arguing over the bill

President Idriss Déby Itno is using his country's significant oil resources to work in his favour and it seems to be paying off. For the first time, locally refined fuel is available, reducing reliance on imports and bringing down the retail price. Two lucrative oilfields, one operated by Esso (ExxonMobil) and the other by the China National Petroleum Corporation (CNPC), produced US\$2 billion in revenue in 2011. This is enabling the government to pursue its campaign to transform the capital, Ndjamen, from a dusty backwater into the 'showcase of Africa'.

The threat of rebellion which troubled Chad for five years has faded and the peace that has reigned since the defeat of the rebels in May 2009 has seen the old centre of the capital ripped out and replaced by an impressive *Place de la Nation* (AC Vol 50 No 10, p12). New buildings, from government offices to a maternity hospital, have sprung up and Chinese companies have signed a deal to build a new international airport, 40 kilometres from the capital, and a railway connecting eastern Chad with Nyala, South Darfur. To function, this would require an end to the war in Darfur and the rehabilitation of Sudan's inefficient railway network, neither of which is imminent.

SUPERFICIAL FACELIFTS

Chad has so far escaped the chaos experienced in neighbouring countries following the collapse of Colonel Moammar el Gadaffi's regime in Libya. But the region is unstable. Mali's Tuareg rebellion could well spread into Niger. Boko Haram is active across the Nigerian border. Sudan and South Sudan are on the brink of war. President Déby needs to take care lest discontent spreads to his own people. Many investors, including the World Bank, dismiss cheap fuel and the Ndjamen makeover as a superficial use of the new oil wealth, advising that the money should be invested in longer-term development priorities such as health care and education. Déby, however, has shorter-term priorities and Chad's facelift could turn out to be skin deep.

In May 2011, President Déby won a fourth presidential term, with 83% of the vote (AC Vol 52 No 9, p12). The opposition boycotted the election and many civil society activists dismissed it as a farce. Yet there has been little popular protest of the kind that arose when Déby changed

the constitution in 2006 to allow him to run for a third term, one of the rebels' main grievances. In the mid-2000s, media photographs from Chad showed skinny, young, Khartoum-backed fighters racing across the desert from the east in pickup trucks laden with grenade launchers to launch lightning strikes against the capital. In April 2006 and February 2008, rebels came within an ace of toppling Déby.

At the same time, Chad was locked in an increasingly bitter battle with the World Bank over how to spend and invest the vast sums flowing from the Doba oil project. The Bank's Chad-Cameroon pipeline project, an old project revived in 2003, was at the time one of the biggest infrastructure operations in Africa. The Bank lent \$140 million to build a \$3.5 bn., 1,070 km. export pipeline from the Kome (Doba) oilfield in southern Chad to Kribi on the Cameroonian coast. Chad signed up to the Bank's terms for the loan, which provided that the government would get 12.5% of the revenue and spend 80% of that sum on development projects, in health, education and social services, with another slice of the money to be set aside for future generations. This was presented as a flagship deal, which would prevent the 'oil curse' of money squandered on unsustainable consumption.

Déby had other ideas. One of his regime's first actions was to spend \$25 mn. on re-arming the military. By 2006, the President felt confident enough to overturn the original terms of the loan. Civil society groups kept insisting that the oil-producing regions, and the country as a whole, saw little or no development. There were complaints that the petrol price was not subsidised, as in Nigeria. A huge sports stadium built with Esso money in the small town of Doba became known as a white elephant. By 2008, Chad had repaid the outstanding loans and sent the World Bank, with its vision of long-term sustainable development, packing.

Déby's room for manoeuvre was constantly eroded by rebellion, backed by Sudan's President Omer Hassan Ahmed el Beshir, in retaliation for Déby's assistance to the Darfur rebels of the Justice and Equality Movement (JEM), whose rear bases were in Chad. A plethora of rebel groups tried to unseat Déby. In February 2008 the *Union des Forces pour la Démocratie et le Développement* (UFDD) reached the gates of the Palais Rose in the

capital, but government forces with French help stopped them at the last minute after they apparently began to squabble about who would lead the final push.

The rebellions cost hundreds of millions of dollars in damage and hundreds of deaths. In 2008 alone, Déby was believed to have re-directed at least \$600 mn. of oil revenues to buy new weapons, including re-conditioned Sukhoi fighter jets from Ukraine, tanks, and Mig-24 attack helicopters which were used to devastating effect in the east in May 2009. The rebels tasted defeat, and the turning-point came in 2010 with a sudden rapprochement between Chad and Sudan – no doubt influenced by President Omer's need to focus on the growing storm in South Sudan. Chad's relations with Esso settled into a period of relative calm.

NEW OIL REFINERY AT DJERMAYA

Anecdotes indicate that policy-making is often arbitrary, but new investors have been attracted, including the Canadian company Griffin, which is re-conditioning some old Esso wells in the Doba region. This new-found calm coincided with the start of production in 2011 by the CNPC which, in an inventive deal, had bought several concessions in the Bongor region, including the Ronier field, which has a capacity of around 20,000 barrels per day. In return for a guarantee of a 60/40 share of profits on their investment, the CNPC built a 300-km pipeline from Ronier to Djermaya, where they have also built Chad's first oil refinery along with infrastructure projects including hundreds of kilometres of roads, a new maternity hospital, and the promised new railway and airport. It has not gone smoothly.

In January the authorities closed down the Djermaya refinery for a second time in a disagreement over profits (*Africa-Asia Confidential* Vol 5 No 4) and threw the Chinese plant director out of Chad. Diplomatic sources said the problem appears to be that, when the original contracts were signed, no sales price was set for the refined diesel, petrol and propane. Déby wanted to keep prices low to win popular support. Petrol at the pump now costs about CFA350 (70 US cents) a litre, which is considerably cheaper than in 2009 when it was about CFA560; diesel is cheaper too.

The CNPC, which had obviously hoped for a higher price, announced in January that they had lost more than \$4 mn in six months subsidising Déby's policy. The refinery has since re-opened, but the threat of another shutdown is never far away. Imports from neighbouring Cameroon and Nigeria were banned when Djermaya opened, so Chadian drivers are used to stockpiling fuel. The oil bonanza won't last long; Esso expects the Doba fields to be exhausted within 20 years. ●

TANZANIA

Lowassa plans his comeback

Although he resigned over the Richmond scandal, the former prime minister doesn't believe his career is over

Chama cha Mapinduzi's party machine is receiving its five-yearly overhaul. The governing party's elections for leadership at neighbourhood, branch, ward and district, regional and national levels are spread throughout the year, culminating in October. They also constitute the qualifying heats for the CCM's presidential nomination for the 2015 poll. All eyes are on former Prime Minister **Edward Lowassa**, who resigned in January 2008 over the Richmond-Dowans scandal (AC Vol 52 No 13, p8). Having survived one push to remove him from the party, he is well-placed to assert himself. His main rival for the nomination is **Samuel Sitta**, Minister for East African Cooperation. They portray their rivalry as one between the clean and corrupt wings of the party but that's not the issue.

There is no shortage of presidential contenders. The Minister of Works, **John Magufuli**, is respected for his capacity to master a brief and his direct approach to getting things done. Foreign Minister **Bernard Membe**'s popular profile is low, but he has a strong network and is close to the President and party Chairman, **Jakaya Kikwete**. Newly returned from her post as Assistant Secretary General of

the United Nations, **Asha-Rose Mtengeti Migiro** has the profile but her sojourn in New York weakened her party base.

Approval by the party's Central Committee and National Executive Committee is vital for the contenders. Under new rules, district leaders will account for a greater proportion of NEC delegates; previously, regional leaders decided the make-up of the NEC. So local leadership elections take on great importance. Those elected will decide who stands for national president.

CCM'S INTERNAL AUCTION

The new rules are part of Kikwete's initiative to empower the grassroots. However, instead of taking democracy to a new level, the party may be at the mercy of the highest bidder. Widespread vote-buying is expected in the internal elections. That would mirror the 2010 candidates' selection process, then also newly devolved, and the selection of the candidate for the recent Arumeru East by-election (AC Vol 53 No 9, p5). Lowassa's protégé and son-in-law, **Sioi Sumari**, won that nomination in a process marred by widespread, open vote-buying. He was nevertheless defeated in

the bitterly contested April poll. Lowassa has assiduously courted support in the party since his 2008 resignation (AC Vol 49 No 4, p9). He has also raised his public profile and is a regular guest of honour at church fund-raising events, usually with a substantial cheque to hand over. The Arumeru East by-election, however, may have proved his high water mark.

Sumari's defeat by a resurgent *Chama cha Demokrasia na Maendeleo* has caused serious ructions in the CCM and left the Arusha party in disarray. The defection to Chadema of the Arusha Region CCM Youth Wing Chairman and Lowassa-associate **James ole Millya** was the spark for hundreds of defections across the region. Chadema claims 300 defections in Lowassa's home district of Monduli alone.

The Youth Wing – *Umoja wa Vijana wa Chama cha Mapinduzi* – is an important power base for Lowassa. National Chairman **Benno Malisa** is a Lowassa-loyalist but both have political roots in the Arusha party and are suffering from the recriminations over the by-election defeat, as well as the defections. One of CCM's wildest political operators, Lowassa is one of its most divisive figures too and a lightning rod for Sitta's anti-corruption campaigns.

Ever since the late 1980s, despite the predicted electoral defeats and major splits, the leadership has held the CCM together by prioritising unity and emphasising the importance of holding power. With Chadema's challenge growing stronger and the internal divisions showing no signs of healing, the party may decide that Lowassa is a dangerous choice. ●

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POINTERS

Burundi

KILLING ON THE QUIET

■ The Interior Minister, **Edouard Nduwimana**, ordered Human Rights Watch to cancel a news conference in Bujumbura on 2 May at which the campaigning organisation had planned to release a report on political violence in Burundi. The official reason was that HRW had not asked for authorisation. The real reason was that the report documents the rise in political killings between late 2010 and late 2011.

Most victims are opposition activists, killed by agents of the *Service national de renseignement* and members of the ruling *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (AC Vol 52 No 22, p10). CNDD-FDD members are also killed by armed opposition groups, especially the *Forces nationales de libération* (FNL). Most of the dead were killed because of their political views; others were just in the wrong place at the wrong time. Neither side seems prepared to break the cycle of violence.

HRW claims that agents of the SNR (aka the *Sûreté*) threaten former FNL activists with death if they do not join the ruling party. The report, which ventures no overall numbers, describes in detail one such murder, of a former FNL officer, **Audace Vianney Habonarugira**, in July 2011. A massacre at Gatumba two months later, for which the government blamed the FNL, left 37 deaths, a toll not seen since the 1990s, at the height of Burundi's troubles. The report says that when police or other state agents seem to be involved, the government or the judicial authorities block investigations. Most victims have been from the FNL, with state agents also targeting members of other opposition parties, such as the *Front pour la démocratie au Burundi* and **Alexis Sinduhije's** *Mouvement pour la solidarité et la démocratie*. Burundi's Western partners have said little about the litany of murder.

Mali

NO GO SANOGO

■ The Islamist burning of the shrine of **Sidi Mahmoud Ben Amar** in the ancient city of Timbuktu last week has compounded the national trauma of March's military coup and the loss of much of the north to jihadist fighters and Tuareg separatists. The arson attack followed an uprising by the paratroop Presidential Guard of ousted President **Amadou Toumani Touré** on 30 April-1 May. This was duly crushed by Captain **Amadou Sanogo**, leader of the military junta which has stepped aside but not out of view (AC Vol 53 No 8, p9). Although stability is not totally restored,

temperatures in Bamako have fallen and troops have arrested suspect officers.

Sanogo had furiously rejected the decision by the Economic Community of West African States on 26 April to extend the term of interim President **Dioncounda Traoré** to a year and deploy an intervention force of 3,000 soldiers. He insisted no foreign troops would be admitted. Ecowas mollified him by assuring him the troops would enter only by consent and anyway, they hadn't got the money for it yet.

At talks on 4 May in Ouagadougou between a delegation from the junta, the *Comité national pour le redressement de la démocratie et la restauration de l'état*, and the Ecowas mediator, **Burkina Faso's** President **Blaise Compaoré**, a joint communiqué promised further discussion. Back in Bamako, the putschists still hold the whip hand and control state radio and television. Prime Minister Sheikh **Modibo Diarra's** ministers have relaunched the day-to-day work of government – setting pricing policy for crops and fertiliser for the new agricultural season – but the soldiers are still in charge of the political scene. Sanogo remains under domestic pressure to reach an agreement with Ecowas that will result in a credible government that can adopt a strategy on the northern crisis.

Reports of abuses and brutal *Sharia* punishments in rebel-held areas and the threat to Timbuktu's religious sites, some 700 years old, stir public anger in Bamako and the south. The military is more intent on arresting its own officers than dealing with the Tuareg revolt. The vocal group of elected politicians in the north, the *Collectif des élus du nord*, is calling on Ecowas to intervene and deal with the rebellion.

Guinea Bissau

MORE TIME FOR THE JUNTA

■ The Economic Community of West African States has given the confused military junta twelve months to ease itself from power. However, the United Nations is holding out for an immediate end to its rule. The self-styled Military Command seriously underestimated the hostility with which civil society, business people and the international community would greet its seizure of power on 12 April. After two summits, Ecowas wants a new interim administration, leading to elections. Analysts say that **Angola** is most anxious to see an end to the coup and member countries still harbour grudges against Luanda over its support for **Laurent Gbagbo** in last year's **Ivorian** crisis.

Ecowas's position differs from those of the UN, the Lusophone countries in the *Comunidade dos Países de Língua Portuguesa* or the European Union. Critics say it effectively rewards the putschists. Ecowas replies that restoring civilian rule straight away could result in civil war. The junta has accepted an Ecowas

military force, composed among others of **Senegalese** troops, to replace the Angolan Support Mission for Military Reform which so irked the coup leaders (AC Vol 53 No 9, p8). Critics warned of the possible dangers of a Senegalese military presence because Dakar has for long pursued its own interests in Guinea Bissau. However, the money for the mission hadn't yet been found.

Much depends on the attitude of the junta-nominated interim head of state, **Manuel Serifo Nhamadjo**. The dissident from the formerly governing *Partido Africano da Independência da Guiné e Cabo Verde* turned the offer down since he had not been consulted. The PAIGC, which controls Parliament, does not want to compromise and is aiming for the *status quo ante*. The situation was highly volatile as AC went to press, with the PAIGC boycotting a session of parliament convened by Nhamadjo, Acting Parliamentary Speaker, to vote a new interim state president.

Somaliland

UNRECOGNISABLE

■ The Hong Kong oil company PetroTrans now looks unlikely to invest in the key port of Berbera after negotiators pressed too hard for formal recognition of Somaliland, we hear. **China's** recognition would have been hugely important to Hargeisa but the government seems to have overplayed its hand. 'They were pushing for recognition and we could not move forward,' **Philip Hirschler**, a legal representative for PetroTrans, told *Africa Confidential*.

Last August, PetroTrans and Somaliland signed an outline agreement to build a liquefied natural gas plant at Berbera and modernise the port with container and bulk cargo facilities. Now, however, after PetroTrans announced in February that it was building the LNG plant in **Djibouti** instead, the other work on the port looks unlikely. Foreign Minister **Mohamed Abdullahi Omar** is calling for new investors saying only, 'We haven't been able to reach a final agreement with PetroTrans.'

Both sides claim the deal is still on the table but it is in fact all but dead. PetroTrans said in February it could not get insurance for the LNG facility. **Somalia** is no-man's-land in the insurance industry and Somaliland is technically part of it. PetroTrans signed four petroleum exploration and production-sharing agreements with **Ethiopia's** Mines Ministry last July to explore Blocks 3, 4, 11, 12, 15, 16, 17 and 20 in the Calub and Hilala gas fields in the eastern Ogaden region. There is limited port infrastructure in the area and PetroTrans would have to use either Berbera or **Djibouti**.

The news is highly disappointing to Somaliland, which desperately needs to develop the Berbera corridor and attract trade from Ethiopia and beyond – **South Sudan's** oil has been mentioned – to develop the economy.

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BLUE LINES

New battle lines are being drawn in the campaign against grand corruption in Africa's mining and oil industries. Two scandals involving losses to the state treasury of billions of dollars in Nigeria and Congo-Kinshasa are testing the limits of people's tolerance of revenue and assets theft. These issues are on the agenda because of information technology, forensic accounting and the insistent lobbying of anti-corruption groups. The Kinshasa and Abuja governments are feeling the heat in different ways.

Nigerians protested in January against the removal of the fuel subsidy by President Goodluck Jonathan's government, forcing him to backpedal. The National Assembly launched a probe into the illicit beneficiaries of the subsidy. Unless Jonathan's government acts decisively against those accused of complicity in the thefts, activists threaten to return to the streets and trades unionists are ready to strike.

This week, Professor Willy Vangu from Congo's opposition *Union pour la Démocratie et le Progrès Social* told British MPs how his country had lost over US\$5 billion of assets in deliberately under-priced mining deals by British-based businessmen using shell companies registered in Crown dependencies. It made no sense for those companies to benefit from such deals while UK taxpayers were financing a \$790 million aid programme to Congo, Vangu said. His calls have already energised some MPs to press the World Bank to take more seriously its strictures against grand corruption in Congo's mining industry.

SOUTH AFRICA

The leadership race opens up

The contest for the presidential nomination is stirring up a lot of mud, and harming the governing party and the entire country

The battle for succession in the African National Congress is getting nastier as its outcome looks more uncertain. Supporters of the main protagonists fight their battles, firstly within the ANC structures, then in the security services, the courts and the state broadcasting service. For months, the main contest was between national President **Jacob Zuma**, who seeks re-election as ANC President, and the party's Deputy President, **Kgalema Motlanthe**. Now, the field is opening up, with Human Settlements Minister **Tokyo Sexwale** and business tycoon **Cyril Ramaphosa** emerging as serious contenders. Even long-term backers of Zuma now concede that he might not be able to finish a second presidency but argue that he is needed to steer the party through the next few troubled years.

ANC traditionalists abhor such personality contests in the party and the contenders remain coy about their plans. The leadership contest doesn't formally start until October and will be decided at the party's elective conference in December at Mangaung (formerly Bloemfontein), capital of Free State. Of the three challengers, the gentlemanly Motlanthe looks the most committed; Sexwale and Ramaphosa could still strike a deal with the Zuma camp which could, on paper, leave them as heirs apparent in five years' time.

Aside from the personality element, the ANC leadership race is about control of provincial branches, the security services and the party's National Executive Committee (NEC). Hostility, from differing quarters, has been growing against Zuma: from nationalist 'tenderpreneurs' such as

sacked ANC Youth League (ANCYL) leader **Julius Malema** to national trades union leader **Zwelinzima Vavi** (see Box). All the challengers are struggling to cut into Zuma's support in the provinces. Nothing is set in stone yet. Sexwale's strategists say their candidate is positioning himself in case the cautious Motlanthe withdraws his candidacy at the last minute. Others say that Sexwale doesn't want to confront the wily Zuma head on, but wants to put down a marker now.

RAMAPHOSA URGED TO STAND

Supporters of Ramaphosa are urging the former ANC General Secretary to stake his claim now, believing the climate will have completely changed in five years. On 19 May, at a symposium for the late **Walter Sisulu**, **Derek Hanekom**, the Deputy Minister for Science and Technology and NEC member, called on Ramaphosa to run, arguing that the party needed leaders of his 'calibre'. The party faithful remember that Ramaphosa was former President **Nelson Mandela's** original choice as successor in 1999 but he was outmanoeuvred by **Thabo Mbeki**.

At the same symposium, Ramaphosa said the ANC 'needs leaders who are selfless, courageous, patient and humble'. He stayed silent about a possible challenge to Zuma. Ramaphosa chairs the ANC's National Disciplinary Committee of Appeal, which confirmed the expulsion of ANCYL President Malema. We hear that Zuma has been wooing Ramaphosa to run alongside him for the ANC deputy presidency. Ramaphosa would be presented as the business-friendly candidate and 'natural successor'. That could prove a winning ticket at home and abroad

SOUTH AFRICA	2	ZIMBABWE	3	S. SUDAN/SUDAN	4	SUDAN	5	NIGERIA	6
Police and thieves		Muscling out Mugabe		Sanctions threat drives talks		Rockets and meetings		ALGERIA	7
Jacob Zuma's allies are trying to arrange the state security and financial apparatus to protect him from future prosecution.		Politics in general as well as the race to succeed Mugabe are deepening in complexity and rancour.		Juba scrambles to regain the diplomatic initiative ahead of a new round of talks on oil and security with Khartoum.		Khartoum blames Israel for bombing Port Sudan again while the opposition gets on with some planning.		UGANDA	8
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but Ramaphosa risks becoming a prisoner of the Zuma system.

Moreover, Zuma's political weight shouldn't be underestimated. His campaign won a boost on 13 May when the ANC in KwaZulu-Natal Province threw its weight behind Zuma's re-election bid. Yet the Province's ANC leader, **Zweli Mkhize**, whom some suspect of secretly supporting Sexwale, said that although KZN was now

publicly backing Zuma, 'anything may change' at the Mangaung conference.

Some ANC provincial premiers, such as Gauteng's **David Makhura**, questioned the KZN ANC's announcement; Zuma and ANC General Secretary **Gwede Mantashe** had banned ANC members and provinces from publicly campaigning until October. Opponents of Zuma's second-term bid accuse him of manipulating party rules and state institutions.

Journalists at the SA Broadcasting Corporation say they are under pressure to expose corruption and wrongdoing by Zuma's opponents to boost his record. The Zuma camp is to propose that new senior television and radio appointments will be vetted by the intelligence agencies, which have themselves been purged.

Malema still hopes to affect the outcome at Mangaung by backing Zuma's foes. ANCYL Spokesman **Floyd**

Shivambu, sacked along with his close ally Malema, forecasts that Zuma will lose the leadership. They have been galvanising ANCYL structures to support them across the provinces, which are the basis of their political muscle.

Malema and the League outraged Zuma by appearing at an ANC rally in Limpopo, calling for Zuma to stand down and for Motlanthe to replace him. Thousands of ANCYL supporters wore T-shirts sporting the General Secretary's face and reading 'Motlanthe for President'. Motlanthe, who was present, unconvincingly told his supporters that T-shirts promoting one candidate were not in the 'spirit' of the ANC. Deputy General Secretary **Thandi Modise** came out in support of the League. Limpopo Premier **Cassel Mathale** is one of Malema's most powerful allies and has tilted the provincial government against Zuma.

Zuma and Motlanthe now talk to each other only at ANC events, where they have to appear cordial. Motlanthe's strategists believe the Zuma camp is trying to leak dirt and dent his rival's image. Some reports have emerged claiming that Motlanthe's partner, **Gugu Mtshali**, used her ANC and government connections to secure sanctions-busting deals in **Iran**. Motlanthe's camp said these allegations were 'fabricated' by Zuma's campaigners. At a press conference, Motlanthe invited the police, prosecuting authorities and the Public Protector to investigate the claims – in contrast to Zuma's aggressive response to any claims of wrongdoing.

As for Malema, Zuma is happy to have him tied up in appeals and court battles to lift his suspension, sidelining him as a force in the party. Zuma also wants the ANCYL's pro- and anti-Malema factions to battle it out over how to respond to Malema's suspension and to bar ANC leaders such as **Mathews Phosa** and Motlanthe from supporting Malema at public rallies.

Public Protector **Thuli Madonsela** last year instructed the Limpopo government to stop contracts awarded to On Point Engineering, a company linked to Malema, while she investigated the contracts it had won. Malema's family trust, Ratanang, is a shareholder in On Point, which received big contracts from Limpopo. Leaked documents also showed that Sexwale's company, Mvelaphanda Holdings, allegedly paid R100,000 to Ratanang Trust in 2010. Zuma's people claim they have evidence of other cash payments from Sexwale to Malema.

In this very personal fight between two former allies, Zuma may be older and wiser but Malema and his network are showing surprising resilience. Most remarkable is how seriously party heavyweights such as Sexwale and Motlanthe seem to take the Malema factor. Several tough months of party in-fighting lie ahead. ●

POLICE AND THIEVES

President **Jacob Zuma**'s allies are trying to arrange the state security and financial apparatus to protect him from future prosecution. They also want security officials to pursue his many political opponents with vigour. Pro-Zuma securocrats hold the key positions. The former Director of Police Crime Intelligence, **Richard Mdluli**, was suspended last year after being arrested on murder and fraud charges. He was accused of murdering a love rival and using police funds for himself. Yet we hear intervention 'from the highest reaches of government' secured his reinstatement.

The National Prosecuting Authority (NPA) Commercial Crimes Prosecutor, **Glynnis Breytenbach**, who headed the fraud and corruption case against Lieutenant General Mdluli, has been suspended. She claims this is because she refused to stop the investigation into Mdluli. We hear the plan is now to appoint Mdluli as National Police Commissioner to replace **Bheki Cele**, a former Zuma ally who fell out with the President and is under investigation for corruption. Senior police commanders have rebelled against making Mdluli National Commissioner. Mdluli sent a letter to Zuma, Police Minister **Nkosinathi Mthethwa** and the Acting Commissioner, Lt. Gen. **Nhlanhla Mkhwanazi**, complaining that senior police officers who oppose his appointment were 'conspiring' against him because he was seen to be a 'Zuma man'. The letter named as conspirators the suspended Commissioner Cele, the head of Crime Detection, Lt. Gen. **Godfrey Lebeya**, and the head of the Hawks investigative unit, Lt. Gen. **Anwa Dramat**.

Mdluli last year 'exposed' a plot by former allies of Zuma, including Human Settlements (Housing) Minister **Tokyo Sexwale** and KwaZulu-Natal African National Congress leader **Zweli Mkhize**, to depose Zuma as ANC President. Some ANC activists hope to use the Mdluli controversy to thwart Zuma's ANC presidential bid. Zuma's opponents have helped instigate such a public outcry that Mthethwa, Zuma's key ally, announced on 9 May that Mdluli would be moved from Crime Intelligence to a position in the office of the Deputy National Police Commissioner for Operations, Lt. Gen. **Sehlahle Fannie Masemola**. Sexwale's aides say he plans to sue Mdluli: the idea is to get him into court for cross-examination, so that details of his association with Zuma emerge.

He has worked hard to employ the intelligence and security services in the succession battle. On 1 April, the Congress of South African Trade Unions (Cosatu) informed the police that three laptop computers had been stolen from its senior officials; in all the cases, locked windows had been forced open without the thieves breaking glass or setting off alarms. The laptops carried 'sensitive' documents, including the minutes of a recent meeting of senior officials of all Cosatu's affiliates which discussed whether to support Zuma for re-election. A Cosatu group led by its President, **S'dumo Dlamini**, was in favour of Zuma; the antis were led by General Secretary **Zwelinzima Vavi**. Cosatu has not yet made up its mind on the succession.

Official sources say that the Minister of Cooperative Governance and Traditional Affairs, **Richard Baloyi**, has been asked by the presidency to appoint **Booker Nhantsi** as legal advisor. Nhantsi is the husband of acting NPA head **Nomgcobo Jiba**: both are close Zuma allies. Nhantsi was convicted of stealing a client's trust fund money in 2005. He was sentenced to 5 years in gaol, two of which were suspended for five years. ●

ZIMBABWE

Muscling out Mugabe

Politics in general as well as the race to succeed Mugabe are deepening in complexity and rancour

Politics are fast becoming a heady mix of military muscle-flexing, metaphysics and Machiavellianism, especially the politicking of those who would succeed President **Robert Mugabe**. The President's visible ageing is both a strength and a weakness: his experience and continuing sharp intelligence indicate ongoing protection by the ancestral spirits and caution against direct challenges. Yet his occasional public stumbles and frequent disappearances to **Singapore** for medical treatment give the lie to the assertion by some sycophants that he will not die but will metamorphose into a lion spirit – like the Kaguvi and Nehanda spirit mediums who mobilised the first resistance to **British** colonialists in the 1890s. The pretenders are growing bolder in putting down their markers, all the same.

The first to break cover was **Emmerson Mnangagwa**, who followed up his denial that he would ever challenge Mugabe with an admission a week later that he was ready to rule if the party and people chose him. Mnangagwa has long been the focus of one of the factions which have riven the Zimbabwe African National Union-Patriotic Front, the other major one being that of Vice-President **Joice Mujuru**. There are at least another three in ZANU-PF. Rather than ideology, they are driven by local loyalties, family ties, past and expected obligations, plus antagonism. Within each group there are sub-factions and sub-sub-factions which extend down to grassroots level and are also fluid. Probably the only person to rival Mugabe in his ability to read the resulting kaleidoscope was the late General **Solomon Mujuru**, whose death last year remains a mystery (AC Vol 52 No 17, p6). Robbed of his skills, his widow Joice has lost ground as the party restructuring exercise which precedes elections gets under way, with elections to the District Coordinating Committees.

An extraordinary Politburo on 16 May considered a damning report on party structures by Commissar **Webster Shamu**, the Information Minister. Shamu, a street-savvy operator who is reputed to lean towards the Mnangagwa camp, was given two weeks to investigate and re-run disputed DCC elections. Mujuru is said to have attacked Mnangagwa (who luckily had already left the session) 'like a tiger' for disrespecting the ZANU-PF hierarchy (he ranks only 12th) and for campaigning

against her in the Mashonaland Central DCCs. Neither **Nicholas Goche** (reputedly close to the Mugabes) nor Youth and Indigenisation Minister **Saviour Kasukuwere**, both sub-faction powers, rallied to her side despite being united in their opposition to Governor **Martin Dinha**. In the 2008 polls, the province was one of the most violent and the Mujurus said their own supporters were as much victims as those of the Movement for Democratic Change (MDC).

Factionalism is intense in Manicaland, where activists occupied ZANU-PF offices to protest against vote-buying, rigged ballots and the imposition of candidates on the DCCs (AC Vol 53 No 9, p4). Similar problems in 2008 cost the party all but six of the province's 26 parliamentary seats in a major breakthrough for **Morgan Tsvangirai's** MDC-T. Disillusioned ZANU-PF cadres are believed now to be drifting towards MDC-T. At April's ZANU-PF Provincial Coordinating Committee, up to 40 senior securocrats, including four generals, an air vice-marshal and a deputy police commissioner general, demanded representation on the election campaign committees. Many have in their own sights the ZANU-PF nominations for both its and MDC-T seats, which will be the function of the party's primary elections. These could prove even more fractious but will not embroil the wider community until the national polls.

BOOSTING DIDYMUS MUTASA

ZANU-PF's godfather in diamond-rich Manicaland is the 77-year-old **Didymus Mutasa**, a bumbling figure who leans towards Mujuru more out of pique than political commitment. As a sop to his ego, the Praesidium (Mugabe, National Chairman **Simon Khaya Moyo** and Vice-Presidents Mujuru and **John Nkomo**) has expanded to include him as Secretary of Administration. The party's provincial chairman, **Mike Madiro**, and Governor **Christopher Mushowe** are also at odds.

There are similarities in Masvingo, where the MDC-T broke through to gain a narrow majority in 2008. Several military men are angling for ZANU-PF nominations, but only civilians are in contention so far. The police have had to fire warning shots at some rowdy party meetings and rescue the provincial godfather, **Stan Mudenge**, who along with Governor **Josiah Hungwe** backs Mnangagwa and is opposed

by provincial Chairman **Dzikamai Mavhaire**, a Mujuru-man and long-time Mugabe critic. After the activities of 'war veterans' leader **Jabulani Sibanda** were ruled divisive, he was bundled out of the province to pursue his agenda elsewhere, pitching up in Mashonaland West.

ZANU-PF failed to get a majority in Matebeleland, which has its own special interests which rule its factions out of the running for the top post. Nonetheless, including urban Bulawayo, there is forceful competition for second prize between Vice-President **John Nkomo**, **Simon Khaya Moyo** (National Chairman) and **Obert Mpofu**, the extremely wealthy Mines Minister. Mpofu has just added the Zimbabwe Allied Banking Group to his portfolio. Although he was once in the Mujuru camp, he now leans towards Mnangagwa but has a record of mobility.

Factional disputes rack the remaining four rural provinces. There, ZANU-PF retained its plurality in 2008, so some party discipline exists. However, in the Gokwe district of Mnangagwa's home province, Midlands, his loyalists have objected to military attempts to direct DCC elections. Significantly, the Zimbabwe Defence Forces (ZDF) Chief of Staff, Major Gen. **Martin Chedondo**, chose Mashonaland East (a Mujuru stronghold, where there is bad blood between Governor **Aeneas Chigwedere** and godfather **Sidney Sekeremayi**) to make his recent call for the army to be involved in politics on behalf of ZANU-PF. In Mashonaland West (Mugabe's home province), a major split is complicated by a vendetta involving Mugabe, who has blocked a bid for the chair by **Phillip Chiyangwa**, a flamboyant tycoon and Mnangagwa backer.

Harare Metropolitan Province stays overwhelmingly MDC-T despite the activities of the shadowy, violent Chipango youth group. Probably aligned to Minister Kasukuwere, it operates to its own agenda. He is still in the Mujuru-camp, still, as ZANU-PF's youngest minister, with a godmother's protection. The other leg of his 'Generation 40' faction, which benefits from his indigenisation programme, is drawn from across the party.

The ZDF Commander General, Gen. **Constantine Chiwenga**, is also said to have presidential ambitions and basks in being styled 'Zim 2'. The two generals who in the WikiLeaks saga claimed he was a political general are believed to languish on their farms pending a military trial (AC Vol 52 No 23, p3). It is also rumoured that Mnangagwa's strategist, **Jonathan Moyo**, Zimbabwe's Vicar of Bray, is cosying up to the military. One general fear is that not only will the security forces again be unleashed to win any election but that they will dominate the ZANU-PF parliamentary caucus. Perhaps Mnangagwa's declaration was a pre-emptive defensive strike. ●

SOUTH SUDAN/SUDAN

Sanctions threat drives talks

Juba scrambles to regain the diplomatic initiative ahead of a new round of talks on oil and security with Khartoum

Economic and diplomatic pressures will probably push the governments of Juba and Khartoum back to negotiations on oil and border issues before the end of May. This follows the United Nations Security Council Resolution 2046 of 2 May, which sets a three-month deadline on the talks and threatens sanctions against those judged to be obstructing progress.

Crafted by the African Union Peace and Security Council, which held a joint meeting by video link with the UNSC in April, it reflects concern that South Sudan and Sudan are on the brink of a new all-out war or a worsening militia war, with both sides supporting insurgents on the other side of the (undefined) border. Neither side looks ready to compromise much. Negotiations will be complicated by the widening political and military opposition to the National Congress Party (NCP) regime in Sudan and the deepening economic crisis in both countries.

Fresh talks and the UN Resolution may allow the Government of the Republic of South Sudan (GRSS) to regain some diplomatic high ground. It rapidly agreed to the Resolution. Citing evidence from international agencies, it accused Khartoum of continuing to bomb Southern towns and villages. It pulled its 700 police out of Abyei, leaving Khartoum's troops there and provoking a crisis for busy relief agencies who demanded UN protection.

Yet before it celebrates its first year of Independence, South Sudan faces a crippling economic crisis. Its four-month-old, self-imposed economic austerity programme has sent food and fuel prices rocketing. Commodity shortages are worsening. The South Sudan pound is in free fall as the Bank of South Sudan has drastically cut its supply of dollars. Beyond Juba, darker clouds are gathering. As the six-month rainy season begins, most transport in South Sudan will shut down and Khartoum is operating a 'shoot-to-kill' policy against people transporting goods into the South. The UN World Food Programme estimates that over half of South Sudanese need food aid.

The trigger for economic freefall was Juba's January decision to shut down oil production (AC Vol 53 No 3, p1). This prompted former foreign friends to accuse the government of economic suicide. A week after closing the oil taps, President **Salva Kiir Mayardit** held a private meeting with **Marcelo Giugale**, the

World Bank's Director of Economic Policy and Poverty Reduction Programmes for Africa. He bluntly told the President that the Bank had 'never witnessed a situation as dramatic as the one faced by South Sudan.' Giugale said it faced a collapse of gross domestic product, a massive depreciation of the currency, an exponential rise in inflation and depletion of foreign reserves. All this would mean a steep rise in poverty and child mortality. Even with severe austerity measures – he estimated a 26% cutback – Juba's foreign reserves would run out by July 2012.

Giugale was forecasting the breakdown of the South Sudanese state. A day later, he told Western diplomats that neither Salva Kiir nor his ministers of Finance, Commerce and Presidential Affairs seemed to foresee the catastrophic effects of the oil shutdown. Juba's argument that it had fought a war against the north for several decades without the benefit of oil revenue convinced none of the diplomats or bank officials. Instead, the government's refusal to reverse the oil shutdown lost it diplomatic support when it was already facing intense pressure from Khartoum and from an increasingly critical AU mediation team. This, combined with Juba's seizure of Heglig and Salva Kiir's public repudiation of UN Secretary General **Ban Ki-moon's** order to pull out of the oil town, weakened the South's diplomatic standing.

JUBA'S 'AID' FOR KHARTOUM

Southern ministers insist that their decision to shut down the oil had been thrust upon them. Last November, their team negotiating with Khartoum had accepted a costly deal with a regime that it had fought for two decades. The International Monetary Fund calculated that secession would cost Khartoum US\$7.7 billion in lost earnings. Under pressure, Juba had agreed to pay Khartoum \$2.6 bn. 'It was an unprecedented decision. You must understand that this is the single biggest transfer of aid from one African state to another,' explained the Information Minister and GRSS Spokesman, **Barnaba Marial Benjamin Bil**.

Yet, say GRSS officials, Khartoum then diverted oil from the pipeline and seized two ships carrying oil worth some \$1.8 bn. The rising hostility between Khartoum and Juba also coincided with AU mediator **Thabo Mbeki's** assessment

report to the UNSC, in which he accused Juba of backing anti-Khartoum rebels. Mbeki was pressuring Juba to repudiate all relations with its former troops across the border in South Kordofan and Blue Nile states (over 45,000 soldiers of the Sudan People's Liberation Army-North who are fighting for political change in the rest of Sudan under the banner of the Sudan Revolutionary Front, SRF). Meanwhile, Khartoum continued air raids on South Sudan with little or no criticism from the AU or anyone else outside the Sudans.

Relations between Juba and Mbeki's African Union High-Level Implementation Panel on Sudan worsened accordingly. At an earlier closed-door UNSC session, Mbeki had claimed that Juba was the main obstacle to peace. Even sceptical diplomats found that charge 'astonishing'.

Mbeki's difficulties with Juba seem rooted in history and ideology. Drawing parallels with the African National Congress's negotiating strategy with the apartheid regime, Mbeki had always opposed Southern separatism. His relations with Khartoum were strengthened while he was in power and some in Juba claim that **South African** officials flew to Khartoum on President **Omer Hassan Ahmed el Beshir's** private jet. Sudanese oppositionists also see Mbeki as too close to Khartoum. Perceptions of bias, added to the lack of progress on border delineation, the status of Abyei, South Kordofan and Blue Nile, and of Southerners in the North raise the odds against successful negotiations. Fear of sanctions might prove some incentive for Khartoum, which has consistently blocked agreement.

Juba will have to negotiate while it tries to resolve its own failures of governance. During the six-year Comprehensive Peace Agreement (CPA) interim period, it complained about Khartoum's refusal to submit full oil accounts. Yet a growing culture of corruption within the governing Sudan People's Liberation Movement (SPLM) undermined its moral case. Last November, Auditor General **Steven Kiliona Wondu** submitted his audit for the 2005/06 financial year. It was a sobering account of blatant mismanagement and loss of oil revenue. It accused senior officials of siphoning off millions of dollars into **Swiss** bank accounts. Yet no officials have been charged.

The ethnic matrix in South Sudan's politics makes it hard for Lieutenant General Salva to sack let alone prosecute corrupt officials. Juba has also been slow to appoint a credible foreign affairs team to match Khartoum's strategic operators on the international stage. Former SPLM foreign representatives says this explains many of Juba's diplomatic failings.

The UN Resolution could still help Juba. Importantly, it recommends that the Inter-Governmental Authority on Development

(IGAD) work alongside Mbeki's mediation team. The GRSS believes this would make the mediators more sympathetic to its cause; Khartoum strongly opposes it.

IGAD, now under the chairmanship of **Ethiopian Premier Meles Zenawi**, has had long close relations with the SPLM and sees Khartoum weakening as it fails to tackle its mounting internal problems (AC Vol 53 No 9, p1). Ethiopia has a

pressing reason for a settlement: lack of oil from Sudan is fast driving up inflation in Addis Ababa, to over 40%. IGAD's involvement could help to tip the balance back to Juba. **Kenya** and **Uganda**, both allies, are founding members of IGAD and have been busy talking to each other and Ethiopia about the Sudans.

Sudan insists it has a right to keep its troops in Abyei and that it will return to

talks only if the 'security issue' is tackled first. This is code for Juba stopping support for the SPLM-N and other opposition groups in the SRF. Juba could win that particular diplomatic battle. Its support for the SRF is much harder to prove than Khartoum's airlifting of supplies to its proxy militias in South Sudan and its bombing of the South. ●

SUDAN

Rockets and meetings

Khartoum blames Israel for bombing Port Sudan again while the opposition gets on with some planning

The airstrike that killed the driver of a four-by-four vehicle in a Port Sudan suburb just before 8 a.m. on 22 May added to the pressure on the ruling National Congress Party regime while reminding the world of its Islamist credentials. Foreign Minister **Ali Ahmed Kurti** immediately pointed to **Israel**, as the NCP had in a similar strike in April 2011 (AC Vol 52 No 8, p12). At least two other attacks by unidentified helicopter gunships have destroyed vehicles in the area in the past year. The NCP has not forgotten that its attempts to cover up the first such attack, on an arms convoy in January 2009, was seen as an admission that it was taking materiel via **Egypt** to the *Harakat al Muqawama al Islamiya* (Hamas), which rules Gaza.

The precision of the strike, which destroyed the Toyota Prado but left buildings and other traffic unscathed, pointed to an Israeli operation, the **United States** being politically less likely. The driver, **Nasir Awad Ahmed Saeed** aka **Newaiseer**, was an elder of the Ababda tribe, a property tycoon and, say sources in the area, 'a well known arms dealer and weapons smuggler'.

While an NCP under pressure seeks allies of convenience from **China** to **South Africa**, it has not abandoned its Islamist friends. Trips to and from **Iran** have intensified (NCP trusty **Mustafa Osman Ismail** met President **Mahmoud Ahmadinejad** on 22 May) and **Hizbollah** has moved its headquarters from a besieged **Syria** to Khartoum. Incoming Hamas officials are whisked straight out of Khartoum Airport via the security exit, without customs or immigration procedures, recounted one witness.

Hamas is not the only recipient of the covert shipments. Opposition activists worry that Sudan, whose ruling Islamist party sprang from Egypt's after World War II, is arming its allies to the north. 'If Egypt falls to the Islamists, that's going to

be an earthquake that will reverberate in the world for the rest of the 21st century,' a Sudanese opposition leader commented.

The opposition also fears an Islamist victory in Egypt would save a crumbling NCP which has been facing growing military resistance on the ground. This week, the opposition Sudan Revolutionary Front beat back another attempt by the Sudan Armed Forces to take Torogi in South Kordofan. The SAF have still to capture the SRF 'capital', Kauda, where the regime has been threatening 'to say its prayers' for over a month.

CIVILIAN INTIFADAH

Meanwhile, a high-level meeting on 3 May, partly in London and partly via Skype, brought together SRF leaders, including Chairman **Malik Agar Eyre**, Secretary General **Yasir Saeed Arman Saeed**, National Umma Party Co-Deputy President **Nasr el Din el Hadi el Mahdi**, **El Tom Haju** of the Democratic Unionist Party (DUP) and **Ali el Haj Mohamed**, backer of the Justice and Equality Movement and former National Islamic Front (now NCP) minister. They formally agreed to combine armed struggle with a civilian *Intifadah* (uprising).

Although its President, **El Sadig Sadeeg el Mahdi**, still calls for dialogue with the regime and opposes armed struggle, the Umma Party has not mentioned the SRF meeting or the role of Nasr el Din, El Sadig's cousin. Signs of change within the Umma have continued (AC Vol 51 No 21, p9): El Sadig's man as Secretary General, General **Sideeg Mohamed Ismail**, was ousted last month amid accusations that he was pushing the party into the NCP's arms and replaced by **Ibrahim el Amin**.

This week, El Sadig was in Cairo speaking against the regime, something he rarely does at home. Unprecedented challenges have hit the DUP, too: delegations of elders from its *Khatmiyya* sect have been asking **Maulana Mohamed**

Osman el Mirghani to pull his ministers out of the government.

Overseas, the Sudan People's Liberation Movement-North is looking to **France** after this month's presidential victory by **François Hollande** of the *Parti Socialiste*. Paris has already called for relief aid to civilians in Blue Nile and Kordofan (blocked by Khartoum). The PS told the SPLM-N last year that if it came to power, it would implement a tougher policy on Khartoum, we hear. This might include a more forceful approach to the International Criminal Court (ICC) indictment of President **Omer Hassan Ahmed el Beshir**, which **Britain** and **France** promoted but have done little to back in practice.

Khartoum's diplomats were much in evidence at a Royal Commonwealth Society meeting on the ICC in London on 18 May, where its champion **David Hoile** again criticised the Court, along with British analyst **Paul Moorcraft**. The new **Malawian** President, **Joyce Banda**, has refused to invite Lieutenant Gen. Omer for July's AU summit in Lilongwe. Interestingly, the NCP vehemently attacks the ICC as 'political' but not on the grounds that Omer might be innocent of genocide and other charges.

The AU remains hostile to the ICC indictment of Omer el Beshir. This position has not helped **Thabo Mbeki's** AU High-Level Implementation Panel on Sudan to persuade South Sudanese officials (see South Sudan Feature) or Sudan oppositionists.

'Mbeki has lost his neutrality,' the Juba government's chief negotiator with the NCP, **Pa'gan Amum Okiech**, told *Africa Confidential* on 1 May, during a European visit, quietly accompanied by the Foreign Minister, Lt. Gen. **Nhial Deng Nhial**. Mbeki 'seems to be bent on trying to protect Beshir as an African head of state who is being interrogated by the West,' said Pa'gan, who is Secretary General of the governing Sudan People's Liberation Movement and the former Comprehensive Peace Agreement Implementation Minister. Mbeki had backed Khartoum's position on Abyei, he added, and instead of condemning the regime for 'stealing' South Sudan's oil had proposed that Juba 'give Sudan one-third of its oil'. ●

NIGERIA

Fuel fraud fans public anger

Jonathan has to choose between penalising his friends and the final collapse of his government's credibility over the fuel subsidy racket

The belated announcement by President **Goodluck Jonathan** on 22 May that he wants the Economic and Financial Crimes Commission to act on the US\$6.8 billion fuel subsidy fraud has failed to dispel the furore over spiralling state corruption (AC Vol 53 No 9, p12). Opposition politicians and civil activists are furious that Petroleum Minister **Diezani Alison-Madueke**, whose department is implicated in the National Assembly's report on the fraud, is to oversee the EFCC investigation. Several representatives and senators on both sides of the Assembly have called for Alison-Madueke, a close presidential ally, to be sacked.

Jonathan faces a double crisis over the subsidy. In January, his government said it could not afford it and would end it. After mass protests, he backed down, promising to maintain half of the subsidy. Finance Minister **Ngozi Okonjo-Iweala**, a strong advocate of ending the subsidy, had to amend the budget until negotiations could be concluded over its future. We hear the government has already spent those extra funds and cannot sustain the subsidy beyond the end of June without more unbudgeted spending.

On 23 April, the House of Representatives Ad Hoc Committee on Fuel Subsidy Management released a 209-page report detailing massive corruption in a subsidised petrol import scheme. Inaction would damage the reformist credentials of Jonathan and key officials, including Okonjo-Iweala, recently a candidate for the World Bank presidency, and the Central Bank of Nigeria Governor, **Sanusi Lamido Aminu Sanusi**. He called for the fraudsters to be prosecuted.

Civil society groups and trades unions threaten more protests and strikes unless the government takes convincing action. Opposition political parties and Jonathan's rivals within the governing People's Democratic Party (PDP) see another opportunity to weaken the President. Their prime targets are Alison-Madueke and the directors of the Nigerian National Petroleum Corporation (NNPC).

Rooted in Jonathan's home region in the Niger Delta, the oil industry is run by some of his closest allies. The subsidy frauds spread throughout the political elite. Many senior politicians do not want to end corruption, claim the anti-corruption activists: they just want their turn. The report unveiled a

web of corruption, although it failed to accuse specific individuals in the state bureaucracy and at the head of the fuel trading companies. Nigerians watched the Committee's proceedings on television and drew their own conclusions as officials faced cross-examination. The report found that Nigeria had paid 900% more in fuel subsidy last year than it had budgeted for, handing out billions of dollars to companies with no capacity to import fuel or to firms that sold the subsidised petrol on to neighbouring countries.

Jonathan says he has confidence in his ministers and dismisses talk of a reshuffle. If he implements the report's recommendations, he will be breaking up the team he picked to run the country. Much of the fraud took place under the noses of security agents and politicians he has worked with for decades. Some of the firms criticised have politicians as stakeholders, including the Aviation Minister, Princess **Stella Oduah-Ogimwonyi**, who was Treasurer for Jonathan's re-election campaign. She denies all wrongdoing. Oil and fuel oligarchs helped to fund the PDP election campaign in early 2011 – when subsidy pay outs peaked.

Mid-level officials may be sacked and importers banned, rather than government regulators. The fuel regulator has suspended **Swiss**-based Nimex Petroleum for failing to produce documents. The House of Representatives, which opposed the subsidy removal, held a live televised debate. Its report uncovered a catalogue of fraud involving oil retailers closely related to Politically Exposed Persons (PEPs) and the NNPC. Even by Nigerian standards, the scale of theft was surprising, as was the fact that an official body uncovered it.

A major oil exporter, Nigeria imports over 90% of the refined products it needs. This is because its refineries, with a theoretical capacity of 455,000 barrels per day, barely function. That suits the importers. The report says that 15 product-marketers collected \$300 million in fraudulent subsidies two years ago and walked away. Another 100 companies collected the same amount without importing any fuel. The then Accountant General, **Ibrahim Dankwambo**, now Governor of Gombe State, approved 128 subsidy payments of 999 mn. naira (US\$6.27 mn.) on 12-13 January 2009. Then, just 36 companies were registered as importers with the state oil companies.

The fuel marketers are fighting back, accusing their political enemies and competitors of smear campaigns. Huge advertisements in major newspapers protest their innocence but none has gone to court yet. Long rows of zeroes confuse and distress increasingly impoverished citizens. The figure of N1.3 trillion spent on the subsidy in 2011 infuriated the public six months ago and now they enraged to learn that the real figure was N2.59 trn.

The turmoil began in October 2011, when the President told the National Assembly that the petrol subsidy would be removed by 2012. Citizens would pay the full price, as the state could no longer afford the astronomical cost, which was eating up funds allocated to improve power stations, roads and railways. The next month, the Senate invited top officials – Okonjo-Iweala, Alison-Madueke and Sanusi – to explain the gap between the estimated and actual costs of the fuel subsidy. Then came Jonathan's 2012 budget proposal. Some N1bn. was allocated for presidential catering but the budget required Nigerians to endure the pain of subsidy removal. Almost a quarter of the budget went to national security, which is not publicly monitored and another tempting target for fraudsters.

Okonjo-Iweala assured a public debate in December that subsidies would not be removed until April 2012. On 1 January, Jonathan announced their full removal. Petrol shot up from N65 to N141 per gallon. The protests that paralysed the economy cost more than N2 trn. Shaken, the government began investigating the mismanagement and corruption that, Nigerians suspected, were the real reasons behind the increase in subsidy spending.

Ministries, agencies and oil industry directors enlivened the debate that followed with counter-accusations, denials, shock revelations, back stories and differing sets of data that revealed sleaze, impunity and incompetence. Over a trillion naira seemed to have vanished with no fuel delivered. The Ad Hoc Committee report does something to clear that up. Accused of fraud and mismanagement, the NNPC implausibly claims that the report was 'doctored to embarrass' it.

The Finance Ministry has sacked two top accounting firms. Rent-a-crowd merchants mobilise youths in Abuja and Port Harcourt, where their banners bear the Petroleum Minister's portrait and a mishmash of messages. The stakes are shifting from damage control to full-out offensive. 'Let me also remind you that we are fighting against entrenched interests whose infectious greed has decimated our people,' said the Speaker of the House of Representatives, **Aminu Waziri Tambuwal**. 'Therefore be mindful that they will fight back and they do fight dirty.' ●

ALGERIA

Bouncing the Spring

The Islamist electoral challenge petered out but a low turnout and spoiled ballots dented the credibility of the polls

The *Alliance d'Algérie verte* (Green Alliance) of 'moderate Islamist' parties was severely disappointed by its poor showing in the 10 May elections. The parties had not been alone in believing they could emulate their Muslim Brotherhood-inspired cousins, the *Parti de la justice et du développement* in neighbouring Morocco (AC Vol 53 No 6, p9) and *Hizb Ennahda* in Tunisia, by forming a government. In the event, however, they took only 47 of the 462 seats in the *Assemblée populaire nationale*, the same number as *Bouguerra Soltani's* *Mouvement de la société pour la paix*, the biggest party in the Alliance, had polled in the previous elections. The 2007 result was just enough to qualify the MSP (in Arabic, *Harakat Mujtamaa as Silm* or *Hamas*) for seats and it looks as though Soltani will not be able to improve on the government package he was offered last time (AC Vol 52 No 25, p7).

Soltani stands accused of grandstanding in the run-up to the elections but nobody was impressed: neither the electorate, most of which abstained or spoiled ballot papers, nor, more importantly, the generals. In the run-up to polling, there were signs that a much bigger Alliance vote would be sanctioned, even encouraged, by the shadowy power-brokers – aka '*le pouvoir*' – so as to demonstrate that political change was in the air. Senior generals stepped in to veto any such move, we hear.

Despite being in supposed disarray, the *Front de libération nationale* (FLN) had its biggest win in years, taking 220 seats and thus reviving the political ambitions of the former single ruling party's embattled Secretary General, **Abdelaziz Belkhadem**. The next biggest winner was Prime Minister **Ahmed Ouyahia's** *Rassemblement national démocratique* (RND), with 70 seats. This was a lacklustre showing for a man with presidential ambitions and a possible sign he is losing the confidence of the military-security cabal which has backed him for so long.

The FLN dominates the government and may provide a prime minister to replace the ubiquitous Ouyahia, who has had the job for the last five years – as well as in 1995-1998 and 2003-2006. Voters will have another chance to influence the balance of parties when local elections are held. Scheduled for June, they will probably be postponed till November.

The power-brokers' eyes are fixed

on the presidency. President **Abdelaziz Bouteflika's** health is poor and a presidential election before 2014 cannot be ruled out. Just before electors went to the polls, a visibly ageing Boutef remarked at the commemoration of the massacre of Algerian protesters by French troops in Sétif in 1945: 'We are tired... my generation has had its day.' Responding to party militants' calls for him to stand again, he replied, 'Long life to he who knows his limits.'

Ouyahia has long had his eyes on the main prize but he is unpopular in his native Kabylia, as well as other parts of the country. Even his own brother, **Liâfa Ouyahia** (who founded his own *Parti national libre*, which failed to win a seat) told one interviewer that '[Ahmed] Ouyahia's management has failed to an unimaginable extent'. Belkhadem emerged considerably strengthened from the elections, leading to speculation that he could be back in the reckoning for the presidency, although he faces a difficult internal vote for the party leadership first.

BELKHADEM AND FIS

Belkhadem leads the FLN's conservative Arab-Islamist wing. He was recently attacked for allowing amnestied members of the banned *Front islamique du salut* (FIS) to stand on FLN electoral lists and for more generally 'Islamising' the party. Among the Islamist candidates flying an FLN banner was **Asma Benkada**, former wife of the Egyptian, Qatari-based, celebrity preacher **Yusuf al Qaradawi**. She was ranked fourth in the party list in Algiers. Also on the FLN Algiers list was **Mohammed Larbi Ould Khelifa**, who heads the Supreme Council of the Arabic Language, the body in charge of national Arabisation. Belkhadem celebrated his victory with a pilgrimage to Mecca. So Algeria may have got an Islamist after all, wags commented – albeit a regime version. Belkhadem declared himself willing to form a coalition with Islamist parties.

This is not what Soltani and his Green Alliance allies in *Harakat Ennahda* and *El Islah* had expected: they had already drawn up plans for government. Nor did any of the other parties do well, Islamist or otherwise, that were created and authorised in the run-up to the elections. One prominent Islamist who has chosen to work within the framework of the regime, **Abdelmajid Menasara** of the *Front du*

ALGERIA'S PARLIAMENTARY ELECTION, 10 MAY 2012: OFFICIAL RESULTS

Number of voters	9,178,056
Participation rate	42.6%
Spoilt ballot papers	1,668,507
Total number of seats	462
of which: won by women	145
seats needed for an absolute majority	232

MAJOR PARTIES	Number of seats
Front de libération nationale (FLN)	220
Rassemblement national démocratique (RND)	68
Alliance d'Algérie verte –	
MSP, Ennahda and Islah	48
Front des forces socialistes (FFS)	21
Parti des travailleurs (PT)	20
Indépendants (FLN dissidents)	19
Le Front national algérien (FNA)	9
Parti de la justice et du développement (PJD)	7
Mouvement populaire algérien (MPA)	6
El Fadjr El Djadid	5

OTHER PARTIES

Four seats each:

Front du changement (FC),
Parti national pour la solidarité et le développement (PNSD),
Rassemblement algérien (RA).

Three seats each:

Front national pour la justice sociale (FNJS),
Ahd 54,
Union des forces démocratiques et sociales (UFDS),
Alliance nationale républicaine (ANR).

Two seats each:

Front Al Moustaqbel,
Rassemblement national républicain (RNR),
Parti Ennour El Djazairi,
Mouvement des citoyens libres (MCL)

One seat each:

Mouvement national de l'espérance (MNE),
Parti du renouveau Algérien (PRA),
Mouvement Infitah,
Front national du changement (FNC),
Parti El karama,
Front national démocratique (FND),
Front national des indépendants pour la concorde (FNIC).

Changement (FC), complained that the new National Assembly was 'a military parliament', thanks to army manipulation of the elections.

Anecdotal evidence suggests that the official 42.6% turnout (up from 37% in the 2007 polls) was vastly inflated. Few voters could be seen entering polling stations in major cities and FIS sources have claimed massive support for their boycott. Most striking were the 1.7 million spoilt ballots, more than the triumphant FLN polled. Menasara said soldiers and police had been told to vote either FLN or RND – a common view. If the establishment parties got out the 'payroll vote', the opposition, much of which lacks credibility, probably polled around its real electoral weight. 'The irony for the Green Alliance is that they probably polled their real vote, which isn't much,' said one Algerian political scientist.

Also disappointed was the oldest and arguably most credible opposition party, the *Front des forces socialistes*, whose historic leader, **Hocine Aït Ahmed**, remains in exile but whose new leader, **Ali Laskri**, led the Kabyle-based party's first election campaign after two decades of boycott. It won only 21 seats.

Many parties cried foul and some

estimate the true turnout at only 12-15%. All the same, the regime had invited international observers who saw little to object to. 'The elections took place in a fundamentally peaceful manner,' said the European Union's observer mission chief, **José Ignacio Salafranca Sánchez-**

Neyra, adding that accusations of fraud were 'not accompanied by proof.' Foreign governments were quick to congratulate Boutef on Algeria's success in hosting elections and the **United States** Secretary of State, **Hillary Clinton**, applauded the increase in the number of women in

Parliament, up from 30 to 145. If there was a foul, as many Algerians believe, the referees didn't blow their whistles. Algeria will continue on its political path until the popular unrest that is visible daily around the country gains enough momentum to challenge the ageing power elite. ●

UGANDA

Wars of the succession

Parliament becomes an arena for the increasingly tense contest for the presidential succession

A third leadership hopeful, Speaker of Parliament **Rebecca Kadaga**, has joined Prime Minister **John Patrick Amama Mbabazi**, the governing National Resistance Movement Secretary General, and the Justice Minister, Major General (Retired) **Kahinda Otafiire** (AC Vol 51 No 18). Because the NRM's dominance of Parliament is so total, the fight for the party leadership is effectively the fight for the presidential succession in 2016, should President **Yoweri Kaguta Museveni** not stand (AC Vol 53 No 5, p1).

Maj. Gen. (Rtd) **Jim Muhwezi**, a former Minister of Health and one time Internal Security Organisation chief, is in Otafiire's camp and the two have led the battle in the party against Mbabazi. They have a two-pronged strategy. In public, they fan allegations that he is personally corrupt, so as to try and get him to give up his dual role. Meanwhile, in NRM meetings, as in April, they push to have him drop one of his portfolios. That would deal a severe blow to his profile and his credibility as a possible successor to Museveni, thus opening up the field.

Until late last year, Mbabazi had to contend only with a threat from within the party but now that Kadaga is also ranged against him, a new front has opened up in Parliament. She was a neutral figure until October, when a group of young NRM members of parliament gathered signatures to petition for a recall to debate allegations of corruption by oil companies. At first, it looked as though Kadaga would help the presidency avoid embarrassment by refusing to order the recall. One day before she did, she was still on the fence, we hear. Then she received a telephone call from Museveni's long-serving political assistant at State House, **Moses Byaruhanga**, asking her not to. She says that at first she believed the call reflected Museveni's wishes but later learned that it was in fact instigated by Mbabazi, according to a Kampala source.

Kadaga reacted angrily, MPs close to the politicking told *Africa Confidential*. She

interpreted Mbabazi's bid to halt the recall as a ruse to discredit her before the House and perhaps even lead to her censure as Speaker. She decided to recall Parliament and thus boosted the campaign against Mbabazi, who leads government business there. Her decision was uncomfortable for a government already under pressure from street protests and anger about inflation.

It also brought a rare alliance between opposition MPs, such as the Forum for Democratic Change's **Abdu Katuntu**, and a rebellious NRM clique intent since 2006 on unseating Mbabazi as NRM leader. The group includes independent MP **Gerald Karuhanga**, who made the running in the ensuing debate with his claims that Foreign Minister **Sam Kahamba Kutesa** had taken bribes from oil companies, claims which **British** police later declared forgeries (AC Vol 52 No 21, p8).

THE GLOVES ARE OFF

By recalling Parliament, Kadaga had signalled that the gloves were coming off. She used the Speaker's chair to lambast Mbabazi, which made her a darling of both the opposition minority and the NRM faction opposing him. At one point, she revealed that she had come under pressure to gag some NRM MPs. Her credibility and reputation also grew when Kampala hosted the Inter-Parliamentary Union Conference. As head of the Conference, government and opposition MPs alike thanked her for her stance. In May, Mbabazi's wife, **Jacqueline Susan Mbabazi**, visited Kamuli District in eastern Uganda for a university graduation ceremony. She runs Luwero Industries, the arms-manufacturing business of the Uganda People's Defence Forces and was met by protesters campaigning for Kadaga, the highest-ranking eastern politician.

Kadaga's sensitivity to the visit shows the intensity of the competition between her and Mbabazi. In a letter about the incident, Foreign Affairs State Minister **Asuman Kiyingi** wrote, 'I was informed that the day before the event, Kadaga had

personally moved around in some trading centres...and given out money, T-shirts and posters, urging *boda-boda* [motorcycle taxi] riders to demonstrate against the Prime Minister.' Kadaga apparently said the visit was a disguised attempt by Mbabazi to operate in her constituency.

While Kadaga's position strengthens and with it her credibility as a possible presidential successor, Mbabazi's does not. *The Daily Monitor* and its sister newspaper, *The East African*, claimed separately that the President was investigating his veteran ally over financial matters. The issue, if there is one, hinges on the Prime Minister's alleged activities as a shareholder in the private National Bank of Commerce (Uganda). The NBCU's shareholders include allies of Mbabazi – the Information and Communications Technology Minister, **Ruhakana Rugunda**, and the (central) Bank of Uganda Governor, **Emmanuel Tumusiime-Mutebile**. One newspaper reported that the Police Inspector General, Lieutenant Gen. **Edward Kalekezi Kayihura** had interrogated Mbabazi, which he denied. **Kale Kayihura** is Mbabazi's junior in both the party and the defence and security establishment. The suggestion that Mbabazi had been grilled for hours, even if untrue, was damaging; he later tweeted on his personal account that he had had enough of the newspaper attacks. He has declared his intention to sue for libel and wants a front-page apology and US\$2.5 million in damages.

Kadaga came top of an opinion poll asking respondents who they would vote for if Museveni and his historic main challenger, Colonel (**Warren**) **Kizza Besigye**, were not running. The President's wife, **Janet Museveni**, came second, with former Vice-President **Gilbert Bukenya** third. He was a rival of Mbabazi's until he fell from grace and was briefly gaoled (AC Vol 52 No 12, p3). Mbabazi came fourth, tying with far lesser names.

The 2016 election may be a long way off but the succession battles in progress suggest the political issues will change little. Civil society groups are pushing to restore term limits and Anglican and Catholic church leaders are urging Museveni not to run again. In response, the President has declared that the party will decide the issue. However, he may be waiting for the rivals to fight themselves to exhaustion far too early, leaving him with 'no choice' but to lead the party into the elections again. ●

CONGO-KINSHASA

Rwanda looms larger in Kivu

The fighting in North Kivu looks set to trigger the eclipse of Bosco Ntaganda and puts pressure on Kigali

The fighting between Congo-Kinshasa's army and its former comrades in the *Tutsi Congrès national pour la défense du peuple* is growing more intense and more complex. Protesting at their loss of privileges, the rebels, under General **Jean-Bosco Ntaganda**, who is wanted in the Hague for war crimes, deserted the *Forces armées de la République démocratique du Congo* (FARDC), into which the CNDP had been integrated in March 2009. However, the revolt now seems to be as much about resisting an attempt by Kinshasa to disrupt CNDP networks in the restive Kivu provinces, a process of which Ntaganda may find himself a casualty. There are also suspicions that **Rwanda** may be aiding its old CNDP allies.

Former CNDP soldiers began to mutiny in early April when Ntaganda started to fear that after the conviction of **Thomas Lubanga Dyilo** for war crimes by the International Criminal Court, he might be next (AC Vol 53 No 9, p9). Ntaganda fled with loyal soldiers to Masisi, the CNDP's traditional heartland, but seemed to be losing ground as defections slowed in mid-April. On 27-29 April, the FARDC forced him out of the area. After that, though, Kinshasa lost ground when another wave of desertions from the FARDC benefitted Ntaganda; they took place in Rutshuru territory near where the Congolese, Rwandan and **Ugandan** borders meet.

The most significant recent event was the formation on 6 May of the *Mouvement du 23 mars* (M23) by the *Armée nationale congolaise*, the former military wing of the CNDP. The name refers to the 23 March 2009 signing of peace agreements that put an end to the CNDP's 2008 insurrection under Gen. **Laurent Nkunda** and saw it absorbed into the FARDC. M23 rebels have complained that those agreements have not been adhered to and that ex-CNDP fighters have been mistreated in the army. Those claims are largely unfounded. The real reason for M23 forming, most analysts agree, is twofold: to protect CNDP dominance in the Kivus from Kinshasa, and from Ntaganda's notoriety. If he goes down, they don't want to go down with him. M23 is led by Colonel **Sultani Makenga**, who defected from the FARDC on 4 May (AC Vol 51 No 2, p6).

Ntaganda is at the heart of what is happening in North Kivu, yet his mutiny has run out of steam and sources believe he is isolated in Virunga National Park.

M23, often through its Spokesman, Col. **Vianney Kazarana**, has sought to distance itself from Ntaganda's mutiny, speaking only about the March 2009 accords. Makenga is no friend of Ntaganda's. He was a committed supporter of Nkunda and, we hear, was deeply unimpressed when Ntaganda replaced Nkunda (who is under house arrest in Rwanda) as CNDP leader and signed the 2009 agreement with Kinshasa.

DEFECTORS WITH BULLETS

Ntaganda is now dangerously isolated, analysts in Goma say, chiefly by the M23 developments. He left Goma in early April with only a handful of troops and arms – some say as few as 80 men – and sought reinforcements in Masisi, then retreated to his farm at Mushaki for a few weeks. Defections and declarations of army loyalty were exchanged but no shots fired. Late last month, he received a fillip when a handful of important officers defected to Ntaganda, including ex-CNDP Lieutenant Col. **Innocent Zimurinda** and Col. **Baudouin Ngaruye**. The FARDC had believed Ngaruye loyal and so gave him a truckload of ammunition and US\$45,000. However, he then drove off to join Ntaganda's mutiny in Masisi instead, money and bullets in tow.

The army's assault on the CNDP rebels began in earnest on 27 April, when it attacked the mutineers' positions in Masisi. Ntaganda and his allies fled towards Virunga Park, as the military took over key locations, including Mushaki, Kitchanga and Bwiza. The next weekend, Makenga's M23 appeared on the scene.

If Ntaganda was inspired to mutiny by the fear of his own arrest, for M23 it was the threat of their privileges being hit that saw them take to the bush. Some 1,000 troops were to be redeployed from North Kivu to Kananga in Kasai-Occidental Province on 23 April. They would have no privileges in their new posting and they had long ruled the Kivus as their own fiefdom, with individuals profiting handsomely from an illicit trade in minerals and other rackets.

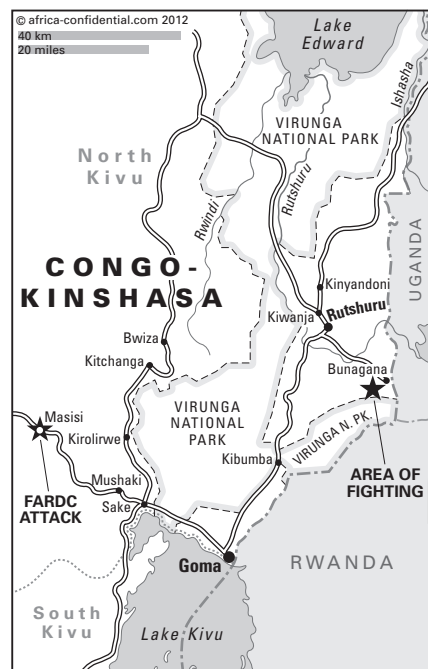
During the night of 7-8 May, a group of rebels emerged from the bush at Kibumba, some 30 kilometres north of Goma on the Rwandan border, sending thousands of villagers fleeing. It is still unclear how many fighters were present but military sources say that they were led by Ngaruye and Zimurinda and were

probably without Ntaganda. The FARDC confronted the rebels at Kibumba, who then headed north, along the border, towards Makenga's position in Rutshuru. The latest reports say that Zimurinda and Ngaruye have been with M23 since then, although there are reports that Ngaruye has been killed.

Since then, there has been sporadic but intense fighting around the strategic town of Bunagana, on the border with **Uganda**. The rebels have taken Runyonyi, a hill on the nearby Rwandan border, and are managing to hold on to Chanzu, the site of the CNDP's training camp during the 2008 rebellion. Estimates of their numbers vary greatly; some say up to 1,000 but recent FARDC attacks have taken their toll and most experts assume they currently number around 300 fighters at best.

Control of Bunagana was central to the CNDP's success in 2008 and because of that, FARDC units led by the most important ex-CNDP officer to remain loyal to Kinshasa, Col. **Innocent Ghazizi**, have heavily fortified it. Gen. **Vainqueur Mayala Vichana** and Col. **Philémon Yav** also oversee operations. A temporary base for the *Mission des Nations Unies pour la stabilisation du Congo* (Monusco) has been established in Bunagana to boost civilian protection, although thousands of people have fled to Uganda to escape the conflict. Congolese attack helicopters fired on rebel positions near Runyonyi on 12 May and aircraft engines and loud explosions were heard on 17 May. Mortar fire is regularly heard in the hills around Bunagana.

While it is not yet absolutely clear whether Ntaganda is with the M23 fighters around Runyonyi, most sources in North Kivu assume he is not and that they have abandoned him. He is believed to be in Virunga with only a handful of



troops. If the leadership of the CNDP goes to Makenga, a gap between them and Ntaganda opens up. They are doubtless aware that they would be unable to negotiate privileges or concessions with the FARDC with Ntaganda still in charge.

Removing the main international target, Ntaganda, also suits Rwanda, Congo-Kinshasa's powerful neighbour. The CNDP, whether as a rebel group or a key thread in the patchwork army since 2009, is a defender of Rwandan Tutsi interests and a bulwark against threats from the Hutu *Forces démocratiques de libération du Rwanda*. Kigali is happy with a strong CNDP and, we hear, content to drop Ntaganda because his notoriety has made

him a liability. Rwanda has been active behind the scenes, sources say, quietly seeking to protect the CNDP privileges secured in 2009 without seeming openly to support an insurrection against an ostensible ally. Congolese officers privately accuse Rwanda of supplying the rebels and some suspect that the M23 fighters were able to move north from Kibumba towards Rutshuru on the Rwandan side of the border with official consent.

Whether or not this is true, Rwanda might well like to see a negotiated solution that preserved the CNDP parallel chain of command in the Kivus. Congo-Kinshasa President **Joseph Kabila** is eager not to upset Rwanda or to jeopardise the fragile

peace that has existed between the two countries since 2009. Yet he cannot allow the rebels to dictate terms.

The CNDP won disproportionate privileges at the 2009 negotiations because Kinshasa had failed to defeat them. President Kabila is keen to avoid more of the same. Other FARDC officers have long resented the CNDP's power in the army and bowing to M23 now would sow the seeds of further internal conflict. If the army were to crush the rebellion, establishing direct government control of the region for the first time since 1998, it might unite the country but could spark serious conflict between Kinshasa and Kigali. ●

CONGO-KINSHASA

A government of few talents

Kabila's new economic programme sets high targets but sceptics doubt the new cabinet can see it through

The new government of Prime Minister **Augustin Matata Ponyo Mapon** has presented a five-year plan promising double-digit economic growth. That would make Congo-Kinshasa a middle-income country by 2030. The plan covers institutional reform, the consolidation of macroeconomic stability, new jobs, new infrastructure, less poverty and an increase in capacity-building in all sectors of the economy. It recognises that improving governance is a major challenge. The locomotive of the strategy is meant to be Chinese-style 'special economic zones', with Katanga focusing on adding value to minerals, while Bas-Congo produces aluminium instead of bauxite and oil refineries are constructed. No one has explained how an aluminium smelter can be built when only last February BHP Billiton abandoned its own plans for one.

The main hindrance to Katanga's mining industry is electricity supply. Even if the proposal to develop the Grand Inga Dam goes ahead, power will not be available before the end of the five-year plan. Other powerful ambitions for the plan include multiplying crude oil output eightfold by 2016 and trebling tax revenue. Gross domestic product is expected to grow by 15% a year by 2016. If scepticism were not already rife about the plans, doubts surround the capabilities of many new government members.

Matata Ponyo Mapon becomes Prime Minister. He has now recovered from the injuries he sustained in February's air-crash in Bukavu that killed President **Joseph Kabila Kabange's** key advisor and treasurer, **Augustin Katumba**

Mwanke (AC Vol 53 No 4, p3). The choice of ministers, announced on 28 April, seems to be designed to cement alliances and entrench Kabila. Matata hails from Maniema Province, as does Kabila's mother, **Sifa Mahanya**. He is also a member of the President's *Parti du peuple pour la reconstruction et la démocratie* (PPRD), which takes nine posts. Three posts go to Kabila's allies in the *Mouvement social pour le renouveau* (MSR), led by **Pierre Lumbi Okongo**, the President's Special Advisor on Security, and two to the *Parti lumumbiste unifié* (PALU), led by outgoing Premier **Adolphe Muzito**.

Matata Ponyo has a fairly good reputation with donors. He used to specialise in monetary and budget policy at the Central Bank of Congo and became Finance Minister in February 2010. In 2003-10 he was Director of the Central Coordination Office, widely known as the 'central corruption office'. His image as technocrat is tarnished by his association with Katumba. No Finance Minister has been appointed, suggesting that he intends to keep that portfolio. One of his intimates, **Patrice Kitebi Kibol Mvul**, becomes a junior Finance Minister. Still more popular with donors is **Olivier Kamitatu Etsu** but he lost his job as Planning Minister.

Eight members of Muzito's outgoing team remain. They are **Lambert Mende Omalanga** from Kasai-Oriental, Minister for Media, Relations with Parliament and Citizenship. **Fridolin Kasweshi Musoka** of Katanga remains at Town-planning, Infrastructure, Housing, Public Works and Reconstruction. **Martin Kabwelulu Labilo**, a PALU member from Katanga,

stays at Mines. Foreign Affairs, International Cooperation and *Francophonie* go to **Raymond Tshibanda N'Tungamulongo**, the former Cooperation Minister: he is a Muluba from Kasai-Oriental who worked for the United Nations High Commissioner for Refugees and served under President **Mobutu Sese Seko**. **Maker Mwangi Famba** from Kasai-Occidental keeps Education. Transport and Communications go to **Justin Kalumba Mwana Ngongo** and the Interior to **Richard Muyej Mageze**, a Lunda from Katanga, who has been associated with Belgian entrepreneur **George Forrest**.

PALU members did well. Apart from Kabwelulu, **Daniel Mukoko Samba**, an economist and international bureaucrat from Bas-Congo, becomes Vice-Premier and Budget Minister. The other Vice-Premier, **Alexandre Luba Ntambo**, a Luba from Katanga, is Defence and Veterans Minister but seems to have no particular qualification, being a pharmacist who formerly worked for the state mining company *Gécamines*. Former Reuters correspondent **Triphon Kin Kiey** Mulumba, publisher of the weekly *Le Soft International*, is Minister of Post, Telecommunications, New Information Technology and Communications. **Bruno Kapanji Kalala** is Minister of Water and Electricity, while **Crispin Atama Tabe Mogodi**, formerly a minister in Orientale Province, gets Hydrocarbons (oil).

The spirit of Katumba Mwanke lives on through his cousin **Wivine Mumba Matipa** (Justice and Human Rights). She is the wife of former Mines Minister **Simon Tuma-Waku**, who is now Chairman of Kamoto Copper and used to be a partner of Israeli businessman **Dan Gertler**. The new Minister of the Portfolio (state assets) is **Louise Munga Mesozo** from South Kivu, a former bank official and current PPRD treasurer. **Modeste Bahati Lukwebo** from North Kivu (Employment, Labour and Social Security) could prove an awkward customer: he kept raising embarrassing questions about governance. ●

MALI

Tuaregs talk government

The MNLA and the jihadists try to form a government for 'Azawad'

While demonstrators stormed the presidential palace in Bamako and assaulted interim President **Dioncounda Traoré**, the leaders of the Tuareg revolt were hammering out a provisional government for what they hope will be a new nation, Azawad. The popular discontent with Traoré, who has the support of the Economic Community of West African States, seemed to strengthen the position of the leader of March's coup d'état, Captain **Amadou Sanogo**. Resolution of the crisis seems a distant prospect, although **Burkinabé** mediators have contacted the rebels. Meanwhile, in the northern city of Gao, the probable seat of a new northern provisional government, the nationalist *Mouvement national pour la libération de l'Azawad* (MNLA) is in tense and problematic negotiations with **Iyad ag Ghali**, his jihadist *Ansar Eddine* movement and their allies from Al Qaida in the Islamic Maghreb (AQIM).

'We all have the same objective of building an independent state of Azawad,' MNLA spokesman **Moussa ag Acharatoumane** told *Africa Confidential*. Relations between the MNLA and its Islamist bedfellows are 'good', he insists, and the eventual agreement will provide

for a secular republic in which people will retain religious freedom. Such assurances look increasingly hollow as **Ansar Eddine**, AQIM and its sub-groups promise *Sharia*, impose strict Islamic observance in the areas they control and show no sign of compromise (AC Vol 53 No 10, p12).

AQIM'S WAR CHEST

Ag Ghali's turn to militant Islamism has made him powerful allies, although he starts with a strong ethnic base. *Ansar Eddine* militants are drawn from two sub-groups of the Ifoghas tribe: the Iriyaken, a warrior caste where Ag Ghali has strong kinship ties, and the Kel Afella, whose Sheikh **Ag Aoussa** is his deputy. Ag Ghali is frequently seen with senior AQIM emirs as well. Two of the most visible members of the *Ansar* are well-known AQIM activists: **Omar Hamaha** and **Senda Ould Boumama**. AQIM's attraction for Ag Ghali is thought to be partly financial. It has amassed a war chest of an estimated US\$130 million from kidnapping, we understand, and has stockpiled weapons.

While Ag Ghali's side has supplies and cash, MNLA fighters, under a former commander of pro-Gadaffi forces in Libya, **Mohammed ag Najem**, have far

greater fighting capability and experience. The MNLA is desperate to weaken the jihadist element of the Tuareg revolt without firing any shots but still, despite claims to the contrary, has failed to lure Ag Aoussa from Ag Ghali's side (AC Vol 53 No 8, p10). The presence of foreigners from Algeria, Mauritania, Niger and Pakistan among the Islamists and AQIM's reputation for brutality bolster their claim that Azawad is better off with its traditional tribal leadership, not the austere dictates of Salafism.

AQIM is believed to be worrying about division in its ranks. Its leadership is largely Algerian and many recruits are Mauritanian. AQIM fears infiltration by Mauritanian intelligence and executed one of its supposed agents on 12 May. AQIM's Algerian leader, **Mohamed Ghadir**, known as **Abdel Hamid Abu Zeid**, has been sending new recruits to join Ag Ghali's outfits as a result.

The MNLA tells the world its problems with the Islamists are not a problem, a departure from its prior, fiercely anti-Al Qaida stance. The *Mouvement pour l'unicité et le jihad en Afrique de l'ouest* has threatened to execute seven Algerian diplomats it holds if Algiers does not agree to a prisoner swap and cash ransom. When asked if his movement intended to help to rescue them, the MNLA Spokesman professed ignorance of the ultimatum. The MNLA makes light of extremely serious divisions in the forces supporting Azawad. However, with the chaos in Bamako showing no sign of ending soon, it may believe it at least has time on its side. ●

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Zimbabwe

DEVIL OF A MESS

■ 'I detect a Satanic hand at work,' said the excommunicated Anglican Archbishop **Nolbert Kunonga**. The Zimbabwe African National Union-Patriotic Front apologist was talking about the latest pirated draft of the new constitution. It is a sentiment that **Paul Mangwana**, ZANU-PF's Co-Chairman of the Constitution Parliamentary Select Committee (Copac), would heartily concur with but for entirely different reasons. He has identified the 'devil's disciple' as Professor **Jonathan Moyo**, the hardline ZANU-PF propaganda supremo who has coordinated a remorseless campaign against constitutional change ever since the official media published the first pirated version in February (AC Vol 53 No 4, p12).

Moyo's first attack criticised provisions which were not even in the draft, such as the enshrining of gay rights. His media henchmen varied the argument from time to time, 'exposing infiltration' of Copac by the United Nations Development Programme (which had partly funded the US\$45 million exercise) and then by Western regime-change specialists.

By the time another draft was purloined and leaked again in April for further attack by the state media, public interest – and probably that of Copac members themselves – had fallen to an all-time low. The 32-page supplement in the state media and serials in the independent media have been criticised for a lack of lucidity. In vain did Mangwana point out that this was a draft, a work in progress, with the final draft becoming available only in early June, whereupon another round of public consultation could begin. The trashing resumed and the ZANU-PF Politburo voted to reject it. As a result, the party's Copac team has produced a 29-page document of proposed changes to the 32-page draft, overturning many previously agreed positions. The possibility of realising President **Robert Mugabe's** dream of polls this year seems as remote as ever.

South Africa

AN IMPORTED ALLY

■ **Joseph Stiglitz**, a United States Nobel prize-winning economist, has become an unlikely guru of the left wing of the governing African National Congress in its battle with the centrist, nationalist and populist factions. Economic Development Minister **Ebrahim Patel**, formerly a trades union leader, has appointed Stiglitz as his advisor (AC Vol 51 No 10, p4). The (mostly white) local business people and academic economists, most of them centrist, liberal or conservative, are fuming.

The fight continues in cabinet over control of economic policy. The centrists are led by Finance Minister **Pravin Gordhan** and **Trevor Manuel**, head of the National Planning Commission. The 'leftists' are led by Patel, Minister of Trade and Industry **Rob Davies** and Deputy Transport Minister **Jeremy Cronin**. The 'African nationalists' are led by **Malusi Gigaba** (Minister of Public Enterprises), **Dipuo Peters** (Energy) and **Susan Shabangu** (Mineral Resources). Patel seems to be winning; he has the ear of President **Jacob Zuma** on economic policy and is busily undermining Manuel's NPC (AC Vol 52 No 24, p10).

Patel's department will provide the secretariat for the cabinet's new Infrastructure Co-ordinating Committee. He has grabbed from the Finance Ministry the state-owned Industrial Development Corporation which, with the Development Bank of Southern Africa (still reporting to Finance), is expected to fund much of the 850 billion rand (US\$102 bn.) infrastructure spending planned for the next three years. Gigaba wants to bring all state-owned enterprises under his ministry and has already won control from the Department of Mineral Resources of the new state-owned African Exploration Mining and Finance Corporation.

Ghana

THE FOUNDER'S FURY

■ The National Democratic Congress government is reeling from a fusillade of abuse by the party's founder, ex-President **Jerry John Rawlings**, who describes the people around President **John Atta Mills** as 'traitors'. Such attacks on the integrity of Mills and his allies could cost the NDC December's presidential and parliamentary elections. A split in the NDC has looked likely since former First Lady **Nana Konadu Agyeman Rawlings** suffered a humiliating defeat when she challenged Mills last July for the leadership (AC Vol 52 No 15, p10).

The Director of Operations at Osu Castle, **Nii Lante Vanderpuye**, hit back with accusations that former President Rawlings was a traitor who had fallen out with almost all his former colleagues during his 19 years in power.

At the 20th anniversary last week of the 31st December Women's Movement led by Nana Konadu, Jerry Rawlings spoke of a 'culture of political selfishness, greed, thievery and ingratitude at the presidency.' The organisation has refused to endorse Mills and Vice-President **John Dramani Mahama**. He added that the NDC was fighting on two fronts: against itself and the main opposition New Patriotic Party. Insiders predict that the Rawlingses are preparing to leave the party on 4 June, the anniversary of the coup which brought them to power for the first time in 1979.

Others who have little sympathy for Rawlings have added their weight to

criticism of Mills's presidential style. A former Minister of Justice and Attorney General, **Martin ABK Amidu**, claims that the Castle is trying to block the head of the police Criminal Investigations Department (CID), **Prosper Agblor**, from seeking evidence needed to convict political financier **Alfred Agbesi Woyome** (AC Vol 53 No 4, p8). State prosecutors have charged Woyome with fraud in connection with a US\$35 million payment by the government for a non-existent building contract.

Amidu also claims that the government is trying to stall Woyome's High Court trial via a series of adjournments until the end of the annual legal vacation in October. Hearings have just been adjourned until 4 June to allow the CID time to prepare a new docket and complete its investigation. The last thing the government wants is for the trial – with spectacular claims of political corruption – amid what promises to be an extremely hard-fought election campaign.

Gabon/South Africa/African Union

ENTENTE ABSENTE

■ Efforts to negotiate a compromise between Gabon and South Africa over the contest for the presidency of the African Union Commission are faltering. This is unlikely to be resolved at July's AU summit in Lilongwe, and instead fresh elections will be held in January in Addis Ababa. Gabon's President **Ali Ben Bongo Ondimba** told *Africa Confidential* that his offer of a face-to-face meeting with South African President **Jacob Zuma** had been rejected. He was 'pessimistic' but 'not fatalistic' about the chances of a breakthrough. The eight AU member states meant to resolve the dispute failed to make progress in Cotonou on 14 May. Few expect it to propose anything other than fresh elections.

Jacob Zuma rejected Gabon's proposal that both candidates – **Jean Ping**, the incumbent and Libreville's candidate, and South Africa's **Nkosazana Dlamini-Zuma** – withdraw. Gabonese Foreign Minister **Emmanuel Issoze-Ngondet** told AC that his government had been willing to leave rival candidates from Southern Africa to compete for the job. The stand-off benefits Ping in the short term as he will have more time to lobby supporters. Issoze-Ngondet believes his support has built substantially since he won the votes of 32 states in January's first round. Ping needs at least 36 to pass the two-thirds mark. Issoze-Ngondet claims Ping has the support of all the Francophone states, all of North Africa and the Inter-Governmental Authority on Development states in north and east Africa – apart from **Somalia** and **Uganda**. He said **South Sudan** was wavering. **Nigeria** was still backing Ping (despite South Africa's support for Abuja's candidate for the World Bank presidency) but **Ghana** still sided with South Africa.

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BLUE LINES

A curious dissonance between the African Development Bank and the West's hyper-enthusiasm for business on the continent emerged at the Bank's Annual General Meeting in Arusha on 31 May-1 June. Leading the charge against excessive exuberance was AfDB President Donald Kaberuka, who cautioned that turmoil in the Eurozone and the 'ominous slowdown' in the larger developing economies could put a brake on Africa's recent impressive economic growth (its economies are forecast by the AfDB and World Bank to grow at around 6% on average this year).

Beyond external pressures, Africa still has to face its own socio-political and financing demons. Kaberuka warned that the return of the military in Mali and the violent partition of that country, together with the drug-fuelled instability in Guinea Bissau, mayhem in Somalia and desolation in the Sahel and the Horn could also damage the economic picture.

The AfDB insists on the distinction between headline growth statistics and economic transformation. It says much of that growth has come from a narrow range of traditional commodity exports, not from products developed through innovation and diversification. Growth hasn't translated into jobs, opportunities for the young or wider improvements in living standards. Above all, Kaberuka said, there is the need to break 'the intergenerational cycle of poverty' by ensuring that all children have access to good education. All salutary messages for the new investors in Africa.

SOUTH AFRICA

Higher taxes, less nationalisation

Instead of nationalisation, an ANC report proposes new taxes, a swarm of regulatory commissions and a new super-state mining company

An attempt to meet the political requirements and the economic self-interest of factions in the governing African National Congress has produced a plan for super-taxes on mining profits, partial nationalisation and a bigger state-owned mining company. ANC leaders tell us the plan will win broad support and counter the calls for wholesale nationalisation without compensation, which are pushed by the ANC Youth League (ANCYL) and its ousted leader, Julius Malema.

The new policies were formulated by a research team appointed in 2010, intended to transform South Africa's US\$2.5 trillion mineral wealth. Its report will be submitted to the ANC's National Policy Conference on 26-29 June in Johannesburg and to the party's National Elective Conference in Mangaung (Bloemfontein) in December. We hear that the proposals have the backing of the main contenders for the party presidency.

One contender for the ANC presidency, Tokyo Sexwale, has substantial holdings in the mining sector through his Mvelaphanda Group. Currently, he is discussing with the Kazakh-owned Eurasian National Resources Corporation a plan to buy into mining interests in Guinea. In Conakry, a negotiating team is in secret talks about financing a local mining company to be owned by the Guinean state.

Another leadership contender, Cyril Ramaphosa, has been extremely close to the mining conglomerate Anglo American. He also has extensive publishing interests and owns the South African franchise for the American hamburger chain, McDonald's.

One of the ANC report's key

recommendations, on 'State Intervention in the Minerals Sector', includes a proposal for a super-tax on mining profits. This would comprise a windfall tax or resources rent tax of 50% on superprofits (defined as a return on investment of over 22%), a 50% tax on the sale of mineral rights, a reduction in royalties from 4% to 1% and a rent share of mining rights. The proceeds, estimated at 40 billion rand (US\$4.74 bn.) a year, would be used to develop infrastructure, skills and geo-knowledge. The fund would also finance investment vehicles, including a fiscal stabilisation fund and an offshore fund to finance trade-related infrastructure.

South Africa's mining industry is in structural decline. Despite a commodities boom, its contribution to the economy shrank from R103 bn. in 1993 to R92 bn. in 2009 and from 21% of gross domestic product in the 1970s to about 6% now. Employment has dropped from around 700,000 people in the early 1990s to around 150,000 now. The report claims its proposals could create 400,000-1,000,000 jobs in two-to-five years.

The ANC and its allies in the Triple Alliance – the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP) – are deeply divided between those who want wholesale nationalisation and those who want partial nationalisation or alternatives such as tougher tax regimes for mining companies, to raise finance for development. The division is more than ideological, between the left (socialists, communists, trades unionists) and the centrists (black business people, populists, African nationalists). Each group contains factions for and against

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wholesale nationalisation. Malema and the ANCYL have failed to force President **Jacob Zuma** and the other candidates for the party presidency to promise support for nationalisation in return for the League's support. All the party leadership contenders – Zuma, Deputy President **Kgalema Motlanthe**, Human Settlements Minister **Sexwale** and former ANC General Secretary **Ramaphosa** – oppose wholesale nationalisation of the mines.

The National Conference of the National Union of Mineworkers (Cosatu's biggest and most influential affiliate) last month came out against nationalisation, saying it would result in 'nationalisation of mining debt and a technical bailout of mining investors'. The NUM backs a resource rent tax and a sovereign wealth fund, with the establishment of a state-owned mining company and the classification of certain minerals as strategic, to be sold on the local market at 'developmental' (meaning export-parity) prices, with export tariffs.

Although Malema and the Youth League are marginalised, other pro-

nationalisation groups remain. The National Union of Metalworkers of SA demands nationalisation of all economic sectors, including mines and banks, without compensation. At the University of Johannesburg in late May, NUMSA General Secretary **Irvin Jim** rejected research commissioned by the ANC that found nationalisation was not viable. 'Nationalisation, in our understanding and political practice, is the demand not only for resolving the historical injustices of dispossession, oppression and exploitation, it is also about the uprooting of racism and building the basis for a truly democratic South Africa. Such nationalisation must be without compensation as it is virtually impossible to achieve it otherwise,' Jim said. NUMSA has mandated its members to push for nationalisation at the ANC's June and December conferences.

The ANC report says the cost to the state of nationalising all listed mining companies would be around 1 trillion rand; the cost of acquiring a 51% controlling share of listed mining companies would be around half of that. This would be more than the national budget, which is expected to exceed R1 trn. for the first time in the 2012/13 financial year. The report argues that 'either complete nationalisation or a 51% controlling stake would be totally unaffordable and could put our country into a situation where we lose fiscal sovereignty and have to follow the dictates of the Bretton Woods Institutions [World Bank and International Monetary Fund] under a structural adjustment programme'.

South Africa's constitution, in Section 25, allows nationalisation for public purposes, provided market-related compensation is paid. Malema and the ANCYL want nationalisation without compensation, which would require a constitutional amendment.

Zuma and his close allies, including Justice Minister **Jeff Radebe**, ANC General Secretary **Gwede Mantashe** and the head of the Government Communications Information System (GCIS), **Jimmy Manyi**, have called for aspects of the constitution to be changed to promote what they call a 'second transition', an accelerated transfer of economic assets to black-owned companies. This new 'manifesto' comes from Zuma's team, in time for the December conference where he will stand for re-election as ANC President. It is mainly intended to counter the Youth League's call for 'economic freedom', more black economic empowerment (BEE) and nationalisation without compensation. The ANC mines report warns that changing the constitution to allow for nationalisation without compensation would result in a 'near collapse of foreign investment and access to finance, as well as widespread litigation by foreign investors'. Yet it says that the Minerals and Petroleum Resources Development Act of 2002 should be amended to stipulate that mineral rights belong to the people as a whole. Among its other proposals, the ANC mining report calls for:

- A new state mining company (see Box), expanding the state-owned African Exploration Mining and Finance Corporation (AEMFC) to form a new state company to which all current state shareholdings in private companies should be transferred.

- The new state mining company should own the exploration rights to all newly discovered minerals, develop 'strategic minerals' and supply them to the economy at 'competitive or utility prices'.

- State development finance institutions, such as the Development Bank of Southern Africa, Industrial Development Corporation, Public Investment Corp. and National Empowerment Fund, should join forces with investment companies and trades union pension funds to increase their stakes in listed private companies.

- The state should control all strategic mineral assets that feed into job-creating sectors such as manufacturing, energy, infrastructure and agriculture. (That covers producers of steel, polymers, base metals, coal, gas, uranium, nitrogen, cement, copper, platinum group metals, chromium, manganese, phosphates, zinc and potassium.) Copper is identified as a key input for manufacturing and infrastructure and should be named a strategic mineral with competitive pricing obligations on licence-holders.

A BORN-AGAIN STATE MINING COMPANY

The nucleus of a proposed state-owned mining company would be the existing African Exploration Mining and Finance Company (AEMFC), a wholly-owned subsidiary of the Central Energy Fund (CEF) that was revived in 2008. The National Union of Mineworkers (NUM) would prefer private shareholders 'irrespective of race' to hold 49% of such a company, with 31% for the state, 10% for workers and 10% for communities, traditional authorities or workers' cooperatives.

The AEMFC received 180 million rand (US\$21.4 mn.) in state funding for exploration in the first three years following its revitalisation. Its Chief Executive is **Sizwe Madondo** and it has been granted 27 prospecting rights, has applied for 128 more and is eyeing expansion to the rest of Africa. It lost R977 mn. in 2009, R13.8 mn. in 2010 and R23 mn in the year to March 2011. Auditor General **Terence Nombembe** reported that there were doubts about its ability to operate as a going concern; its operational expenditure is in effect funded by an interest-free loan of nearly R140 mn. from the CEF.

On a smaller scale, Alexkor, a state-owned mining company in the Northern Cape, last year posted its first operating profit in five years, having cut its employees from 669 in 2000 to 105 now, while diamond production declined from a yearly average of 100,000 carats to 38,000 ct. The company is seeking R250 mn. for new exploration in **Angola, Congo-Kinshasa and Zimbabwe**, as well as around Alexander Bay; it hopes to secure most of that from its main shareholder, the Department of Public Enterprises, and the rest from the private sector.

Alexkor Chairman **Reginald Muzariri** said last year that land restitution claims and trades union opposition had stopped its active mining. It sifts through dumps from pre-2008 operations and has transferred mining rights to the community of Richtersveld (its core area of operation) in a joint venture to which the National Treasury has granted R200 mn. Operations are expected to start this year. ●

Phalaborwa, the main copper producer, is owned by Rio Tinto and Anglo American. The government had told the Industrial Development Corp. to bid to purchase it; as a state-owned company, Phalaborwa would have to sell to the local market at a competitive export-parity price.

● Two conglomerates, Sasol (oil) and ArcelorMittal (steel), are singled out for state intervention as strategic businesses. Cosatu and the SACP have long called for their nationalisation.

● The ANC report proposes penalties, including revoking mining rights, if the companies 'continue' to charge predatory prices. It claims that Sasol sells polymers, 'the second most important feedstock into manufacturing', into the local market at monopoly prices.

● Companies owning prospecting licences should undertake 'genuine exploration', with the licences cancelled if that condition is not met. A capital gains tax of 50% should be payable if a mining right is sold on or the company changes hands before mining commences, to deter speculators. A Minerals Commission should approve the transfer of mineral exploration rights. A Presidential Mineral Rights Audit Commission should undertake a forensic audit of rights awarded since 2002 and if irregularities are found, the rights should be suspended. Yet another agency should be set up for Mining and Environment Monitoring and Compliance.

● At the very top, a 'super economic ministry' should direct the exploitation of mineral wealth for development, hitherto undermined by the lack of alignment between ministries, whose chiefs often have conflicting policies. This would involve merging the ministries of

Trade and Industry, Mineral Resources, Energy, Public Enterprises, Economic Development, and Science and Technology.

Zuma's cabinet has been the scene of a battle among ministers over who should coordinate economic policy. Economic Development Minister **Ebrahim Patel**, Finance Minister **Pravin Gordhan**, Minister in charge of the National Planning Commission **Trevor Manuel** and Minister for Public Enterprises **Malusi Gigaba** all want control of overall policy. So far, Patel has effectively established his department as the super-economic ministry, to the chagrin of the rest (AC Vol 53 No 11, p1).

In the past, black management associations and executives backed ANCYL calls for wholesale nationalisation. The South African Mining Development Association, representing small and medium-sized black mining firms, has called for nationalisation, proposing a state mining company that would extract a higher share of industry profits, in partnership with BEE companies. Most BEE deals in mining since 1994 have been financed by loans from white mining companies to black buyers (usually picked for their closeness to the ANC leadership). Most of these deals unravelled for lack of profits, especially since the 2008 global financial crisis drove down metal prices. Many indebted BEE tycoons supported Malema's nationalisation call, hoping their debts might be written off when companies were nationalised. Some even hoped they would then be asked to run the nationalised companies that they had managed so unsuccessfully.

The Black Management Forum, the umbrella body led by Manyi, has supported

HIGHER PROFITS, MORE TAXES

The African National Congress mining report proposes several new taxes:

Resources rent tax (RRT) of 50%, kicking in when mining companies make a reasonable return. A 'normal' return would be the Treasury long bond rate plus 7% (about 15% currently). The ANC team calculates that a 50% tax would yield about 40 billion rand (US\$4.7 bn.) a year at current prices, to be placed in a sovereign wealth fund for investment in long-term projects.

Mineral royalties tax. The rate would vary depending on earnings before interest, taxation and gross sales. For refined minerals, the maximum rate would be 5%; for unrefined, 7%. To be reduced to 1% once a resources rent tax or windfall tax is introduced.

Mineral foreign shareholding withholding tax, a 30% levy on foreign companies investing in South Africa via a subsidiary registered in a tax haven. The aim is to encourage direct investment from a foreign mining company's primary-listing country.

Carbon tax, currently mooted by the Treasury, is rejected as 'extremely damaging', as it could 'potentially render many energy-intensive beneficiation operations unviable'.

Gold mining tax, under which the current gold mining tax would be combined with corporate income tax plus the proposed RRT. At present, the corporate tax rate paid by gold mining companies keeps payments to government low, as companies can deduct most capital expenditure against tax.

nationalisation, along with the Black Lawyers' Association and the Association of Black Securities and Investment Professionals. Late last month, the BMF pulled out of Business Unity South Africa, set up in 2003 to unite black and white business. The BMF claimed that BUSA was 'white-dominated' and now intends to organise black business on its own. They support nationalisation since they believe that state-owned mining companies will give them better opportunities for individual career advancement and procurement opportunities. ●

MOZAMBIQUE

Conflicts of interest

Acting on corruption is one thing but Frelimo is having problems even passing laws against it

Proposals for anti-corruption legislation are causing severe anxiety in the governing *Frente de Libertação de Moçambique*. Frelimo is scrambling to bury reforms. A package of legislative measures which the cabinet sent to Parliament last year is bogged down in procedure, even though it is a key condition for support by the Group of Nineteen of foreign aid givers. They finance around 40% of the national budget directly in return for some input on governance and policy.

The basis of the package is a code of ethics for public figures, including desperately needed guidelines on

conflicts of interest. The legislation is standard public ethics for any country, containing requirements on separating the commercial interests of civil servants and legislators from areas of public life for which they are responsible.

MPS FACE FINANCIAL PAIN

The legislation was drafted with outside technical assistance to bring Mozambique into line with other countries, along guidelines set by United Nations codes of best practice. However, these rules would hit Frelimo where it hurts: in the personal business interests – often unconcealed

– of leading political figures on the commanding heights of public and private sector companies.

The proposed definition of a public servant would include parliamentarians and ministers, all of whom would be restricted from using privileged information, acting or commenting on areas where they have a financial interest, or doing any paid outside work apart from teaching. It is the prospect of having to live on official salaries that is most concentrating the minds of Frelimo's members of parliament. Many other countries permit MPs to have outside paid work so long as it is declared in a public register of interests but Frelimo did not attempt to modify the proposals before they were complete.

Faced with explaining the lack of progress on the legislation, which was introduced last June, Frelimo's parliamentary leader, **Margarida Talapa**, said the chamber needed time to consider it in an atmosphere of 'calmness' and

claimed that **Portugal** had taken 50 years to pass similar reforms, said the journal *Mozambique Political Process Bulletin*. It was Talapa's subsequent statement that Parliament 'must feel immunity from pressure from interest groups' that provoked public outrage, however, because of its apparent contempt for representative democracy. Talapa is a director of the mobile telephone company MCell, which she would have to give up if the law were passed. Frelimo leaders are trying to postpone the laws until after the 2014 general elections.

Many Frelimo MPs would not stand for Parliament again if it meant giving up their lucrative businesses and positions on the boards of public companies. An editorial in the Frelimo-aligned weekly *Domingo* issued the party line on this. It marshalled every conceivable justification, claiming that it was 'a huge shipping container', not just a 'package'; it was written by experts in ivory towers who didn't understand Mozambican realities and there wasn't enough time to consider it properly. If MPs 'are to understand it', the editorial said, 'it cannot be approved by this legislature.' That means not before the polls.

This is a classic delaying tactic, observers say. Frelimo can easily move

rapidly when it wants to. One judge revealed that Parliament has still to approve a class action law he had drafted and submitted a decade ago. Frelimo has responded by breaking up the anti-corruption legislation into different components, with the intent of passing them, piecemeal, over several years. This will bring incoherence, as the laws are meant to work as an integrated whole and one outcome has even been to remove a previous requirement to declare personal assets.

G-19 WHEELS STUCK IN THE MUD

The G-19 is trying to drive the process through its Performance Assessment Framework, a system of progress indicators on which it bases development aid and of which anti-corruption legislation is one element. It now finds it hard to move forward. The Group's letter of agreement with the government states only that the anti-corruption legislation should be presented to Parliament. Donors keep raising the issue in joint meetings with the government but with limited impact. They are conscious that the ultimate sanction, a donors' strike, has been tried and proved ineffective (AC Vol 51 No 6, p7).

The most important element of the anti-corruption legislation is the conflict

of interest provisions of the code of ethics for public servants. President **Armando Guebuza** himself owns a vast business empire through his personal holding companies, *Gestores de Moçambique* and *Focus 21*, and a reputed interest in Intellec (AC Vol 52 No 18, p10). They comprise dozens of companies involved in nearly every economic sphere, including transport, finance, energy, mining, commerce and tourism.

Foreign investors are obliged to assign interests in joint ventures to local partners connected to Frelimo, usually in return for no capital outlay. Rather than entrepreneurship, critics say, this is parasitic dependency or rent-seeking. 'Frelimo is about consumption, not production. They do not contribute anything but you cannot avoid them,' said one local businessman.

Aside from private business, the Frelimo elite monopolises the management and boards of state companies and agencies, blurring party and state. One example is MP **Teodoro Waty**, a member of the Political Commission, Frelimo's highest body, and Chairman of Parliament's Constitutional Commission. He is also a prominent businessman, Chairman of the board of the state airline, a director of the Barclays Bank local affiliate and a shareholder in Frelimo's holding company, *SPI – Gestão e Investimentos*. SPI owns stakes in companies across various economic sectors.

This is the kind of web that would be unravelled by even minimal implementation of conflict of interest legislation. Yet many regard such arrangements as fundamental to Frelimo's economic interests and indispensable to the country's political economy. The independent press and local transparency and anti-corruption watchdogs, including the Centre for Public Integrity, have long noted the dangers of a small elite benefiting exclusively from state business. The anti-corruption package has also drawn support from two strands within Frelimo: serious reformers committed to such change and a larger group which resents the Guebuza circle for monopolising the spoils and wants a fairer distribution of opportunity for self-enrichment.

Short of any dramatic change, Frelimo will succeed in delaying the anti-corruption legislation until after polling. The latest tactic has been to yoke the proposed changes to the wider process of reforming the legal code, parts of which date from 19th century Portuguese law. One independent local body, the *Observatório de Direito*, has noted that this is unnecessary but Frelimo seems set on ploughing on, under the guise of rigorous attention to detail, whatever the cost in public confidence and international good will. ●

POLL POST-MORTEM SHOCKS

A secret report by the Zambézia Province command of the national police on why the *Frente de Libertação de Moçambique* so resoundingly lost the mayoral election in Quelimane last December has leaked, causing a sensation. Many Mozambicans assume Frelimo uses supposedly independent state institutions to serve its own election campaigns. They were shocked, however, to read how the party faithful also used dirty tricks to try to prevent the victory of the opposition *Movimento Democrático de Moçambique* (MDM). **Manuel de Araújo** took the seat commandingly in a by-election after the resignation of **Pio Matos** (AC Vol 52, No 25, p12).

A member of the local Frelimo establishment had passed to the victorious candidate a document analysing the defeat, entitled 'Report on the Electoral Process', which was addressed to the Ministry of the Interior. It stated that Matos had created a parallel structure of municipal post-holders who were loyal to him, not Frelimo, and paid him favours in return for appointments. More tellingly, the report reflects deep voter resentment against Frelimo's management of the city: low pay for teachers and anger at the officials in charge of education, late pay for health workers and failure to complete public sanitation works were major issues.

The report also lamented that independent scrutiny of the count had prevented any interference. Among other actions, the police Rapid Reaction Force – an elite paramilitary unit – had raided property of the MDM at night and without warrants. The MDM's staff were subject to arrest and its campaign obstructed, both routine elements of official harassment of the opposition. Chiefly, however, the report blames Frelimo infighting for the debacle, including a near rebellion by the party's local officers.

Angered by what he found on a visit to the city in last August, President **Armando Guebuza** summarily ordered Matos to resign (AC Vol 52 No 19, p12). Matos and his loyalists retaliated by dragging their feet in the election campaign, possibly even tacitly supporting Araújo. Top Frelimo figures parachuted in to try and rescue the situation. Voters and local Frelimo members reacted against them, however, seeing them as further evidence of an oppressive, southern-dominated centre bullying the regions.

Frelimo responded to the leaking of the report with deafening silence and a scramble to identify the source. On 26 May, Zambézia's provincial director of the *Serviços de Informação e Segurança do Estado* intelligence service and other local officials were sacked. For the public, the revelations came more as confirmation of something everybody knew than as a bolt from the blue. ●

SWAZILAND

Mswati's private party

The tiny kingdom is in a deep economic crisis but the ruling monarch is determined to party on regardless

The arrival of a new private jet for King Mswati III has brought fresh turbulence to the virtually bankrupt country. The future is more uncertain than ever now that Swaziland has parted ways with the International Monetary Fund over its continued failure to implement economic reform. Yet government Spokesman **Percy Simelane** and Prime Minister **Barnabas Sibusiso Dlamini** saw nothing wrong. The jet was a gift from a 'development partner' who had chosen to remain anonymous, they declared to a storm of domestic and foreign criticism.

What sort of development partner would send a US\$20 million Boeing MD-87 luxury-converted airliner, sporting high-gloss maple fittings, to a country where two-thirds of the population languish in poverty and a quarter are HIV-positive, many asked. Some sources say that Africa's last absolute monarch received \$10 mn. from the 'partner' and then dipped into his own personal account for the rest. If so, that cash might have been better spent on the liquidity crisis that was so bad, it forced his government to mortgage state assets in order to pay public salaries last year (AC Vol 52 No 25, p8).

In spite of a 7 billion rand (\$818 mn.) windfall from the Southern Africa Customs Union (SACU), the economic situation remains perilous, with any money that comes in going straight back out again to service government debts, including those incurred to pay salaries which were secured with state assets as collateral. A statement from the Central Bank of Swaziland on 25 May acknowledged that reserves had slumped to 3.7 bn. emalangeni (\$445 mn.) at the end of March, a 6.7% drop on February and just 1.9 months of import cover. Inflation, meanwhile, is going in the other direction, up from 6.5% in November to 8.8% in March and 9.6% in April.

The currency, the lilangeni, is already overvalued by as much as 33%, according to economists, and dwindling private sector and investor confidence has seen a steady flow of private money into **South African** banks. 'Things are moving in the wrong direction in many ways,' one banking source said. 'In all honesty, it looks like they are a train heading for a brick wall and the question is how much time there is between now and then.'

Central Bank Governor **Martin Dlamini** remains 'cautiously optimistic'

nonetheless, which is a curious view since the government owes R100 mn. in pension payments to civil servants who have not received salary contributions for nearly a year.

For over two years, the IMF has been advising Swaziland to reduce its public wage bill, worth around half of all government expenditure, and to slash 7,000 civil service jobs. The Fund warned that the macroeconomic outlook for 2012 was 'bleak' and that the government must change its 'unsustainable' fiscal policy. The Mbabane government agreed but is frightened of a backlash from the vocal trades unions, which have operated as de facto political parties ever since Mswati's father, King **Sobhuza II**, banned conventional party politics in 1976.

In consequence, the IMF has now officially withdrawn, taking with it any prospect of Bretton Woods-backed funding, such as the 800 mn. euros promised by the African Development Bank last year and the proposed R2.4 bn. loan from South Africa. 'The IMF team is very frustrated. They had invested a tremendous amount of time and effort trying to help Swaziland, visiting something like six times in the space of 15 months,' noted an observer close to the process. 'But after all that, the feeling is that things have in fact gone backwards because there is no willingness to move forward and the Fund feels that without political change there will be no meaningful economic reform in the country.'

BACKDOOR LOAN FROM ZUMA

The government is playing down the IMF withdrawal – Government Spokesman Simelane said he had not even heard about it – and the government is pinning its hopes on another SACU windfall, which some cynics have read as a backdoor loan from South Africa: President **Jacob Zuma** is close to Mswati. Zuma's African National Congress government has hotly denied this, explaining that the 2012 payout is three times higher due in part to a miscalculation in 2010 and to an increase in imports and a weaker rand-dollar exchange rate.

So buoyed is Finance Minister **Majozi Sithole** by the prospect of SACU money that he has even budgeted for a surplus going into 2013, though most believe this to be a triumph of hope over adversity. 'There is this assumption in our country

that everything will be OK in the end, that things will work out, that nothing is quite as bad as it seems,' explained a businessman with close links to the royal family. 'This attitude is why nothing changes despite all these IMF and other missions. Deep down we know we need to improve how we manage our finances but at the surface, we just assume things will work out. Maybe this time they won't.'

With the government failing to deliver basic services or pay grants to the elderly and to orphaned children, even traditional rural Swazis – normally conditioned not to question their lot – are starting to complain. In the 2012 budget, twice as much is going on defence as on health, despite the ongoing HIV and tuberculosis crises and the negligible threat to national security.

Then there is the new airport, ten years in the building at an estimated cost of \$1bn., despite the fact that Swaziland has no national airline and receives only a few flights a day from Johannesburg. Then there is the cost of the royal family itself: on top of the official R210 mn., a further R250 mn. is provided for various royal projects, including refurbishing State Houses, maintaining roads to palaces and royal security training and equipment.

Mswati's recent trip to **Britain**, where he was famously photographed with Queen **Elizabeth II** and other monarchs, drew protestors to Buckingham Palace, the royal residence in London. One commentator estimated that the King's five-day trip to England cost about \$800,000. Reports that the pink, fluffy, diamante heels worn by the King's first wife, **Inkhosikati LaMbikiza**, who attended the Queen's dinner, had cost £995 (\$1,530) were not well received either.

The King is not completely immune to the sense of mounting crisis, regardless of his apparent insouciance. Insiders are saying that although he does not want change or multiparty democracy, he is considering reviving the Imbokodvo National Movement, which helped Swaziland to secure Independence from Britain. By bringing back the royalist INM, Mswati would retain *de facto* control of the country and appease some foreign critics. Even such a conservative move is controversial.

Closed-door talks about it last year led to the sacking of long-serving advisors and of the King's Private Secretary, **Sam Mkhombe**, because traditionalists fear that liberalising the political system could loosen the elite's grasp on the economy. For all the criticism of the government, the King and his loyal elite, the unions and pro-democracy camps are failing to translate public resentment into strong political support; ideological rifts are preventing a united front in favour of change. ●

SIERRA LEONE/BRITAIN

Faultlines in the foundations

As Western governments cut aid to Africa, private foundations run by politicians and business people take on an increasingly politicised role

Private foundations such as those run by Microsoft founder **Bill Gates** and financier **George Soros** can marshal funds in Africa to rival the aid budgets of agencies such as the United Nations and the World Bank. Although foundations run by former political leaders, such as Britain's Prime Minister **Tony Blair** and the **United States'** President **Bill Clinton**, have less cash at their disposal, they often wield greater diplomatic influence.

The foundations face questions about conflicts of interest between their philanthropic activities and their commercial operations. Those questions are becoming more acute as international companies direct more investment funds and trade deals towards Africa's fast-growing economies. Ex-politicians such as Blair and Clinton come under criticism that they draw on their own formidable networks established in government to pursue a mixture of developmental and commercial objectives – with no clear dividing line between the two.

Tony Blair's Africa Governance Initiative has projects in **Liberia**, **Rwanda**, **Sierra Leone** and, since last November, **Guinea**. AGI initially worked under the auspices of Blair's office until it became a charity in its own right, its first projects in Rwanda in 2008 and then Sierra Leone.

'Our practical support helps leaders to bridge the gap between their vision for a better future and their government's ability to achieve it,' says AGI. 'We do this by strengthening the government's capacity to deliver programmes that will change ordinary people's lives for the better.' The fund received about £3 mn. (US\$4.61 mn.) in donations in 2010, the last year for which figures are available, and spent just under £2.5 mn.

It deploys young former civil servants, management consultants and development professionals drawn from Britain, Europe and the United States in key ministries and departments in Africa. Yet the AGI is criticised for identifying too closely with the politics of the presidents it supports, for turning a blind eye to their misdemeanours, for being naïve about the soundness of the statistical foundation for improvements in services and for adopting a top-down approach, which is against the current fashion in development aid.

Blair's business activities, which include 'strategic advice' to presidents,

sovereign funds and global banks, sometimes appear to throw up conflicts of interest. The consultancy Tony Blair Associates has advised the **United Arab Emirates'** investment fund, the Mubadala Development Company. Mubadala is government-owned and chaired by Sheikh **Mohamed bin Zayed al Nahayan**, from Abu Dhabi's ruling family. It plans to invest in the *Compagnie des bauxites de Guinée*, owned by Alcoa, Rio Tinto and the Conakry government. Any suggestion that this could colour Blair's advice to Guinean President **Alpha Condé** is roundly rejected (AC Vol 53 No 7, p10).

Blair has recently come under considerable fire in Britain over advising the government of President **Nursultan Nazarbayev** of **Kazakhstan**, which has a poor record on elections, corruption and human rights. On the other hand, the Sierra Leonean President, **Ernest Bai Koroma**, receives his strategic advice *pro bono*. The AGI says that neither Blair nor TBA 'undertake any commercial activities which conflict with the charitable aims and objectives of AGI'.

LOCAL HERO

Sierra Leone is close to Blair's heart. His father taught at Fourah Bay College in Freetown, one of the region's most prestigious educational institutions at the time. Blair has a positive local image based on gratitude for the intervention by British troops in 2000 which helped to put an end to the civil war.

Blair rejects any hint of a connection to controversial businessman **Frank Timis** or his London-based company, African Minerals Limited. After persistent reports of Blair's advocacy on Timis's behalf, *Africa Confidential* put the question to the Office of Tony Blair last June and was told, 'Neither Mr. Blair or any of the AGI staff has ever met with Mr. Timis, or any of his associates, nor has Mr. Blair or anyone in the AGI ever raised any issues about or on behalf of AML with the Government of Sierra Leone.'

Statistics in many African countries are extremely unreliable or otherwise presented in a partisan manner, which raises issues over AGI's target-oriented operational model. 'This means endless talk of process, systems, plans and strategies based on their hunches, limited data and by turning a blind eye to the reality of what surrounds them,'

commented one critical expatriate in the Rwandan capital, Kigali.

AGI's eight young staff in Sierra Leone are embedded in the ministries of Agriculture, Finance and Health. The project head, **Malte Gerhold**, a German who used to work for the Prime Minister's Delivery Unit, works in the Office of the President. The staff include British Home Secretary **Theresa May's** former Personal Assistant. They are a reticent and close-knit group, fiercely defensive of Blair's Africa vision, according to sources in Freetown. Details of their activities are vague but one programme of which AGI is proud is the 2010 Free Health Care policy in Sierra Leone. The AGI website implies that they are responsible for the trebling of access to health facilities for children under five. AGI staff in the Health Ministry helped 'to build capacity in the "nuts and bolts" of delivery', a statement said.

Critics say AGI exaggerates its role. In 2010, Britain's Department for International Development (DfID) pledged £24 mn. to the programme over three years, most through the UN World Health Organisation and the UN Children's Fund. Other non-governmental organisations and European Union funding are involved. AGI's entire Sierra Leone staff costs in 2010 were £900,000 and salaries are 'competitive'. AGI's Rwandan operation costs slightly more.

Under British charity law, AGI is not obliged to divulge its sources of income and it does not, saying only that it is 'a combination of philanthropic foundations, institutional donors and private individuals'. Past private donors have included Labour peer and multi-millionaire Lord **David Sainsbury** and George Soros. Having twice applied and failed to obtain funds from the British government to deliver DfID's governance objectives, in July 2011 AGI Sierra Leone managed to secure financing from the US Agency for International Development for agriculture and private sector development.

Less tangible input may be helping in the Presidential Chief of Staff's office in Freetown. This used to be peopled by a procession of friends, family and hangers-on, most of them needing money, we hear. Now, a series of 'buffer zones' have been set up to make casual access more difficult. Timetables for working hours may also be having an impact.

The AGI reflects 'aid effectiveness' principles, most notably results and 'ownership' of the development process. It calls ownership 'one of AGI's core values'. Yet balancing provision of services with capacity-building is notoriously difficult and Blair's model of 'getting things done' – with the help of a handful of capable expatriates – raises questions about local involvement. The presence of expatriates so high up in the civil service militates

against ownership of the process, since they displace local public servants and are outside the chain of accountability. Nonetheless, the trend is growing.

There is a plethora of such foreign experts, consultants and 'fellows' in Freetown's ministries, funded by the Britain's Overseas Development Institute and Adam Smith International, a burgeoning and internationally ubiquitous private consultancy on political and economic reform. 'The number one question after the Finance Minister's budget speech is "which 23-year-old Brit wrote it?"', one Freetown-based British business person was heard to remark.

International aid workers speak of AGI contributing to coordination and communication among donors through informal relationships cultivated during weekend beach trips rather than formal collaboration and information-sharing. 'We don't really know how to engage formally with AGI, yet they work on the same things and could be of great use to us,' reports a Kigali-based donor advisor.

Yet in Sierra Leone, NGO and government staff tend to bypass AGI

staff. '[AGI] are tolerated but they are not taken seriously,' one Sierra Leonean NGO representative told *Africa Confidential*. One member of parliament for the governing All People's Congress (APC) questions whether AGI staff are 'ready' and 'savvy' enough for the challenges of improving the efficiency of the Sierra Leonean civil service. 'They are young; they are naïve... they do not see what is under them,' the MP said. A journalist in Monrovia, also familiar with AGI's work in Rwanda and Sierra Leone, doubts the AGI's technical expertise: 'What the AGI staff are actually expert in remains to be seen.'

In Rwanda, admitted to the Commonwealth in 2009 despite not having been colonised by Britain, AGI is part of a reorientation of the country towards the USA and Britain in terms of diplomatic and aid policy as well as commercial investment. Some see this freeing Rwanda from the historical baggage of its relations with **Belgium** and **France**. Rwanda's welcome for AGI was a 'cynical' attempt to 'win over' foreign investment by using the Blair name, said one diplomat in Kigali.

That seems like sour grapes but

concern has been raised about a mingling of charitable and business imperatives in Blair's Rwandan relations. Since AGI's arrival, Blair has introduced potential investors, including former banker-philanthropist Sir **Evelyn de Rothschild**, his wife, Lady **Lynn de Rothschild**, and German financier **Christian Angermayer**, who, like Blair, is an advisor to President **Paul Kagame**.

Blair's persistent support for General Kagame – widely criticised by diplomats and civic activists for suppressing media freedom and the political opposition and of interference in **Congo-Kinshasa** (see Feature) – raises questions about the AGI's declared 'absolute commitment to political neutrality'. How that is possible while working in the presidential office of some of the world's most politicised states remains a difficult question for the AGI. 'They think they are here for our technical benefit, nothing to do with politics. But the real benefit is political and economic. It is a continuation of our client-patron politics. Everyone gets something, though it might not be obvious what,' says a Liberian consultant in Freetown. ●

RWANDA/CONGO-KINSHASA

Who fights for whom

Mutinous factions along the border are exploited by both governments, and Hutu-Tutsi quarrels live on

No one watching the fighting in eastern Congo-Kinshasa was surprised when the United Nations reported in May that Rwanda was directly involved. In late May, UN officials interviewed eleven deserters from the *Congrès national pour la défense du peuple*. In April, the CNDP broke away from the nominal control of Congo's national army, the *Forces armées de la République démocratique du Congo* (FARDC). The deserters all claimed to be Rwandans, recruited there in February-April. That suggests Rwanda was preparing CNDP troops months before they mutinied. The strongly Tutsi CNDP has been a valuable ally for the Tutsi-led Rwandan government in its continuing fight against the Hutu *Forces démocratiques de libération du Rwanda* (FDLR).

The recruits said they had been processed at a hotel in Ruhengeri, Rwanda, belonging to a brother of CNDP General **Jean Bosco Ntaganda**, the mutineers' leader wanted by the International Criminal Court. The men said they had been taken through Kanigi, then smuggled into Congo to a camp of some 300 new recruits, with weapons including anti-aircraft guns.

This week, Human Rights Watch (HRW) claimed Rwandan officials had recently given Ntaganda and his troops refuge and had received Gen. **Sultani Makenga**, a CNDP officer said to lead a separate mutineer force known as the *Mouvement du 23 mars* (M23). Both men had in theory been integrated into the FARDC in early 2009, after a deal between Kigali and Kinshasa. The two detested each other but had both been deployed against the FDLR and also profited from smuggling rackets, including of timber and minerals.

Yet defectors told HRW that the two mutinies were not separate and that Ntaganda and Makenga operate from the Runyoni area, which contains a stockpile of weapons from Rwanda. Defectors from both groups told HRW that Rwandan soldiers had several times crossed the border and fought alongside Ntaganda's forces, sometimes changing into Congolese uniforms for the job.

Kinshasa's attempt to dismantle the ex-CNDP influence has alarmed Kigali. The Kivu provinces have in effect been a buffer zone between Congo and Rwanda, which has profited from the rebels' illicit

trade. Ex-CNDP soldiers, nominally under Congolese command, have controlled the porous border since 2009. They have also protected Rwandan businessmen who hold land in the Kivus.

HRW interviewed soldiers who said Ntaganda's forces had recruited them after quitting the FDLR. Some Kivu sources say Ntaganda is tying up with *Mandevu*, an FDLR splinter group led by Lieutenant Colonel **Gaston Mugasa**. The return of North Kivu's Hutu ex-Governor **Eugène Serufu Nganyabaseke** to Goma in May has revived rumours that the mutineers will try to forge a Hutu-Tutsi alliance against Kinshasa. This frightens Tutsi community leaders in North Kivu, who believe sections of the national army still largely support the FDLR. Local tensions could escalate into a regional crisis.

Rwandan Foreign Minister **Louise Mushikiwabo** called the UN report 'categorically false and dangerous' and attacked HRW. Her government is lobbying hard at the UN Security Council for a non-permanent seat in November. **Britain**, **France** and the **United States** are keen to include Rwanda, which has been a useful troop contributor to peacekeeping missions, notably in Darfur, **Sudan**. In 2008, the **Dutch** and **Swedish** governments cut their aid to Kigali in protest at its backing for rebels in Congo. If more facts emerge about the mutineers, the UNSC permanent members will be under pressure to act. The Rwandan-Congolese joint monitoring mission whose task is to debrief the eleven recruits is said to be plagued by differences of opinion. ●

SIERRA LEONE/LIBERIA

Warning to future Taylors

Most people implicated in the warlord president's crimes have escaped justice but his sentence will still deter others

Trial Chamber II of the United Nations-backed Special Court for Sierra Leone on 30 May sentenced **Charles Ghankay Taylor** to 50 years in prison for his central role in the vicious war in Sierra Leone. The SCSL, presided over by **Samoan Judge Richard Lussick**, had already found Liberia's ex-President guilty on five counts of crimes against humanity, five of war crimes and one of other serious violations of international humanitarian law by Sierra Leone's Revolutionary United Front (RUF) rebels (AC Vol 53 No 10, p6). Taylor was convicted for his role in murder, rape, other inhumane acts, acts of terrorism, pillage, outrages upon personal dignity and recruiting children under 15 as soldiers.

The 2,493-page judgement, including annexes of maps, sources and a long table of authorities, found that Taylor was the main backer of the RUF and aware of its atrocities at the time. Diamonds which the RUF had mined or stolen at gunpoint in Sierra Leone were taken to Taylor in Liberia for 'safekeeping' or in exchange for weapons, the judges found. His support for the RUF was driven by pillage, not politics, they said.

Taylor's defence had argued that he had not had the means to support war in Sierra Leone since his country was 'effectively bankrupt' and that Liberia had 'vast amounts of untapped natural resources'. How then could he have any interest in those of Sierra Leone? Anyway, it was 'incredulous' that he would support war in a neighbouring country, given that this would pose 'significant' risk to his own. The judges however found that Taylor had supported the RUF with training, mentoring and weapons and at times exercised virtual control over it. Tellingly, he took the time to cover his tracks, proving he knew that what he was doing was wrong at the time.

Taylor's journey to the Court was tortuous. He was cajoled into leaving power by African leaders mediating an end to Liberia's last bout of civil war in 2003, although his decision was made easier by his military weakness at the time. The Court's indictment also helped. Yet the then President **Olusegun Obasanjo**, who had granted Taylor a comfortable exile in **Nigeria**, will not want to be reminded that before he handed him over, the **United States President, George W. Bush**, had threatened him with a public snub during

his Washington visit in March 2006. The impact of this case on the deep-seated sense of impunity of some of West Africa's most powerful politicians remains to be seen. Taylor was tried for involvement in a foreign war, not for the horrendous crimes he committed at home.

In fact, no one has faced justice for the crimes of Liberia's civil war, which began over a year before Sierra Leone's and killed far more people, at estimated 200,000 deaths against Sierra Leone's 50,000. Some leaders from that war still sleep easy in Monrovia. **Prince Yormie Johnson**, a former ally and later enemy of Taylor's, has been a Senior Senator since 2006. Until recently, **Alhaji G.V. Kromah** of the United Liberation Movement for Democracy-Kromah militia was Ambassador-at-Large, appointed by President **Ellen Johnson Sirleaf**. The USA deported another ex-warlord, **George Boley**, in March for having committed atrocities and recruiting children as soldiers. He is now back in Liberia.

TAYLOR, GADAFI...AND COMPAORÉ

The role of **Burkina Faso's President Blaise Compaoré** in supporting Taylor and the RUF is documented in the trial judgement on Taylor but he has not been indicted or even called as a witness. He has since reinvented himself as a regional statesman, helping to broker peace deals in **Guinea** and **Liberia**, and is now active in **Mali**. President **Paul Kagame** runs no risk of arrest, although **Rwanda** still supports rebels in eastern **Congo-Kinshasa** who use child soldiers and plunder mineral resources, several United Nations reports have found. Ironically, **Britain**, where Taylor will serve his sentence, is **Rwanda's** biggest bilateral donor.

Some analysts believe that the deterrent effect of Taylor's conviction will not be as great as that of **Ivorian** ex-President **Laurent Gbagbo**, if the International Criminal Court (ICC) finds him guilty of rejecting an election result and unleashing violence on his opponents and on pro-democracy protestors. West African leaders now rule in an age of elections very different from that of a decade ago. In Sierra Leone, the UN has expressed concern about the conduct of elections due on 17 November. Under pressure, President **Ernest Bai Koroma's** government eventually announced that US\$4.5 million worth of arms purchased

for the paramilitary police will now be assigned to the less politically-tainted army. Koroma's main opponent in the poll, **Julius Maada Bio**, himself a former coup-maker, says the elections will be violent.

Taylor's trial produced juicy revelations. While President, he had received two honorary doctorates, from universities in **China** and **Liberia**. Prosecutors charged that he had arrested Sierra Leonean journalist **Soriosis Samura** and his team to stop investigations into diamond-dealing and gun-running in August 2000. Taylor countered that he had arrested them because he feared the fate of the **Afghan** warlord **Ahmad Shah Massoud**, killed by an **Al Qaida** team posing as a film crew. The prosecutors pointed out that Massoud had died in September 2001, over a year after Samura's arrest.

Senegalese Alternate Judge **El Hadji Malick Sow** dissented from the SCSL verdict. His post was not integral to the trial and had been created on the recommendation of a UN lawyer, the late **Antonio Cassese**. He had argued that the case was of such world importance that a substitute judge should sit throughout the trial and step in as substantive judges became indisposed. When the verdict on Taylor was announced, Sow unexpectedly took the microphone and started to make a statement. The three presiding judges rose, microphones and cameras were switched off, and a curtain was drawn across the public gallery.

Taylor's defence team later released the statement, the first part of which was heard in court. 'The only moment where a judge can express his opinion is during the deliberations or in the courtroom, and pursuant to the rules, when there is no serious deliberations, the only place left for me is the courtroom,' said Sow in his statement. 'I won't get – because I think we have been sitting for too long but for me I have my dissenting opinion and I disagree with the findings and conclusions of the other judges, because for me under any mode of liability, under any accepted standard of proof the guilt of the accused from the evidence provided in this trial is not proved beyond reasonable doubt by the Prosecution. And my only worry is that the whole system is not consistent with all the principles we know and love, and the system is not consistent with all the values of international criminal justice, and I'm afraid the whole system is under grave danger of just losing all credibility, and I'm afraid this whole thing is headed for failure. Thank you for your attention.'

As the African Union campaigns against the ICC's indictment of **Sudanese** President **Omer Hassan Ahmed el Beshir** for genocide, crimes against humanity and war crimes, many expect such arguments to receive wider currency during **Gbagbo's** trial. Taylor plans to appeal. ●

MALI

Sanogo ponders compromise

There are signs the coup leader, if not his radical civilian supporters, may be moving to restore constitutional rule

Captain **Amadou Haya Sanogo** has begun to distance himself from his hardline radical supporters and could well be on the road back to accepting constitutional rule. Sources in Bamako say the interim Prime Minister, **Cheick Modibo Diarra**, may have encouraged him in this direction.

Sanogo's relationship with interim President **Dioncounda Traoré** has been prickly, although he is not thought to have had any hand in the physical assault on Traoré on 20 May (see Box). The putsch leader is said to trust Diarra, however, a fellow native of Ségou, who was the head of Microsoft Africa and also spent much time in the **United States** as a National Aeronautics and Space Administration scientist. For several weeks, Sanogo had resisted transferring real power to Traoré, as provided under the terms of his 6 April agreement with the Economic Community of West African States. He rejected the Ecowas plan to upgrade Traoré's initial 40-day interim presidency to a full year.

Yet on 20 May, Sanogo agreed a new deal with Ecowas, confirming Traoré as transitional President. Sanogo's reward was the full privileges of a former head of state: a mansion, vehicles, bodyguards, free water, power and telephone services, diplomatic passports for himself and his family, and a monthly salary of 4.5 million CFA francs (US\$8,000-10,000). He may also have been simply facing facts. If the junta continued to block the restoration of constitutional government, it risked taking the blame for the sufferings of the north, where the imposition of full *Sharia* (Islamic law) is widely resented.

CONTINUING FRAGILITY

The ground was shifting towards Ecowas-backed constitutional rule from 20 May onwards but the process has been gradual and Diarra, for one, played a waiting game. Having learnt that the guards stood aside as Traoré was attacked in the presidential palace, he must have been unsure of police and judicial support. Then, though, the politicians were able to draw comfort from two factors: Sanogo's rejection of the blandishments of the radical *Coordination des organisations patriotiques du Mali* and a general mood of regret at the attack on the 70-year-old Traoré. Copam, trying to push Sanogo in an anti-elite, pro-poor direction, had gone too far and given the authorities the confidence to move against

it. Having led the cheering for the coup, the radicals are now out in the cold.

Oumar Mariko, outspoken leader of the *Solidarité africaine pour la démocratie et l'indépendance*, the main political party backing the junta, has decided he is safer in **Morocco** for now. He was among the leaders of the pro-putsch umbrella movement M22 – named after 22 March, the date of the coup – called in for police questioning over the assault on Traoré. Mariko risked seeing his National Assembly enemies vote to lift his parliamentary immunity. Two of his key allies are in Bamako central gaol: **Lassine Cissé**, director of *Kayira*, a private radio network linked to SADI, and **Bakari Boré**, head of *Yèrèwolo Ton*, a group that has been occupying the entrance to the National Assembly to intimidate parliamentarians and prevent them from working.

Mariko has fought back, playing down divisions in his ranks, bitterly denouncing the arrests of Copam and M22 members, and complaining that thugs have smashed up *Kayira*'s radio stations in Bamako,

Niono and Koutiala. He can expect little sympathy from members of the traditional political establishment, which is now finding its feet again: Mariko applauded their arbitrary arrest just weeks ago.

International pressure for a resolution is growing. All parties recognise that no solution to the problem of the Tuareg revolt is possible in the absence of a solution in Bamako. With the political radicals now apparently divorced from the putschists, the establishment is turning its attention to normal, liberal, democratic, constitutional politics, with the two largest parliamentary parties lining up rival contenders for the Speaker's chair, vacated by Traoré when he took up the interim presidency.

The 52 members of parliament from the *Alliance pour la démocratie au Mali* have settled on **Kassoum Tappo**, from Mopti, who has been prominent in the anti-putsch *Front uni pour la sauvegarde de la démocratie et de la république*. The *Union pour la république et la démocratie* (34 seats) is fielding its parliamentary leader, the senior Deputy Speaker, **Younoussi Touré**. With 74 seats needed for a winning majority, both are cultivating the smaller parties. The return to jockeying and alliance-building may seem petty when the north of Mali is under a Tuareg breakaway regime but it is a step towards restoring the state's functions. Meanwhile, the exiled ex-President **Amadou Toumani Touré** has visited Paris, where he may have paid a discreet visit to Traoré. ●

PUSHING THE PUTSCH

Captain **Amadou Sanogo**'s military followers duly saluted his 20 May deal to back **Dioncounda Traoré** as interim President, but his radical civilian allies were determined to press ahead with a planned convention the next day, to choose their own transitional president. Under the banner of the *Coordination des organisations patriotiques du Mali* (Copam), more than 1,000 people gathered at Bamako's convention centre led by **Oumar Mariko**, of the *Solidarité africaine pour la démocratie et l'indépendance*, and **Bakari Boré**, *Yèrèwolo Ton* leader, along with leaders of a traditional hunters' association and a police trades union. The head of the Sufi Community, Sheikh **Soufi Bilal**, and **Hammadoun Amion Guindo**, head of the *Centrale syndicale des travailleurs du Mali* union federation were also present. (By contrast, **Chaka Diakité**, head of the rival and larger federation, the *Union nationale des travailleurs du Mali*, is a leader of the anti-junta political front.)

What happened next – the attack on the presidential palace – illustrates how high feelings had run and how far ahead they were of Sanogo's calculating realpolitik. A youth appeared outside the convention centre, carrying a shroud-lined cardboard coffin shouting 'Death to Dioncounda!' and a group of activists set off for Koulouba, scrambling up the steep hillside to the palace. The most adventurous burst in, meeting no resistance from the guard, and found Traoré in his office. They ripped off his clothes and shoes and beat him until he fell to the ground, apparently unconscious.

Then they shouted to the crowd that Traoré was dead. Fearing retribution, hangers-on fled, scrambling down the rocky hillside while the die-hards headed back to the convention centre, where they told the assembly they had killed the President. Shocked, but still untroubled by the security forces, Copam reconvened the next day to nominate Sanogo for the presidency. The Captain stayed away, while trades union leader Guindo argued that the meeting should accept his stance. Mariko and other radicals would not be deterred, however, but now, in the wake of disgust at the attack on Traoré and Sanogo's political shift, Mariko is isolated. Traoré was not badly injured. After initial checks, he was flown to Paris, where he spent several nights at the *Val-de-Grâce* military hospital before moving to convalesce with relatives at a hotel. ●

EGYPT

Soldier against Muslim Brother

The first presidential round showed that the political ground is shifting and may continue to do so, whoever wins the second round

Whatever the outcome of the presidential run-off between **Ahmed Shafiq** and **Mohamed Mursi**, the first-round results have much to say about how electoral politics have been evolving since the parliamentary elections (AC Vol 53 No 10, p7). Compared to those of the parliamentary elections (see Table), the presidential first round shows a decline in turnout of nearly 8%, reflecting a growing disenchantment with formal politics.

The Islamist vote in general and the Muslim Brotherhood vote in particular declined appreciably, although the Brothers' awesome electoral machine was still sufficient to place their candidate in lead position for the run-off. While the remnants of the old regime, known as *felool*, scored negligible results in the winter elections, they have now reappeared as a significant political force in the person of Ahmed Shafiq, former Air Force crony of ex-President **Mohamed Hosni Mubarak** and his last Prime Minister.

The biggest surprise of all was the performance of the Nasserist **Hamdin Sabbahi**, who won in three of the four biggest metropolitan areas (Cairo, Alexandria, Port Said) and finished third in the presidential poll. Expected to poll a distant fifth, he has come to represent a large, left-leaning, non-*felool*, non-Islamist constituency. His showing proves that the name of the late President **Gamal Abdel Nasser** can still mobilise votes, over 40 years after his death. Analysts predict this trend will continue.

While the cities went to Sabbahi, smaller towns and agricultural areas in

the Delta voted for Shafiq, with the rest of the country voting almost exclusively for Mursi. Civil servants, who generally strongly prefer Shafiq, were given time off work to vote. Formerly unquestioned Islamist strongholds in some poorer areas proved less impregnable. The principle concerns of electors everywhere were under-employment, poor public education and the need for greater government support for particular sectors of the economy, such as agriculture.

Disenchantment with the Brotherhood reflects two contrary lines of thought. Some complain of its failure to use its parliamentary dominance to bring change, although the National Assembly has no control of the executive. Others, however, fear that if the Brothers also took the presidency, they would become a 'new National Democratic Party', the party of Mubarak's one-party state – only a theocratic one.

The strong vote for Shafiq was a result of four trends. First, fear of the Islamists: Egypt may be a conservative society but there is broad resistance to the culture of Gulf Arabs and **Saudi Arabians**, including their religious tendencies. The Brothers protest that they have no intention of legislating in the heavily restrictive ways of Saudi Arabia and the Gulf but rumour, suspicion and mistrust are widespread. Many also fear modern Islamism, characterised by the political imposition of a monopolist interpretation of Islam. Egypt's Muslim Brotherhood was, after all, the founding party of the modern international Islamist ideology, as seen in neighbouring **Sudan's** ruling party, in **Al Qaida** and beyond.

Secondly, desire for a 'strong man' ruler still exists. Many people feel this is an answer to growing crime, as well as the persistence of riots and violent street clashes, which have sprung up every few weeks since Mubarak's ouster. Thirdly, many electors wanted to know that their candidate had experience in government and could be decisive. Finally, the deeply-rooted Mubarak-era patronage networks, hitherto in disarray, have at last found a figure around whom to rally.

If the two main axes of Egyptian politics are organised Islamism versus secularism, and nostalgia for the old regime versus revolution, voters picked the two most extreme options available: the most established Islamist against the

most unreconstructed *felool*. Candidates of the centre melted away. **Amr Moussa** (himself a former Mubarak Foreign Minister) was insufficiently bellicose for the law-and-order vote, whilst **Abdel Moneim Abul Fotouh** could not escape from his Brotherhood past and attract liberal votes. Officially, almost all the Salafist forces backed Abul Fotouh (mostly to assert their independence from the Brothers) but their lack of discipline meant that half of their supporters voted for Mursi anyway, while their backing further alienated liberals.

Two caveats are necessary. There was a measure of electoral fraud at polling stations, which probably favoured Shafiq most but not enough to alter the relative order of the candidates. Secondly, there are Egypt's democratic peculiarities. One-third of eligible electors are illiterate and just one-sixth read newspapers regularly. Only 6% read news online and more than two-thirds rely on television, largely run by the state. As a result, accurate information about candidates is scant. Many of Shafiq's poorer voters might well have chosen otherwise if they had known of his statements that the revolution was an 'unfortunate' event and that Hosni Mubarak remains a 'role model'.

FUTURE TENSE

The big question that remains is how the as yet undrafted constitution will affect matters. The Brothers' failure to compromise with secularists quickly enough led to the courts shutting down the whole process. Once a new President is elected, however, they are likely to be able to affect that process when it resumes and thus the draft that is put to referendum in the autumn. Whoever is president, the central constitutional issue will be the status of the military, which could leave other important questions resolved in an unsatisfactory way.

Street violence is another factor that could powerfully affect the political future. It shakes governmental authority, deters tourism and worries investors. Shafiq has declared his intention to defend army privileges, not to reform the security services and to crush open displays of defiance. Disappointed revolutionaries and many other strands of opinion are unlikely to remain quiescent in the face of what they will see as the renaissance of Mubarak. Egypt under Mursi might be slightly more peaceful, at least initially. The urban areas most supportive of Sabbahi are hostile to the Brotherhood, though not as much as to the *felool*.

After May's low turnout, a great many Egyptians now feel excluded by the choice on offer. One risk is that the gap between the street and institutional politics will continue to grow. Many are saying that the revolution is not yet over. ●

EGYPT'S PRESIDENTIAL ELECTION, ROUND ONE: THE RESULTS

Candidate	Party	Share of vote
Mohamed Mursi	Freedom and Justice Party	24.7%
Ahmed Shafiq	(none)	23.6%
Hamdin Sabbahi	Al Karama	20.7%
Abdel Moneim Abul Fotouh	ex-Muslim Brotherhood	17.4%
Amr Moussa	(none)	11.1%

GENERAL ELECTION COMPARISON

	Parliamentary	Presidential round one
Turnout	54.0%	46.4%
Brotherhood	37.5%	24.8%
Total Islamist	69.0%	43.3%
<i>Felool</i> (ancien régime)	7.4%	34.8%*
Liberal	21.0%	0%
Left/populist	2.8%	21.6%

* Includes Shafiq and Moussa

LIBYA

NTC puts poll in doubt

Abdel Jalil and his circle of lawyers are reluctant to put their rule to the test

Preparations for the first national elections in more than four decades, scheduled for 19 June, have placed the post-Gaddafi state under severe pressure. The opaque and unaccountable National Transitional Council, led by former Justice Minister **Mustafa Mohamed Abdel Jalil**, is provoking anger for attempting to delay voting for the 200-seat constituent assembly until after Ramadan (AC Vol 53 No 3, p4). Although preparations for the vote have been disorganised and last-minute, 2.7 million electors out of a possible 3.5 million have registered. Both Prime Minister **Abdel Rahim el Keab** and High National Election Commission chief **Nuri el Abbar** are strongly resisting postponement, which some in Tripoli fear would trigger a new anti-NTC uprising.

Suspicion that the NTC is manoeuvring to maintain itself in power centres on the activities of what one respected Libyan analyst recently described as a 'circle of lawyers', led by Abdel Jalil, which controls the NTC. Recent controversial laws are said to have been drawn up outside the official NTC drafting committee and without public discussion. Among them are provisions for an amnesty on all crimes committed 'in the name of the revolution',

criminalising criticism of last year's revolution and placing a large quantity of state and private assets allegedly linked to the former regime into an undefined guardianship body. One Libyan lawyer described it as 'legislative diarrhoea'.

BROTHERS FAVOUR A DELAY

Most of the public will view any delay to the elections very unfavourably but some constituencies stand to benefit. The Muslim Brotherhood's Justice and Construction Party is, according to one analyst, not expected to do as well as it had hoped, in spite of winning amendments to the election law in its favour. These include an increase in the proportion of seats contested by party list from 30% to 40%.

The opposing argument is that the Brotherhood is better-known than parties which did not exist before the fall of Colonel **Moammar el Gaddafi**, which would give them an advantage in polling by list. Some militias welcome any postponement in setting up a democratic body that could legitimately challenge their use of force. Opposition also comes from the Council of Cyrenaica, which supports autonomy for eastern Libya and has called for a boycott of the vote, fearing

it would establish unchallengeable central rule from Tripoli.

Other divisions are also emerging in the run up to the elections. The NTC has said it may recognise delegates from the recently-elected Benghazi local council to represent the city. Yet it has refused to recognise elected councillors from the third largest city, Misurata. It has become heavily militarised since the revolution and militias there are attempting to extend their control over the central part of Libya, with mixed success. One source accused Misuratan militias of operating as the national army or *Dara'a Libya* (Libyan Shield) to attempt to push the boundary with Cyrenaica to a point 40 kilometres west of Ajdabiya, even though it is on the far, eastern side of the Gulf of Sirte. This would effectively create a new region with control over a large portion of the Sirte Basin and three oil export terminals.

While electoral registration has gone well in the north, reports indicate that the southern population has largely not taken part. 'The south has already gone,' said one Libyan analyst. 'They are waiting for someone to come in and give them leadership.'

One of the main difficulties is that for a national authority to control the south, military units with sound experience of dealing with the local militias and tribes are vital, said one military expert. Officials in Tripoli and Benghazi are unwilling to invest the necessary effort. In any case, they reason, southerners are happy with the currently open borders and the trading opportunities they offer, caring little about national affairs. ●

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POINTERS

South Africa

THE NEW THABO MBEKI

■ Ex-President **Thabo Mbeki** is again reinventing himself: his latest struggle is against corruption, leading a campaign to recover some of the hundreds of billions of dollars extracted from the continent. Global Financial Integrity, a Washington non-governmental organisation, reckons Africa lost more than US\$854 billion between 1970 and 2008, mainly to Western jurisdictions. GFI economists estimate that developing countries lose over a trillion dollars a year in illicit outflows, vastly outstripping aid inflows. The World Bank and International Monetary Fund take the issue very seriously.

The United Nations and African Union have appointed Mbeki to chair a team looking at the effects on individual economies. Members of the High-Level Panel on Illicit Financial Flows from Africa include **Abdoulie Janneh**, Executive Secretary of the UN Economic Commission for Africa, and his deputy, **Abdalla Hamdok**; Mbeki was recently appointed to chair the ECA. His team will push for repatriation of stolen assets, including those exported by serving and previous African leaders. So far information, particularly from African governments, has not been forthcoming.

At home, the Thabo Mbeki Foundation and the Thabo Mbeki Leadership Institute are operational but not entirely clear of controversy. This year's annual Thabo Mbeki Lecture was due to be given by **Ethiopian Premier Meles Zenawi** but he pulled out because President **Jacob Zuma** was opening a global African diaspora summit at the same time and Meles did not want to upset Zuma by turning up for an Mbeki event.

Mali

ISLAMIC STATE

■ After weeks of wrangling, Tuareg nationalists and their jihadist allies reached a shaky agreement to share power in northern Mali and formally declared the Islamic Republic of Azawad on 26 May (AC Vol 53 No 11, p11). The *Mouvement national pour la libération de l'Azawad* (MNLA) had previously denounced any notion of a state based on religion and the jihadists of **Iyad ag Ghali's Ansar Eddine** opposed a nation state.

The compromise solves nothing, analysts say, and papers over a huge gulf between the sides. This is an agreement in principle only. Crucial details, such as the composition of the transitional government and the role of religion in daily life, are not mentioned. The MNLA, many of whose supporters feel disgusted by the group's

renunciation of a secular dream, wants Islam to play a background role. The **Ansar Eddine**, with their allies from **Al Qaida** in the Islamic Maghreb, want an austere interpretation of *Sharia*, including corporal punishment. An AQIM official who has taken to speaking on behalf of the **Ansar**, **Omar Hamaha**, said the two groups agreed on about 80% of the issues confronting them. If that's not a massive exaggeration, it obscures the fact that the remaining 20% contains the most intractable differences.

Such is the mistrust which the MNLA harbours for Ag Ghali that a tribal leader, **Alghabass ag Intallah** – the heir apparent of the powerful Ifoghas people, National Assembly member and a former confidant of Ag Ghali's – signed the accord in his stead. For his MNLA rivals, Ag Ghali's signature isn't worth the paper it's written on. Meanwhile, the leaders of Mali's Arab community – a pro-government counterweight to the more independent-minded Tuareg – are meeting in **Mauritania** to decide how to react to the MNLA-**Ansar** deal. Many of those present firmly oppose the creation of an independent Azawad.

Such developments might offer a political opening for Bamako, if there was a credible government ready to exploit it. Yet neither Sanogo's putschists nor Prime Minister **Modibo Diarra's** cabinet have shown any capacity to shape a political strategy for the north. This has led to the emergence of a *Coalition pour le Mali* of conventional politicians, including northerners, and civil society figures.

Namibia

SWAPO SHOWDOWN

■ Jockeying for position to succeed President **Hifikepunye Pohamba** is rising following confirmation that SWAPO's elective congress will be held on 28 November to 2 December. Whoever becomes the presidential candidate of the governing party (formerly the South West African People's Organisation) is virtually certain of victory in the November 2014 poll. The Vice-President and Trade and Industry Minister, **Hage Geingob**, still wants the top job but is no longer the favourite. He will be 73 in 2014.

The party wants to avoid a repeat of the highly divisive 2004 contest and decided that the Vice-President would automatically become the next presidential candidate. That is looking less likely, however. SWAPO's 'Iron Lady' and Secretary General, Justice Minister **Pendukeni livula-lthana**, is virtually sure to challenge Geingob (AC Vol 53 No 2, p9). Other cabinet members thought to be interested include Regional and Local Government Minister **Jerry Ekandjo**. Namibia's first President and former SWAPO leader **Sam Nujoma** persuaded him not to challenge Geingob for the vice-presidency in 2007 but he is not expected to back down again.

Senior government officials are lobbying Pohamba to endorse Prime Minister **Nahas Angula** as his successor to ensure policy continuity. Deputy Premier **Marco Hausiku** is popular within SWAPO and, as a Kavango, appeals to those who think it time for a non-Oshivambo head of state. Geingob's pro-business stance turns off the younger, more radical members. Business wants him and **Knowledge Katti**, a broker for potentially lucrative offshore exploration rights for foreign companies, is said to be a key funder. The still influential Nujoma leans towards Geingob but won't show his hand yet. He once favoured a female head of state but livula-lthana is unlikely to get his endorsement. The old-guard sees her as too inflexible.

Angola

THE RICH LIST

■ Luanda has finally announced that general elections will take place on 31 August. They'll be the first where the winning party chooses the president directly: the head of the winning party's list automatically takes over the country. The National Assembly, dominated by the ruling *Movimento Popular de Libertação de Angola* (MPLA), changed the constitution and abolished presidential elections in 2010. President **José Eduardo dos Santos** has not yet been named but it is expected. Parties must submit their lists of candidates, with supporting signatures, to the Constitutional Court by 19 June.

Dos Santos has ruled for nearly 33 years without ever having to face a full vote. The succession has therefore long been a rich area of speculation. One scenario is that the MPLA will avoid popular involvement by listing its presidential choice second. Dos Santos could then resign after winning (AC Vol 52 No 18, p12). Even though he lacks appeal within the party, the frontrunner is the former Chairman of the state oil giant Sonangol, **Manuel Vicente**, now the new Minister for Economic Coordination. The polls will be only Angola's third and the announcement follows months of uncertainty over the electoral process.

The *Comissão Nacional Eleitoral* is beset by accusations of falsifying the electoral register and of the partiality of its President, **Suzana António da Conceição Nicolau Inglês**. Not only is she a senior member of the MPLA's women's movement, the *Organização da Mulher Angolana*, she isn't even a judge, as the law requires. The MPLA and even Dos Santos himself pooh-poohed the complaints but got a shock when the Supreme Court ruled that Inglês was indeed not qualified. The MPLA deftly switched track and now celebrates Angola's judicial independence. Nevertheless, nobody doubts the outcome of the polls, given the party's control of the state and private media and its access to state resources for campaigning.

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BLUE LINES

Business leaders and politicians in Nigeria and South Africa have appealed for two former presidents, Olusegun Obasanjo and Thabo Mbeki, to help improve their countries' ailing relationship. African diplomacy has been critically weakened by disputes between the two biggest economies. Obasanjo and Mbeki fit the task. Despite their differences over Zimbabwe policy, they respect each other and both have problems with their successors. Obasanjo chose Goodluck Jonathan as running mate to the ailing Umaru Musa Yar'Adua in 2007 but now his influence in Abuja is waning.

Relations between Mbeki and Zuma have been tense for years. They hit a low point when Zuma ousted Mbeki as African National Congress President in 2007 but have barely recovered. In 2010, Zuma refused Mbeki an official aeroplane to an African Union summit and then fumed after Nigeria chartered him a jet instead. According to ANC insiders, Zuma accuses Mbeki of trying to upstage him with his mediation missions for the AU.

Jonathan was furious when Zuma shouldered his way into the Ivorian and Libyan crises last year. And the two are divided over candidates for the AU chair, with Gabon's Jean Ping (current AU Chairman) in the Nigerian corner and Nkosazana Dlamini-Zuma in South Africa's. Now with a compromise on the AU dispute being planned in Addis Ababa, the Nigeria-South Africa hostility could ebb, especially if their leaders listen to their not always respected predecessors.

GUINEA/SOUTH AFRICA

A new battle to control the mines

The collapse of an opaque scheme to set up a multi-billion dollar national mining company prompts recriminations in Conakry and South Africa

The Guinean government's decision this week to shut down a bid by South African businessmen who wield high-level political connections, to run its national mining company follows growing pressure from international financial institutions and multinational mining companies. The scheme would have put the group in a privileged position to take a stake in some of the most valuable mining assets in the country and up to 50% of the equity in the planned national mining company. Its first target appeared to be the Simandou iron-ore mine, whose development has been wracked by contractual disputes in the past decade (AC Vol 53 No 4).

Two of the key South African figures linked to the plan are **Walter Hennig** and **Mark Willcox**. Both have worked on oil deals with mining magnate **Dan Gertler** in Congo-Kinshasa and **Khulubuse Zuma**, nephew of South African President **Jacob Zuma**.

Conakry's move comes just as President **Alpha Condé's** government launches a wide-ranging review of mining contracts, promising the process will be transparent, accountable and improve the investment climate. Industry experts said that Walter Hennig's plan, based on companies registered in the **British Virgin Islands**, satisfied none of these criteria. The US\$25 million start-up capital for the national mining company was not even recorded in the national accounts, according to Finance Ministry sources.

The idea for a strong national mining entity emerged from discussions between President Condé and financier **George Soros**. First, Soros advised Condé on a new mining code, which was passed in September 2011,

by the *Conseil national de transition*, which operates as an interim Parliament until legislative elections are held later this year. Soros also suggested that the Guinean state take a 15% free-carried interest in mining projects, with an option to buy a further 20% stake at market prices. Yet Soros's associates insist that his proposal for a national mining company would have to meet the highest international standards of accountability and corporate disclosure. No details of Hennig's plan were released publicly and it was never discussed by the CNT.

A \$25 MILLION TICKET

In March 2011, Hennig and his associates signed several contracts with Guinean officials. The first was an oddly-worded agreement under which Palladino Capital 2, controlled by Hennig, would lend \$25 mn. To set up a national mining company, the *Société de patrimoine du secteur minier* (SPSM). Hennig's representative **Samuel Mebiane** signed for the company, and Mines Minister **Mohamed Lamine Fofana** and Finance Minister **Kerfalla Yansané** signed for the government.

The contract provided for Palladino to take an equity stake worth up to 30% of a subsidiary of the national mining company, should the government default on the loan. Oddly, there were no provisions in the agreement on how that stake could be valued. One mining company operating in Guinea described it as a 'ticket' into the local mining business. Finance Minister Yansané told *Africa Confidential* that the loan contract didn't provide any 'automatic convertibility' to an equity stake in the event of a default.

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He added that the probability of Conakry defaulting on the loan was minimal.

However, an associate of Hennig's in

Palladino Capital, **Andre Cilliers**, issued a statement on 20 June claiming: 'We have for some time been pursuing action against the government of Guinea for having defaulted on the terms of the loan agreement.' Cilliers's statement went on to claim that the government had 'failed to demonstrate that the advance had been used to fund the Guinean national mining company as per the terms of the loan agreement.' The implicit accusation of corruption coming from a company such as Palladino has incensed officials in Conakry, we hear.

The second element of the proposed

joint venture between Palladino and the national mining company was a framework agreement under which Palladino would undertake to bring in private investors for equity stakes in mining operations. Hennig signed a framework on behalf of his Floras Bell company with Fofana on 13 March 2011, which set out the terms of the exclusive options to be offered to Floras Bell and Palladino for stakes in national mining company ventures. The agreement made no reference to valuation procedures or competitive bidding; rather, it suggested that any decision on asset prices would be a matter between the Mines Ministry and Palladino.

There is no doubt that the deal offered lucrative opportunities to Hennig and associates. Hennig's Palladino Holdings, registered in the British Virgin Islands, has a substantial stake (at least \$20 mn.) in an investment company called Africa Global Capital (ACG) with the **United States'** Och-Ziff hedge fund (with a \$100 mn. stake) and Mvelaphanda Holdings (\$5 mn. stake), founded by South African presidential contender **Tokyo Sexwale**. Willcox is Chief Executive of both Mvelaphanda and ACG.

When Cilliers sent out an invitation to companies to join Palladino's venture on 30 March 2011, those contacted said they had been given the impression that a group of 'cash-rich outfits' such as Och-Ziff and Mvelaphanda Holdings had already signed up to the arrangement. 'Why would Guinea establish a state-owned mining business to hand it to a South African company?' asked one.

In an interview with AC, Willcox insisted that neither Sexwale nor Mvelaphanda Holdings was directly involved in the Guinean venture. He said that it was a 'great opportunity' and that he had no problems with the probity of the structures set up by Palladino. Willcox and Hennig are longstanding business associates. Willcox's associates report that he has been enthusing about the massive opportunities in Guinea.

However, we hear some of the big mining companies in Guinea, such as **Brazil's** Vale and **Anglo-Australian** companies Rio Tinto and BHP Billiton, had launched their own investigations into the Palladino plan and raised great concerns about its accountability. 'We're looking at the same people and the same model that enabled Zuma's nephew to pick up Tullow's oil block in the Congo and flip it to Dan Gertler – so there are big forebodings out there,' said one mining expert who preferred to remain anonymous.

Last week, Condé chaired a cabinet meeting at which it was decided to end the arrangement with Palladino. It appears he was convinced that the opacity of the deal could undermine his government's efforts to restructure the mining sector

WHO'S WHO IN THE GUINEA LOAN SAGA

● **Walter Hennig**, Chief Executive Officer of Palladino, a **South African**. The considerable fortune enjoyed by the Hennig family comes mainly from diamond trading and farming, though Walter Hennig has diversified into other mining operations and financial services. He is a shareholder in Mvelaphanda Holdings and an active Director of Mvelaphanda Logistics and Mvelaphanda Industrial Projects. He is also an associate of **Khulubuse Zuma**, nephew of President **Jacob Zuma** (AC Vol 52 No 16). Associates say Hennig professes neutrality in the battle between Zuma and African National Congress politician **Tokyo Sexwale** for the ANC leadership: he has business relationships with both men.

● **Mark Willcox**, Chief Executive Officer of Mvelaphanda Holdings, African Global Capital and Africa Management. He was described by one colleague as 'joined at the hip with Walter Hennig', adding that the two men were confident of reaping rich rewards from their planned foray into Guinea's mining sector. Dividing his life between London and Cape Town, Willcox is regarded as a consummate financial engineer who has presided over the rapid growth of Mvelaphanda Holdings over the past decade. Mvelaphanda, a private investment company founded by Tokyo Sexwale, has the controlling interest in Mvelaphanda Resources, which is listed on the Johannesburg Stock Exchange.

● **Vanja Baros**, the Africa Director of the Och-Ziff Capital Management Group, which has some US\$30 billion of assets under management. Baros has led the expansion of Och-Ziff's operations in Africa together with Hennig and Willcox. Och-Ziff contributed \$100 mn. to Africa Global Capital for investment across Africa, Willcox told *Africa Confidential*. Och-Ziff's founding Chairman, **Daniel Och**, praised Mvelaphanda Holdings' 'exceptional track record of value creation'.

● **Lloyd Pengilly**, Director of JP Morgan Casenove and close associate of Mark Willcox. 'They hunt in a pack,' remarked one colleague. Pengilly has also worked closely with banker **Ian Hannam** and a **British** former Ambassador to Pretoria, Lord **Robin Renwick** (now Chairman of JP Morgan in South Africa), in a group that became known as the 'trifecta' because of its complementary skills in securing business and structuring deals. JP Morgan estimates that the two blocks in Guinea's Simandou iron-ore mine that are controlled by Vale could alone produce 50 million tonnes of ore a year by 2020, making it the biggest iron mine in the world.

● President **Alpha Condé**, who has consulted with financier **George Soros** and **Britain's** former Prime Minister **Tony Blair** about ways to rebuild Guinea's economy and bring in investment, chaired a cabinet meeting last week which decided to end the loan arrangement and framework agreement with Palladino and its associates. Condé argued that the arrangement was not worth jeopardising Guinea's improved relations with international financial institutions.

● **Mohamed Lamine Fofana**, Mines Minister, led negotiations for the formation of Guinea's state mining company and is also running a wide-ranging review of all major mining contracts. He has already said that the **Beny Steinmetz** Group Resources, Vale's minority partner in the Simandou mine, 'didn't follow the law' when it secured the asset under the late military leader, General **Lansana Conté**. Those doubts about the legal status of the contract pushed Vale to the brink of withdrawing from Guinea this year (AC Vol 53 No 4, p6). The failure of the Palladino-state mining company and the doubts raised about transparency will weigh heavily on Fofana.

● **Kerfalla Yansané**, Minister of Finance, created a public rift with Hennig and Palladino, apparently accidentally, when he spontaneously announced that the government was ending the loan arrangement with them at a seminar organised by the International Monetary Fund in Conakry on 18 June. ●



GUINEA The Italian job

A favourite of the old regime risks losing his property fortune under the new one

Guido Santullo grew rich on government business while his patron **Lansana Conté** was President of Guinea. Now, the government has requisitioned his property complex and he threatens to sue (AC Vol 47 No 10, p6). Until 31 April, he had unquestioned title to Conakry's financial centre, the *Cité chemin de fer* (Railway District). This consists of 16 office blocks, whose tenants include the mining giant Rio Tinto, the distribution company Leader Price and the national power company, *Electricité de Guinée* (EDG). Santullo built and ran the complex through his **French** company, the *Société civile immobilière de Gaëta*.

Once Conakry's ambassador to Italy, Santullo's fortunes began to decline soon after the election of President **Alpha Condé** in November 2010. His contract with the government specifies that disagreements will be dealt with *à l'amiable* (by mutual consent), which is clearly impossible now. He says he will appeal to 'international justice' and seize all the state's overseas bank accounts.

Condé decided to move against Santullo's property empire after consulting his personal legal advisor, **Moustapha Naité** (responsible for state property), and his son, **Mohamed Alpha Condé**, we hear. He told his cabinet he was about to issue a very important decree but would not tell them what it was about, says a palace source: 'Only when the takeover of the *Cité chemin de fer* was published did they understand.' Condé did not want to give an opportunity to intervene to Santullo, whose old friends include two ministerial advisors, **Fodé Bangoura**, formerly Economy and Finance Minister, and **Madikaba Camara**, Minister of State for Presidential Affairs.

Construction began in 1997, after Santullo had persuaded the late General Conté to grant him a lease, undertaking to build 19 office blocks, a petrol station, a store and a plant for recycling water. It cost more than US\$66 mn. (according to Santullo; an independent audit has been requested). A report on the saga by the auditor of state property noted 'the total absence of a schedule of costs and of planning permission'.

The contract was signed by **Alpha Ousmane Diallo**, former Minister of Town Planning and Housing, and **Mamadouba Camara**, former Director of National Property and Land Registration.

Santullo signed as Manager of SCI Gaëta, which does not, as the law requires, have a legally-established Guinean subsidiary.

The Auditor reported that only 16 of the 19 promised blocks had been built and that the lease was for 66 years although the law permits leases of only 60 years, including building time. Santullo insists he agreed with the late President Conté on a 65-year lease, with eight years for construction, and complains to journalists of Condé's 'hatred'. His firm promised the state an annual fee of 45 mn. Guinean francs (\$6,500) but did not pay it. 'It is ridiculous that they should have waived payment of such a derisory sum,' said one of the report's authors.

EDG bought its building for \$6.1 mn. The monthly rent for the other buildings amounted to just over \$4.1 mn. a year, paid in dollars by bank transfer into accounts specified by Santullo. Now, all tenants have agreed to pay their rent directly to the *Banque centrale de la république de Guinée* and the complex will be run by a new state body of lawyers, technical experts and auditors.

SMALL BEGINNINGS

Santullo, one of 14 children from a poor **Italian** family, had little education. He moved first to France, then to Guinea in 1984, setting up a modest business supplying building materials to Africof, a firm founded by **Najib Zaher**, a **Lebanese** entrepreneur with a contract to build 500 classrooms. Santullo claims that Conté, impressed by his work, insisted that he start his company, *Sericom Guinée*, which raised the capital for the classrooms and got paid when the government paid Africof. This made him a millionaire, with his own jet, which several times took the President abroad for treatment of what turned out to be his final illness (AC Vol 47 No 10). Conté appointed him Guinea's Ambassador to Italy. There is no record of how he put together the huge sums required to build the *Cité chemin de fer*.

Nowadays, Santullo claims to have big contracts in **Benin** and **Gabon**, where he employs 'more than 800 Guineans who live in luxury'. He promises to 'destroy' President Condé: 'If he makes threats of that sort, he and his family should watch out. Because I too can make threats. And I have ways of making lots of things happen.' ●

with safeguards for big investors. Specifically, we hear he was worried that Palladino would compromise Guinea's debt reduction agreement with the World Bank and International Monetary Fund, and jeopardise a \$200 mn. credit it was negotiating with the Fund.

It was, though, the government's intention to deal with the matter quietly by repaying the loan in full and informing Hennig that his services were no longer required. However, news of the break with Palladino emerged by accident at an IMF seminar in Conakry on 18 June. Finance Minister Yansané told the gathering of business people and bankers that on the eve of Condé's official trip to **Brazil, Malaysia, Thailand and France**, an extraordinary cabinet meeting had decided to cancel the deal with Palladino and repay the \$25 mn. loan immediately.

That set Palladino and Hennig on the offensive, claiming Conakry had already defaulted on the loan and could not offer a satisfactory response to requests for information about how it was being used. 'Our impression is that the government didn't seem to have the willingness to structure the national mining company in a transparent manner.'

The Palladino affair is fast turning into a political row for the government a few months ahead of parliamentary elections. Opposition parties, backed by civil society organisations, criticise the secretive structure of the contract, which they say contradicts the ethos of the new mining code. Some opposition politicians claim the Palladino money could have gone into an election fund.

So far, ministers have declined to counterattack or respond to Palladino's insinuations of corruption. On 20 June, Yansané said the government had contracted the \$25 mn. loan last year when its credit rating was very low and there were no alternatives but given the success of Guinea's 'rapid restructuring programme', it made sense to end the arrangement with Palladino and 'repay a loan whose conditions we no longer deem favourable'. But that it is unlikely to be the last word on the matter. ●

RWANDA/CONGO-KINSHASA

Kigali's hand in the Kivus

A UN report on Rwandan backing for mutineers sparks a diplomatic row in New York as the rebels gain ground

As fighting escalates in eastern Congo-Kinshasa, pressure is mounting for the publication in full of a United Nations' investigation into the links between Rwanda and a new militia terrorising the region. In a growing furore in New York, the Congolese government and international human rights groups are accusing the **United States** of obstructing the release of the investigators' full findings.

A UN Panel of Experts submitted an interim report to the UN Security Council on 18 June but diplomats say it excluded an annexe showing links between senior officials in the Rwandan government and the militia called the *Mouvement du 23 mars* (M23, AC Vol 53 No 12, p7). Instead, the Council has heard an oral presentation of the information in the annexe. One diplomatic source told us the annexe points to links between Kigali's Defence Minister, General **James Kabarebe**, and the M23. The annexe would have far more diplomatic weight in terms of sanctions against malefactors if it were published as an official UNSC document.

On 19 June, the UN High Commissioner for Human Rights, **Navanethem Pillay**, warned that the fighting threatened the

entire region: 'The leaders of the M23 figure among the worst perpetrators of human rights violations in the Congo, or in the world for that matter.' His office said that M23's leadership includes Colonel **Sultani Makenga**, a former rebel leader accused of killing civilians and recruiting child soldiers, and **Jean-Bosco Ntaganda**, an army general wanted by the International Criminal Court (ICC) on charges of war crimes of using children in combat.

Although Congo's Foreign Minister, **Raymond Tshibanda N'tungamulongo**, received his Rwandan counterpart, **Louise Mushikiwabo**, in Kinshasa on 19 June to sign a bilateral cooperation accord, relations between the two governments are deteriorating sharply. Amid the melee of claims and counter-claims, conditions in eastern Congo-K are worsening, with more 200,000 people chased from their homes by the M23 since April. The bulk of its fighters come from the Tutsi-led *Congrès national pour la défense du peuple*. After peace negotiations, those CNDP fighters and their Commander, **Bosco Ntaganda**, were in March 2009 integrated into the national army, the *Forces armées de la république démocratique du Congo* (FARDC). However, Kinshasa's

announcement that it was ready to hand over Ntaganda to the ICC precipitated a mutiny in April and the launching of the M23. It operates from the Runyoni area, near the Rwandan border, and has launched several ferocious attacks.

There are currently 24 rebel deserters of Rwandan origin in the demobilisation centre in Goma run by the UN Mission, the *Mission des Nations Unies pour la stabilisation du Congo* (Monusco), *Africa Confidential* has learned.

Human rights and other civil society organisations have credible reports of M23 fighters being recruited in Rwanda by former guerrillas under the orders of government officials, probably intelligence officers. These sources say that officials in Kigali have pressured demobilised former senior officers of the Hutu *Forces démocratiques de libération du Rwanda* to recruit fighters from their former cells in Rwanda to send to the frontline in Congo.

FDLR-CNDP LINKS

The use of former FDLR fighters to help to reinforce M23 positions may seem strange, given that the FDLR and CNDP are meant to be bitter enemies. Yet successive UN investigations have found military and commercial cooperation between the two groups. Kigali exercises great leverage over demobilised FDLR soldiers, many of whom are unemployed. The CNDP has always proclaimed that it fights for all minorities and has long included many Hutu foot soldiers, although the leadership is exclusively Tutsi. The ex-CNDP men have been trying to build a unified front among Kinyarwanda-speaking Hutu and Tutsi in Congo and there are previous examples of them collaborating.

At first, ex-CNDP Commander Ntaganda led one band of mutineers from the FARDC and his long-term rival Makenga another, under the M23 label. Their fighters say Kigali has encouraged the previously bitter rivals to combine, the better to resist the FARDC campaign against them. Some of Ntaganda's men reinforced Makenga's positions in Runyonyi and the Mbuzi Hills after they were forced out of Masisi in April. Local sources say the men remain loyal to Ntaganda, which means he must have reached an accommodation with Makenga. For now at least, it seems that Ntaganda is in overall command.

The suggestion that ex-CNDP elements are working to a script written in Kigali has shaken the confidence of the Congolese army in the east. It is composed of several militias that were once at each other's throats and its commanders worry that there may be more mutinies to come, further damaging its fire power. Tension is particularly high in Kitchanga in Masisi, which was the CNDP's capital during its 2007-09 rebellion. It is now guarded by the FARDC's still-loyal 812th regiment. ●

US 'PROTECTING' RWANDA

While Congo-Kinshasa's Foreign Minister, **Raymond Tshibanda N'tungamulongo**, demanded that Rwanda immediately withdraw its support for militia in eastern Congo, Rwandan President **Paul Kagame** told a press conference on 19 June that he rejected all accusations of complicity: 'You Congolese, don't run away from your responsibilities and start claiming that this is our problem.' Rwanda was 'only in it to be part of the solution', said General Kagame, adding that the latest fighting did not involve outsiders, only 'different shades of Congolese'.

However, senior Congolese officials accuse the **United States** of shielding its Rwandan allies as international concern grows over the campaign by the *Mouvement du 23 mars* (M23). Kinshasa's Ambassador to Paris (and formerly to the United Nations) **Christian Atoki Ileka** said, 'The UN Sanctions Committee now needs to do its job and publish the information, denounce the violations of the arms embargo and put pressure on Rwanda to halt any support to **Jean-Bosco Ntaganda** and the M23 mutineers.' He protested that 'Weapons, ammunition and recruits are coming in from Rwanda to the mutineers on a daily basis... the people of eastern Congo cannot wait until the United States and other Council members find a convenient way to protect Rwanda's reputation.' Rwanda is standing for election to the UN Security Council next year and its position would be undermined by credible allegations that it sponsored regional wars.

The Executive Director of New York-based Human Rights Watch, **Kenneth Roth**, has claimed US Ambassador **Susan Rice** was at odds with her State Department colleagues over the UN report. A colleague of hers told *Africa Confidential* that she was committed to a full discussion of all the allegations against Rwanda in the Security Council on 26 June but made no predictions about publication of the annexe to the UN report on the fighting (see Feature). ●

MALI

Tuareg splits widen

A complex interplay of tribal, kinship, ideological and nationalist allegiances lies just beneath the surface of the Tuareg revolt

When day dawns in northern Mali, another faction emerges. Sharp divisions have opened within the *Mouvement national pour la libération de l'Azawad* over how best to confront the jihadists attempting to hijack its rebellion. *Ansar Eddine* (Supporters of the Religion, the Islamist group led by veteran Tuareg warrior **Iyad ag Ghali**), *Al Qaida* in the Islamic Maghreb (AQIM) and the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO) have consistently outmanoeuvred the MNLA.

The MNLA is now split between those who see no alternative to dealing with their jihadist bedfellows and those who cling to the dream of a secular 'Azawad', the name the MNLA gives its region and putative state. Ag Ghali appeared to close the door on a power-sharing deal with the MNLA on 16 June, telling Reuters that he rejected the notion of an independent Azawad. 'We are not asking for much,' he told the news agency, 'just the application of *Sharia* law in the northern and southern regions. We are Malians and we are against the division of Mali.'

This repudiation of separatism came after the shaky alliance with the MNLA had begun to unravel. Expatriate Tuaregs and some MNLA members reacted with horror to the sketchy accord between the MNLA and *Ansar* in late May which established an 'Islamic Republic' in northern Mali (AC Vol 53 No 12, p12). Leading the charge was the MNLA's tireless Spokesman, **Mossa ag Attaher**, who slammed the deal on air and on the web. 'We didn't drive out one colonial master in order to install another,' he objected, referring to the mainly Arab AQIM. 'I consider the application of *Sharia*, which is the Arabisation of our people, as a serious violation of our culture and identity, and a shameful repudiation of the revolution.'

The MNLA leadership promptly froze him out but his views are representative, especially of Francophone activists, many in self-imposed exile in Nouakchott, Mauritania, or in Paris, who provide the MNLA with its ideological backbone. These members had launched a non-violent protest group called the *Mouvement national pour l'Azawad* (MNA) in 2010, before throwing in their lot with the Tuareg fighters who returned from Libya as Colonel **Moammar el Gaddafi's** regime disintegrated last year.

Chief among them is Colonel **Mohamed ag Najem**, the MNLA military Chief of Staff, who speaks excellent Arabic and has a good pragmatic sense of the realities on the ground. His father was killed in the first Tuareg uprising of 1963 and the young man emigrated to Libya ten years later, where he found service in Gaddafi's legions (AC Vol 53 No 4, p9). Ag Najem became known for his cool temperament and meticulous planning, rising to command a brigade stationed in the southern Sahara. Through all his decades abroad, he nurtured his links to northern Mali with frequent trips home, where he has kinship ties to both the Kel Afella fraction of the powerful Ifoghas tribe and a rival group called the Idnan.

MNLA SUPREMO

Bridging the divide between the MNLA fighters and the expatriate intellectuals is **Bilal ag Acherif**, the MNLA's 35-year-old Secretary General, who on 7 June set up a *Conseil transitoire de l'état de l'Azawad*, a transitional government of 28 MNLA members. A relative unknown before the revolt, Ag Acherif is educated and well-travelled, and a cousin to the late **Ibrahim ag Bahanga**, a veteran rebel who laid the groundwork for the current uprising before dying in a car crash last August. That combination of military and civilian credentials enabled Ag Acherif to emerge as the MNLA supremo and President of the CTEA. Ag Najem is Defence Minister.

Some seats on the CTEA have gone to civilians in exile, such as former Kidal Senator **Nina Walet Intallou**, a passionate advocate of secularism who received the portfolio for Women's Rights. However, it is the MNLA's military strand that appears to call the shots. Up until Ag Ghali's final denunciation of the nationalist project, the MNLA had been trying to maintain the fiction of unity with its jihadist allies and that they agreed with the aim of creating a new state.

The MNLA is not alone in having problems with its allies. There is speculation that MUJAO is experiencing increasing friction with *Ansar Eddine*. The MNLA seems to have decided that its enemy's enemy is its friend, at least in Gao, where MUJAO has concentrated its efforts. The MUJAO leader, **Sultan Ould Badi**, hails from the area, as do many of the group's Tilemsi Arab rank and file. Indeed, in each of the three regions of

the north that the MNLA has 'liberated', it faces a different competitor.

In Kidal, the most north-eastern corner of Azawad, the population is almost exclusively Tuareg. Here, the Tuareg Salafists of *Ansar Eddine* jostle for power with the Tuareg nationalists of the MNLA. In Timbuktu, however, both groups rely on Arab proxies to mollify the predominantly Arab population and avoid ethnic conflict. *Ansar Eddine's* proxy there is AQIM and the MNLA's is the *Front national pour la libération de l'Azawad*, a secularist Arab militia. Here, AQIM has muscled the FNLA out of the way with spectacular success. Tuaregs are also a minority in Gao. There, in a desperate effort to maintain a foothold, Ag Acherif's statement would suggest that the MNLA has allied itself with the mainly Arab MUJAO, despite its avowed jihadist nature and connection to AQIM.

The MNLA is desperate to avoid internecine conflict. Repeated protests in Kidal against the *Ansar Eddine* and their fundamentalist dictates have led to clashes. A shootout on 13 June between MNLA and *Ansar* fighters near Timbuktu left five wounded.

The *Amenokel*, the supreme Tuareg leader in northern Mali, has repeatedly denounced *Ansar Eddine*. In early June, he called on 'all those with whom I have family ties, my friends, traditional leaders and the *Ulema* [religious leaders], and my children...to desert the group *Ansar Eddine* immediately.' In a previous statement, he had demanded that 'all groups that do not meet the same aspirations as the National Movement of Azawad and whose goal is not an independent Azawad to immediately leave the territory of the Azawad, whether *Ansar Eddine*, AQIM or any other.' Yet his son and heir, **Alghabass ag Intallah**, has bewildered many by joining *Ansar Eddine*. This looks like a hedging strategy to ensure the family ends up on the winning side, whatever the outcome.

ISLAMIST CONSTRAINTS

The Islamists face growing constraints in waging war in the area. Algerian and Mauritanian air strikes against MUJAO and AQIM targets have demonstrated that large vehicle movements over the sands are more difficult than formerly. Nouakchott is signalling its determination to contain AQIM, *Ansar Eddine* and MUJAO with aggressive posturing along its eastern border. Mauritanian military exercises in late May-early June included such heavy artillery bombardment and air strikes that locals thought Mali's neighbour was engaged in a pitched battle with the jihadists. Nouakchott is also thought to be pursuing intelligence-gathering operations against AQIM, arresting operatives and disrupting attacks. ●

SOMALIA

End of transition looms

While Al Shabaab suffers reverses, the government that replaces the TFG in August may turn out to be little different

There is a mood of broad optimism among many commanders from the African Union Mission in Somalia (Amisom) about recent military successes. *Al Haraka al Shabaab al Mujahideen*, however, intends to wait out the invaders and may have the resources to do so. On the political front in Mogadishu, the successor to the Transitional Federal Government (TFG), whose mandate ends in August, looks as if it will rely more on the skills and networks of President **Sharif Sheikh Ahmed** than on a new formula for a consensus that would unite all Somalis.

Amisom's good cheer centres on its capture of Afgoye, 30 kilometres from the capital, on 25 May after only three days of fighting. The troops followed up quickly when the **Kenyan** armed forces – now re-hatted as Amisom – took Afmadow on 30 May (AC Vol 53 No 7, p6). The only movement in the other direction was the tactical withdrawal, to the TFG's dismay, of **Ethiopian** troops from Eel Bur on 12 June.

20 AUGUST TARGET

On the diplomatic front, the road map for ending the transition by 20 August remains on course, with no major impact from the Istanbul conference on 31 May and 1 June, billed as a follow-up to February's London conference. This was just how the **United States** and the other main players wanted it, though **Turkey** is keen to play a bigger role (AC Vol 53 No 8). The only wrinkle was a false rumour that Turkey had invited a representative of *Al Shabaab*. Back in Mogadishu, the 135 elders whose task is to select the members of the Constituent Assembly have been working well. The CA's main duty is to endorse a permanent constitution and select the new members of parliament.

On the surface, progress is good but there are threatening undercurrents, both political and military. On the political side, it is clear that the success of the political process is linked to its domination by Sheikh Sharif. Thanks to money, political skill and international backing, chiefly from **Qatar** and Turkey, he has edged out one of his main rivals, Puntland President **Abdirahman Mohamud Farole**, and improved his standing with the key backers of the transition process, Ethiopia and the USA.

Although no list of CA members or new MPs has been made public, two

draft lists are circulating among the main players. A consensus on the new Parliament could emerge in the coming weeks. The constitution, however, is more challenging, since many articles are contentious, notably on the role of Islam but also on the devolution of power and the conditions for a local polity to qualify as a federal state. The CA may fail to decide the contentious issues and some international actors are preparing for this contingency by considering a partial passing of the constitution, one that would enable the federal institutions to be established. The difficult problems could then be left to Parliament after 20 August. This option may have come too late to win strong Somali support. Plenty of Somalis involved already believe the whole process is controlled by foreigners acting in their own interests.

Apart from the road map, there are two main concerns. The first is that many Somalis would understand the re-election of President Sharif as a confirmation of the old order. This could provoke widespread discontent, including in Puntland, Bay and Bakool, and Galgadud. It is one thing to buy votes and quite another to have popular support. Sharif is expected to win the elections, though.

A second concern is linked to that but also affects the stability of most of the newly 'liberated' areas. Sharif Sheikh Ahmed, Ethiopia and Kenya have appointed new local administrations in the cities liberated from *Al Shabaab* with scant local consultation – each for their own reasons. Sharif wants re-election and needs the support of certain clans, so he rewards them with posts. For their part, Ethiopia and Kenya want to reward their Somali allies. Sharif supports Ethiopia's appointments in order to stay in its good books. He is more reluctant to do the same for Kenya, since its appointments are made by army officers, contrary to agreements made at the Intergovernmental Authority on Development in February in Addis Ababa and with Kenyan President **Mwai Kibaki** last November.

The importance of the new local administrations goes beyond their role in future elections and touches on the country's stability and national reconciliation in the case of the military defeat of *Al Shabaab*. There are fears that instead of representing liberation from years of *Al Shabaab* rule, many

new administrations comprise simply the people who were turfed out of power by *Al Shabaab* and who have no interest in reconciliation. In Belet Weyne, the Ethiopian army, with Sharif's support, gave back control of the region to the Hawadle clan. This succeeded only in ensuring that rival clans in the surrounding areas rallied to help *Al Shabaab* carry out attacks in the city and ambushes against Ethiopian supply lines. Similar situations prevail today in Afmadow and Baidoa. In Afgoye, the situation is slightly different but Sharif's appointments have been destabilising. Twenty-one years of civil war have changed the demography of the city and Sharif's appointments have ignored this. A local increase in *Shabaab* support is indicated by the fact that armed incidents continue in the town and there were two attacks on his convoy when he visited at the end of May.

Amisom, Ethiopian and TFG troops do not always behave well. After TFG soldiers raped many women and looted property in Afgoye, Amisom found itself obliged to take action against its ally. Amisom and Ethiopian forces do not always obey international rules of war, either. Somali prisoners are often taken to neighbouring countries and detained with no acknowledgement of the arrest. Trained by the US and **French** security services, TFG security men also mistreat prisoners.

PROVOKING SPLIT

If the political picture is nuanced, then so is the military, despite the confident claims of the Amisom Force Commander and his US advisors that *Al Shabaab* is on the run. During the early part of the year, a major effort to split *Al Shabaab* 'nationalists' away from the primarily jihadist component failed. Those responsible are believed to be members of the small Islamic political organisation *Ahlu Sheikh*, to which Sharif also belongs, in Qatar. They leaked the news that some *Shabaab* commanders were not opposed to diplomatic contacts, thus effectively halting that process.

Some analysts suspect that the aim of this manoeuvre was to provoke the *Shabaab* leadership into executing Sheikh **Hassan Dahir 'Aweys'** for treason for daring to be open to negotiation. Many media and internet outlets close to the TFG and Western intelligence services, such as the US-based Somalia Report website, carried stories about defections by *Shabaab* commanders that never happened.

Now, *Al Shabaab* co-leader Sheikh **Mukhtar Robow 'Abu Mansur'**, described for years as a nationalist and 'moderate' (including in US State Department cables released by WikiLeaks), has been put on the latest US list of terrorists and a US\$3 million reward offered for his capture.

This indicates that no US officials now believe he could lead a real split in the organisation. Questions have been raised about the accuracy of the list as a reliable indicator of who is who in *Al Shabaab*. One target, for example, is Sheikh **Hassan Abdullah Hamid 'Turki'**, listed as head of *Shabaab* intelligence. Yet he was never part of the core leadership group, analysts say, and merged his movement, *Hisbul Islam*, with *Al Shabaab* only in February 2010, after being defeated in 2009. He is also said to be weak and ill.

The overall military situation is hard to gauge. Over the last 15 months, *Al Shabaab* has successfully implemented a policy of not holding ground if it meant a high human cost to the organisation. With traditional guerrilla tactics, fighters withdraw in the face of overwhelming force, after having cached military equipment and organised clandestine cells (AC Vol 53 No 7, p6).

Shabaab leaders have learned from the experience of their counterparts in *Afghanistan* that their enemy will not commit enough troops to ensure control of the territory. Moreover, while *Amisom* and Ethiopian forces may take a town centre and deal a major symbolic blow to *Al Shabaab*, securing the outskirts and rural areas is left to the TFG army or other proxies, such as *Ahlu Sunna wal Jama'ah* in Galgaduud and Gedo. *Al Shabaab* concentrates its attacks on these forces because they are weaker. The danger is that it will end up controlling the countryside, while conducting urban guerrilla warfare against *Amisom* and its allies.

Al Shabaab is also betting on discontent among the population under TFG control. The poor behaviour of government forces and security officers, the TFG's lack of interest in reconciliation with clans previously allied to *Al Shabaab* and the marginalisation of some clans by new local administrations could all prove able recruiting sergeants for the jihadists. If *Amisom* is to contain the threats, it will need a new surge and to get involved in local politics, which it has kept out of until now. That could prove dangerous to its currently positive image.

While *Al Shabaab* pursues these tactics on home ground, analysts have been puzzling as to why it has not mounted major terrorist 'spectaculars', such as massive bombs, elsewhere in East Africa. Some observers believe it no longer has the capacity to organise more than the hand grenade attacks that have plagued parts of Kenya. Others believe it may be keeping its powder dry in order to mount a response to a major military reverse, such as Kenyan forces taking Kismayo, which seems likely. It may also be waiting for Kenya's election campaign, when tensions will be high anyway. ●

KENYA

Saitoti's death leaves a gap

The former Vice-President is remembered as a political creature of Moi and a hugely wealthy political operator

About 40,000 people gathered in Kileleshwa, on the south-eastern outskirts of Nairobi, on 16 June for the funeral of the powerful Internal Security Minister, Professor **George Kinuthia Kiarie Saitoti**, 66. He had been en route to a fundraising event in Ndihiwa, Nyanza Province, when the nearly new police helicopter crashed in Ngong Forest, about ten minutes after leaving Wilson Airport. Saitoti's Deputy Minister, **Joshua Orwa Ojode**, the member of parliament for Ndihiwa, also died, as did the two pilots and two bodyguards. Despite much speculation and rumour, there was no evidence of sabotage or suspicious circumstances concerning the flight itself, an aviation expert told *Africa Confidential*. Helicopter travel was the most risky form of flight, he added. The government sought to quell speculation by immediately appointing a commission of inquiry led by a respected High Court judge, Justice **Kalpana Rawal**.

The speculation, however, cannot match the rumours surrounding the former University of Nairobi topology professor's immense wealth and influence within government. Born in Gikambura, Kiambu, in Central Province, Saitoti's Kikuyu parents had migrated to Maasailand in the early 1940s. He was one of a number of handpicked professionals thrust on to the political scene by President **Daniel arap Moi** in the early 1980s.

Always wary of politicians who had independently cultivated their own constituencies, President Moi wanted those whose loyalty would be unquestioned because they had no ethnic or political 'homeland'. Of all of them – and they include the likes of current Vice-President **Stephen Kalonzo Musyoka**, slain Foreign Affairs Minister **Robert Ouko** and Moi's personal assistant, **Nicholas Kipyator Biwott** – Saitoti was perhaps the most pliable. Despite almost 30 years in the political limelight, he was never able to cultivate the kind of ethnic following to make him a major independent force.

THE GOLDENBERG SCANDAL

Elevated to the cabinet in 1983, he served as Finance Minister for close to a decade. His involvement in the notorious Goldenberg scandal, a US\$2 billion gold and diamond export compensation scam whose proceeds allegedly financed Moi's 1992 re-election campaign eventually

forced him from office. Politically, Saitoti's hold on Maasai politics was tenuous at the best of times. He contested five parliamentary elections in Kajiado North, winning only after much violence and accusations of bribing electors. What he lacked in political charisma, he made up for by deploying his fortune. At home and abroad, notably in **Britain**, Saitoti spent millions of dollars buying political loyalty and oiling his international public relations machine.

In early May, he finally launched a bid for the presidency, with a campaign war chest rumoured to be in the region of \$40 million. His secretariat was headed by a fellow academic, **Peter Kagwanja**, an erstwhile crony of the former Finance Minister, **Uhuru Kenyatta**.

Saitoti's impact on the political scene derived from his longevity: 29 years at the centre of power gave him much authority among his political peers. He was a survivor and a shrewd one. Sacked and publicly humiliated by Moi during the sunset of his reign in 2002, he had walked out of the Kenya African National Union and joined **Raila Odinga** in the Liberal Democratic Party. It was he who convened a meeting of the new KANU rebels at the Norfolk Hotel to endorse the then opposition leader, **Mwai Kibaki**, after which he once again deployed his immense wealth to bankroll the new opposition group to victory. Sceptics saw this as a move to indemnify himself against forthcoming criminal charges for his role in the Goldenberg affair.

If he has left a gap behind, it is in the middle ground of the highly polarised political scene. At his funeral, politicians from both sides of the coalition divide stumbled over each other to describe him as a nationalist: his uncertain ethnicity had inadvertently cast him that way.

Among those likely to profit politically from his death is **Musalia Mudavadi**. In the ranks of the conservatives around State House, he is seen as a compromise candidate to Kenyatta, whose chances of electoral victory many consider slim. Having recently escaped the clutches of the Orange Democratic Movement and Odinga, Mudavadi's new party, the United Democratic Front, was registered by Professor **Nicholas Wanjohi**, Kibaki's personal assistant. Before he made his exit from the ODM, he was said to have closely consulted his old uncle, Moi. ●

ZIMBABWE

A coarse debut

Outbursts in Angola by the Zambian President punctuate a regional meeting that went badly for Mugabe, too

The most extraordinary thing about the extraordinary summit of the Southern African Development Community on 31 May-1 June was the performance of Zambia's President **Michael Sata**. At 74 he was, after Zimbabwean President **Robert Mugabe**, the oldest president present. When he came to office last September, Sata also took over Zambia's seat on the SADC Troika, charged with helping to resolve Zimbabwe's political impasse. His predecessor, President **Rupiah Banda**, had been sceptical about Mugabe, feeling he had procrastinated over political reform and strung SADC along with unfulfilled promises. To Sata, a long-time admirer of Mugabe, this was irrelevant, as was SADC's institutional experience over the past four years.

At the Luanda summit, Sata performed like a music-hall comic well past his prime. Mistimed and off-colour jokes jostled

with sexist remarks, while interjections disturbed presentations of position papers. Delegates were told to shut up, representatives of Mugabe's Movement for Democratic Change (MDC) opponents were insulted. A solo rendition of Mugabe's Zimbabwe African National Union-Patriotic Front election chant, *Pamberi ne ZANU-PF* (Forward with ZANU-PF) was greeted with glacial silence.

Malawi's new President **Joyce Banda** and Foreign Minister **Ephraim Mganda Chiume** were labelled 'amateurs' for refusing to host Sudan's President **Omer Hassan Ahmed el Beshir** at the African Union's July gathering. Sata branded the SADC Secretariat incompetent. He suggested that more 'cash and Cokes' be dispensed to secure the AU chair for SADC's agreed candidate, **Nkosazana Dlamini-Zuma**, and that her ex-husband, South African President **Jacob Zuma**,

should be more punctual for meetings. Tanzanian Prime Minister **Mizengo Pinda** made a scathing comment and even Mugabe was said to be embarrassed.

ZANU-PF's bigger problem ahead of the summit was how to deal with the lobbying of SADC leaders by Zimbabwean Premier **Morgan Tsvangirai's** MDC faction. First came a disinformation campaign, denying that Zimbabwe was even on the agenda, and then reports from ZANU-PF hardliners that Zuma could be removed as the Troika's Facilitator. ZANU-PF's top brass were dispatched to lobby regional leaders. This turned out to be a disaster: after presenting the party message that constitutional reform was deadlocked, the government dysfunctional and elections urgently needed, some indicated that they personally thought the ideas impractical.

Some of the rivals in Zimbabwe's succession contest would prefer elections without Mugabe (AC Vol 53 No 11). ZANU-PF legislators want to enjoy the remaining benefits of their five-year elected term and are nervous that without reform, the securocrats could grab the presidency by instalments. Hardliners think their party has been contaminated by constant contact with the MDC and some senior collaborators need replacing.

All this was a distraction for most SADC leaders, who want to get back to the organisation's *raison d'être*, economic cooperation and development. Their countries have managed the transition to elected leadership but the Zimbabwean crisis keeps sucking them back into the past. Malawi's Banda has reversed many of her predecessor's policies, including supporting Mugabe and the associated attacks on gay people. President **Bingu wa Mutharika**, who died in April, had been allocated a plush Zimbabwean commercial farm and became such an ardent apologist for Mugabe that **Jonathan Moyo** tried to blame his sudden death on yet another imperialist conspiracy.

Despite Sata's eccentricities, he is unlikely to jettison his predecessors' support for displaced white commercial farmers decamping from Zimbabwe, often with their agricultural equipment. One result is that Zambia now exports maize to Zimbabwe. Some multinationals have moved from Harare to Lusaka. Sata is a leading critic of Chinese labour practices, while Zimbabwe treats Chinese companies as best friends. With **Guy Scott** as Sata's white Deputy President, there is none of the overt racism that has marred Mugabe's last decade. Sata's relationship with Mugabe is nostalgic but falls well short of adopting his scorched-earth policies in pursuit of his 'African dream'. Commenting on Sata's performance, his former leader **Kenneth Kaunda**, now a revered elder statesman as Founding President, opined that he was 'not presidential'. ●

JUSTICE DENIED

The mid-May visit to Zimbabwe by the United Nations Human Rights Commissioner, **Navanethem Pillay**, was disastrous. She came at the invitation of Justice Minister **Patrick Chinamasa**, who blocked discussion of human rights in Zimbabwe at last year's UN forum in Geneva. He apparently believed he could manipulate Pillay's visit by a late change of venue with minimal notice to those not part of the Zimbabwe African National Union-Patriotic Front (ZANU-PF). Pillay, an experienced South African judge, knows a con when she sees one and so set off for the original venue to meet the alternative voices, to the horror of the accompanying Permanent Secretary, who withdrew in a huff.

At the end of her visit, Navi Pillay gave a public lecture and a press conference. She found that without reform, 2008's election disaster would be repeated, that the security forces must remain neutral and all past abuses must be dealt with. Fuming, Chinamasa bundled her and her party off to the airport while he gave his own briefing – the visitor had been lied to and had repeated the lies, and the armed forces had the right to political views and actions. ZANU-PF's master-strategist, **Jonathan Moyo**, seized on the fact that Pillay, who is of ethnic Indian origin, is not black in ZANU-PF's definition. Moyo has been trying to exploit South African President **Jacob Zuma's** problems with former African National Congress (ANC) Youth League leader **Julius Malema**, whom Moyo backs in his editorials in the state media. There have been claims, strongly denied, that Malema has had financial support from Zimbabwe. Zuma has been attacked as a 'puppet' of white-dominated business and imperialism, who should be removed as the Troika Facilitator.

South African Judge **Hans Fabricius** (who is white) has ruled that South Africa is bound to investigate 19 Zimbabweans for human rights abuses in terms of the International Criminal Court statutes, which it has ratified and Zimbabwe has not. 'The ruling brings the South African justice into disrepute,' said Chinamasa. The sentencing by the Special Court for **Sierra Leone** of Liberian ex-President **Charles Taylor**, condemned by Moyo, has been a wake-up call (AC Vol 53 No 12). The ZANU-PF elite often visits South Africa for medical treatment, education and shopping. At a conference for Southern African liberation movements in Harare, President **Robert Mugabe** said Fabricius's 'judgement is an assault on our sovereignty by forces afflicted by racist nostalgia' and should not affect 'our cordial relations'. He urged the meeting 'to pronounce itself clearly against the judgement'. The ANC delegation leader, Secretary General **Gwede Mantashe**, riposted: 'The ANC does not ignore the rule of law, so we respect the High Court ruling.' ●

ZAMBIA

Sata takes on the judges

Controversy over the judiciary and a law suit over Zambian Airways show the PF and Banda still at war

President **Michael Sata** has sparked a political storm by forcing out Zambia's most senior judge, Chief Justice **Ernest Sakala**, on 15 June. The opposition accuses Sata of politicising the law. On 30 April, he had suspended three judges, Supreme Court Judge **Philip Musonda** and two High Court judges, **Charles Kajimanga** and **Nigel Mutuna**, after they issued a judgement against political allies of Sata: *The Post* newspaper and the Director of Public Prosecutions, **Mutembo Nchito**. Sata also set up a tribunal to investigate 'allegations of misbehaviour or incompetence' by the suspended judges. The judges then obtained a stay of the tribunal at the High Court, which the government has in turn appealed.

There is no love lost between Sata and the judiciary. At an official function in 2010, when Sata was leader of the opposition, Sakala did not shake his hand, which the politician took as a public snub. The judges' most vigorous defender is the opposition Movement for Multiparty Democracy, which is denouncing the President for interfering with judicial independence. Petitions have been sent to international donors, asking them to suspend aid until the independence of the judiciary can be guaranteed; donors were unimpressed. 'Nobody can solve Zambia's problems but Zambians,' the German Ambassador, **Frank Meyke**, said.

Many Zambians see the judiciary as corrupt and compromised by too close an association with the previous government of President **Rupiah Banda**. Sata's claim that the judges have obstructed his anti-corruption campaign has resonance. The Catholic Archbishop of Lusaka, **Telesphore Mpundu**, said on 8 June that judges 'are finding every way of blocking what should be a smooth process of reform'.

The current controversy is founded on the fate of the defunct flag carrier, Zambian Airways. Sata set up the tribunal to investigate the three judges after they had ordered *The Post* Newspaper, JCN Holdings and Nchito to pay the Development Bank of Zambia (DBZ) 14 billion kwacha (US\$2.69 mn.) in the case of a disputed loan. In 2007, Zambian Airways approached Investrust Bank to syndicate a \$5.5 mn. loan. Investrust put together a consortium of lenders comprising itself, Intermarket Banking Corporation (Z) Limited and the DBZ to issue the loan. In 2008, like many airlines

knocked back by high fuel prices and global recession, Zambian Airways faced major difficulties which were compounded by a lack of experience among top managers, the most senior of whom was Nchito. Though better known as a private lawyer than a prosecutor, he had led on many of the corruption cases dating from the time of the late President **Frederick Chiluba**.

Zambian Airways' fate was sealed when President **Levy Mwanawasa**, its greatest champion, died in 2008. His successor, Banda, and his press advisor, **Dickson Jere**, launched scathing attacks on *The Post* and Nchito for supposedly coercing banks and other public institutions into reckless financial support of the airline.

In 2008, Banda invited Nchito to State House and openly told him that the survival of Zambian Airways depended on his cutting ties with his close ally, *Post* Editor **Fred M'membe**, a government source said. *The Post* was a fierce critic of Banda and many credit it with a large role in Sata's 2011 election victory. Nchito declined. In 2009, Banda accused Nchito, his brother **Nchima Nchito** and M'membe of having stolen \$30 mn. through fraud, theft, tax evasion and money laundering, and of forcing public officials to lend to the airline, which they have always denied. In January 2009, the national carrier went into receivership.

In 2008, DBZ management was concerned about the carrier's weak

performance and asked it to seek more investors. *Post* Newspapers then invested \$3 mn., acquiring 30% of the equity, while the Nchito brothers, through JCN and Seaboard of the United States, returned their stakes.

As the airline's problems deepened, Mutembo Nchito asked DBZ to convert its loan to the airline into equity. DBZ refused. Later, *Post* Newspapers guaranteed DBZ a buyback of its equity once the airline became profitable, as an exit strategy for the bank. The legal disputes revolve around the terms of the loan or equity guarantee. DBZ was instructed by Banda's government to recover the money it had loaned to the airlines. DBZ sued JCN Holdings, Mutembo Nchito and *Post* Newspapers as first, second and third defendants.

This case was before Lusaka High Court Judge **Albert Mark Wood** until Judge Musonda (now suspended) instructed Judge Kajimanga to retrieve the case from Wood. The defendants did not appear before Kajimanga, sought government intervention and then Sata suspended the judicial trio. Police sources say Banda had set the civil litigation in motion because they could find no evidence of criminal activity by *Post* Newspapers and its allies in regard to the airline. 'I will not close the *Post*; the money they borrowed will close them down,' Banda said at a public rally in 2010.

The Post was seen as a bastion of dissent in the Banda era but it is now increasingly viewed as a pillar of the government. The attack on Mutembo may also be seen as a move against Sata's anti-corruption campaign. Mutembo commands respect among many donor representatives in Lusaka and his appointment was regarded as proof of Sata's seriousness in his anti-corruption crusade. ●

MUTEMBO'S TARGETS

The Director of Public Prosecutions, **Mutembo Nchito**, has his sights on **Henry Banda**, son of ex-President **Rupiah Banda**, over his role in the US\$257 million sale of most of the Zamtel network to LAP Green Networks of **Libya** (AC Vol 52 No 12, p8). Banda Junior's supporters claim he is being harassed by the government, which sent an investigative team to attempt to interrogate him and persuade him to return to Lusaka from **South Africa**. Interpol issued a 'red notice' on him, although it is understood no specific charge has been laid. The notice makes it difficult for Henry to travel.

Henry, who currently lives in Johannesburg, hired lawyer **Robert Amsterdam**. The high-profile advocate has mounted a vocal campaign to get Interpol to withdraw its notice, complained to human rights defenders and asked Zambia's donors to take action. Home Affairs Minister **Kennedy Sakeni** is just one of several who have ruefully commented that hiring Amsterdam simply proved Henry's wealth. Henry Banda has been linked to other deals in which Mutembo is interested but no details have emerged.

Mutembo's other targets include former Communications Minister **Dora Siliya**, who was charged in early April with 'abuse of authority of office' over the award of radar contracts for major airports. On 23 May, Mutembo successfully prosecuted former Labour Minister **Austin Liato**, who was sentenced to two years with hard labour after being found guilty of possessing 2.1 billion kwacha (US\$402,000) suspected to have been proceeds of crime (AC Vol 53 No 7, p3). He has appealed. ●

TANZANIA

Reforming power

The shock government audit and cabinet reshuffle prompt a push for major change in the energy sector

Although President **Jakaya Kikwete** sacked Energy and Minerals Minister **William Ngeleja**, one of eight to go in April's reshuffle, many of the power sector's problems remain (AC Vol 53 No 9, p12). The Annual Report of the Controller and Auditor General, **Ludovick Utouh**, for the financial year ending June 2011 exposed widespread fraud, extravagance and wastage throughout the government. Kikwete has separated Energy from Minerals, placing each under a deputy minister, while Professor **Sospeter Muhongo** takes over as overall Minister. **George Boniface Taguluvala Simbachawene** oversees Energy and **Stephen Maselle** Minerals. Muhongo was not a politician and Kikwete had to use one of his quota of discretionary seats to make him a member of parliament three days before appointing him minister.

Muhongo, a Dar es Salaam University geologist, was Tanzania's nominee in 2009 for Director General of the United Nations Educational, Scientific and Cultural Organisation. It is not clear why Kikwete has promoted two not very seasoned politicians – the other is the new Finance Minister, **William Augustao Mgimwa** – to very sensitive jobs. Some say it is because they are not beholden to anyone but the President, but without major political clout in their own right, they may struggle to push through departmental reforms.

Muhongo has declared he will concentrate on the crucial, controversial

issue of generating electricity from 'gas, coal, water and other sources'. At a 20 May meeting with workers of the Tanzania Electricity Supply Company (TanESCO), he said he had discovered a 'terrible mess that could not be said in public' at the parastatal. In regard to the notorious power-supply contracts, he said, 'The government has already signed shoddy contracts that are now a burden to Tanzanians. We are now reviewing them; we take it as a lesson and I promise that I will never sign such contracts on current terms' (AC Vol 53 No 10). He has also promised to bring electricity to 30% of the population (from a current 14%) by 2015. Many are sceptical. He is pushing hard to bring order back to a chaotic ministry, say insiders.

The 'shoddy contracts' are widely thought to be those signed with power suppliers such as Songas and Independent Power Tanzania Limited. Many of their fixed costs are borne by the state even when they are not supplying power to the grid (AC Vol 52 No 20, p8). The report of the Controller and Auditor General (CAG) for 2007-08 recorded that 90% of TanESCO's revenue was going on payments to IPTL and Songas.

The 2011 CAG report, which is still making waves, saved its strongest criticism for public-private partnerships in the power sector. It said no cost benefit analyses, cost comparisons or reviews had been carried out before contracts were signed, in spite of its recommendations, leaving the state with

an immense financial burden. Songas alone, the report said, had outstanding loans from the government of 238 billion Tanzanian shillings (US\$150 million). The government needed to 'avoid shouldering all the risks arising from these agreements and to look for legal advice in the process of considering terminating all the contracts with all private companies that have failed to observe the terms and conditions of their contracts', it said. 'Nothing has been implemented as recommended,' it gloomily observed. This was 'an indicator of the government lacking seriousness in implementing those recommendations.'

Since last August, an Emergency Power Plan has been in place. This has attracted criticism for inadequate planning and financing, such as not taking into account soon-to-be-opened power stations or private sector generation. It is also behind schedule. Another massive task for Muhongo will be introducing a Gas Bill, to provide a legislative framework for the gas sector. A Gas Master Plan is also being worked on. This should provide a blueprint for gas-fired power generation.

The Songosongo area has gas reserves estimated at two trillion cubic feet (2 tcf), 880 bn. cubic feet of which have been confirmed. Mnazi Bay has gas reserves estimated at 5 tcf, of which 262 bcf are confirmed. Deep sea gas reserves, first identified in December, are estimated at 15 tcf and exploration work is still going on. Major global oil and gas companies are already in the country: 18 have been granted 26 research, prospecting or drilling licences for gas and oil on land and in the deep sea. Key gas companies include Pan-African Energy, Songas, and Norway's BG and Statoil.

The path is not smooth. In April, the Chairperson of the Energy and Minerals Parliamentary Select Committee, **January Makamba**, accused Pan African Energy and Songas of conducting a 'dirty campaign' against a proposed pipeline from Mtwara to Tanga for the Mnazi Bay gas. The \$300 mn. project could lower delivery prices by 200% and provide enough gas to generate 2,000 megawatts of electricity. Despite the project's huge potential, delays and poor information provided to Chinese assessors have delayed finance.

Investors are afraid, also, of the potential of government corruption to interfere with their investment, Energy Ministry officials told *Africa Confidential*. One major infrastructure contract was recently awarded on the understanding that the contractor would also benefit from an oil and gas exploration concession. Yet this was not honoured, because the block had already been offered to another company. ●

NEW BROOM PASSED OVER

Prior to **Sospeter Muhongo's** appointment, the conventional wisdom in Dodoma was that an ambitious young *Chama cha Mapinduzi* member of parliament, **January Makamba**, would get outgoing Energy and Minerals Minister **William Ngeleja's** job. Makamba has made much of the energy crisis while chairing the Parliamentary Select Committee on Energy and Minerals. A source close to State House suggests that President **Jakaya Kikwete** did not pick Makamba because he still has an opportunity to 'grow' politically and the job was 'risky'. Kikwete had done Makamba a favour, the source claimed, because this portfolio could have damaged his political future. Yet we hear that Kikwete still had Makamba in mind for the job until two days before the reshuffle.

Some speculate that Makamba represented too great a threat to entrenched interests in the energy sector. Yet Muhongo has been energetically working for reform, we hear. Makamba was preparing to use the Energy portfolio to launch himself towards high office and national recognition, says one political source. He intended to mount a grass-roots anti-corruption campaign and use it, as other politicians – including Kikwete have, – to translate public anger at impunity into a boost for his career. In the end, Makamba was appointed Deputy Minister of Communications, Science and Technology. ●

MALAWI

The honeymoon's over

If she lost her majority in Parliament, President Banda would lose control of her budget and the IMF programme, too

Aclaimed at home and abroad as a breath of fresh air when she took office on 7 April, President **Joyce Banda** is being severely put to the test. The President faces scheming opponents in Parliament who could yet scupper her chances of getting the all-important budget through the chamber. The first step towards economic recovery is supposed to be a three-year, US\$157 million programme, which the board of the International Monetary Fund was to consider on 22 June (AC Vol 53 No 10).

Banda's cabinet includes members of all the major parties, notably the previously governing Democratic Progressive Party. The DPP expelled Banda in December 2010 along with the current Vice-President, **Khumbo Hastings Kachali**, for refusing to support President **Bingu wa Mutharika's** brother, **Peter Mutharika**, as its presidential candidate. In September 2011 Banda founded her own People's Party, with only four members of parliament. When she took over as President after the sudden death of Bingu wa Mutharika, at least 100 members of parliament flocked to her side, mostly from his DPP. The constitution, however, bars MPs from switching party allegiance

without calling a by-election. Angry at the defections and Banda's last-minute abandoning of coalition negotiations, the remaining DPP stalwarts demanded that the law be applied. After legal advice, the Speaker, **Henry Chimunthu Banda**, wrote on 8 June to 45 would-be DPP defectors to the PP, pointing out that they must resign and stand for election or return to the fold.

SAVING THEIR SEATS

Ten of the 45 had returned to the DPP as *Africa Confidential* went to press. Many of the rest are considering staying with it because they are uncertain of winning the PP nomination for a by-election. PP members disappointed because Banda has not promoted them will want those nominations. On 14 June, the Speaker confirmed that at least three MPs had written to him that they wanted to return to the DPP benches, which would save their seats. They must present their cases within a week and he will then decide whether to allow them to return. Party insiders suggest that up to 25 MPs have asked the party to allow them to return. If the Speaker declared the 45 seats vacant, the government would be left with 59

MPs, against the 83 held by the Malawi Congress Party (MCP) and the DPP.

The government benches include 17 members from the opposition United Democratic Front, three of them defectors to the PP. Opposition leader **John Tembo**, veteran President of the MCP, badly wanted the second vice-president's post. He bitterly attacks Banda's government and his Finance Spokesman, **Joseph Njobvuyalema**, tore into her maiden budget statement, to be put to the vote on 11 July. In Parliament, Tembo criticised a proposed 21% pay rise for civil servants, and changes at the bottom end of the scale for pay-as-you-earn taxpayers to account for the 49% devaluation of the kwacha and inflation at 18.4%. He hosted a party caucus at his home on 10 June, where he advised his MPs to criticise the government. Granting Tembo the post he wants would quell his opposition, say some. Behind the scenes, horse-trading of votes on the budget is in full swing.

If Banda cannot even pass a budget, the good will of donors – whose support for the IMF package will be crucial – may start to evaporate. Britain's International Development Secretary, **Andrew Mitchell**, visited in June, bringing an aid package of £33 mn. (\$51.9 mn.) but would not say when London would resume its £19 mn. annual budget support, suspended in 2011. Donors covered 40% of the budget until their 'strike' last year. Nicknaming her the 'donor-fearing leader', Banda's critics complain she is weak, delegates important decisions to cabinet and appoints special committees to advise her. Her supporters may see this as democratic. ●

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POINTERS

Liberia/Côte d'Ivoire WARLORDS AT WORK

■ Coup plots in Côte d'Ivoire are linked to the murder of United Nations peacekeepers in the east of the country, officials in Abidjan say. **Togo** arrested ex-President **Laurent Gbagbo's** Defence Minister **Moïse Lida Kouassi** on 6 June and deported him to Côte d'Ivoire on suspicion of attempting to destabilise President **Alassane Dramane Ouattara's** government. Two days later, gunmen ambushed a patrol of the *Opération des Nations Unies en Côte d'Ivoire* (ONUCI) near Taï, close to the Liberian border, killing 18 people, including seven **Nigerien** peacekeepers. A later ambush claimed four more lives.

On 13 June, Côte d'Ivoire announced it had foiled an attempted coup by officers loyal to Gbagbo, blaming both coup and ambushes on a well-funded pro-Gbagbo network operating mainly from **Ghana**. **Thomas Yaya Nimely**, Liberia's ex-Foreign Minister (2003-05) and Chairman of the defunct Movement for Democracy in Liberia (Model) may be behind the guerrillas in Grand Gedeh County who carried out the attacks over the border. Nimely owns a huge farm and employs hundreds of ex-Model fighters. The UN Mission in Liberia has kept the farm under air surveillance for years. In 2003, Gbagbo funded Model in the final round of fighting that pushed out President **Charles Taylor**.

Monrovia was initially reluctant to admit the seriousness of the situation but, prodded by Human Rights Watch and Abidjan, has gone on the offensive. It has put ten Model ex-leaders on a wanted list, among them former Chief of Staff **Amos Cheyee**, the notorious **Isaac Sayou Chegbo** (aka '**Bob Marley**') and Gbagbo lieutenant **Charles Blé Goudé**. UNMIL's military role is likely to be crucial, security sources said, while diplomats seek to put pressure on Ghana over the pro-Gbagbo exiles.

Sweden/Africa LUCRATIVE IIDEA

■ Staff at the International Institute of Democracy and Electoral Assistance want IIDEA's management investigated for wasting funds and making generous payments to former directors and consultants. They say consultants had unclear assignments and did not tender for work. **Vidar Helgesen**, Secretary General of the Stockholm-based intergovernmental organisation which helps build democratic processes worldwide, commissioned many of the consultants. They have received 1,000-3,500 euros (US\$1,270-4,430) per day. One consultant, **Omar Bakhet**, went on a 144-day mission to **Libya**

without tendering. He then billed IIDEA for 174,024 euros, including expenses. IIDEA has a large Africa programme and offices in **Ghana, Kenya** and **South Africa**.

The same consultants have been hired year after year for different missions. **Peter Harris**, a South African, has carried out assignments since the 1990s. At first, he received a salary of 53,854 euros a year to be available one day a week. After this was revealed, he was given a recurring consultancy contract. Recently, he invoiced IIDEA for 15,000 euros for ten days' work.

Some IIDEA staff suggest that many contracts be carried out in house and want the use of outside consultants investigated. Acting Director General **Joan Sawe** says it is appropriate to choose consultants without tendering and that the 27 member-states have approved IIDEA's regulations. Tendering is not necessary, **Helgesen** says, if consultants have unique skills or there is a need to find someone fast. Staff complain of other wasteful expenditure, such as setting up unnecessary offices abroad. Although new directors have been hired, their predecessors have remained salaried, they say. The Swedish Foreign Ministry has called a meeting with IIDEA and may require an audit.

Sudan

NO HORIZON

■ Though this week's protests in the capital were ostensibly against austerity measures, demonstrators were calling for the government's overthrow: 'Khartoum rise up, rise up, we won't be ruled by a thief!' They even marched past National Congress Party headquarters in Khartoum North. 'People are not scared any more – this is why the government is so scared,' a veteran left-wing activist told us.

Protestors were greeted by throngs of ululating women – and by security police, many wielding iron bars. These, often reinforcing rods, are a hallmark of National Islamic Front (now NCP) militia. Police used them to beat female students when they invaded Khartoum University dormitories on 17 June, a breach of social convention that will strengthen opposition resolve. One brave soul told state television on 20 June that this was not about raising salaries, it was about receiving them. Such outspokenness was unthinkable only months ago. It reminded the public that the civilian uprising that ousted President **Ja'afar Nimeiri** in 1985 began with rioting by *shamasha* (street children).

Under pressure to negotiate seriously over security and oil issues with **South Sudan** or face United Nations sanctions in six weeks, the NCP is running out of options. On 20 June, President **Omer Hassan Ahmed el Beshir** called a crisis summit of ministers and state governors. They endorsed his earlier announcements that fuel subsidies would end, national

and regional government would be halved and so would the value of the Sudanese pound to the US dollar, from £S2.7 to to £S4.4. Inflation was already over 30%. 'There's no horizon to this', said one senior opposition official. 'No one is saying things will improve.'

The National Consensus Forces are encouraging protest while the more decisive Sudan Revolutionary Front keeps its grip on much of Southern Kordofan and parts of Blue Nile. In Northern Kordofan-East Darfur, it has blocked production at two oil fields, **Neem** and **Balila**. The vacillating National Umma Party leader, **El Sadig el Mahdi**, has tacitly aligned with the SRF (AC Vol 53 No 11). Its Co-Deputy Chairman, **Nasr el Din el Hadi el Mahdi**, this month told us that the Umma has indeed joined the SRF.

Nigeria/United States FINE GESTURE

■ The United States Securities and Exchange Commission is giving 'appropriate consideration' to a request that it share with the victims the financial penalties ('disgorgement') it levies on companies caught bribing foreign officials. The regulator is considering whether 'foreign governmental entities that have been the victims of corruptly-procured contracts' may be entitled to some of the funds. The SEC was responding to a proposal by **Alexander W. Sierck**, a Washington lawyer for a Nigerian anti-corruption organisation, the Socio-Economic Rights and Accountability Project (SERAP).

Professor Sierck is optimistic. At present, penalties or out-of-court settlements levied on companies under the Foreign Corrupt Practices Act are kept by the US government. SERAP suggests that once an FCPA settlement has been reached, the 'foreign governmental entity' be given 60 days to make an application for some of the money. SERAP wants the SEC to call for public comments on its proposal. Sierck agrees that, if the IIDEA is to be acceptable to the SEC, and behind the scenes to the Justice Department and State Department, the mechanism must be fairly simple. He wants an 'informal discussion' with the SEC's Corrupt Practices Unit.

The SEC may demur on the basis that Nigeria has inadequate anti-corruption safeguards or could not guarantee returned funds were not stolen. The suggestion that a non-governmental organisation might be a proper recipient is also contentious; some argue that companies were victims since they were denied a competitive opportunity through crime. However, rewarding NGOs and others for blowing anti-corruption whistles might produce a resounding echo, not only in Nigeria. No meeting has been set and the SEC declined further comment.

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BLUE LINES

Saudi Arabia's financing of Salafist groups across the Sahel over the past three decades has reached its apogee with the destruction of tombs and mausoleums in Timbuktu. In many ways, these attacks symbolise the political and social crisis the region faces as Mali, and perhaps its neighbours, is plunged into a multi-sided war.

Souleymane Bachir Diagne, a Senegalese philosopher, speaks of an incalculable blow to the history of Islam dealt by the fighters of the *Ansar Eddine* ('Supporters of the Religion') who have smashed up shrines dating back to the 14th century and the height of Mali's empire. Some fear they will destroy the ancient libraries next.

On 2 July, the Organisation of Islamic Conference issued a statement in Jeddah condemning the destruction by 'bigoted extremist elements' of Mali's 'rich Islamic heritage' but neither the OIC nor its host offered more than verbal encouragement to the Malian authorities. The concomitant risk to millions of lives, as the conflict and food shortages spread, demands more urgent action from the African Union and the Economic Community of West African States.

They have asked the United Nations to back an intervention force in northern Mali and have won the backing of new French Foreign Minister Laurent Fabius. But there is a sense of drift as the regional mediator, Burkinabè President Blaise Compaoré, convenes yet another round of negotiations on Saturday. The dangers in Mali could quickly spread across the region.

NIGERIA

Dazzling statistics

The government's financing gap is opening up and the reformers are being blocked but the investors keep on coming

Which are the more stunning figures? The billions of dollars of investment sluicing into Nigeria despite its deepening security crisis? Or the billions of dollars of oil and gas revenue that the state is losing through deliberately mispriced contracts, tax evasion and the theft of oil cargoes? The World Bank reckons foreign investment has been running at an annual rate of US\$6-\$8.5 billion for the past five years. The latest scheme to be announced is a planned \$4.5 bn. investment by New York-based Vulcan Petroleum Resources to build six oil refineries able to process 180,000 barrels per day. Vulcan's Nigerian partner, Edozie Njoku, claims it will take just 30 months to build all six. Vulcan still has to secure final government approval. New refining capacity would, if commercially viable, offer a solution to Abuja's crisis over subsidising the import of refined products.

Last month, the Central Bank of Nigeria Governor, Lamido Aminu Sanusi, told *Africa Confidential* that the country was losing over 10% of its gross domestic product through fraud and could still not produce reliable accounts for national oil and gas production. Sanusi is under growing pressure from the National Assembly. Its plan is to reconstitute the CBN board: it wants to appoint a chairman (who would be a political appointee), bring in a host of senior civil servants and remove the Bank's four deputy governors.

This would greatly reduce the CBN's independence, of which Sanusi took full advantage when he launched his campaign against mismanaged commercial and investment banks in 2009. President Goodluck Jonathan's preferred candidate

to head the board is Stanbic IBTC Bank Chairman Atedo Peterside, we hear. Efforts to rein in Sanusi would ring more alarm bells on accountability. The latest peal rang out after Jonathan told journalists on 1 July that he would not declare his wealth and assets before he became President as it was not a statutory requirement.

This follows mounting concern that his government's promised reform of the oil and gas sector, with strong auditing and reporting procedures, has been heavily diluted in the latest draft of the Petroleum Industry Bill submitted by his close ally, Oil Minister Diezani Alison-Madueke. The latest reshuffle in the state Nigerian National Petroleum Corporation – Andrew Laah Yakubu replaces Group Managing Director Austen Olusegun Oniwon – will consolidate Alison-Madueke's hold over the NNPC and the reform plans, industry insiders say.

SUBSIDY SLOWDOWN

Fresh in Nigerian minds are the mass protests opposing government attempts to abolish the subsidy on local fuel in January. In response, the government offered to maintain 50% of the subsidy this year. Yet the latest figures from Finance Minister Ngozi Okonjo-Iweala suggest that even that commitment cannot be financed within the original 4,749 bn. naira (US\$28.9 bn.) budget. Last month, she called for a slowdown in subsidy payments due to the level of fraud, running at over \$7 bn. last year, according to the National Assembly investigation.

Industry lobbyists are trying to stop closer scrutiny on fuel shipments, claiming new procedures could snarl up imports

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and create another chronic shortage of petroleum products. The more immediate problem is cash. Okonjo-Iweala told the London daily *Financial Times* that the government needed another \$4 bn. to pay for the subsidy this year. That's because it has already spent \$2.8 bn. of this year's budget on paying arrears from last year's subsidies. So the final cost of fuel subsidies

in 2011 could be \$14 bn., about half of which the parliamentary investigators found had been fraudulently claimed.

Although the Assembly investigation was detailed and comprehensive, the fuel trading companies are fighting hard to discredit it. The most effective attempt has been by **Femi Otedola**, the Chief Executive of the biggest fuel trader, Zenon Oil, and a close ally of Jonathan (AC Vol 52 No 18). Otedola, who sits on the President's Economic Advisory Council, has accused **Farouk Lawan**, who chaired the House of Representatives' probe into the subsidies, of taking a \$620,000 bribe in return for expunging any reference to Zenon in the final report. Otedola's companies were cleared of wrongdoing in the final report but the claims and counterclaims between Otedola and Lawan continue.

This saga in the Assembly has obscured

the central issue of the ballooning, unfundable subsidy and the massive fraud associated with it. The government has three unpalatable options: announce a supplementary budget for 2012 of at least \$4 bn. to finance the subsidy, which would wipe out the remaining funds in its excess crude account (all the revenue accruing over the budget's benchmark oil prices), or ramp up foreign borrowing (it has already submitted a request to borrow \$7 bn. to finance new commitments), or abolish the subsidy entirely and risk another round of protest.

Government advisors say that it would be much cheaper – and politically more astute – to make social welfare payments in cash to the poorest people and end the subsidy. That, however, would be to ignore the reality that the subsidy has become a massive source of political patronage. ●

NIGERIA

Turning security upside down

A new political strategy would be more use in the fight against *Boko Haram* than sacking officials

The latest wave of attacks on churches, police stations and even building workers across northern Nigeria seems to be the insurgents' response to President **Goodluck Jonathan**'s sacking of his security team last month. *Boko Haram* claimed most but not all of the attacks over the past fortnight, which cost over 30 lives. Jonathan, who had no experience of security policy until he took over the presidency in May 2010, explained that he was changing staff in response to *Boko Haram*'s change of tactics 'every day'.

This is the second time the security establishment has paid the price for the government's failure to rein in the Islamist group. On 15 June, the National Security Advisor, General **Owoye Andrew Azazi**, and Defence Minister **Mohammed Haliru Bello** lost their jobs. Azazi was one of the most senior military officers from the Niger Delta, Jonathan's political base. Some wrongly thought that had made him unsackable. Bello is an ally of a former military leader, Gen. **Ibrahim Badamasi Babangida**, whose influence in government increases as the northern crisis worsens.

These departures followed the sacking in March of the Inspector General of Police, **Hafiz Ringim**, and his assistant, **Zakari Bui**. This comes after the largest security vote in Nigeria's history of 921 billion naira (US\$5.5 bn.), almost a quarter

of the N4,749 bn. national budget. Blame for the failure is laid variously on the police, the army, the intelligence services and the politicians. Widely accused of complacency, Jonathan donned a military uniform on 2 July to visit a factory in Kaduna run by the Defence Industries of Nigeria, which makes bullet-proof vests. Jonathan's new dress code provoked ridicule from journalists and soldiers alike. The President's public utterances and appearances are proving increasingly counterproductive.

Political insiders who had been predicting, if not advocating, the exit of the securocrats were puzzled about why the purge took so long. The sacking of Ringim and Bui was particularly overdue. It followed the escape from custody of **Kabiru Umar**, better known as 'Kabiru Sokoto', who was charged with involvement in the bombing of Madalla church in Abuja on Christmas Day 2011, killing around 30 people (AC Vol 53 No 3). Kabiru was held in custody under Bui, who was Assistant Superintendent of Police under the late Gen. **Sani Abacha**, sacked after the military leader's demise, then brought back by Ringim. After Kabiru's escape, the Police Service Commission sacked first Bui, then Ringim. Amazingly, Ringim was allowed to delay his departure so he would qualify for an extra year of public service emoluments.

Azazi lost his job not only because he failed to stop *Boko Haram* but also because he took on the governing People's Democratic Party. After he dismissed the PDP's zoning policy of rotating top posts between northerners and southerners as flawed and divisive, party barons started pressuring Jonathan to sack him. Jonathan cautioned him to be more diplomatic.

Although Azazi told *Africa Confidential* that there were a raft of political and socio-economic reasons for the success of the *Boko Haram* insurgency, the government has stuck with its more or less one-track security policy. Azazi again infuriated PDP barons by linking the group to the party battle for the 2015 elections. Azazi had been unimpressed by Jonathan's presidency, said a government source. He is said to have been infuriated by attempts by senior officials to divert the security vote, which is not subject to parliamentary scrutiny, for political patronage. His opponents claim that links to gangs and arms supplies in the Delta raised questions about his own accountability.

A GALAXY OF GENERALS

Azazi's replacement is Colonel **Sambo Dasuki**, a retired officer and cousin of the Sultan of Sokoto, **Muhammad Sa'ad Abubakar**, himself a retired general. Dasuki's father, the previous Sultan of Sokoto, was deposed by Gen. Abacha. He had been almost a surrogate father to Gen. Babangida, who was military leader in 1985-93. Dasuki was Babangida's aide-de-camp and is related by marriage to Gen. **Aliyu Mohammed Gusau**, the National Security Advisor under Gen. **Olusegun Obasanjo**, and President **Umaru Musa Yar'Adua**. Gusau's friends overseas say that he too is being wooed for a security posting, perhaps the Defence portfolio.

Dasuki was admired by pro-democracy activists after he was accused of coup-

plotting against Abacha's regime. More recently, he has been associated with the opposition Congress for Progressive Change, led by another former military leader, Major Gen. **Muhammadu Buhari**. Critics of Dasuki's appointment ask why Jonathan has chosen a soldier who was so close to Babangida. Before last year's elections, Jonathan and Babangida were deadly rivals for the PDP nomination. Both are fairly pragmatic, although Babangida is far cannier than Jonathan.

Some believe that a military aristocrat from the north would have little sympathy with that goal and still less personal loyalty to Jonathan. Others point out that *Boko Haram*'s first targets are not Jonathan and his kinsmen but leaders of the northern political, religious and security establishment, many of whom are relatives of Dasuki. That should give the new National Security Advisor a motive to shut down the group.

Conspiracy-minded observers point out that Dasuki is a Hausa/Fulani from the Sokoto caliphate, while most *Boko Haram* insurgents are Kanuri from the Kanem-Bornu areas (and kinsmen to Abacha, who deposed Sambo's father as Sultan). So Jonathan's choice of Dasuki may be a government attempt to divide the north. If so, it looks doomed to fail. The north has a far better record of political cohesion than the south, especially if it is determined

to get rid of Jonathan. His government's poor performance has alienated many erstwhile supporters in the south, except for the true loyalists in the Delta.

Questions are also raised about the role of Gen. **David Mark** who, as Senate President, is third in line for the Presidency, after Vice-President **Namadi Sambo**. From his base in the Middle Belt, which has been subject to insurgent attacks, Mark openly criticised northern leaders for not doing enough to undermine *Boko Haram*. That prompted a bitter exchange with the Northern Elders Forum and eminent academic **Ango Abdullahi**.

Mark held posts in successive northern-led military regimes and has political and military supporters in both north and south. Some see him as a strong candidate to replace Jonathan if the security crisis continues to deteriorate and the President loses his own party's confidence.

US SANCTIONS AND COMPLAINTS

Jonathan has persuaded the **United States** to impose sanctions on the presumed leaders of *Boko Haram*, such as **Abubakar Shekau**, **Khalid al Barnawi** and **Abubakar Adam Kamba**. Yet diplomats speak with increasing despair about the government's operations in the north, which may be helping the insurgents to win support. Although the Director General of the State Security Service, **Ita Ekpeyong**, is seen

as professional and effective, he doesn't enjoy the government backing needed for an intelligence-led campaign against *Boko Haram* (AC Vol 52 No 25). After the terrorist listing, Washington will boost Abuja's surveillance and counter-terrorism capacity. On both sides, complaints persist over cooperation and transparency.

As clashes intensify, some fear that the insurgency will further disrupt the north's agrarian economy. Experts say that each month thousands of people flee from areas hit by *Boko Haram*, such as Maiduguri and Wukari. The crisis has also hit the economies of cities like Kano, Kaduna and Bauchi. This week, Kaduna was still under curfew after clashes sparked by another deadly attack on a church.

If the army takes a more assertive line, it may embolden those middle-ranking and senior officers already disenchanted with the government. Some may sympathise with the insurgents' cause, others may have a more personal agenda. Regional officials are openly worried about the 'Mali precedent' – a putsch launched when an aimless civilian government failed to quell an insurgency in Mali's impoverished north. A senior official in a government bordering West Africa argues privately that the Malian and Nigerian insurgencies could reinforce each other and derail the region's plans for rapid economic growth and investment. ●

SOUTH AFRICA

Zuma delays judgement day

Arguments over personalities rather than ideas dominate the ANC's policy conference in the Free State

Policies were not changed nor presidents toppled when the African National Congress met last week. Yet everyone – supporters of President **Jacob Zuma** and of his two main rivals, Deputy President **Kgalema Motlanthe** and Human Settlements Minister **Tokyo Sexwale** – claimed victory at the ANC National Policy Conference, held on 25-29 June. The intense politicking at the gathering will continue into the run-up to the December conference in Mangaung which will elect the party's top leadership.

Motlanthe's and Sexwale's supporters believe they can oust Zuma as party President, particularly if they form an alliance against him. That would deny him the ANC candidacy at the 2014 presidential election and, decisively, next year's national elections. Their strategy is rooted in the political arithmetic of

the country's nine provinces. The race is on among the ANC's provincial branches to choose the delegates to December's conference, which will elect the party leaders. Each province sends delegates in proportion to its membership.

Of the three biggest provinces (KwaZulu-Natal, Gauteng and Eastern Cape), Zuma has almost 100% support from KZN, while Motlanthe and Sexwale have the majority of Gauteng votes and Eastern Cape is split between Zuma and Sexwale. Zuma is helped by the fact that the ANC's respected Secretary General, **Gwede Mantashe**, hails from Eastern Cape and is an accomplished political fixer. He is so important that, we hear, Sexwale's team have offered him the position of running mate to his presidential bid if Mantashe is willing to defect from the Zuma camp.

So the decoders of the leadership

race paid rapt attention to the voting at the Policy Conference, seeking signs of changing allegiances. The ANC branches in KwaZulu-Natal and Mpumalanga supported all the policy proposals from Zuma's camp. The Free State branch was divided. The 'official' group that backs Zuma and had emerged victorious from the recent branch elections was pitted against the dissidents, who are challenging the election results in court. The other six provinces, including Eastern Cape and Gauteng, opposed the new ANC policy agenda – the so-called 'second transition' – put forward by Zuma's followers. The idea was that the ANC's political revolution of 1994 would have to be followed by a wide-ranging shift in economic power but delegates failed to agree on specifics.

Zuma's supporters had hoped the second transition would become his compelling vision for the party. When it failed to win conference support, his allies changed tack and started talking about a 'second phase' in South Africa's ongoing transition. Yet again, delegates couldn't agree on the details: how much state control there should be over the economy, how much land would be redistributed and through what legal process, rules on the ownership of mining conglomerates and their tax rates. Policies were supported or rebuffed according to the speaker's choice

of leader, rather than on the merits of the proposal.

Supporters of Sexwale and Motlanthe accused Mantashe of stacking delegations with Zuma-loyalists, pushing anti-Zuma cadres out of provincial, regional and branch delegations, and rigging the questions to be debated. The increasingly anti-Zuma press agreed with them. Mantashe and Higher Education Minister **Blade Nzimande** railed against the partisan coverage of the conference. Whatever the case, none of the three rivals could claim victory in the policy debate.

Delegates were divided into eleven commissions to discuss policies. The ANC Youth League, which, like the Women's League, had just five seats, failed to push through its line on nationalising mines and land. Throughout the conference, rival supporters sang their songs. 'Those who burn Zuma's t-shirt will get a bullet,' sang Zuma's friends, and holding up two fingers in support of a second presidential term. 'Motlanthe for president' sang the others, rolling their hands in a soccer substitution sign, to say that Zuma should be replaced by Motlanthe.

There was much heckling and some violence when the rivals pelted each other with plastic water bottles and glasses. A delegate from the North West Province was ejected after he grabbed the microphone from a member of his own delegation who was supporting Zuma. The President's opponents had hoped for the sort of general opposition that greeted **Thabo Mbeki** before he was ousted as party President at the Polokwane conference in December 2007. That didn't happen.

There was talk of shadowy goings-on. The office in ANC headquarters of the expelled Youth League leader **Julius Malema** was burgled, with files and computer hard drives stolen. A passionate supporter of Zuma in 2007, Malema has now transferred his support to Motlanthe and Sexwale. One day after the conference, a prominent ANC KwaZulu-Natal leader, **Wandile Mkhize**, was gunned down outside his home on the South Coast. His allies claim his murder was connected to the re-election controversy.

Both Zuma and Motlanthe kept out of the tussles between the factions for fear of alienating potential supporters. That undermined the leadership's attempts to win agreement on new policies. **Winnie Madikizela-Mandela**, a former President of the ANC Women's League and strong supporter of Malema, warned Zuma 'not to allow the party to disintegrate'. The General Secretary of the Congress of South African Trade Unions, **Zwelinzima Vavi**, said the 'second transition' document 'exhibits ideological contradictions and misconceptions throughout' and was 'littered with denialism'. Vavi, who had just won a critical battle for the unions

over attempts to change the labour law, was more quiescent than usual. On behalf of the dissidents, Motlanthe pointedly asked: 'Second transition! From what, from where, to where?'

As his side lost the argument, Zuma said the document had been written 'by an ANC team'. One of the acknowledged authors was ANC veteran **Tony Yengeni**, who presented it as a synthesis of ideas for discussion, not an attempt to overturn policy directions. The rapporteurs then drafted a compromise 'second phase' resolution but a final decision was postponed to December's conference.

It is now certain that the cautious Motlanthe will challenge Zuma for the presidency in December; the President's opponents have turned him into a rallying-point for anti-Zuma feeling and grassroots members perceive him as the alternative leader. Zuma's opponents say they will defy his instructions that campaigning for the party elections must not start until October. They will begin campaigning for Motlanthe immediately.

SEXWALE TAKES ON ZUMA

The complication comes with Zuma's other leading opponent, Sexwale. He openly challenged Zuma's leadership at the conference. The two men are in a bitter feud, with Zuma warning party members not to vote for 'rich businessmen'. Sexwale's associates accuse Zuma of blocking his business initiatives at home and elsewhere in Africa. The media gave widespread coverage to reports of operations by Sexwale's business associates in **Guinea** (AC Vol 53 No 13, p1).

When Sexwale warned Zuma's supporters against singing violent songs, they jeered him. His associates claimed the jeering was orchestrated by the Zuma camp. Hecklers also took on Zuma's four key strategists: Nzimande, the SA Communist Party General Secretary; Mantashe, ANC General Secretary; **Nkosinathi (Nathi) Mthethwa**, Police Minister; and **Jeff Radebe**, Justice Minister.

Zuma's camp had hoped to lay the blame for his government's failures on the so-called foes of transformation – supposedly the media, judiciary and business, white farmers and even the country's model constitution. The team had intended to appease the supporters of nationalisation by attacking the mining industry, saying it should do more in terms of transformation, with profits more heavily taxed and partial, not full, nationalisation.

These themes featured in Zuma's opening address, when he carefully struck the middle ground on contentious issues or called vaguely for a 'review' of contentious policies – a characteristic stance. In most cases, it was left to rapporteurs to draft compromises to be presented to the

December conference, the party's final decision-making body. Meanwhile, both factions claim victory and the policy disputes remain.

The key issue of nationalisation remains unresolved, carried over to December. Delegates managed only to agree that 'there should be a greater state intervention' in the economy. **Enoch Godongwana**, head of the ANC's Economic Transformation Committee, told *Africa Confidential* that delegates had not agreed to adopt a party team's proposal for a 50% super-tax on profits exceeding about 15%, although, 'in principle, the proposal of using some form of... a tax instrument was agreed'.

At the Policy Conference, the Zuma camp, through Mantashe, had proposed a middle ground which called for mining companies to voluntarily give up 30% of their mines to the state. The trades unions and Youth League supporters called for 60%, and Mantashe's proposal fell flat. In his closing address, Zuma talked of 'strengthening the recently created state mining company by consolidating state mining assets into a single institution'. That would have sweeping implications, were it to happen.

The commission discussing land reform called for a review of the current 'willing buyer, willing seller' model. So far, progress on land redistribution has been glacial, partly because of lack of finance and, more importantly, lack of political will. This may change as pressure mounts for action. Delegates pointed out that the constitution provided for land expropriation but implementation had been weak and this should change. The commission added that the ANC 'disagreed in principle with foreign ownership of land' and wanted foreigners to acquire long leases instead.

Zuma tried to reassure investors by saying land reform would proceed 'within the confines of the constitution and the law' and that the 'willing buyer, willing seller' idea had 'distorted the land market through inflating the prices of land earmarked for restitution'. The commission on health recommended that a dedicated National Health Insurance fund be established urgently and that a state-owned pharmacy be launched.

The Zuma camp squashed attempts by Malema's supporters to have his expulsion debated. That issue, too, will be taken by his supporters to December's meeting. From the sidelines, Malema lashed out at Zuma and publicly 'apologised' for having helped him into office. He claimed that Zuma's installation as ANC candidate in 2007 had rescued him from arrest for alleged corruption. 'The thought of Zuma being a president in 2019 is scary and traumatic,' said Malema, the firebrand nationalist. ●

UGANDA

Attacking civil society

The power of civic activists to get people on to the streets worries an already paranoid government

Government attempts to silence criticism by non-governmental and civil society organisations is escalating. The Internal Affairs Minister, **Hilary Onek**, is threatening to de-register Oxfam and the Uganda Land Alliance (ULA). It's all part of a crackdown inspired by President **Yoweri Kaguta Museveni**, say several NGOs in Kampala, amid continuing demands to restore the constitutional limit on presidential terms to two. Taking Museveni's lead, government rhetoric says the NGOs are engaged in 'economic sabotage'. The President has promised a law to punish organisations and individuals which depict Uganda in a bad light and discourage investors.

Onek's threat against Oxfam and the ULA first emerged in April, after the Bank of Uganda (BOU) had written on 16 March to all commercial banks requisitioning the accounts of the Advocates Coalition for Development and Environment. The letter claimed Acode was engaged in 'suspicious activity'. Its representatives met senior security officers and learned that the government was angry about their advocacy on governance issues, especially in the oil sector. In a meeting, a senior police officer accused Acode of working to 'topple' the government.

One of Acode's founders and its Executive Director, **Godber Tumushabe**, a lawyer, said that the accusation was odd, since the central bank had provided the government with details of their transactions. Most NGOs are seeking legal help while others work behind the scenes with government contacts to assess the risks. NGOs working in the oil and gas sector have expressed the most concern. The Human Rights Network (Hurinet), an umbrella organisation which also carries out advocacy in the oil sector, has had several meetings with security officials. Rumours were rife among Hurinet employees of an imminent shutdown. That hasn't happened but a laptop computer belonging to its National Coordinator, **Mohammed Ndifuna**, was stolen from his office during working hours.

The strategy may be to intimidate organisations and to separate them from funds from abroad. Last week, Hurinet was hit with a 300 million Ugandan shillings (US\$120,000) tax demand. Sources say it may have incurred the government's wrath not only over resource-sector transparency but also in relation to the Uganda Local

Government Association. Acode helped to set up ULGA after launching a 'Local Government Scorecard', a peer review process on government accountability.

'Their concern was that ULGA brought together all Local Council Five (district) chairmen and therefore targeted a core constituency of the [governing] National Resistance Movement,' said an Acode official. 'It touched a nerve with the NRM's organisation since LC5 chairmen are a direct link to the population. It was considered a very dangerous move.' Prime Minister **Amama Mbabazi** raised the matter in cabinet, we hear, shortly before the BOU sent its letter.

TROUBLESOME CLERGY

Acode's supposed transgressions include its association with several high-profile, governance-related campaigns. Top of the list, and most irksome to State House, is the campaign to restore presidential term limits. Acode and others have funded a crop of opposition personalities to foster public awareness, among them the outspoken former Ethics and Integrity Minister, **Miria Matembe**, and the Anglican former Assistant Bishop of Kampala, **David Zac Niringiye**. He has retired from All Saints Cathedral and is believed to be considering running for president in 2016. The clergy has been prominent in the public debate about restoring term limits. The original constitutional limit of two presidential terms was abolished in 2005 (AC Vol 46 No 14).

At a fundraising meeting at Nabumali High School in Mbale, in June, Museveni said he would organise a conference for bishops on the matter. 'I want to end this talk once and for all,' he is reported to have said in an agitated voice. Bishop Niringiye has become a focus of the term-limits campaign. Before he retired, he chaired the country chapter of the African Peer Review Mechanism, an African Union governance-monitoring programme.

'This funding for governance is direct funding for opposition politics,' a senior security officer told AC in response to a queries as to whether a wide-scale crackdown had begun. Whether the crackdown is actual or only threatened, it appears to be having an effect on donor calculations. In a move which has worried many democracy activists, the government has secured a place on the board of the US\$120 million Democracy

Governance Facility, an initiative funded by **Austria, Britain, Denmark, Ireland, the Netherlands, Norway, Sweden** and the European Union to 'deepen democracy' in Uganda and compensate for a 'governance deficit'. The Forum for Democratic Change's Professor **Ogenga Latigo**, the former Leader of the Opposition in Parliament, sits on the board of the DGF; he said the government had wanted a seat too because it was suspicious about the way 'democracy funds' were being used. A quarter of the \$120 mn. is meant for political parties and activists fear that its seat means the government will be able to influence how that money is spent.

Donors have also abandoned the direct funding of political parties, to maintain good relations with the government. The DGF's predecessor, the Deepening Democracy Programme, had sought to strengthen the capacity of opposition parties by funding items such as office equipment and staff training. One diplomat involved in the donor talks said the move is not only due to 'restraint' but also to some 'frustration with the opposition'. 'The opposition has simply failed to get its act together, which is making matters worse,' said the diplomat, reflecting widespread criticism of the opposition's performance in last year's general elections.

Onek, however, may have a private axe to grind with the NGOs. While Energy Minister, he was at the centre of accusations about bribery in the oil sector. Several NGOs maintained a close relationship with the members of parliament who drafted last November's motion to reform the oil sector, which put Onek under pressure, although it did not result in his resignation. On 15 June, the ULA released a statement saying that despite a public apology over allegations against the government in its report on land-grabbing, Onek was unsatisfied, indicating that he might withdraw its operating licence, which would cause real alarm among the NGOs. NGO sources believe his instructions come from the very top. 'They are using one thing at a time to hit at every one of the actors,' said the leader of a leading transparency organisation. 'It's worse because NGOs do not know how to protect themselves.'

Many are grouped in the Uganda National NGO Forum, which may formulate a joint response. A sign of the nervousness among NGOs was the failure to support the message against corruption of a short cartoon film, 'Uganda is Yours'.* Sources attributed the video, which appears at the start of many pirate DVDs in Kampala, to transparency campaigner Publish What You Pay. PWYP denied any connection or condoning video piracy but said, 'You can't help but admire this sort of guerrilla campaigning.' ●

* <http://www.youtube.com/watch?v=K6O7z1qiNas>

Rajoelina slows down the train

The confusion is far from over. The United Nations proposes that Madagascar hold presidential and parliamentary elections in May or June 2013 but Andry Rajoelina is holding out. The army installed him as national leader after its coup in March 2009 threw out his elected predecessor, Marc Ravalomanana. He now heads the *Haute Autorité de la Transition* (HAT) that was installed in November 2011, following a 'road map' signed the previous month by most political leaders (AC Vol 53 No 5, p12).

There is logic behind the timetable suggested by the UN experts who, chaired by Akinyemi Adegbola, visited the island in April-May. Time is needed to establish a credible electoral register and the *Commission électorale nationale indépendante pour la transition* (CENIT) says it cannot be done before mid-November. The training of election officials began in early July and the register is full of discrepancies. 'Out of a register of less than 7 million voters, there are 1,874,996 cases of people with matching national identity card numbers. Of these, 223,308 cases of people who, in addition to sharing the same national ID number, also have the same first name and last name,' said the experts, whose report was leaked last month.

The next constraint is the cyclone season, from December to April. The UN team reckoned that late May was the earliest

feasible time for the polls. They advocated holding presidential and parliamentary elections at the same time, to avoid having elected and unelected legislators serving side-by-side. Rajoelina wrote to UN Secretary General Ban Ki-moon on 12 June with other ideas, though. He wants a vote this December, with the parliamentary poll before the presidential. A political majority, he claims, would emerge, allowing him to remain in office until 2013. His party, *Tanora MalaGasy Vonona* ('Determined Malagasy Youth'), is also called TGV, after the French high-speed train – the same nickname as Rajoelina. The party is angry with the UN team because it allowed its report to be leaked and because it wanted the TGV out of the race: 'The potential for violence would probably be the highest if the two principal political actors, Presidents Rajoelina and Ravalomanana, were both candidates,' the report said.

AGREEING ON RAVALOMANANA

The TGV wants Ravalomanana kept out of the country; he now lives in exile in South Africa and the senior army officers who deposed him also want him to stay away. In April, General Ranto Rabarisoa, Chairman of the *Conseil militaire pour la défense nationale* (CMDN), which is supposed to be reforming the army, told the *Gazette de la Grande Île* that the forces were against Ravalomanana returning before the elections because he would increase insecurity. The generals clearly fear the revenge of the man they overthrew in 2009 – and the regime could not afford to compensate him for the damage caused to his huge Magro supermarket business. The TGV National Secretary, Lanto Rakotomavo, believes the ex-President should not be allowed to stand because he was convicted in 2010 of 'crimes against humanity', after the security forces had massacred about 30 demonstrators in 2009.

Rabarisoa is also openly sceptical about the proposal by mediators from the Southern African Development Community (SADC) for a meeting between TGV and his predecessor. This idea also displeases former President Didier Ratsiraka, who leads a movement advocating a meeting of 'all the nation's living forces'. Ratsiraka's nephew Roland, leader of the *Malagasy Tonga Saina* (MTS) party, thinks a meeting would be pointless. Opposition to Ravalomanana's return is a rare instance of agreement between the army and the civilian parties.

There is unrest in the armed forces. A few of the soldiers who brought Rajoelina to power have distanced themselves from him, including Colonel Charles Andrianasoavina, a former chief of presidential security who, after making contact with South African intelligence agents, was arrested in late 2011 on suspicion of plotting a coup. A criminal court gave him a life sentence in March 2012. That same month, there was a mutiny

POLITICS AND RELIGION

- **Andry Rajoelina**, 38, Chairman of the *Haute autorité de la transition* (HAT), is a former Mayor of Antananarivo and leads the *Tanora MalaGasy Vonona* (TGV) party.
- **Marc Ravalomanana**, 62, elected President in 2002 and 2006, was overthrown by a coup d'état in March 2009. He leads the *Tiako i Madagasikara* (I love Madagascar). Like his rival Rajoelina, he belongs to the Merina people of the Uplands, whence came the island's former kings.
- **Albert Zafy**, 85, born at Ambilobe in Diego Suarez Province, was President in 1993-1996. In 1989, he founded the *Union nationale pour la démocratie et le développement*, then split from his co-founder, Emmanuel Rakotovahiny. One fan is the Prime Minister, Jean Omer Beziriky, now a member of the Leader Fanilo party.
- **Didier Ratsiraka**, 75, President in 1975-1991 and 1996-2001. The 'Red Admiral' is the only political leader who refuses to sign the road-map for a return to democracy. Officially, his movement centres around his *Association pour la renaissance de Madagascar* (Arema) party but in practice, Admiral Ratsiraka, who lives in France, leaves it to his nephew Roland, who leads his own party, *Malagasy Tonga Saina*. Like Zafy, the Ratsiraka family are coastal people, from the Tamatave region.

A CHOICE OF CHURCHES

The churches remained important social and political forces under Ravalomanana although in general the religious groups support Rajoelina. The four main Christian denominations belong, or belonged, to the Council of Christian Churches of Madagascar (*Fiombonan'ny Fiangonana Kristianina eto Madagasikara*), which fell apart in 2009 (see Feature).

Most numerous are the Calvinists, thought to have five million members in the *Fiangonan'i Jesoa Kristy eto Madagasikara* group, whose Chairman is Pastor Lala Rasendrasina. the FJKM Vice-Chairman (until August) is none other than ex-President Ravalomanana. The next largest faith group is the Roman Catholic Church, led by the Archbishop of Antananarivo, Odon Marie Arsène Razanakolona. The two other main Christian churches are the Lutheran and the Anglican Episcopal. ●

by non-commissioned officers (NCOs) wanting their income tax reduced. We also hear there was an attempted mutiny led by two colonels of the Tana Development Force, revealed on 11 April. In mid-June, a colonel, a captain and a civilian were arrested after an attempt to take over army headquarters; two unnamed politicians are said to have been involved.

The Defence Minister, Gen. **André Lucien Rakotoarimasy**, does not get along with the Chief of Staff, Gen. **André Andrianarijaona**. There is little confidence that the soldiers will sort out such problems, given the spectacular re-emergence of insecurity throughout the country, including in the capital. The 350-kilometre road between Antananarivo and Tamatave is no longer safe, threatened by bandits who attack vehicles carrying sapphire dealers to and from Ambatondrazaka, carrying cash and gems between **Sri Lankan** and Malagasy traders. The road to Mahajanga (Majunga), the other big port, is said to be still more dangerous.

In the south, cattle-rustling is so widespread that Gen. **Désiré Ramakavelo** has described it as a guerrilla war. Eleven soldiers and gendarmes were killed in an ambush on 9 June. The gang was led by a former NCO in Ratsiraka's Presidential Guard, known as **Remenabila** (real name: **Arthur Rabefihavanana**), who has been on the run since 2008. His people are said to have stolen more than 3,000 cattle; Interior Minister **Florent Rakotoarisoa** wants an immediate assault on the gang's redoubt at Bekolinta or even a raid by French army helicopters. The Defence and Prime Minister, **Jean Omer Beriziky**, would prefer to avoid a bloodbath. One of his advisors tells us that the rustlers, known as *dahalo*, swap weapons and money with gendarmes. Amid the instability, even the head of the anti-gang brigade can take nothing for granted. His home was burgled in June.

TGV PANIC

The main political parties are split, including Rajoelina's TGV. In late June, **Lalatiana Rakotondrazafy**, a journalist who owns the Free FM radio station, went into hiding after calling on the air for demonstrations against the HAT Chairman; he is now defying Gen. **Richard Ravalomanana**, a senior staff officer. Rajoelina, a former disc-jockey, seems to be panicked by the idea of losing the election to his old enemy and he knows he is fast losing popularity as the economy crumbles. **Maurice Beranto**, an advisor to the Prime Minister and leader of the *Rassemblement des démocrates de Madagascar*, accuses some colleagues from former President **Albert Zafy**'s group, who are supposed to support Omer Beriziky as Premier, of obstructing him. Ravalomanana's lieutenant **Mamy Rakotomirivo** continually has to defend himself against accusations of disloyalty brewed up by his opponents.

As confusion reigns, ministers and officials are selected more for their loyalty than their competence. The Minister of Mines and Hydrocarbons, **Mamy Ratovomalala**, lost his job last December for allowing the TGV to put a loyalist, **Rajo Daniella Randriafero Tolotrandry**, in charge of Mines, while Hydrocarbons stayed in the hands of **Marcel Bernard**, a follower of former President Zafy. Ministers report to their own faction, not to the Prime Minister. On 14 June, Beriziky had to warn

five ministers from the Ravalomanana group, who had boycotted government meetings for nine weeks, to secure an amnesty for their champion. Environment and Forests Minister **Joseph Randriamiharisoa**, from the Zafy faction, still goes to his office even though he was sacked on 12 April. On Independence Day, 26 June, ministers from Ravalomanana's party, *Tiako i Madagasikara* (TIM), celebrated in Antsirabé, while the rest of the ministers did so in the capital, Antananarivo.

Even the churches are divided. The Council of Christian Churches of Madagascar (*Fiombonan'ny Fiangonana Kristianina eto Madagasikara*, FFKM) is meant to bring together Catholics, Lutherans, Anglicans and Madagascar's own *Fiangonan i Jesoa Kristy eto Madagasikara* (FJKM, Church of Jesus Christ in Madagascar) but it broke up in 2009 and cannot get together again because political loyalties trump religious ones.

External offers of mediation, by SADC and South Africa as well as the UN, have come to nothing. Rajoelina is insecure, baby-faced and referred to as *le gamin* (the rascal). The destruction of the business empire of his rival Ratsiraka – the Magro shops, the yoghurt factory at Antsirabé forced to close down – is regarded as a calamity. In 2011, the economy grew by a meagre 0.6%, which is less than the growth of the population.

Rajoelina is blamed for attending June's UN Conference on Sustainable Development in Rio de Janeiro rather than meeting Ravalomanana to resolve the crisis. His associates are accused of profiting from power (see Box). On top of the troubles in the army, the workers at the state-owned Kraoma chromium business were on strike at the end of June. So were teachers. The people of Madagascar are often said to bear misfortune well but there are limits. ●

FOREIGN SANCTIONS MISS TARGET

In public, diplomats in Antananarivo talk up the chances of a settlement of the political crisis. In private, though, they confess to doubting the value of the sanctions imposed since the 2009 coup, which have mainly made the crisis worse. Development aid fell from US\$700 million in 2008 to \$405 mn. in 2011. The suspension of the **United States** African Growth and Opportunity Act, which allowed duty-free access to the US market for Malagasy textile manufactures, has cost 50,000 jobs. The United Nations Development Programme says the proportion of the population below the poverty line grew from 70% to 76.5% between 1993 and 2010.

'It would have been better to impose targeted sanctions, like those against **Zimbabwe**'s leaders,' confided a diplomat who thinks the European Union and the USA have got it wrong. While ex-President **Marc Ravalomanana**'s supporters approve of the sanctions, most others think them counter-productive, because they do not hit the greedy elite whose interests are served by the transitional government.

International attitudes seem incoherent. Officially, everyone follows the European External Action Service, led by the European Union's High Representative for Foreign Affairs and Security Policy, **Catherine Ashton**, in recognising the leadership of the Southern African Development Community along the road map towards constitutional rule. Yet SADC's office in Antananarivo is seen by everyone, Malagasy and foreign, as useless, with staff who speak neither the national language, Malagasy, nor the lingua franca, **French**. France comes in for criticism too, being regarded as favouring **Andry Rajoelina** while the USA and SADC are seen as favouring the man he ousted, Ravalomanana.

France shows no sign of boycotting the armed forces: Marines ran joint anti-piracy manoeuvres at Antsiranana on 3-9 June. Paris has used its influence in the EU to protect Rajoelina and his team from targeted sanctions. The arrival of **François Hollande** as President of France is unlikely to change the position significantly, we hear.

In general, diplomats are standing by the 'neither-nor' option, meaning that they would like to keep both Rajoelina and Ravalomanana out of the election race. They hope that might calm things down, even if less senior figures try to stoke the flames of rivalry and revenge within the two leaders' parties. The EU is strongly in favour of strengthening the position of the Prime Minister, **Jean Omer Beriziky**. That might be achieved by loosening the purse-strings, thus showing Madagascar's politicians that Beriziky – who is not standing for the presidency – holds the key to reconciliation with the country's partners. ●

CENTRAL AFRICAN REPUBLIC

Jitters as Bozizé dumps ally

The Finance Minister's sacking is a sop to donors and a sign of the government's fragility

After nine years at the President's right hand, Finance and Budget Minister **Sylvain Ndoutingai** finds himself out in the cold. Ndoutingai, who is also General **François Bozizé's** nephew, managed the ethnic and kinship-based patronage networks in government appointments. He was dismissed a month after claims he was involved in a coup attempt and shortly before the International Monetary Fund announced on 25 June the start of a US\$63 million, three-year facility.

On the day before that, an armed attack on the compound of the **French** uranium mining and nuclear engineering company Areva at the Bakouma mine illustrated the weak hold the government has outside Bangui. It also showed how much Bozizé depends on **Chadian** President **Idriss Déby Itno** for his survival. The fact that a small group of guerrillas could easily challenge the *Forces armées centrafricaines* (FACA) sent the worst message to potential foreign investors.

Finance Minister Ndoutingai was once indispensable but he had to go. For many years, he defended Bozizé adeptly in international fora. He had mastered populist rhetoric and his ability to make all the ministries pay off, especially Mining, which he used to head, made him a central part of the inner presidential circle (AC Vol 51 No 25, p10). Yet, when he became Finance Minister last year, he had to cope with a much deteriorated fiscal situation. Bozizé won the elections at enormous cost

and the IMF has requested an explanation of how some 49 billion CFA francs (\$94 mn.) of state funds were spent.

A smart operator, Ndoutingai took a series of decisions that had convinced key donors such as France and the European Union that he was worth dealing with. The **United States**, however, along with the World Bank and IMF, believed he had a track record of not respecting deals, especially with American companies. The moves he made to reassure donors were seen locally as hostile to the client networks built by the Bozizé family (especially Bozizé's wife, **Monique**, and her sons). Ndoutingai dissolved boards of parastatal companies, froze bank accounts and investigated managers for embezzlement. Then he appointed his own men. Although this improved relations with some donors and even satisfied a long-term Bretton Woods demand to raise the price of petroleum products, Washington was unmoved. It made it clear that he would not be welcome stateside and his visas to attend IMF meetings were granted very late and in a humiliating fashion.

COMPETING WITH BOZIZE JUNIOR

At the same time, rivalry in the inner circle between Ndoutingai and presidential son **Jean-François Bozizé**, the Deputy Defence Minister, provoked changes in the political leadership, aided by Bozizé's apparent paranoia. The President is constantly flooded with *fiches* (notes) telling him what key people are saying about him. At

one point in April, he became convinced that Ndoutingai was misinforming him and excluding anyone who was not part of his clique.

A key moment was May's appointment as Ambassador to neighbouring **Congo-Kinshasa** of the former Secretary General of the Presidency and leader of the governing *Kwa na Kwa* party (KNK), **Elie Ouéfio**. He had been sacked in November for mentioning Bozizé's poor health at a meeting with elders in Bossangoa, the President's home town. Bozizé decided to test Ouéfio's loyalty by offering him this relatively modest post. Ndoutingai wrote a note to say that Ouéfio would refuse the offer and bitterly attack Bozizé for his lack of generosity. In fact, the new Ambassador sent an effusive thank-you letter.

After this came rumours of weapons being stashed in Ndoutingai's house and clandestine meetings with military, further undermining his relationship with the President. His fate was sealed in late April when Bozizé heard that behind closed doors, he was telling KNK members of parliament not to endorse a change to the constitution to allow Bozizé a third term in office. Ndoutingai was competing with Bozizé himself, not just his son.

Ndoutingai's loyalists were well entrenched in the security apparatus and it took Bozizé nearly a month to remove, for example, 20 presidential bodyguards and officers, and to purge his other supporters. The witch-hunt is still proceeding and is, we hear, the President's sole focus. There have been rumours of a possible coup and much speculation about whether Ndoutingai could face the same fate as Col. **Charles Massi**, who disappeared after turning against Bozizé (AC Vol 51 No 2, p12).

The crisis in the government has had wider effects too. It gave Gen. Déby a chance to demonstrate his power over his weaker, southern neighbour. As the Ndoutingai crisis was unfolding, Déby came to Bangui, bringing with him 30 soldiers who were assigned to Bozizé's weakened bodyguard. He also asked Bozizé to deal with the armed groups in the north, some of whom he regards as a potential threat to Chad. After those groups signed a ceasefire agreement in 2011, Bangui failed to follow up with a comprehensive peace plan.

Déby's freedom of action was so complete that he even met the opposition and called for a dialogue with the President and the formation of a national unity government. As a *de facto* vassal of his northern neighbour, Bozizé had no option but to accept the suggestion and meet the opposition. The importance of the exercise lies not in any possibility of it achieving anything but in demonstrating Déby's power. Déby is also trying to fill the gap left by the death of **Gabon's** President

BANDITS AT LARGE

The security situation outside Bangui is getting worse and the political crisis has not helped. Unsurprisingly, the offensive against the **Baba Laddé** movement was reported as successful, despite much collateral damage (AC Vol 52 No19, p10). Yet, many fighters just escaped and nowadays roam the countryside, where they operate as *Zaraguinas* (highway bandits), disrupting trade in the centre and west. Baba Laddé (*nom de guerre* of **Omer Abdel Kader**) himself, who is probably settled in Darfur although he claims to be in **South Sudan**, is calling for a new round of negotiations with Ndjamena and Bangui, which analysts believe unlikely.

The Disarmament, Demobilisation and Reintegration of other groups is stuck because of a lack of funds and decisions that do not inspire confidence in the reintegration process. **Jean-Jacques Demafouth Mafoutapa**, leader of the *Armée populaire pour la restauration de la démocratie* and a strong supporter of DDR, was arrested in January 2012 and accused of an attempted coup, a charge no one took seriously. He was eventually released in April without charge. He announced in mid-May that his movement has dissolved itself, which seems unlikely to many observers, despite the relative success of DDR among APRD fighters. Funds may come by October, thanks to the European Union, but the all-important political component of DDR is still lacking. ●

Omar Bongo Ondimba as a facilitator in CAR's political arena. The announcement in late June that Chad would train the CAR army is also confirmation that Déby is the kingmaker in Bangui. France recognises and accepts this. French officials told political opponents of Bozizé to go to see Déby, not their new Foreign Minister, **Laurent Fabius**. Yet no one seems ready to tell Déby to address his own political problems in southern Chad: most of the insecurity in northern CAR is an overspill from Chadian problems.

A second consequence of the political crisis is that Bozizé has been thrown back

on depending on his immediate family. More than 20 of the 105 MPs are related to him, either because they are close relatives or the mistresses of family members. With Ndoutingai gone, Bozizé's sons, especially Francis and **Socrate** (currently an MP), will have to step up but many doubt their ability to face the challenges ahead, such as coping with the IMF programme.

Although the IMF facility will probably trigger more money from traditional donors, its conditions involve strong budgetary discipline, something beyond most ministers or the Presidency. The new Finance Minister, **Albert Besse**, is a

close friend of President Bozizé but, like many other ministers, is reputed to be incompetent at best. A cabinet reshuffle looks necessary but raises the question of opposition involvement. While the President knows he cannot antagonise Déby, he may count on divisions in the opposition. One camp thinks dialogue is pointless so long as Parliament is in Bozizé's grip; the other fears that dialogue would result only in a few leaders being co-opted, with no real progress. Déby himself has taken no such steps in his own country and that also undermines the proposal for dialogue. ●

SENEGAL

Selected heads roll

After Macky Sall's presidential victory, the judiciary are targeting many of his predecessor's business and religious friends

No witch-hunt. That was **Macky Sall's** message after he won a resounding mandate with two-thirds of the vote in the presidential run-off in March. Now he hopes he has extended his popularity and that of his broad coalition, *Benno Bokk Yakaar*, in the parliamentary elections on 1 July. Early results indicate that the party won at least 90 of the 150 seats. The commanding lead was not unexpected, given that former President **Abdoulaye Wade's** *Parti démocratique sénégalais* (PDS) has spent most of the past three months tearing itself apart.

The latest falling-out was between Wade and a former lieutenant, **Pape Diop**, ex-Mayor of Dakar and currently Chairman of the Senate. He set up a liberal faction in the PDS called the *Alliance Bokk Guiss Guiss*, whereupon Wade threatened to throw him out of the party. On 25 May, Wade used a press conference to make accusations against him, charging that Diop had stolen the identity of his brother to hide the supposed fact that he had spent time in gaol. Diop effectively told Wade to shut up. Diop may face questioning about some of the public works contracts let while he was running the capital.

Diop's case is on a long list, including some of the biggest names of the Wade era. Among the many currently in custody or awaiting trial, two stand out: Sheikh **Béthio Thioune**, leader of a large religious brotherhood, and **Ousmane Ngom**, Wade's hardline former Interior Minister. The abrasive Ngom is no stranger to run-ins with the police. As far back as 1993, he and his long-time ally, Wade, were charged over the never-explained murder of a highly prominent lawyer, the Vice-President of the Constitutional Court,

Babacar Sèye (AC Vol 47 No 15). The opposition has accused Ngom of electoral fraud both in 2007, when he organised the elections that returned Wade to the presidency, and in 2012, when he was brought back to the Interior Ministry. He denies the charges.

Ngom was campaigning for his party in the southern province of Casamance when he was detained on 20 June. This time, he was wanted for questioning over riches acquired during his time in office, which he denied the next day, after six hours at the Public Prosecutor's office in Dakar. He said his arrest was intended to 'liquidate a man of politics' and denied acquiring wealth illegally. He may well have provoked the Prosecutor's ire by publicly declaring that he would ignore any summons. His arrest in Kolda was particularly robust, with a swarm of police officers bursting into his hotel room.

THREATS FROM NGOM

President Sall continues to assure the public that the law is taking its course and that there is no witch-hunt. He has set up a special council for the prevention of illicit wealth and has called in the Stolen Asset Recovery Initiative, created in 2007 by the United Nations Office on Drugs and Crime and the World Bank. Ngom has hinted, intriguingly, that he has dirt on Sall and will publish it if his 'persecution' continues. Sall does not look worried.

The other affair has had the country in thrall for months. It concerns Sheikh Thioune, founder-leader of a branch of the *Mourides* called the *Thiantacoune*, whose membership he claimed was twelve million, mostly but not exclusively in Senegal. Thioune enjoyed an

extraordinary level of protection from Wade's government. He owns several properties, including a sumptuous residence in Dakar's upmarket Mermoz neighbourhood and an immense tract of land near the seaside resorts of Saly and Mbour, where he built his headquarters. Local newspapers have drawn parallels with Jonestown in Guyana or the Order of the Solar Temple in Switzerland.

During Wade's election campaign, Thioune was an important cheerleader for his friend. On one occasion, he claimed that he had received a message from one of the most revered religious leaders in Senegal, the late **Serigne Saliou Mbacké**, that Wade would be successful and that his followers now knew who to vote for. The Mbacké family, which produces all religious leaders in Touba, the *Mouride* capital in central Senegal from where Saliou had led the influential *Mouride* Sufi brotherhood, responded swiftly with irritation that no such 'very strong advice' ('*ndiguël*', ruling) had been issued.

No longer under Wade's protection, Thioune was arrested on 23 April amid a judicial enquiry into two suspicious deaths on his estate. Two young *Thiantacoune*s, **Barra Sow** and **Ababacar Diagne**, lost their lives in a massive brawl, apparently connected with their 'excommunication' from the sect and subsequent efforts at reconciliation that went horribly wrong. They were hastily buried, allegedly on the orders of Thioune, who now faces charges of ordering their killing and of burying them illegally. He also stands accused of being in possession of firearms without a licence. No date for his trial has been set.

Other cases wait in the wings to grab public attention. **Ndongo Diaw**, the former Director of the post and telecoms oversight body, the *Agence de régulation des télécommunications et des postes* (ARTP), has been interrogated by police in the capital, as has **Bara Sady**, former Director of the *Port autonome de Dakar*. The French ex-Director of the badly-managed bus company *Dakar Dem Dikk*, **Christian Salvy**, is now in the city's notorious Rebeuss prison on fraud

and mismanagement charges. Others questioned by police include **Amadou Kane Diallo**, former Director of the national transport council, the *Conseil sénégalais de chargeurs*, who was also reported to have bought a large quantity of expensive traditional outfits (*boubous*), and **Ibrahima Ndiaye**, former head of the road works department, the *Agence des travaux et de la gestion des routes*.

The greatest curiosity surrounds the fate of the Wade family itself, in particular the two presidential children, **Karim** and **Syndiely**. In conjunction with **Abdou Aziz Sow**, **Syndiely Wade** managed the

2010 World Festival of Black Arts (known as Fesman), a job she would not have received without her father's political patronage. Touted as a worthy successor to two previous festivals of the same name in Senegal and **Nigeria**, this Fesman was instead widely seen as a ceremony to glorify the Wade family. Many of the artists have never been paid.

Having had responsibility for several major desks and departments, Karim Wade faces a tougher time. Most widely publicised is the case of the *Agence nationale de l'organisation de la conférence islamique*, the group responsible for

building Dakar's infrastructure for the 2008 Organisation of Islamic Conference summit. ANOCI did not finish the work on time and had a 300% budget overrun, as documented in **Abdou Latif Coulibaly's** book *Comptes et mécomptes de l'ANOCI* in 2009. ANOCI was then turned into the Ministry for Infrastructure, Air Transport and International Cooperation and in this capacity, Karim Wade was also responsible for the calamitous performance of the *Société nationale d'électricité* and the financing of the new Senegal Airlines, which is heavily in debt and nearly bankrupt (AC Vol 52 No 14, p5). ●

CONGO-KINSHASA/RWANDA/UN

Rebels aim for Kivu secession

Rwanda not only supports the M23 rebellion, it may be helping create a new state on its border with Congo

After a protracted delay and much discussion, at the end of June the United Nations finally published its investigation into Rwandan involvement in the rebellion in eastern Congo-Kinshasa (AC Vol 53 No 13). The Addendum to the report lists overwhelming evidence of official Rwandan instigation and support of the rebellion by the *Mouvement du 23 mars* (M23). This includes deploying its own armed forces in Congo and trying to create a state loyal to Kigali based on the provinces of North and South Kivu.

The report by a UN Panel of Experts details constant communications between two rebel leaders, **Jean-Bosco Ntaganda**, former Commander of the *Congrès national pour la défense du peuple* (CNDP), and M23 leader **Sultani Makenga**, and all Rwanda's most senior military officers, apart from President **Paul Kagame**: Defence Minister, General **James Kabarebe**; the Permanent Secretary of the Defence Ministry, Gen. **Jacques (Jack) Nziza**, a former Defence Minister and ex-Military Intelligence chief; and the Rwanda Defence Force (RDF) Chief of Staff, Gen. **Charles Kayonga**. Rwanda denies the charges, calling the UN report 'one-sided'. The United States is 'deeply concerned' and formally called on Rwanda to cease all support for the rebels and the fighting emanating 'from its territory'.

The report, which was compiled using five corroborating sources for each item of information, instead of three in previous reports, details numerous violations of international law and UN resolutions in a devastating indictment. As well as fuelling the revolt, some of Rwanda's highest officials also drummed up political and financial support, pushing Congolese and

Rwandan politicians into line and even enlisting clergy in support. There is also evidence that secession is one of Kigali's ambitions for North and South Kivu.

On 23 May, RDF Captain **Célestin Senkoko**, Kabarebe's personal assistant from Goma, organised a meeting of mainly CNDP cadres and RDF officers in Gisenyi, Rwanda, just over the border from Goma, and made the claim for secession. 'After showing the territory to be liberated on a map,' the report says, 'he [Senkoko] instructed politicians to convince all Rwandophone army officers operating in the Kivus to join M23 and stressed the need for M23 to gain more popular support and begin collecting funds.'

This matches unverified claims made to *Africa Confidential* by a well placed source in Rwanda, who also suggested that Kigali's plan involved opening a second front in South Kivu. Three days later, at a meeting in Ruhengeri, Rwanda, Senkoko and other officials instructed all Rwandophone politicians and officers in the Kivus to join M23 or to leave Congo-K, the report says. The message was that Rwanda was supporting M23, 'whose new war was to obtain a secession of both Kivus'. To reinforce the message and drum up support, Kigali also deployed the former CNDP leader, Gen. **Laurent Nkunda**, a Congolese Tutsi, who was 'deposed' by Bosco Ntaganda and is supposedly under house arrest in Kigali. The report calls him a 'key mobiliser for M23'.

The UN Experts collected evidence that Rwanda had attempted to sponsor a rebellion in South Kivu. When Makenga left his South Kivu base to launch the M23 rebellion, the *Union de congolais pour la défense de la démocratie* was set up to fill the

gap. UCDD's leader is **Xavier Chiribanya**, who was Governor of South Kivu when it was controlled by the governing Rwandan Patriotic Front, and 'a longstanding secessionist', the Experts said (AC Vol 44 No 23). They write that he 'held a series of meetings with armed group leaders during which he claimed full support from the Rwandan Government to pursue open rebellion against [Congolese President **Joseph**] **Kabila** in order to obtain the secession of the eastern Congo.'

Many have long tacitly acknowledged Kigali's control in the Kivus, especially since 2009, when the Rwanda-backed, mainly Tutsi CNDP was integrated into the national armed forces, the *Forces armées de la République démocratique du Congo* as a compromise. Rwanda kept its influence over the CNDP, which continued to 'run' the Kivus but its presence inside the FARDC saved Kinshasa's face and maintained the appearance of sovereignty. The ex-CNDP contingent in the FARDC had virtually autonomous control of the provinces. However, supporting a movement ranged directly against Kinshasa and seeking the secession of Congolese territory marks a significant escalation in Kigali's ambitions. It will confirm the suspicions of many that Kigali seeks to control the Kivus as a proxy state, securing the lucrative mineral wealth, and significant Rwandan property holdings and business interests there.

Some speculate that secession talk is merely a device to mobilise support for M23 and is beyond the scope of Kigali's plans for the rebels. Even if that is the case, the Panel gives details of Rwandan support for other armed groups that oppose Kinshasa. Some of these groups, such as *Mai-Mai Sheka* and the *Forces de défense congolaise* (FDC), were once used by Kigali to assassinate leaders of the militia representing the remnants of the Hutu militants behind the 1994 genocide, the *Forces démocratiques de libération du Rwanda* (FDLR). The last such killing took place in February. The report details evidence that Rwanda is supporting other groups, outside the Kivus, whose sole usefulness would seem to lie in their

ability to destabilise Kinshasa. The Experts say they have evidence that in Ituri the RDF has encouraged FARDC defections to the rebel *Coalition des groupes armés de l'Ituri* of renegade Gen. 'Cobra' Matata Banaloki (AC Vol 53 No 7, p9).

M23 leaders were also present at meetings of the *Conseil supérieur de la paix* (Consup), which was aiming, the report says, to exploit dissatisfaction at November's Congo elections to cause civil unrest. Consup would then stage a confrontation with the FARDC, at which civilians would be killed, so the plan went. An armed uprising in Bukavu would follow, after which RDF forces would 'come to the aid' of Kinyarwanda-speaking people in the town. M23 told Consup it had Rwanda's full support. The Addendum cites an interrogation of captured Consup staff by FARDC intelligence: 'Reinforcements from the RDF were to come from Cyangugu/Rusizi in Rwanda on the pretext of coming to assist the Rwandophone population or Rwandan citizens supposedly the victims of persecutions or targeted by the manifestation.'

Kigali has held meetings with Kinshasa on the Kivus but no reports have been made public. Nevertheless, the Addendum says that in a series of bilateral meetings, 'Rwandan officials have insisted on impunity for their armed group and mutineer allies, including ex-CNDP General Bosco Ntaganda.' If true, this is a sensational demand because Ntaganda is wanted by the International Criminal Court (ICC). Rwanda's influential friends in Washington and London may now urge it to retreat from its Congo policy

OBAMA'S CONGO LAW

Rwanda's actions in support of the east Congolese rebels, according to the evidence of the United Nations investigation, indicate a breach of a little-known **United States** law, the 2006 S.2125 (109th) Democratic Republic of the Congo Relief, Security, and Democracy Promotion Act. This was sponsored by **Barack Obama**, then a Senator. The only law the future President individually sponsored, it authorises the Secretary of State to 'withhold assistance...for a foreign country determined by the Secretary to be acting to destabilise the DRC.' It also required the USA to 'strengthen the arms embargo; and allow for more effective protection of natural resources in the DRC, especially in the eastern part of the country'.

The Act goes on to advocate that the USA should 'press countries in the Congo region to help facilitate an end to the violence in the DRC' and take other measures to 'ensure that fighting in North Kivu, Ituri, and other areas does not create widespread instability throughout the country'. The law also stipulated that the government should appoint a Special Envoy for the Great Lakes Region. Yet it was only in December 2011 that the State Department appointed Ambassador **R. Barrie Walkley** to the post, albeit at the slightly lower rank of Special Representative. He is officially described as 'Special Advisor to Secretary of State [Hillary] Clinton for the Great Lakes and the Democratic Republic of the Congo'. Walkley, who served in Congo-Kinshasa a decade ago, has not commented on the latest revelations; neither has Clinton. Rwanda received US\$350 million in bilateral aid last year from the USA and **Britain**. Non-governmental advocacy groups, including Human Rights Watch and Global Witness, have urged the governments to use that leverage to get Rwanda to leave Congo-Kinshasa.

Although the rules governing targeted sanctions, arms embargoes and other international provisions may require lengthy determinations before action can be taken, the US law on Congo authorises action if a country is simply 'determined by the Secretary of State to be acting to destabilise the DRC'. The means are easily to hand but Washington seems a long way from exerting open pressure on Rwanda to comply. ●

before it finds all the moral capital and sympathy from the 1994 genocide wasted. If Kigali continues on its current course, analysts say, we can expect an increase in Rwandan-inspired reports of attacks on Tutsi communities in eastern Congo and demands for their rescue, possibly culminating in a new statelet based on the Kivus or an open invasion by RDF forces.

Rwanda must find credible defences to the charges of ignoring sanctions on Ntaganda, who often visits Kigali, defying the ICC, and breaching UN arms embargoes and resolutions, as well as Senator **Barack Obama's** 2006 law promising sanctions on those helping to fuel war and misery in Congo (see Box). ●

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POINTERS

Angola

ROCKS AND HARD MEN

■ The battle of the oligarchs in London's High Court ended on 29 June. **Arkady Gaydamak** and **Lev Leviev** fought over millions of dollars in Angolan diamond sales. Justice **Geoffrey Vos** said he could not accept 'in their entirety' either side's submissions on how they had decided to divide the estimated US\$3 million monthly profits. A 'settlement agreement' signed in Luanda in August 2011 had validly terminated a 2001 50-50 profit-sharing arrangement under which Gaydamak claimed Leviev owed him large sums. This all shed light on Angolan resource management (AC Vol 53 No 2, p12).

It was Gaydamak's idea, not Leviev's, as he has often claimed, to establish the Angola Selling Corporation as the exclusive diamond sales agent (it lost this monopoly in 2003). Although the state-owned *Sociedade de Comercialização de Diamantes* (Sodiam) held a 51% interest in Ascorp, and Leviev and Gaydamak 24.5% each, the pair ran the operation as they pleased. Gaydamak admitted it was routine for him to take large sums in cash out of the Ascorp office safe when he liked, with Leviev's prior authorisation.

Gaydamak gave evidence by video link from Tel Aviv, which displeased the judge. Attending the Court carried the risk of extradition to France, where he was sentenced to gaol in October 2009 for tax evasion, money-laundering and unlawful armstrading. Nor was Vos much impressed by Leviev: 'I did not find Mr Leviev an entirely reliable witness... Having admitted to paying Mr Gaydamak unspecified sums for unspecified reasons, I think his denial of any partnership arrangement of any kind was simply implausible and frankly unbelievable.' Gaydamak, a prominent figure in **Israel**, must pay Leviev about \$1 mn. in costs but says he will appeal.

Liberia/Norway

KILLERS UNITED

■ The Norwegian court trying **Anders Behring Breivik**, the self-confessed killer of 77 people in July 2011, has heard evidence on his stay in Liberia. In the 1,500-page manifesto that he posted on the internet before his deadly attacks, Breivik mentioned a visit to Liberia where he had met a Serbian 'war hero'. He claims subsequently to have attended a meeting in London of a militant anti-Muslim group he said were called the 'Knights Templar'. The United Nations-registered *Ordo Supremus Militaris Templi Hierosolymitani* (OSMTH)-Knights Templar International offered condolences. 'We are not modern-day

"crusaders", OSMTH-KTI said and denied any link to Breivik's group, which it called 'The European Military Order and Criminal Tribunal (the PCCTS-Knights Templar)'.

Norwegian prosecutors established that Breivik left Oslo on 17 April 2002 to fly to **Côte d'Ivoire** before entering Liberia, posing as an aid worker. There, he got involved with diamonds, transferring some US\$5,000 to a Liberian resident in the **United States**, **Alpha Kallon**. Many commentators doubt Breivik met any Serbs in Liberia; he insists he did.

A German neo-Nazi with many contacts in **Britain**, **Nick Wolfgang Greger**, has posted videos on the internet in support of **Charles Taylor**, claiming Liberia's ex-President is victim of a US conspiracy (AC Vol 53 No 12, p8). Like Breivik, Greger claims to belong to an organisation of 'Knights Templar dedicated to the protection of Christian Europe'. It appears Greger's admiration is based on a belief that Taylor was fighting Islam because of his battles with Mandingo-based militias from 1991 until Liberians United for Reconciliation and Democracy toppled him in 2003.

Evidence from Breivik's trial shows the strangeness of some who visited Taylor's Liberia. They are thought to have included *Al Qaida* leaders **Ahmed Khalfan al Ghailani** and **Fazul Abdullah Mohamed**, both then wanted in the USA for the 1998 bombing of US embassies in East Africa (AC Vol 53 No 2, p12). Ironically, Breivik and his 'Knights Templar' regard Islamists as their greatest foes.

SADC/South Africa

BANK TO BANK

■ The Southern African Development Community, anxious to free its financial operations from domination by the large, state-owned Development Bank of Southern Africa, plans to set up a rival bank. The aim is to help finance a regional infrastructure plan for roads, communications and transport. The proposal goes to SADC heads of state at their meeting next month in **Mozambique**. The DBSA, meanwhile, intends to expand operations throughout Africa and is signing cooperation deals with banks in the other BRICS countries (**Brazil**, **Russia**, **India**, **China**, **South Africa**). South African Foreign Minister **Maite Nkoana-Mashabane** says a joint development bank could fund infrastructure and act as an alternative lender to the World Bank and others.

The DBSA wants to turn its international division into a separate subsidiary in which China would get shares but SADC countries would not. That's upset many SADC governments. The new bank would be headed by **Moe Shaik**, former head of the SA Secret Service and a key ally of President **Jacob Zuma**. SADC's proposal is led by Deputy Executive Secretary **João Samuel Caholo**, an **Angolan** former

minister. Plans seen by *Africa Confidential* show that the new bank may have an initial capitalisation of US\$600 million-\$1 billion. It too would seek funds from China, plus **Brazil**, **Japan**, **South Korea** and Europe.

A key leader of the resistance to the DBSA is **Zimbabwe's** President **Robert Mugabe**, we hear, who has recently fallen out with his ally Zuma. Angola, Zimbabwe, **Namibia** and **Swaziland** back the SADC initiative and are lobbying for support from **Botswana**, whose President, **Ian Khama**, has a difficult relationship with Zuma. Angolan President **José Eduardo dos Santos** is a close ally of Zuma's but Angola is a regional rival to **South Africa**. Angola, too, plans its own development bank, funded by 5% of the annual earnings of the state oil company, Sonangol.

Sudan

PROTESTORS' PRESSURE MOUNTS

■ The National Congress Party spent the 23rd anniversary of the 30 June coup, which brought it to power as the National Islamic Front, suppressing public protests. Its iron grip is slipping amid a growing belief among Sudanese that they can indeed overthrow the regime. Over 1,000 people were arrested, many to disappear into the revived 'ghost houses'. Many more were injured by rubber bullets, tear gas, truncheons and iron bars. NCP leaders are divided, we hear, about how hard to crack down, with some wanting to unleash the jihadists of the People's Defence Forces.

There was uproar in the Foreign Ministry after the London Embassy failed, despite systematic monitoring, to predict the size and fervour of a noisy march by hundreds of diverse protestors. Senior officials of every party walked for over two hours, including Justice and Equality Movement President **Gibreel Ibrahim Mohamed** and **Ali Mahmoud Hassanein** of the Democratic Unionist Party. Ambassador **Abdullahi Hamed Ali el Azrag**, a former head of the Arab Department, was berated for hours on the phone by his bosses in Khartoum, we hear.

The NCP also finds it impossible to predict demonstrations: protestors use guerrilla tactics, popping up all over the capital in small groups and across the country. The aim is to confuse and wear down security while spreading the word. It has certainly reached the opposition parties in the National Consensus Forces. On 4 July, the NCF declared the regime 'illegitimate' and called for its overthrow. Ex-Premier **El Sadig el Mahdi** wants to take the helm but is vacillating (AC Vol 53 No 13). The struggle in his Umma Party may help him decide. After he left the Umma mosque at Wad Nubawi on Friday, police tear-gassed worshippers inside. Energetic young party members then camped out in front of the mosque, sending a message to both El Sadig and the NCP.

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BLUE LINES

After a good weekend's work which saw his ex-wife win an election as the new leader of the African Union Commission in Addis Ababa, South Africa's President Jacob Zuma flew on to Beijing. There, at the Forum on China-Africa Cooperation, he celebrated the new power configurations within Africa and beyond.

'We are particularly pleased that in our relationship with China we are equals and that agreements entered into are for mutual gain,' Zuma told a meeting attended by Beijing's outgoing President Hu Jintao. Such sentiments might seem exaggerated, given that cheap Chinese imports had almost destroyed South Africa's textile industry until Zuma's predecessor, Thabo Mbeki, imposed rigid quotas on Chinese companies and Beijing quickly acquiesced.

Perhaps such blatant toadying is an attempt to draw the West into a bidding war in Africa. 'We are certainly convinced that China's intention is different to Europe, which to date continues to intend to influence African countries for their sole benefit,' Zuma said.

The two biggest economies in the West, the United States and Germany, take the message seriously. Berlin, which like China invests hugely in the AU, is planning to increase its 6 billion euro (US\$7.4 bn.) aid programme to Africa. And this week the US proposed a new trade deal with the East African Community, which is Africa's latest oil and gas frontier. Last year, US trade with East Africa grew by 34%.

AFRICAN UNION

Dlamini-Zuma takes charge

South Africa finally won the battle for the AU Commission chair, amid high hopes for reform and more effective interventions

Security crises in five countries and pressing economic problems confront the new Chairperson of the African Union Commission, **Nkosazana Dlamini-Zuma**. Although she has three months to wind up in **South Africa**, where she is Home Affairs Minister, before moving to the AU in Addis Ababa, her transition programme is already under way.

After a fairly bitter election campaign, senior officials are urging the defeated candidate and incumbent, **Gabon's Jean Ping**, to work for a smooth handover. Since the veteran diplomat is searching for another international posting, he may want to protect his legacy. Over the coming months, the AU will play a central role in negotiations on **Congo-Kinshasa, Guinea Bissau, Mali, Somalia, and South Sudan and Sudan**.

The style will be easier to change than the substance. At her swearing-in, Dlamini-Zuma quoted the late **Jamaican** civil rights activist and writer **Marcus Garvey**; at Ping's departure, he quoted **Shakespeare**. Lauded for her administrative record and conciliatory approach to politics, Dlamini-Zuma can rely on considerable goodwill, in the early months at least.

Talk of a Francophone-Anglophone split and poisonous regional rivalries is overblown. The voting on 15 July (see Box) saw Dlamini-Zuma win over substantial numbers of French-speaking governments, such as **Algeria, Chad, Congo-K and Senegal**. Her main opponents – **Côte d'Ivoire, Ethiopia, Kenya and Nigeria** – face too many demanding internal matters to want to sabotage her tenure. They are likely to respond to her conciliatory gestures,

especially if she can offer some backing for them in their respective regions. Between them, **Côte d'Ivoire** and **Nigeria** dominate the Economic Community of West African States (Ecowas), which leads calls for intervention in **Mali** but requires support from both the AU and United Nations.

Ethiopia and Kenya (alongside **Uganda**, which backed Dlamini-Zuma) are the key players in the intervention in **Somalia**. As this enters a critical stage, with the expected battle for **Kismayo** next month and the Transitional Federal Government due to hand over to a still unknown successor on 20 August, coordination with the AU will be vital here, too.

Officials in Addis expect a division of labour to emerge which would allow Dlamini-Zuma to take charge of administrative reform in the AU, to boost accountability and the capacity to monitor and evaluate what it does. The AU has a better record on promoting norms and values than its predecessor, the Organisation of African Unity: it has taken some steps on outlawing military coups, though it slipped in countries such as **Madagascar** and **Mauritania**. Yet its grand projects, such as the African Peer Review Mechanism and the New Partnership for African Development, which South Africa championed when Dlamini-Zuma was Foreign Minister and **Thabo Mbeki** was President, need rejuvenation and tougher management. The plan behind those institutions, to link a country's governance record as assessed under the APRM to its ability to bring in investment in infrastructure through NEPAD, took a hit from the chaos in Western financial markets

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and treasuries and the growing availability of less conditional finance from China and other Asian economies.

Central to the AU leadership transition will be its Deputy Chairman, Kenya's **Erastus Mwencha**, re-elected unopposed a few minutes after Dlamini-Zuma's victory on 15 July. He is also an effective administrator and after two terms as Secretary General of the Common Market for Eastern and Southern Africa (Comesa), he has an exhaustive knowledge of the trade dossier.

Overshadowed by the excitement of the election, the theme of the summit was setting up a continental free trade area by 2017, one of Mwencha's main aims. At Comesa, he oversaw a sixfold increase in trade among members after it set up a free trade area. The regional integration chief at the UN Economic Commission for Africa, **Daniel Tanoe**, reckons a free trade area could easily double intra-African trade, currently 10-12% of commerce on the continent.

Another urgent economic matter is the financing of the AU itself. Next year's budget is US\$278.2 million, with \$122.9 mn. to come from member states and \$155.4 mn. from foreign (mainly Western) countries and organisations. The arrears of states such as Congo-K, **Libya** (in the last years of Colonel **Moammar el Gadaffi**, once a major financier) and Somalia, stood at \$43 mn. in 2010. Such dependence on

foreign finance raises questions about sustainability and is anathema to South Africa, keen to strike out against lingering neocolonial ties to the West.

A high-level panel headed by former Nigerian President **Olusegun Obasanjo** has recommended widening the financing base among members: **Algeria**, **Egypt**, **Libya**, **Nigeria** and **South Africa** pay over two-thirds of member-state contributions. The remaining members, including substantial economies such as **Angola**, **Ethiopia** and **Kenya**, pay an average of \$1 mn. a year each. The bigger economies may be willing to pay more if that gives them more influence. Obasanjo's committee is also looking at private sector financing and levies on insurance premiums, international travel and imports from outside Africa.

As sources of finance tighten, especially in the West, a more creative approach will be needed. For now, most AU peace and security operations are critically dependent on outside finance. **Germany** is constructing the new Peace and Security Council (PSC) Secretariat, across the compound from the \$200 mn. **Chinese-built** headquarters. It will include an operations room and an elaborate early warning system to boost the AU's surveillance and intelligence capacity.

Above all, Dlamini-Zuma's tenure will be judged on her successes in peace and security. Her main collaborators here will be the Peace and Security Commissioner, **Algeria's Ramtane Lamamra**, and his deputy, **Senegal's El Ghassim Wane**. Experienced and assertive, they have set clear objectives for the AU in ending or containing Africa's conflicts. Not only do they manage the AU's military and peacekeeping operations but also strategy on non-military interventions, an area which in the UN is jealously guarded by the Department of Political Affairs.

Some robust discussions between

Dlamini-Zuma and the PSC are likely over the AU's regional posture. It was concern about AU policy on the UN-French-Ecowas intervention in Côte d'Ivoire and the UN-North Atlantic Treaty Organisation operation in Libya that prompted South Africa to put forward its own candidate last year to challenge Ping.

There may be little room for Dlamini-Zuma to manoeuvre. The AU's most important and probably most difficult dossier is managing negotiations between the Sudans. The fact that negotiations are being overseen by Dlamini-Zuma's colleague Mbeki will not help her hugely. Juba distrusts him as well as Khartoum and so wants issues settled by international arbitration. African and Western governments insist Mbeki's negotiations are the only realistic option.

The largely ceremonial meeting between South Sudanese President **Salva Kiir Mayardit** and Sudan's President **Omer Hassan Ahmed el Beshir** late on 14 July was an attempt by both sides to maintain appearances of good faith. The threat of UN sanctions against any party deemed to be stalling negotiations looks academic. The UNSC will not act against either, both of whose economies are shrinking rapidly, without a steer from the AU. There, East African countries will block sanctions against Juba and Egypt's new Islamist President, **Mohamed Mursi**, will block any action against Omer el Beshir, whom he met in Addis.

Dlamini's own political skills will be tested in managing AU action in Mali. The technical team in Bamako to prepare a political and military strategy is led by Ecowas and supported by the UN and AU. With outsiders such as the **United States** Assistant Secretary of State for African Affairs, **Johnnie Carson**, also in Bamako this week, Ecowas is pressuring Prime Minister **Cheick Modibo Diarra** and ailing and absent Interim President **Dioncounda Traoré** to broaden the political base of the transitional government and radically and rapidly restructure the army (see Mali Feature).

After that, Ecowas officials want to send 3,000-5,000 troops to back the newly strengthened army in a march on the north, push out the Islamist groups, notably **Ansar Eddine**, the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* and **Al Qaida** in the Islamic Maghreb. Ecowas planners expect to take a detailed operational plan to the Security Council early next month. Backing from the AU will be critical to its success. **Algeria** and **Mauritania**, which are planning their own military strategy, are far less enthusiastic about an all-out military confrontation. Balancing that concern with Ecowas's primacy over policy in its region could be Dlamini-Zuma's first major diplomatic test as she takes over the continental body. ●

A DIPLOMATIC COUP IN ADDIS

Just hours before voting began for the new chairperson of the African Union Commission in Addis Ababa on 15 July, veteran diplomats were predicting a repeat of the deadlock that had happened at the January summit. Their view was that **South Africa's** challenger, **Nkosazani Dlamini-Zuma**, would have enough votes to prevent the incumbent, **Jean Ping** of **Gabon**, from winning the necessary two-thirds victory but could not win herself. The dreaded result would be protracted stalemate and a poisonous Francophone-Anglophone split in the Union. And yet, she eventually triumphed with 37 votes from the 51 eligible member states. South Africa's determined lobbying had paid off.

Apart from SA's formidable team – a delegation of 100 with six ministers – it had forged a determined unity in southern Africa. States such as **Angola**, **Botswana**, **Congo-Kinshasa** and **Mauritius**, each with their different networks, helped bring the vote in.

Ping's efforts paled in comparison (AC Vol 53 No 6). Of his cheerleaders, only three presidents – **Gabon's Ali Ben Bongo**, **Côte d'Ivoire's Alassane Dramane Ouattara** and **Burkina Faso's Blaise Compaoré** – helped at the conference. Ping's main Anglophone backers – **Nigerian** President **Goodluck Jonathan** and **Ethiopian** Premier **Meles Zenawi** – were absent (see Ethiopia Pointer). **Kenyan** President **Mwai Kibaki** lacked commitment, beyond ensuring the re-election of his candidate, **Erastus Mwencha**, as deputy chair. ●

CONGO-KINSHASA/RWANDA

M23 makes the running

The mutineers hold the cards and are setting the agenda; they may strike Goma soon

Although six governments signed an agreement in Addis Ababa on 15 July to promote security in eastern Congo-Kinshasa, rebels still threaten Goma, the base of the United Nations forces in eastern Congo. Nevertheless, the international focus on the crisis and the UN's beefed up *Mission de l'Organisation des Nations Unies pour la Stabilisation du Congo* (Monusco) make success for the rebels of the *Mouvement du 23 mars* far less likely.

As Rwanda continues to deny involvement, M23 is trying to distance itself from indicted war criminal **Jean-Bosco Ntaganda** and give itself a more civilian tinge. Its stated aim is to force Kinshasa to respect the terms of the agreement signed between the government and the *Congrès national pour la défense du peuple* rebels in 2009. Secession could result if the complete autonomy of the ex-CNDP forces in North and South Kivu is not restored, some analysts believe (AC Vol 53 No 14).

On 6 July, the rebels asserted their dominance in the field of battle by speedily counter-attacking the army, the *Forces armées de la république démocratique du Congo* (FARDC), and taking Bunagana, a strategically important town on the border with Uganda. Already in control of Runyoni and Mbuzi hills as well as Chanzu, the old CNDP training base, M23 held Bunagana for two days and then swept towards Rutshuru. By the evening of 8 July, it had effective control of Rutshuru, Kiwanja, Kalengera, Kako, Rubare and Katane. The rebels advanced as far south as Rumangabo, just under 50 kilometres from Goma.

Looting as they went, FARDC troops abandoned their positions as soon as whispers reached them that M23 was approaching, said residents in Rutshuru and Kiwanja. The rebels simply walked in. Many of those FARDC soldiers, including their Commander, Colonel **Philémon Yav**, fled towards Rwindi. The retreat pales in comparison with that of the 600 soldiers at Bunagana, among them many supposedly elite **Belgian-trained** commandos, who escaped into neighbouring Uganda where they were disarmed and taken to a processing camp in Kasese.

Rumours that General **Vainqueur Mayala Vichana**, at the time head of the 8th Region (North Kivu forces), was among those fleeing to Uganda proved false. However, the FARDC transferred

him to Bas-Congo and gave his job to Brigadier Gen. **Lucien Bahuma**, who arrived from Mbuji-Mayi.

M23 announced its withdrawal from the places it had taken on 8 July, publicly handing those towns over to the police and Monusco but threatening to attack again if FARDC attempted to retake them. This was a canny move; it has allowed M23 to continue to insist that it values the well-being of civilians above all, while also helping to relieve pressure on its overstretched forces. Monusco has flatly rejected any implication of cooperation with M23 and refused to accept responsibility for the towns that fell to the rebels. Instead, it has sided firmly with the FARDC, withdrawing from the Monusco base in rebel-held Bunagana and even launching attack helicopters against M23 positions at Bukima, near Rugare, on 12 July. M23 protested, asking if 'Monusco has changed mandate to become an offensive and hostile force'.

BISHOP LEADER FOR M23 REBELS

M23 is image-conscious. In Bunagana on 11 July, it announced the formation of a political wing led by a Pentecostal bishop, **Jean-Marie Runiga Lugerero**, who is now signing M23 communiqués in place of the previous, uniformed spokesman, Colonel **Vianney Kazarama** (AC Vol 53 No 11). M23's public posture is to defend its interests while remaining ever ready to negotiate. Kinshasa's only response has been to issue arrest warrants for M23 leader **Sultani Makenga**, Kazarama and Bosco Ntaganda.

As an indictee of the International Criminal Court for crimes against humanity, Ntaganda poses image problems for M23. Makenga has therefore attacked him in public and accuses him of being Kinshasa's man. Intelligence sources in Goma, however, are convinced this is a ruse and that, in fact, Ntaganda commands M23 operations. Yet Makenga and Ntaganda have been rivals since Ntaganda deposed **Laurent Nkunda** as head of the CND in 2009. Analysts say M23 owes its unity to the fact that Makenga and Ntaganda are both under the orders of key figures in the Rwandan government, as alleged by the UN Group of Experts on Congo.

Kigali's denials of any role in the Kivus sound flat. The latest came when the BBC interviewed President **Paul Kagame** on 13



July during a trip to Britain. The United States and Britain have expressed 'deep concern' about the UN Experts' findings, although stop short of blaming Kigali outright. 'We have made clear our concerns to the Rwandan government many times,' said a Foreign and Commonwealth Office spokesperson. The US position is similar. The two countries provide US\$350 million in aid to Rwanda and donors fund 26% of the budget. As *Africa Confidential* went to press, there were unconfirmed reports that the US might reduce its military aid.

Sources in Goma believe that Uganda gives at least tacit support to M23. Military sources in Bunagana confirmed that one group of the attacking rebels had surprised the FARDC and Monusco by coming across the Ugandan border. M23 has not got the military capacity to take Goma and is probably not yet strong enough even to threaten the city in the way the CNDP did four years ago. Its numbers are growing as its territory expands, though, and there may still be a number of M23 sleeper cells within the FARDC.

Kitchanga may be next; the regiment based there defected to M23 in April but around 80 of those soldiers are said to have returned and are in town in civilian clothing. Arms are believed to be cached there. Control of Kitchanga would give M23 a base from which to move towards Mushaki and then on to Goma's vulnerable western flank.

The government forces are very much on the back foot, despite reinforcements from the US-trained 391st battalion and the arrival of well respected **Guatemalan** Monusco troops. Even with the support of Monusco, it is difficult to see how a demoralised, under-supplied and underfed army can stop the rebel advance, let alone recapture the towns already lost. ●

MALI

The jihadists take over

The MNLA has lost out to AQIM and its allies in the north and may now offer its forces to fight them

In a desperate bid to hold itself together, a much weakened *Mouvement national pour la libération de l'Azawad* has abandoned its ambition of an independent Azawad state. The MNLA is now ready to join Bamako to drive the jihadists of *Al Qaida* in the Islamic Maghreb (AQIM) and its local allies out of northern Mali. 'We are not asking for the recognition of a state but recognition as a serious partner,' Spokesman **Mossa ag Attaher** said.

The U-turn is evidence of how close the MNLA is to disintegration, observers say. Demoralised and broke, its fighters are drifting away towards the Islamist *Ansar Eddine's* promise of hard cash and its leaders are in exile. Some critics have heaped scorn on it, calling it the 'Islamists' Trojan Horse'. Having once spearheaded the Tuareg revolt, the MNLA has allowed its 'temporary' allies in AQIM and its affiliates, the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO) and, chiefly, *Ansar Eddine*, led by veteran Tuareg rebel **Iyad ag Ghali**, to hijack the rebellion. The *coup de grâce* came around 11 July when, without a fight, the Islamists drove MNLA fighters from their last

redoubt, the little town of Ansogo, some 100 kilometres north of Gao. Small bands of MNLA fighters are still said to be roving the northern Malian bush: survival, not combat, is their aim.

Further evidence of the nationalist collapse was seen in the meeting of the MNLA Chief of Staff, Colonel **Mohamed ag Najem**, with his erstwhile foe, Major General **Alhaji ag Gamou**, the Tuareg leader of a pro-Bamako militia, over the **Nigerien** border at Tillabéri. They were presumably investigating the possibility of an anti-jihadist, pro-Malian alliance.

There is speculation that the MNLA could win some political concessions in exchange for fighting alongside the army. Niger, **Nigeria** and **Senegal**, meanwhile, have pledged troops for any military intervention. **France** has also said that force will almost certainly be required to dislodge the jihadist alliance. Central government authority in Bamako is tenuous, however, and in its absence, there is no immediate prospect of an invasion of the north. The professionalism of the jihadist forces, particularly the MUJAO, was clear during the battle for Gao, the

bloody confrontation in late June that saw the MNLA routed.

When the mysterious murder of a popular local official galvanised the ethnic Songhai population, from which the official hailed, against the MNLA, the MUJAO skilfully exploited the tensions, presenting itself as the locals' ally against the MNLA. The next day, an MNLA fighter shot an Islamist mediator and the powder keg exploded. For five hours, hundreds of gunmen from both sides engaged in vicious street battles. Some 400 fighters of the government-supported, mainly Songhai, *Ganda Koy* militia reportedly defected to the MUJAO and also engaged the MNLA. The MNLA then abandoned its seat of government, a crenellated compound dubbed the 'Palace of Azawad'. MNLA Secretary General **Bilal ag Acherif** was shot in the leg and evacuated to **Burkina Faso**, and a commander, Col. **Bouna ag Tahib**, was killed.

BELMOKHTAR IN THE FIELD

Over in the Azawad capital, Timbuktu, jihadists ordered the MNLA men holding the airport to leave or die. They disappeared into the desert. In the aftermath, an eyewitness told *Africa Confidential*, the shadowy **Mokhtar Belmokhtar**, one of AQIM's most powerful emirs, was seen stepping over the bodies of MNLA fighters in Gao as the Islamists assessed the battle damage. The style of the jihadist victory here bears his imprint, analysts say. Belmokhtar's presence also speaks to the intermingling of the jihadist factions. 'Our men control all three of the towns in northern Mali,' **Oumar Ould Hamaha**, an AQIM-turned-*Ansar Eddine* official said in the wake of the battle.

The statement effectively conflates the three jihadist groups. Indeed, there is speculation that the MUJAO may simply be an autonomous AQIM *katiba* (battalion), led by one **Sultan Ould Bady**, a notorious drugs trafficker whose true identity is unclear. Either way, its leaders are close to Belmokhtar, an **Algerian** former soldier listed as a terrorist by the United Nations since 2002. Where Ag Ghali features in the united front is a mystery but the notion that he is the sole master of northern Mali is patently false. Even in Kidal, a Tuareg stronghold where his kinship ties bestow great personal authority, many doubt how far his writ runs. Foreign fighters continue to flock to the region, strengthening the Islamists' collective hand.

Around 30 Algerian jihadists are thought to have joined the MUJAO in recent days and its representatives claim others are flocking in from all points. Meanwhile, the MUJAO has released three of the seven Algerian diplomats kidnapped in early April. Ag Ghali, reputed to have links to Algerian intelligence, may have brokered their release. ●

BAMAKO DRIFT

Mali's transitional Prime Minister, **Cheick Modibo Diarra**, is now echoing the talk in the corridors of the Economic Community of West African States (Ecowas) of creating an enlarged 'national unity government'. He was touring West African capitals before visiting the transitional President, **Dioncounda Traoré**, who remains in Paris receiving treatment after being almost killed by a mob (AC Vol 53 No 12). Diarra says Traoré is now keen to return, even though his family is anxious for him not to put himself in danger.

At first, Ecowas talked of an intervention force to deal with the Tuareg revolt, raising Malian nationalist hackles. Then, it made clear that any force would prioritise presidential security and public order in the capital. Diarra has announced a 1,200-strong guard for the President and other republican institutions, drawn from newly-trained *Gendarmerie* and police. Yet the nature of the regime in Bamako remains uncertain.

Diarra has apparently warm relations with the putschist leader, Captain **Amadou Haya Sanogo**, and West African leaders fear they may launch a unilateral campaign to retake the north. There have been rumours of army units north of Mopti mobilising for such a campaign. Diarra is edging away from confrontation with Ecowas, however, even though the government is too weak to rein in pro-putschist thugs. On 12 July, the Editor of *l'Indépendant* and *Bamako Hebdo*, **Saouti Labass Haidara**, was beaten up.

Amid swirls of rumour and gossip, the word is that Diarra has acquired heavy military equipment, which awaits clearance at Dakar and Conakry. Some Bamako sources say **Senegal** and **Guinea** are in no hurry to release the supplies. Bamako insiders believe that if Diarra and Sanogo are planning a northern campaign, they aim to be in a position to dictate the terms of Malian government in the wake of a success, sidelining the regional partners and putting off a return to constitutional rule. These sources say, however, that such a military victory is far from certain and could be extremely bloody. The *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* has mined all the roads into Gao and is conducting a large-scale recruitment campaign, including of children. ●

LIBYA

Electoral victory roll

Turnout was pretty high, democracy won out and Jibril looks the favourite to form a government

Libya's first fully democratic elections on 7 July won country-wide acceptance, even among groups which had been expected to boycott the vote. There were isolated protests and pockets of violence, which caused delays, but the turnout was estimated at 62% on 8 July. Intense political wrangles lie ahead, however, especially over the constitution.

After the High National Electoral Commission confirms the results, the National Congress will assemble and formally assume authority from the National Transitional Council. The NTC has become deeply unpopular, thanks to its opaque and unrepresentative decision-making and its failure to tackle Libya's many problems. Parliament's first formal task will be to appoint a new government within 30 days to take over from the executive appointed by the NTC in October, led by Interim Prime Minister **Abdel Rahim el Keeb**. Members of Congress are barred from executive positions.

What role the Congress will then play is unclear. Its original function was to select a 60-member Constitutional Convention, with 20 delegates each from the regions of Tripolitania, Cyrenaica and Fezzan. Two days before polling, though, the NTC published a decree amending the original April 2011 constitutional declaration; now the Constitutional Convention will be directly elected in a further national poll on a date yet to be decided. One Libyan political analyst described it as yet another opaque decision by a small clique around outgoing NTC leader **Mustafa Mohamed Abdel Jalil**. 'A lot of members of the NTC only found out about it from the media,' he said.

Abdel Jalil, a former Justice Minister, has been criticised for using his leadership of the NTC to impose other unpopular laws and for seeking to extend the influence of the outgoing executive. In June, the Supreme Court overturned one such decision: a law making the glorification of the late Colonel **Moammar el Gadaffi's** era a criminal offence.

This final attempt to set the terms under which the constitution will be written presents an 'interesting first test' of the authority of the new Congress, says **Elham Saudi**, Director of the pressure group Lawyers for Justice in Libya. The decree is of dubious legal standing, she points out, because the NTC issued it after voting for the Congress had already

begun. 'People regard most of the laws passed by the NTC in the past few weeks as open to review'.

The party most likely to dominate the new Congress is the broadly liberal National Forces Alliance, a coalition of about 40 parties and over 100 non-governmental organisations led by **Mahmoud Jibril**, a technocrat under Gadaffi and later wartime Interim Prime Minister (AC Vol 52 No 7). According to unconfirmed results, the NFA won 54% of the 80 seats chosen on a party-list basis. To have a working majority, Jibril must find allies from the 120 members of parliament elected on individual tickets. Many of these are likely to declare their affiliation to one of the main parties, so the balance of power could still change.

Although it performed weakly as a party, the Muslim Brotherhood-backed Justice and Construction Party and the Nation Party, led by a former jihadist and leader of the Tripoli Military Council, **Abdel Hakim Belhaj**, will fight hard to block the formation of an NFA majority (AC Vol 52 No 25). The JCP is currently the second-largest party but won just 12% of party seats. Belhaj's NP, with about 10% of the vote, was damaged by its strong links to **Qatar**. Belhaj himself was not elected, according to a Libyan press report.

GULF INFLUENCE REJECTED

The NP's use of the maroon and white Qatari national flag as its campaign colours was widely ridiculed. It was also supported by the Doha-based Libyan cleric **Ali el Salabi**, whose brother, **Ismael el Salabi**, leader of the powerful 17 February Militia in Benghazi, received substantial material support from Qatar during the revolution (AC Vol 52 No 22). As its ideological strings to its vital support for the revolution became visible, public opinion turned against Qatar.

The Islamists' failure has left the door open to what could be the Arab Spring's first liberal, secular government. It could also result in a more limited constitutional role for *Sharia* (Islamic law) than that sought by Islamists. In his first statement after voting closed, Jibril took a conciliatory tone and called for a broad coalition. He did not stand for the new Congress and is eligible to become prime minister but has not yet said he wants the post.

Numerous sources ascribed the NFA's victory in the party-list part of the poll to

Election results

Of the 80 seats reserved for parties, the results are:

- National Forces Alliance, 39 seats.
- Justice & Construction Party, 17 seats.
- National Front Party, 3 seats.
- Union for Homeland Party, 2 seats.
- Central National Current, 2 seats.
- Other parties, 17 seats.

Another 120 seats are held by independent members of parliament.

the high profile that Jibril had built both while leading the anti-Gadaffi struggle and since his November 2011 resignation. The federalist groups in Cyrenaica behind some of the disruptions to polling are likely to regard Jibril as 'somebody they can do business with', observed one local political analyst. The Editor of the recently launched *Libya Herald* daily, **Sami Zaptia**, said that Jibril also had good relations with the powerful Zintan militia and during his period as Premier, had built up 'working relations with every single city, town and militia'. The only place where the NFA did not win votes was the town of Misurata, which stayed aloof from national politics by voting overwhelmingly for the local Union for Homeland Party.

Bringing these disparate and powerful elements into the new government will be the new leader's greatest challenge, particularly if he is confronted by firm Islamist opposition. One problem will be **Osama el Juweili**, the Defence Minister widely blamed for failing to bring the militias under state control. Removing him would alienate his backers in the powerful Zintan militia. Interior Minister **Fawzi Abdel Aal** similarly represents the interests of the extremely well-armed Misurata militia.

Not only does Jibril have to keep the squabbling militias on board, he also has to co-opt former Gadaffi-supporters. His membership of the Warfalla tribe may help: a large section remained loyal to Gadaffi even after his overthrow and death. The Warfalla-dominated town of Bani Walid was the last pro-Gadaffi bastion to fall and remains the most important centre of support for the former regime.

Jibril also has a technocratic track record, with well-known views about Libya's development needs. In 2007, Gadaffi appointed him head of the National Economic Development Board and the National Planning Council. There, he played a key role in attempts to implement the economic reform and modernisation programme patronised by **Seif el Islam el Gadaffi**. That the effort failed is not held against him. 'We all have an issue with him as an enactor of policy but he is a planner, a strategist and a visionary,' Sami Zaptia said. ●

One year on – unrealistic expectations remain unfulfilled

Despite the high hopes of the nearly 99% of electors who voted for secession in the 2011 referendum, few outsiders expected South Sudan's transition to independence to go smoothly. Some – including many journalists – sourly predicted the world's 'first pre-failed state'. However, the prospect of a substantial 'peace dividend', with development driven by oil exports and substantial post-war reconstruction assistance, held out the promise of a better future for its war-ravaged and poverty-stricken people. A year later, this promise has clearly not materialised.

At independence in July 2011, South Sudan had an estimated per capita gross domestic product of over US\$1,500, almost twice that of Kenya. The government's 2011 budget was \$2.3 billion. Aid receipts in 2010 reached almost \$1 bn. The new country faces enormous challenges, including military confrontation with Khartoum over border delineation, an oil dispute which led to the Government of the Republic of South Sudan suspending oil production in January and the consequent loss of 98% of GRSS revenue, lack of infrastructure and capacity in almost every field, some of the world's worst socio-economic indicators, an estimated four million displaced people, widespread food insecurity and massive corruption.

Many of these problems stem from half a century of conflict. Others are the result of the unfinished business of the 2005 Comprehensive Peace Agreement (CPA), unresolved during either the five years of peace talks or the six-year Interim Period before the division of Sudan and which is now on the table in fresh talks in Ethiopia. In addition to the border and oil, they include the sharing of debt and the National Congress Party (NCP) regime's failure to implement CPA provisions for the Three Areas: the former rebel enclaves of Abyei, South Kordofan and Blue Nile, which all remain north of the border.

Much of the lack of progress in South Sudan is due to the unrealistic expectations of almost all concerned. They have been complicit in a catalogue of miscalculations that has seen years wasted and billions of dollars squandered in politically-driven reconstruction schemes that had little impact on development. They include a notorious strategic grain reserve scam and wasteful expenditure on grandiose plans for a new capital at Ramciel and for cities shaped like the animals which represent each state.

Although the CPA was signed in 2005, there had been a ceasefire in South Sudan since September 2002. Negotiations were mainly devoted to power- and wealth-sharing arrangements for the Interim Period, with far less attention paid to what would happen afterwards. This was in part due to the CPA's stipulation that both sides must work to 'make unity attractive'. Thus for most of the Interim, little thought was given to the modalities of separation, although it should have been obvious that any chance of Southerners voting to live in a 'united secular Sudan' had died along with the founder of the Sudan People's Liberation Movement/Army (SPLM/A) John Garang de Mabior in a mysterious air crash in July 2005, days after he had formed the South's first interim government. Moreover, the last thing the NCP would allow was a secular government.

Immediately after the CPA, there was a flood of reconstruction funding which the fledgling government simply didn't have the capacity to absorb. Main donors are the CPA Troika – the

United States, Britain, Norway – plus the European Union and the Multi-Donor Trust Fund. One seasoned observer noted that donors were acting as if there had been a fully-functioning government up and running from day one of the CPA, whereas in reality most of the supposed new ministries didn't even have offices for the first few years.

During the first two years of the Interim Period, when the government was based in Rumbek, most business was transacted at the Lonrho-owned Africa Expeditions (now Afex Group) tented camp beside the town airstrip. As there were no banks in what had been a largely subsistence economy, the US Agency for International Development maintained a tent in this incongruous setting stacked with dollar bills, with vast wads of cash being handed out with virtually no accountability. A stricter division between outsiders and locals is now enforced in Juba by the high walls surrounding what have effectively become foreign ghettos, resulting in most aid workers, foreign advisors and diplomats still having very little understanding of the realities on the ground.

Other significant shortcomings in governance and service delivery are entirely self-inflicted. Politicians were largely brought up in the bush as Marxist guerrilla fighters. Suddenly thrust into power yet bereft of their ideology, while believing that they had boundless oil wealth at their disposal and that donors would continue to pay for the upkeep of their citizens, many engaged in an orgy of kleptomania and conspicuous consumption. Juba's newly paved roads (complete with solar-powered street lights) are frequently jammed with Hummers and other luxury four-wheel-drives that serve as status symbols for the new elite, competing with aid agency white Toyotas for the limited road space.

CLAMPING DOWN ON CORRUPTION

This year's revenue collapse finally led the GRSS to attempt to clamp down on corruption. In May, President Salva Kiir Mayardit wrote to 75 government officials, whom he accused of stealing \$4 bn. from government coffers, offering to keep their identity secret so long as the money was returned. According to transparency watchdog Global Witness, the missing funds equate to more than 30% of all oil revenue received by the government since 2005. A campaign by local activists to have the officials publicly held to account has received international prominence following the abduction on 4 July and torture of Deng Athuai Mawit, Chairman of the South Sudan Civil Society Alliance, who was freed after three days. He had campaigned for the 75 names to be published. 'When civil society's freedom to operate is threatened, all efforts to fight corruption and impunity are threatened,' commented Global Witness. Although the GRSS denies any responsibility, the incident has highlighted its lack of success in tackling corruption and human rights abuses and has further undermined its international credibility.

Along with continuing insecurity caused by NCP-backed militias or intercommunal clashes, the government's over-reliance on oil has led to serious neglect of essential agricultural rehabilitation and development. February's Crop and Food Security Assessment Mission by the United Nations World Food Programme and Food and Agriculture Organisation estimated the 2012 cereal deficit at more than 470,000 tonnes. That's almost half the country's total requirement for the year and a larger deficit than that of 2005.

With huge numbers of people already relying on outside aid,

South Sudan is ill-equipped to absorb any additional population. Yet in addition to some 110,000 people still displaced southwards by Khartoum's seizure of Abyei in May 2011 (AC Vol 52 No 14), the new state has to cope with perhaps 2 million Southerners returning from Sudan, around 200,000 refugees who have fled Sudan this year and hundreds of thousands of internally displaced people escaping from inter-tribal conflict and fighting between government forces and new militia groups. Although the fighting has now largely subsided, local authorities are struggling to cope with the hundreds of thousands of people still displaced across Jonglei State (AC Vol 53 No 9). Outside agencies still provide nearly all services, whilst 40% of South Sudan's budget is devoted to military expenditure, both to offset the threat posed by the border confrontation and the continuing militia and ethnic violence, and to keep on side the thousands of formerly NCP-sponsored militiamen who, as part of the peace process, were incorporated into the SPLA.

During the Interim Period, Sudan received half (at least) of the revenue from oil produced in the South and it had supposed a similar arrangement would continue post-Independence, insisting on \$36 per barrel in transit fees, far above the international norm of less than a dollar. When Juba refused to pay, Khartoum began to impound the oil in transit, so South Sudan shut down its entire production of 350,000 barrels per day in January, claiming Khartoum had 'stolen' \$815 mn. of crude. Sudan has been demanding \$10 bn. over four years as compensation for the \$2.4 bn. budget deficit caused by the loss of revenue from the Southern oilfields. Juba offered less than \$3 bn.

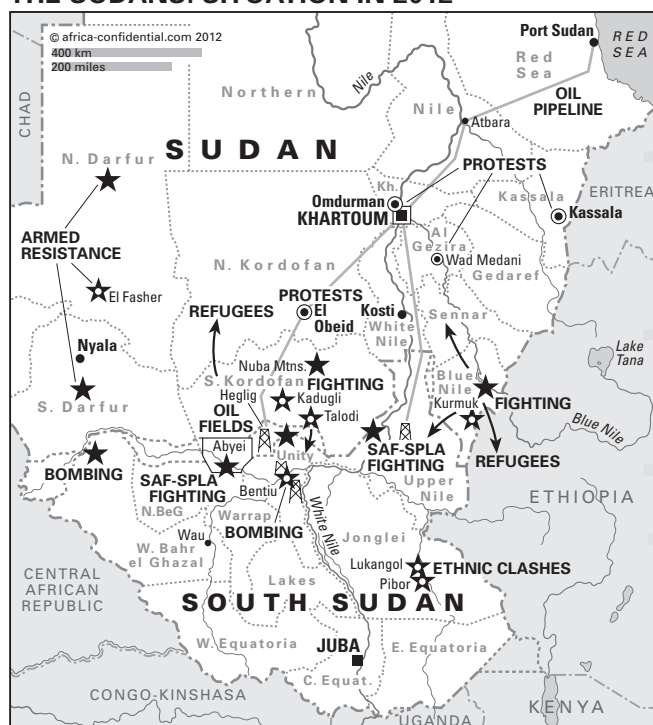
In April, there were clashes on several parts of the border after Juba seized the Heglig/Pan Thou oil field. All-out war was averted when South Sudan bowed to international pressure and withdrew, though claiming Pan Thou was its territory (AC Vol 53 No 8). In May, the United Nations Security Council unanimously passed Resolution 2046, threatening both sides with sanctions if the outstanding issues were not resolved by 2 August. The two governments are now discussing a 'security roadmap' drawn up by **South African** ex-President **Thabo Mbeki** and fellow African Union (AU) High-Level Implementation Panel mediators in on-off talks in the Ethiopian town of Bahir Dar.

Mediators hoped the talks would gain impetus from a meeting at the Sheraton Hotel, Addis Ababa, between Salva Kiir and Sudanese President **Omer Hassan Ahmed el Beshir** during the AU Summit (which had been transferred at the last minute from **Malawi** after President **Joyce Banda** announced that she would have to enforce the International Criminal Court's arrest warrant for Field Marshal Omer if he attended). Both gave the impression, though, that this was about not being seen to spoil the show and it seems nothing concrete was agreed. At the AU summit session, seats were arranged so that the pair did not have to sit together, thereby avoiding any public show of affection.

Khartoum and Juba appear to have embarked on a war of economic attrition, each believing its opponent would be the first to face political collapse in the wake of the financial and budgetary crisis wrought by the closure of the oil pipeline. Ever even-handed, US Special Envoy **Princeton Lyman** described their approach as 'mutual economic suicide'. Lyman last year told **Saudi Arabia's** *Al Sharq al Awsat*: 'Frankly, we do not want to see the ouster of the [Sudanese] regime, nor regime change. We want to see the regime carrying out reform via constitutional democratic measures.' No one else expects such reform and, as public protest spreads in Sudan, the NCP is in no mood to make concessions to a Juba government which it has found useful to blame for its plight. The Security Council deadline may push it into concessions but Khartoum is adept at backtracking.

Juba expects little from Khartoum and, with the oil sector making up 82% of GDP, has been counting on obtaining sufficient loans to carry on in the 30 months it believes it will take to build an alternative pipeline to the Indian Ocean. However, industry insiders believe it will take at least twice as long. Since oil exports

THE SUDANS: SITUATION IN 2012



ceased in January, annual inflation has leapt from 20% to 80%. The World Bank recommends that the GRSS cut public spending by 77% and estimates that the percentage of the population living in poverty will jump from 51% in 2012 to 83% in 2013. A confidential World Bank memorandum predicted the collapse of the South Sudanese pound, opining that the only reason that this had not yet happened was because most of the population was 'not fully financially literate' (AC Vol 53 No 11).

Unlike its counterpart to the north, the Juba government retains considerable popularity. Paradoxically, the fact that it still provides so few services to its population may make the forthcoming austerity measures less politically unpopular than similar cutbacks in Khartoum but this is not a view shared by the donors. Britain is using both sticks and carrots in an effort to force both sides to step back from the brink but like other donors, it has no influence in Khartoum so concentrates on Juba. Its new Special Representative for Sudan and South Sudan, **Robin Gwynn**, warned that 'the UK will not fill the gap in the budget' caused by Juba's decision to halt oil production, insisting that negotiations with Sudan provide the only realistic prospect of a solution to the impending economic crisis. Having finally lost patience with Juba, last month Britain halted development aid, insisting that, 'If a deal is not reached by August, the likely economic consequences and the prospects for development are dire.' The appointment this week of British ex-Premier **Tony Blair** as an advisor to the GRSS, in tandem with his Africa Governance Initiative, may not entirely restore the balance. While many South Sudanese see Britain as one of the few countries that understands them, many also blame London for handing the South over to the North at Independence in 1956.

As *Africa Confidential* went to press, South Sudan's bid to join the East African Community is being considered in Juba by a committee of the five member governments and the EAC Secretariat. At the other talks in Ethiopia, Juba's chief negotiator, **Pagan Amum Okiech**, is optimistic that negotiations seem on track and insists that a settlement of all outstanding issues is now within reach. However, it remains to be seen whether it is realistic to expect the two sides to reach an agreement that has eluded them for the past decade in the fortnight before the UN deadline expires. It is a deadline that was at least being taken seriously at the AU summit. ●

ANGOLA

Luanda's crude power

For foreign oil companies, getting hitched to local partners is increasingly causing trouble at home

Angola's habit of compelling foreign oil companies to work with secretive local companies that belong to top government officials is attracting increasing criticism – and compliance risks at home for the foreigners. Below, we present the first compilation of information about the privately-owned Angolan oil companies and their influential owners.

Concern focuses on corporate and national governance and accountability. Angolan officials always insist that they make foreign companies enter partnerships with local outfits so that they can learn from their colleagues and create a genuine local oil industry. They never explain, however, why this should be done in secret, why the local partners are important and already wealthy members of the political and presidential elite, or reveal how they were selected.

Critics point out that most of the companies are not building up expertise but simply passively owning investments, some of which, as in the case of Cobalt International Energy, appear to be 'carried' by the senior oil company partner until the wells start flowing, when the original investment is repaid from oil sales. There is no law in Angola against public officials having potential conflicts of interest but it is illegal for people to use 'influence' and 'connection' to secure private interests.

The oil majors themselves obey local laws but could find themselves afoul of their own. Most of those contacted by *Africa Confidential* did not reply to our questions about the compliance implications of working with secret partners. With section 1503 of the **United States Dodd-Frank Wall Street Reform and Consumer Protection Act** nearing full implementation, oil companies will have to declare their profits and details of Angolan operations. The European Union is also preparing rules for publicly quoted companies in its jurisdiction which are likely to be similarly stringent.

Sonangol has a legal right under Angolan law to assign equity partners to operators. A senior oil company lawyer told us: 'In Angola, instead of creating bidding groups of your own making, you are faced with a forced marriage situation. It doesn't always work out... you have to take a decision if the risk is worth it for the rewards and what the comeback might be. Now we are seeing with the Cobalt

situation that perhaps there is more risk that we had previously thought.' (See Nazaki Oil and Gaz below.)

SOCIEDADE PETROLIFERA ANGOLANA (SOMOIL)

Formed in 2000, Somoil is the only privately owned Angolan oil company which operates a block in Angola, Block FST Association. Somoil holds equity in Blocks 2/05, 2/85, 3/05 and 4. It also has shares in some blocks in **Brazil** in partnership with Brazil's Starfish Oil and Gas. Somoil's shareholders are reported to include **Desidério da Graça Verissimo e Costa**, a former Sonangol Deputy Director, Oil Minister in 2002-08 and ex-husband of **Maria Ruth Neto**, sister of Angola's first President, **António Agostinho Neto** (AC Vol 48 No 5); **Joaquim Duarte da Costa David**, Industry Minister, former Sonangol Chairman; **Aníbal Teixeira da Silva**, Deputy Oil Minister; **Manuel Domingos Vicente**, Sonangol Chairman 2001-12; **José Paiva**, Director of Sonangol Limited in London and Chairman of the Board of *Banco Africano de Investimentos* (BAI); **Abílio Gomes**, Deputy Finance Minister, 2001; **Alberto de la Vieter de Almeida e Sousa**, Somoil Director General and, in 2005, a senior Sonangol manager.

PRODOIL EXPLORAÇÃO E PRODUÇÃO DI HIDROCARBONETOS

In 2006, Prodoil obtained an equity share in Block 1/06 and currently holds 20% of the concession, which is operated by Tullow Oil (50%). The other partners are *Sonangol Pesquisa e Produção* (P&P, 20%) and Force Petroleum (10%). Prodoil was formed in 2001 by former Sonangol and Texaco employee **Pedro Godinho Domingos**, who started out with the multi-sector engineering company *Grupo Veleiro*. He owns 25% of Prodoil through his other company, Prodiaman, of which he owns 100%. Prodoil's other partners are understood to include Marsanto, a company run by **Esmeralda** and **Edson dos Santos Sousa**, children of President **José Eduardo dos Santos's** sister **Marta dos Santos**. Her partner, **José Pacavira Narciso**, is Prodoil Chief Executive Officer and is reported to own direct shares in the company. Prodoil's parent group, Prodiaman, is involved in several oil-service joint ventures with international companies, including **British**-listed Amec,

Switzerland's Clariant and Houston-based Natco Group. It provides oilfield services to other international operators and companies in the Angolan oil industry through its subsidiaries *Paragon Angola Engenharia e Serviços*, *Test Angola* and *Clariant Angola*. It is the only local oil services company.

FALCON OIL HOLDING ANGOLA

Falcon Oil Holding Angola has equity shares in Blocks 6, 15, 17, 18 and 33, making it a partner of several international operators including **Italy's** ENI (*Ente Nazionale Idrocarburi*), Statoil, Petrobrás and **France's** Total. Falcon is owned by *Grupo António Mosquito* (GAM), formerly Mbakasi and Sons, a company set up by Angolan millionaire **António Mosquito**. His son, Falcon's Director General **Horácio Mosquito**, boasts that his father was 'the first black man to go into exploration without any experience in the business'.

Mosquito Senior, known as an '*empresário de confiança*' (favoured entrepreneur) due to his closeness to President Dos Santos, was, his son said in a magazine interview, given an 'opportunity' to enter the oil business and so bought a **Panamanian**-incorporated company which he named Falcon Oil, because at the time he was considering buying a Dassault Falcon private jet. There are historic but never proven claims that Falcon Oil has links to **French-Algerian** businessman **Pierre Falcone** (AC Vol 51 No 4), who was alleged to have used Panamanian-listed companies to channel weapons into Angola during its civil war (which lasted from 1975 to 2002).

ACREP

Formerly Angola Consulting Resources (ACR), in 2008 this firm became ACREP *Exploração Petrolífera*, according to official paperwork seen by *Africa Confidential*. The main shareholder and Director is former Sonangol executive **Carlos José Martins do Amaral**, who makes no secret of his ownership of the company. Some documents also list Somoil's **La Vieter de Almeida e Sousa** and **Mário Jorge de Alcantara** (Chairman of pension fund Fenix) as shareholders. Although described as an 'oilfield services company', it is not clear what services ACREP actually provides. It has a 15% stake in Cabinda Northern and 15% in Block 4/05, both of which are operated by Sonangol P&P. This holding was previously shared with Britain-based Terra Energy Services (now called Acorn Geophysical Services) owning 70% but was sold to ACREP.

FORCE PETROLEUM DE ANGOLA

Force Petroleum has a 20% stake in the Cabinda Southern Block now operated

by **Argentina's** Pluspetrol but formerly by Total. Other partners in the Block are **Cuba's** Cupet and Sonangol P&P. **Australia's** Roc Oil held 40% of the block but sold its shares to Cupet and Plus Petrol. Force Petroleum, formed by two former executives of geophysics firm Nopec, **Nil Trusvilk** and **Einar Bandlien**, was originally based in London but is now run from Oslo, **Norway**.

Its Angolan connection comes from the shares reportedly owned by Kakadu Holdings, a British Virgin Islands-based firm we understand is controlled by Angolan lawyer and poet **José Moraes Guerra** and the *Fundação Angolana de Solidariedade Social e Desenvolvimento* (Fundanga, Angolan Fund for Social Solidarity and Development), a charity linked to former Oil Minister Da Graça Verissimo e Costa (See Somoil above).

One media report says Force Petroleum is controlled by Norwegian-based Bridge Energy, which this May added Bandlien to its board of directors. In the same report, Bridge Energy noted that Force Petroleum, of which Bandlien was a Director from 1998 to 2005, had majority Angolan shareholders.

NAZAKI OIL AND GÁZ

Nazaki has a 30% share in Blocks 9 and 21, which are both operated by Houston-based Cobalt International Energy. In late 2010, thanks to investigations by Angolan journalist **Rafael Marques de Morais**, it emerged that Nazaki was 99.96% owned by *Grupo Aquattro Internacional*. Former Sonangol Chairman Manuel Vicente, the Minister of State for the Military, General **Manuel Hélder Vieira Dias Júnior 'Kopelipa'**, and Presidential Telecommunications Advisor **Leopoldino Fragoso do Nascimento 'Dino'** each held an equal 33.3% stake in the company.

Cobalt, which is now being investigated by the US Securities and Exchange Commission over its links to Nazaki, told the regulator in official filings that its 'familiarity with these companies [including Alper Oil, its other partner in the block] was limited' but that it was 'confident' it had not violated any law. It later denied to the SEC that it was owned by Vicente *et al* but in an unexpected about-turn this April, Vicente, Dino and Kopelipa admitted to Britain's *Financial Times* that *Grupo Aquattro* had held a stake in Nazaki but had been unaware of Nazaki's interest in Blocks 9 and 21. *Grupo Aquattro* has since sold its shares in Nazaki, to buyers unknown (AC Vol 53 No 2).

GEMINAS

Geminas is the oil and diamond subsidiary of *Grupo Gema*, owned and run by high-profile businessman **José Leitão da Costa e Silva**, formerly Presidential

Chief of Staff. Formed in the early 1990s, *Grupo Gema* now has a reported annual turnover of US\$1.5 billion, with investments in property, alcoholic drinks and the industrial, automobile and agricultural sectors, in partnership with several multinationals. Its flagship project is the \$500 million *Comandante Gika* project in Luanda, with three tower blocks over 20 storeys.

Leitão does not hide his closeness to the Presidency. In a recent interview with *China Daily*, he boasted that his close working relationship with Dos Santos and the government was the reason for his success. The brother of Minister of State and Presidential Chief of Staff **Carlos Maria da Silva Feijó**, **Ângelo Maria Feijó**, was secretary of the Council of Ministers when *Grupo Gema* was founded and remains a shareholder, according to Marques. So does **Joaquim António Carlos dos Reis Júnior**, Secretary of the Council of Ministers, who was in his job when Gema was granted its 5% share in Block 18.

ALPER OIL

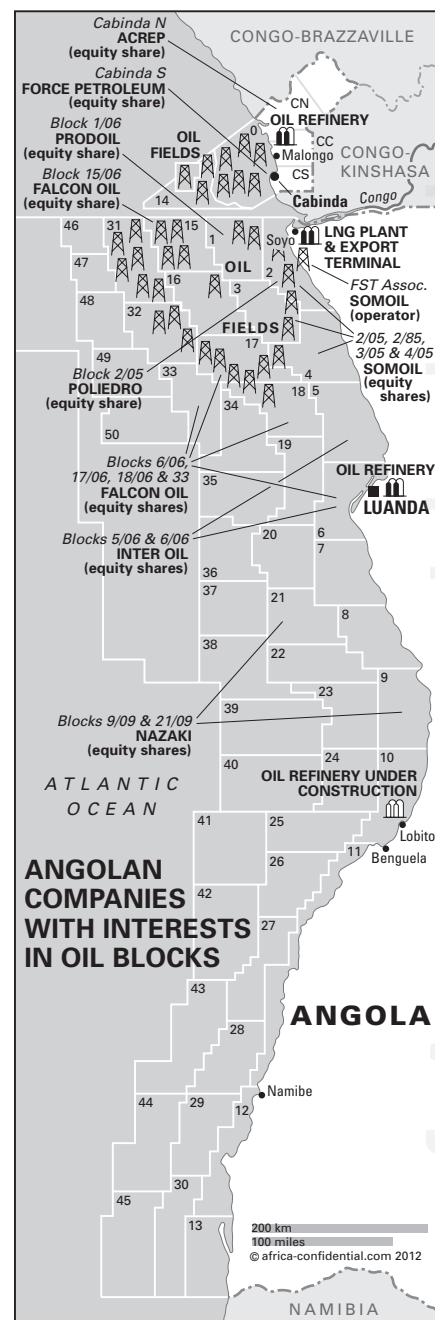
Alper holds a 10% interest in Blocks 9 and 21, which are operated by Cobalt International Energy. We understand this company may be linked to former Sonangol Chairman Vicente, though full details of ownership are not known.

INTER OIL

Inter Oil has a 20% equity stake in Block 5/06 and 6/06. Its shareholders are reported to include **Hermínio Joaquim Escórcio**, Angolan Ambassador to Argentina and former Sonangol Chairman; **Jaime Freitas**, a former Sonangol senior manager, now prominent businessman with links to several car dealerships and with significant shareholdings in several Angolan banks; **Arnaldo Lago de Carvalho**, Sonangol former Negotiation and Production Director; **António Mangureira**, ex-head of BP Angola, ex-head of Sonangol P&P, Director of Angola's Cup of Nations Organising Committee; **Jorge Van Deste**, former Negotiation Director at Sonangol Ltd. in London; **Carlos Amaral** (see ACREP); **Amadeu Maurício**, Governor, *Banco Nacional de Angola* 2002-09, ex-Sonangol senior management; and **Júlio Sampaio**, member of BAI audit committee, ex-PriceWaterhouseCoopers, ex-TAAG airlines, ex-Planning Ministry.

POLIEDRO

Poliedro has a 9.1% stake in Block 2/85 which is operated by Sonangol. Petrobrás has a 27.5% stake, Chevron 20%. According to Rafael Marques, Poliedro's shareholders include Minister of Territorial Administration **Bornito de Sousa**; **Ginga Isabel Neto**, daughter



of Ruth Neto and Da Graça Verissimo e Costa; and former Deputy Finance Minister **Sebastião de Sousa dos Santos Jr.**, board member of *Instituto para o Sector Empresarial do Estado* and former Deputy Finance Minister.

KOTOIL

Kotoil's shareholders, according to Marques, include MPLA stalwarts **Fernando José de França Dias Van-Dúnem** (twice Prime Minister) and **Manuel Francisco Tuta 'Batalha de Angola'** (Battle of Angola); **Sebastião de Sousa**; the late **João Baptista de Castro Vieira Lopes** (MPLA co-founder who later defected to a small opposition party, *Frente para a Democracia*); and **Manuel Videira**, a long-time MPLA supporter, whose wife was a Sonangol manager. ●

EGYPT

The ball is in the court

Judicial battles are as crucial to the political future as the clashes between Mursi and the military

President **Mohamed Mursi's** challenge to the validity of a constituent assembly dictated by the military has been postponed amid brawling in court, on the street and in politics in general. The administrative court decision due on 17 July was put off to 19 July, as *Africa Confidential* went to press, with all the legal elements in contention; there are challenges and appeals to the judges, the jurisdiction and independence of the judges, not to mention the decisions themselves.

On 11 July, President Mursi bowed to the ruling of the Supreme Constitutional Court (SCC) that his attempt to reinstate Parliament was invalid, but this may prove but a brief pause in Egypt's legal and political dramas. The battles in the courts – and about the courts' prerogatives – are a central element in the broader power struggle between and among institutions and political forces, some well established, others embryonic. None of these forces seems able or even willing to win outright power, which suggests that the struggle could go on indefinitely. The question is to what extent these unresolved political issues will affect the government's ability to formulate and implement effective policies to address Egypt's daunting social and economic problems.

The current phase in the struggle started on 14 June when the SCC delivered its judgement on the parliamentary election held at the end of 2011 and which resulted in a victory for Islamist parties, with the Muslim Brotherhood-affiliated Freedom and Justice Party (FJP) taking the largest number of seats. The Court found that the elections were invalid because the law under which they were conducted allowed parties to put forward candidates for the one-third of the seats that had been reserved for individuals.

The SCC deemed this to be unconstitutional on the grounds that it violated the right of people outside parties to be elected to Parliament. The timing of the judgement was remarkable, both for its speed – previous SCC rulings have taken up to three years – and because it came on the eve of the second and final round of the presidential election, on 16 and 17 June.

Further indications that the ruling was not entirely dispassionate came soon after the ballot boxes were sealed. The Supreme Council of the Armed Forces (SCAF),

which took over power when President **Mohamed Hosni Mubarak** stood down on 11 February 2011, announced that because of the SCC ruling, it was obliged to dissolve Parliament and assume legislative powers until a replacement had been elected on the basis of a new constitution. The SCAF also laid down some ground rules for the incoming president, giving the military the right to decide on national security issues and to look after its own budget. It also stated that it would have the right to appoint a new constituent assembly if the one established by the dissolved Parliament ran into difficulties.

JUDGES AND GENERALS

The political message from these moves seemed clear: the SCAF and the top level of the judiciary, both headed by appointees from the Mubarak era, had resolved to prevent the Muslim Brotherhood from seizing control of the executive and legislative branches of government. During the seven-day process of counting votes in the presidential election and sifting through complaints, there was also the prospect of **Ahmed Shafiq**, a former Air Force Commander and Mubarak's last Prime Minister, winning an unlikely victory over the favourite, Mursi. Even after Mursi was declared winner, there was a symbolic tussle over his swearing-in, which he dealt with by staging an informal ceremony in Tahrir Square before submitting to SCAF's requirement for him to be confirmed in office by the head of the SCC.

Mursi made an effort to redress the balance by issuing a decree on 8 July reinstating Parliament and calling for fresh elections to be held within 60 days of the ratification of the new constitution. This was a bold challenge to both the SCAF and the SCC. The SCAF's reaction was subdued, prompting suspicion that there had been some prior consultation. The SCC, however, supported by the Chairman of the Judges' Club, **Ahmad al Zind**, took a stronger line. It stated that its 14 June ruling was final and that it had bound the sovereign authority at the time – in other words SCAF – to dissolve Parliament. The SCC on 10 July declared that the presidential decree reinstating Parliament was null and void. Mursi made a tactical retreat, issuing a statement on the following day that he accepted the SCC's decision and that the purpose of

reconvening Parliament was merely to discuss the appropriate way of dealing with the situation.

The Brotherhood and the FJP were less conciliatory. Lawyers connected with the Islamist organisations have called for an investigation into the SCC's 14 June decision. They claim that it was fraudulent because it appeared in the official gazette before it had been announced. There have also been suggestions from the FJP camp that the SCC was moved to act so fast because Parliament was considering legislation to strip the Court of the right to object on constitutional grounds to particular laws that had been passed by the legislature.

The SCC was formed in 1969 by the late President **Gamal Abdel Nasser**, partly as a way of reining in the powers of the judiciary. The president appoints the head of the SCC. The last head was **Farouk Ahmed Sultan**, who was picked by Mubarak and had specialised more in military tribunals than constitutional law. The SCAF took the precaution of appointing a new chief judge of the SCC, **Maher el Beheiri**, just before Mursi assumed the presidency.

More trouble looms over the constituent assembly. The administrative court sitting on 19 July promises controversy and tension whether or not it confirms the legitimacy of the assembly as it currently stands. If the court decides that the assembly is invalid, the SCAF could seek to assert its claimed right to appoint a new one but Mursi has made his own pre-emptive move by ratifying the law establishing the panel that appointed the first assembly. This would be sure to spark off another political confrontation, with the judiciary and the SCAF supported, with varying degrees of enthusiasm, by old regime loyalists and the shrinking band of revolutionary believers, both of whom resent the Islamist bias of the original assembly.

Mursi has been praised in some quarters for his political acumen in handling these tactical battles. Others have criticised him for allowing himself to be diverted into a battleground where the odds are stacked against him, rather than focusing on forming a new government and dealing with the economic challenges that Egypt faces. Mursi's secret weapon may be the perception of him as the Brotherhood's second choice, after **Khairat el Shater** was ruled ineligible to stand for president. His trip to **Saudi Arabia** is likely to pay political and economic rewards and he can reap further dividends if he manages to find a competent, neutral figure to be prime minister. Speculation surrounds **Mahmoud Abul-Enein**, a former Central Bank Governor widely seen as neutral and competent, and whom Mursi may appoint as premier. ●

ZIMBABWE

From no growth to low growth

Turning to the US dollar was not enough: politics underlies the country's economic problems

Growth forecasts of 9.4% for this year have been halved. This highlights the policy limitations of abolishing the Zimbabwean dollar. It was replaced in 2009 by a range of solid currencies and that stabilised an economy gripped by hyperinflation. The time gained was supposed to be used to resolve the domestic and international political impasse, restore production and adopt policies fostering growth and attracting investment, after which a national currency would be reintroduced. Only some of these plans have lived up to expectations.

Helped by new diamond and platinum mines coming on stream, the economic side of the equation enjoyed some success. Capacity utilisation in industry rebounded from its 10% nadir to over 60%; inflation remained below 10% and shortages of consumer goods and fuel were reduced. The **United States** dollar became the national currency, with regional variations. It is the currency of choice in Harare and the east but the **South African** rand and **Botswana** pula are favoured around Bulawayo and the west, and the **Zambian** kwacha is useful in the resorts along the Zambezi River border. The dollar bills available in Harare have long been worn

and torn but the wear and tear has now spread to \$5 and \$10 bills, a more reliable indicator of inflationary pressure than official figures of just under 4%.

The lack of progress is even more obvious in politics. With an increasingly dysfunctional Government of National Unity, the pace of reform is glacial. After three decades, President **Robert Mugabe** and his Zimbabwe African National Union-Patriotic Front have mastered the art of foot-dragging and the Movement for Democratic Change (MDC) is learning fast. Even on the constitution and electoral reform, there is little urgency. Finality may not be reached before the expiry of the five-year parliamentary term next March.

After 30 years, backbenchers have discovered they can call ministers to account. The ZANU-PF Politburo attempts to direct the parliamentary party, then flounders in factional morass over the succession. The MDC Finance Minister, **Tendai Biti**, suspects the military of siphoning off diamond revenue to fund its own parallel administration; as guarantor of the revolution, the army will not accept the orders, or the election, of anyone it disapproves of.

Individual ministers cross swords

in turf wars. **Saviour Kasukuwere** (nicknamed "Tyson" for his impressive bulk, intellect and aggressiveness) and his Indigenisation and Empowerment programme help to explain Zimbabwe's failure to mobilise fresh capital inflows and they discourage established companies from reinvesting their local funds (AC Vol 53 No 7). There have been continuous rows with other ministers, especially with **Biti** (backed by Reserve Bank Governor **Gideon Gono**). Without fresh inflows and reinvestment, the recovery will stall at a level well below that before the collapse. Without growth the hope of reinstating a national currency will recede and the US dollar will remain the unit of account.

PRE-EMPTIVE STRIKE ON DIAMONDS

While the euro and international banking crises persist, for now the dollar has firmed 15% against the euro, but the rand has weakened. **Malawi** has devalued massively but Zimbabwe has no currency to devalue. Exports will remain uncompetitive, while the inflated exchange rate sucks in more imports, undermining local production. There is a liquidity crisis, with two banks having failed already. The resulting deficit on the balance of payments can be met only by borrowing at commercial rates. Foreign debt is estimated at \$10 billion, over 100% of gross domestic product and only slightly better than that of Greece. A long haul of austerity seems inevitable. A prime target for spending cuts would be the bloated armed services. Perhaps this is why the generals have opted for a high political profile and a pre-emptive strike on the diamond revenue. ●

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POINTERS

Congo-Kinshasa

STIFLING DISSENT

■ The murder of human rights campaigner **Floribert Chebeya Bahizire** in a Kinshasa police building in June 2010 has come back to haunt President **Joseph Kabila** and may now threaten his hosting of the 14th *Francophonie* summit, scheduled for October in Kinshasa. Police officers under the orders of Kabila's close ally General **John Numbi Banza Tambo** silenced the leader of the *Voix des sans Voix* (Voice of the Voiceless) by taping plastic bags over his head until he suffocated. **Belgian** film-maker **Thierry Michel** is making a documentary about the murder and released a document containing a witness's observations after he was deported from Congo on 8 July.

The witness is Major **Paul Mwilambwe**, who says he was present in the Inspector General of Police's building where the murder took place. Michel believes Chebeya was killed because he had damning evidence of massacres carried out by Numbi's Simba police battalion.

Mwilambwe stated that Numbi, then Police Inspector General, had ordered Colonel **Daniel Mukalay** to bring Chebeya to the police building, where Numbi promised Mwilambwe's friend Maj. **Christian Ngoy** US\$500,000 to kill Chebeya and his driver. Mukalay and three others have since been sentenced to death for the murder. Mwilambwe says he saw policemen on the building's security cameras forcing plastic bags over Chebeya's face and taping them in place. He took 25 minutes to die, Mwilambwe said.

The driver was killed in the same way. Numbi then hired an aircraft to fly the killers out to Lubumbashi, says the document. Two days later, Kabila ordered the arrest of Mukalay; Numbi was suspended on 5 June. According to Michel's document, Ngoy is in hiding in Kigali, under the protection of Rwandan Defence Minister **James Kabarebe**. Numbi did not appear when summoned to a military court on 19 June.

Ethiopia

THE MISSING HOST

■ Prime Minister **Meles Zenawi**, the ostensible host of the African Union summit on 14-16 July in Addis Ababa, was nowhere to be seen. In the absence of official explanations, visiting heads of state such as **Senegal's** President **Macky Sall** were left to extend wishes for his speedy recovery. Since his trip to Rio de Janeiro for June's United Nations Summit on Sustainable Development, Meles had appeared thin and drawn.

Meles is undergoing treatment in Brussels: there is no confirmation of his condition. With him are the State Minister for Foreign Affairs, **Berhane Gebrechristos**, and his brother, a medical doctor based in the **United States**.

Insiders say the fact that Meles's wife, **Azeb Mesfin**, did not fly to **Belgium** upon her recent return from **China** suggests to some that he may be responding to treatment and will return to Addis shortly. However, his absence from all the AU summit meetings suggests the condition is serious. The proroguing of Parliament and the reading of the 2013 budget, over which Meles presides, have been postponed. Officials expect him back next week.

Into the breach stepped Deputy Premier and Foreign Minister **Hailemariam Desalegn**, a hydrologist from the Southern Region. He is Meles's agreed successor, but the Amhara and Oromo organisations in the ruling Ethiopian People's Revolutionary Democratic Front are unhappy about a representative of the southern minorities taking over. Yet they cannot agree between themselves on a candidate.

The current plan is for Meles, in power since 1991, to retire in 2013, allowing his successor time to prepare for national elections due in May 2015. This timetable may now be speeded up: Hailemariam already chairs five cabinet committees. Well-liked and efficient, he and the Ambassador to the UN, **Tekeda Alemu**, effectively managed the top diplomatic work and gladhanding at the AU summit.

Guinea/Gabon

SAM WITH A PLAN

■ The fog around **Samuel Mebiane** is clearing. His signature appears, along with those of ministers **Mohamed Lamine Fofana** and **Kerfalla Yansané**, on the controversial loan Guinea took from the **South African** company Palladino Capital 2 Limited (AC Vol 53 No 13). Mebiane, 42, is the son of **Léon Mebiane**, the late Gabonese President **Omar Bongo Ondimba's** Premier from 1975 to 1990. Léon took Samuel with him to the *département* of Seine-Saint-Denis near Paris when he retired, before they moved to **South Africa**.

Mebiane père owned a forest estate in Gabon, property in **France** and a marble factory in **Italy**, all run by Samuel. The Mebianes are influential and **Equatorial Guinean** President **Teodoro Obiang Nguema Mbasogo** is married to one of Samuel's aunts. Samuel used to be close to **Ali Ben Bongo**, Omar's son and current President, but they fell out after he campaigned for former Premier **André Mba Obame** in 2009's presidential poll. Samuel found himself shut out of Gabonese business circles thereafter. Returning to South Africa, he joined forces with the controllers of Mvelaphanda Holdings,

Tokyo Sexwale and his allies **Mark Willcox**, **Walter Hennig** and others. It was Samuel's job to help SA black economic empowerment companies to move into other African countries.

We hear that Mebiane is an unmarried, jet-setting, *bon viveur* who lives the high life in France, the **United States** and SA and has a reputation for his faith in the power of cash. After an outcry in Guinea and SA over the US\$25 million loan, Conakry has sought to repay it early. Any default could have led to his SA allies acquiring massive Guinean mining assets for a pittance.

South Africa

NO BANG (THIS TIME)

■ The authorities have tried to hush up a break-in that took place at South Africa's largest nuclear research centre, the Pelindaba facility near Pretoria, on 28 April. The Department of Energy and the National Nuclear Regulator are investigating. The plant stores about 600 kilogrammes of weapons-grade uranium for research and medical purposes.

Washington, according to officials at the **United States** embassy here, will broach the matter of security at the site and the possible consequences of uranium falling in to the wrong hands, with the South African government. The USA is particularly worried about SA stocks getting to **Iran**, given the connections of the African National Congress and black business elite with Iran. A spokesman for SA's Nuclear Energy Corporation, which runs Pelindaba, played down the incident: 'No one had come even close to the uranium.' Democratic Alliance member of parliament **Lance Greyling** said the DA would insist on a 'proper' investigation.

After a break-in in 2007, the USA offered to deploy soldiers at Pelindaba and was turned down, *Africa Confidential* understands. Pretoria said it was 'purely a criminal matter' and asked the United Nations International Atomic Energy Agency for advice. The IAEA said it was satisfied with what had been done. Yet in November 2011, four intruders cut the perimeter fence and took a ladder to climb through a first-floor window. They attacked two staff members, shooting and injuring one, attempted but failed to steal a computer containing 'sensitive' information and stole two secure mobile telephones. Nobody has been charged. Security was upgraded again after the police arrested seven men in Pretoria in 2010 for trying to sell nuclear material.

South Africa signed the Non-Proliferation Treaty in 1991 but has not yet ratified an amendment on the Physical Protection of Nuclear Material. A report released this week, co-written by a Harvard nuclear security specialist, **Matthew Bunn**, says that SA has implemented regulations which have 'yet to be formally enforced'.

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BLUE LINES

Security and democracy dominated United States Secretary of State Hillary Clinton's valedictory tour of Africa this week. 'Partnership, not patronage' is the offer from Barack Obama's administration, which raised high hopes in Africa in 2008. Reality – weakening western economies, a booming China and the growth of jihadist movements – turned out differently.

Clinton began in Senegal, where new President Macky Sall has cut his term from seven to five years and agreed to try former Chadian leader Hissène Habré for war crimes. But Senegal sits dangerously near a narco-state and another state threatened by determined jihadists and junior officers turned putschists.

Though Clinton promotes political pluralism, the bulk of the USA's resources in Africa are being directed to trade and security – that is, the Commerce Department and the Pentagon. The US military has more than 65 officers and contractors in Burkina Faso building a special air base. In nearby Mauritania, the US has spent \$22.6 million to buy surveillance aircraft for the local armed forces. The combination of drones and special-force deployment across Africa points to the growing security threats and militarist response.

Leaders such as South Africa's Jacob Zuma blame the current crisis in Mali on the Western-led intervention in Libya last year. Certainly the crisis obeys the laws of unintended consequences. Sadly, few of the intended solutions look credible or sustainable.

GHANA

Politicking after the mourning

A wave of national sympathy for the late President Mills is forcing politicians to reassess their election strategies

For Ghanaians, funerals assume a special role in the social order. Multiply that a hundredfold for the funeral of a sitting head of state. While their compatriots were still stunned by the news of the death of President **John Evans Atta Mills** on 24 July, the elders of the governing National Democratic Congress orchestrated an impressively smooth transition.

They rapidly agreed that Vice-President **John Dramani Mahama** should take over, as the constitution dictates. At his inauguration in the early evening of the same day, Mahama said he was 'personally devastated', adding that he had lost 'a father, a friend, a mentor and senior comrade'.

The two men shared a conciliatory style but Mahama is more the professional politician, eager to shape events at a critical point in Ghana's history, as the economy benefits from oil and gas production. His backers acted quickly and decisively. The author of an evocative memoir about growing up in Ghana published in the **United States** last month*, Mahama is a popular figure and liked across party lines. He will be a hard target for his opponents to attack and will benefit from some sympathy.

Mahama was quickly endorsed as the NDC's presidential candidate at a National Executive Committee meeting convened by General Secretary **Johnson Asiedu Nketia** on 26 July. Mahama then announced his running mate, Bank of Ghana Governor **Kwesi Amissah-Arthur**, on 31 July.

The next big date for Mahama will be his oration at the state funeral ceremonies, which last from 8 to 10 August. With a cast of African leaders and international dignitaries

in the audience, some in the Mahama camp are calling it his 'Obama moment'. They compare it to the then Senator **Barack Obama's** speech to the Democratic Party Convention in 2004.

Mahama will have to convey a credible message of national reconciliation, after some months of vicious local politicking by both the NDC and the opposition New Patriotic Party. Crafting an inspiring speech that stays away from obvious partisanship just five months before national elections will be testing.

OBAMA-STYLE VISION

Mahama is expected to include a vision of how the coming oil and gas riches will benefit Ghanaians. Most are still earning under US\$1,500 a year, despite the country's graduation into the league of lower middle-income countries. Some tough talking on accountability and corruption would also go down well, following months of reports about state funds paying off judgements, to the benefit of financiers of both the two main parties (AC Vol 53 No 4).

The NDC will still have to hold an extraordinary national conference around 1 September to confirm the National Executive Committee's choice. Few expect any debate on the issue. Mahama's main opponents, former President **Jerry John Rawlings** and his wife **Nana Konadu Agyeman Rawlings**, were in **Congo-Brazzaville** attending the launch of a business magazine. We hear they played no role in the management of the succession, although one of their colleagues described the party's endorsement of Mahama as 'hasty'.

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A report circulated that Nana Rawlings would claim the presidential nomination because she had come second in the party's presidential primaries last July

but it amounted to nothing. She and Mills had been the only contenders, and she got less than 5% of the vote. Now Nana and Jerry Rawlings are linked to the formation of a rival, the National Democratic Party (whose flag bears a close resemblance to that of the NDC). If they were to throw their support behind the new party, it would certainly damage the NDC and confuse those voters still personally loyal to ex-President Rawlings.

An early priority for Mahama will be to heal the rift with the Rawlingses. That will be difficult. Rawlings and his wife directed their vitriol against President Mills, criticising him for being too weak

and too slow (they were fully aware of his advanced throat cancer) but also targeted Mahama. He is trying to get the couple a role in the three-day funeral, although Mills's wife **Naadu** and other family members are deeply opposed. Now with all the top positions in the NDC and government filled, there's little that Mahama can offer the Rawlingses in terms of patronage.

One solution may be to reappoint Jerry Rawlings as special representative, although his United Nations ambassadorial appointments have turned out badly. Nor would that satisfy Nana Rawlings's demand for recognition. Her friends say she would be unlikely to accept a ministry in Mahama's government. His own allies are counselling against appeasing the pair but he cannot afford to take the risk of their sabotaging the NDC campaign.

Beyond this, Mahama looks unlikely to try a sweeping reshuffle. He knows that economic matters, which are not his strongest suit, will dominate the election campaign. His choice of Amissah-Arthur is astute. So far, as he battled with inflationary pressures, the Bank Governor has held off demands to cut interest rates and the value of the cedi, which has fallen 17% against the US dollar this year. Amissah-Arthur has urged the government to pay off the mounting arrears to local suppliers; doing so would inject a substantial sum into the national economy before the vote.

The ratings agencies have already warned of the widening fiscal deficit, now up to 6.7% of gross domestic product from the earlier target of 4.8%. After financing an 18% rise in public-sector salaries and continuing fuel subsidies, there is no prospect the deficit will be reduced before the elections. Yet Amissah-Arthur and Finance Minister **Kwabena Duffuor** are likely to draw the line now. Amissah-Arthur was Deputy Finance Minister under **Kwesi Botchwey**, who resigned from the NDC government in 1995 in protest at pre-election spending which would wreck the prospects of macro-economic stability.

Claims of economic mismanagement will be the first line of attack for the NPP presidential candidate, **Nana Addo Dankwa Akufo-Addo**. His Communications Director, **Nana Akomea**, already argues that Mahama cannot distance himself from Mills's economic legacy. Indeed, Mahama is unlikely to try: the NDC has already produced a 300-page book celebrating its social and economic policy achievements in exhaustive detail. The policy and party lines are already drawn and full election battle is set to resume, almost immediately after the final day of the obsequies on 10 August. ●

* *My First Coup d'Etat*, John Dramani Mahama. Bloomsbury Publishing, London, 2012.

OBSEQUIES AND SUMMITRY

With Accra shrouded in funereal red and black cloth and world leaders sending their condolences, **Ghana's** old political guard has been busy. First, they organised a near-seamless transition after President **John Evans Atta Mills's** death in the afternoon of 24 July. The elders of the National Democratic Congress government – former National Security Advisor **Kojo Tsikata**, ex-Prime Minister **Paul Victor Obeng** and NDC General Secretary **Johnson Asiedu Nketia** – ensured that Vice-President **John Dramani Mahama** was sworn in as Mills's successor by 18.00 on the same day. Two days later, all three attended the party's National Executive Committee meeting which endorsed Mahama as the NDC presidential candidate.

Even the main opposition New Patriotic Party sounds conciliatory. Its presidential candidate, **Nana Addo Dankwa Akufo-Addo**, suspended the NPP election campaign on hearing of the President's death. 'This is our President... we join all Ghanaians in mourning, we send our deepest condolences to his wife and family,' added NPP Chairman **Jake Otanka Obetsebi-Lamprey**.

Such a warm, fraternal spirit should last until the state commemoration and funeral on 8-10 August are over. Chairman of the Funeral Planning Committee is former National Security Advisor **Kofi Totobi-Quakyi**. His job is hard enough in a country where funeral ceremonies have so much cultural weight: the coming elections and high-profile international attendees further complicate matters. He is already battling with the Ga people, whose home territory is Accra, who complain that the dates of the obsequies clash with their annual festival of Homowo. This is far from academic for the NDC: the Gas are among its loyalist supporters in the capital.

There is a lively debate about where Mills should be buried: alongside his political hero in the **Kwame Nkrumah** Mausoleum, at Flagstaff House, in the military cemetery or at his family house in Ekumfi Otum, Central Region. Again, votes may be at stake, as the people of Central Region have lost their President.

Totobi-Quakyi also faces the prospect of the funeral turning into an impromptu pan-African summit. Most regional heads of state – **Nigeria's Goodluck Jonathan**, **Côte d'Ivoire's Alassane Dramane Ouattara**, **Liberia's Ellen Johnson-Sirleaf**, **Benin's Thomas Yayi Boni** (who currently chairs the African Union) – will attend. From further afield, **Gabon's Jean Ping** (who chairs the AU Commission until his successor **Nkosazana Dlamini-Zuma** takes over in October) are to be joined by **Uganda's Yoweri Museveni** and **Kenya's Premier Raila Odinga**. **South Africa**, now closer to Ghana than regional giant **Nigeria**, is likely to be represented by **Jacob Zuma**. **Zimbabwe's Robert Mugabe**, whose first wife **Sally** was Ghanaian, is also likely to attend.

Also on the guest list is **United States** Secretary of State **Hillary Clinton**, currently on a ten-day valedictory tour of Africa (she says she will leave government after President **Barack Obama's** first term ends this year) which is due to finish in Accra on 10 August. Her presence will encourage an upgrading of other delegations from outside Africa: likely candidates would be **British** Foreign and Commonwealth Secretary **William Hague** and **France's** new Foreign Minister, **Laurent Fabius**. **China** will also send a top official, perhaps Foreign Minister **Yang Jiechi** or his deputy **Zhai Jun**.

Dignitaries will discreetly sound out Mahama and his team (see Feature) on prospects for the elections, oil and gas, as well as the region's pressing security problems. Topping that list will be the crisis in **Mali**, where regional leaders as well as the USA and European Union will urge Ghana and **Senegal** to send their well-regarded troops to join the regional intervention force. With internal problems worsening in **Nigeria** and **Côte d'Ivoire**, Ghana will come under heavy pressure to assume a stronger leadership role. ●

WEST AFRICA

The officers' mess

After his own bitter experience, Ouattara wants stern action against coups in the region

After seven regional summits on the Mali and Guinea-Bissau crises in just five months, President **Alassane Dramane Ouattara** is determined to reinforce West Africa's defences against *coups d'état*. As Chairman of the Economic Community of West African States, the region looks to him for guidance. He wants all countries where soldiers seize power to face an automatic and immediate trade and transport blockade by Ecowas. He has also asked the head of the *Commission de Union Economique et Monétaire Ouest-Africaine* (UEMOA), which includes eight Ecowas members, to draft rules imposing automatic financial sanctions on member states that suffer coups.

This would emphasise the regional primacy of Ecowas over the African Union Commission, which from October will be chaired by **South Africa's Nkosazana Dlamini-Zuma** (AC Vol 53 No16). To Ouattara's dismay, South Africa tried to use the AU to countermand Ecowas action against his predecessor, **Laurent Gbagbo**, who had refused to recognise Ouattara's election victory in November 2010.

Ouattara's anti-coup campaign was boosted by the return to Bamako of Mali's Transitional President, **Dioncounda Traoré**. He had barely escaped with his life on 21 May when supporters of the 22 March putschists attacked him in the presidency. After two months' convalescence in Paris, he flew home on 27 July. Captain **Amadou Haya Sanogo**, leader of the mutineers, reluctantly agreed. Ecowas had threatened sanctions and military intervention against the putschists. Traoré has another ten days to form a broad-based national government under the Ecowas plan.

Traoré has won over much public opinion with his conciliatory style and a statesmanlike television address on 29 July. Ecowas wants to allow him time to set up a national government as it has little enthusiasm for more sanctions or intervention. Traoré has announced plans to broaden his government's base by creating two vice-presidencies: one for the army, the other for opponents of the coup. The 'army' vice-president will focus on military issues, including an eventual campaign to recover the rebel-occupied north, with a commission to handle negotiations with the rebels. His civilian counterpart will lead a national

transitional council.

This will dilute the power of Prime Minister **Cheick Modibo Diarra**, whom Traoré suspects of being too close to Sanogo. The north, meanwhile, remains under the control of jihadist militias. On 25 July, Ecowas chiefs of staff met to finalise plans for a regional force of 3,000 or more troops, to reinforce security in Bamako and possibly to support government efforts to bring the north back into the nation.

Ecowas recognises the risk of antagonising Sanogo's supporters, who regard national sovereignty as sacrosanct. Ouattara told London's Chatham House on 27 July that the force sent to Bamako would consist of police and gendarmes to retrain local security forces. Then chiefs of staff would assess how Mali's army could be restructured to launch a campaign to reclaim the north. He says Ecowas will soon ask the United Nations Security Council to endorse its plan to send in troops. It hopes that some of the rebels, including the Tuareg *Mouvement national pour la libération de l'Azawad* (MNLA), will either disband their militia or join the

national army, as some have promised.

Burkina Faso's President **Blaise Compaoré**, the official mediator, has been dealing with **Iyad ag Ghali's Ansar Eddine**, while contacts with the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO) are handled by President **Goodluck Jonathan** of Nigeria, whom Ouattara values highly as a regional partner. Envoys from both presidents keep Ouattara in touch. Ecowas is finding Guinea-Bissau tougher going, however.

One of the problems in opposing the coup in Guinea-Bissau was that the only troops available for possible intervention were **Senegalese**. Historically, Senegal has a negative image in the country, precluding its involvement in a policing action (AC Vol 53 No 10). In addition, some civilian politicians are themselves compromised by association with the rebel officers, making the task of finding intermediaries that much harder.

Ecowas temporarily accepted an interim period of military rule, but the UN Security Council and the **United States** have taken a tougher line. The UNSC issued a statement condemning the coup on 31 July, noting that illegal drug exports had since increased significantly. The Council also called for united action against the coup. In Bissau itself, we hear, the military has taken international reaction in its stride, not believing that military action will take place and that ordinary people will vigorously oppose it on nationalist grounds if it does. ●

IVORIAN JUSTICE QUESTIONED

Crimes committed before the civil war of 2011 should be treated differently from those committed by both sides during the conflict, **Côte d'Ivoire's** President **Alassane Dramane Ouattara** argues. His predecessor, **Laurent Gbagbo**, is already a prisoner of the International Criminal Court in The Hague, accused of human rights violations. No one from the Ouattara camp has yet been indicted, provoking complaints about victors' justice.

Ouattara believes it right to press ahead now with prosecuting members of the pro-Gbagbo *Jeunes Patriotes* militia and others accused of killing his northern civilian supporters before the civil war. He accepts that his forces also 'probably' committed atrocities (AC Vol 52 No 18). The United Nations suspects that pro-Ouattara soldiers were responsible for massacres in the west; some suspects now hold senior military posts and are regarded as untouchable.

Wartime incidents are being treated separately from pre-war crimes and have been studied by a national commission of enquiry, which completed its report on 18 July. The President insists the document will be made public and says he has 'no problem' with putting suspects from either side on trial. He is unlikely to win over embittered Gbagbo supporters, however. Ouattara says he offered them cabinet posts and encouraged them to stand in last December's parliamentary elections but those who had seemed interested pulled out, telling him privately that they had been threatened by extremists.

The same happened when he offered to let Gbagbo-supporters take up the presidency's seat on the National Electoral Commission, saying his own party, the *Rassemblement des républicains* (RDR), was already represented. The President clearly sees the risk to national stability from Gbagbo's angry and alienated supporters in the political class. Some of them did get elected to Parliament as independents; the President says he is pleased they are now a formal parliamentary group. This will bolster their voice in an assembly dominated by Ouattara's RDR and its ally, **Henri Konan Bédié's** *Parti démocratique de la Côte d'Ivoire*. ●

SIERRA LEONE

Vice-President in loan row

An American businessman has accused the Vice-President of not repaying a loan but President Koroma remains untouched, so far

Freetown's pre-election politics have been so fractious that diplomats, including United Nations representatives in the country, fear that it would take a miracle for the country to avoid a relapse into large-scale violence during or after the polls in November.

Late last month, a website published an open letter from **United States** businessman **Mark Heiligman** accusing Vice-President **Samuel Sam-Sumana** of defrauding him of tens of thousands of dollars. The *New People* site supports the opposition Sierra Leone People's Party. Backed by the media supporting the governing All People's Congress (APC), *Alhaji* Sam-Sumana denies defrauding Heiligman, a former business associate of his.

Sam-Sumana admits having been in the diamond business with Heiligman before he went into politics and insists all his dealings were above board. Heiligman accused him of various improprieties, all of which he denies. Heiligman also claimed, however, that he and a business partner, **David Kloeber**, provided a loan of US\$34,000 to Sam-Sumana to help him and President **Ernest Bai Koroma** with their 2007 election and it has not been repaid. Sam-Sumana does not deny receiving the loan but says it has been repaid. Heiligman insists, however that he received \$20,000 in part-repayment after persistent demands but has received nothing since. Heiligman claims Koroma thanked him profusely for the loan at the time.

The government has taken steps to distance Koroma from the allegations. On 23 July, the powerful Minister of Information, **Ibrahim Ben Kargbo**, issued a statement accusing Heiligman of being unbalanced and stating that the President had never met him or Kloeber, let alone entered into any transaction with them. He acknowledged, though, that the American had been a business partner of Sam-Sumana and that he had sent 'truckloads' of e-mails to Koroma complaining that Sam-Sumana had defrauded him. The SLPP has gleefully seized on the controversy and is making capital out of the fact that Sierra Leoneans are allowed by law to accept political donations only from Sierra Leonean electors.

Sam-Sumana has been involved in controversy before. In a documentary broadcast by *Al Jazeera English* last

November, two reporters posing as loggers obtained appointments with two of Sam-Sumana's aides, **Alex Mansaray** and **Momoh Konteh**. In order to begin operations, they told the reporters, they suggested that \$50,000 would be an appropriate sum to offer the Vice-President. They also demanded \$10,000 for themselves. A hidden camera recorded them accepting \$2,000 in cash.

SECRET FILMING

Sam-Sumana has since denied any knowledge of what his aides were doing and rejected any suggestion that he was open to bribery. Separately, *Al Jazeera*

secretly filmed Sam-Sumana as he told the undercover journalists not to worry and that the ban on logging 'will be postponed'. The film did not show him accepting or demanding money.

On 16 April, on the basis of the filmed evidence, the Anti-Corruption Commission indicted Mansaray and Konteh for soliciting payments for advantage. The ACC, however, said that 'the required evidential threshold for criminal prosecution' was not present in the case of Sam-Sumana or a paramount chief who appeared in the film, **Kandeh Finoh III** of Gbendembu N'dohahun. Mansaray and Konteh are currently on trial in Freetown.

Sam-Sumana worked for many years in the USA before returning home in 2005 and joining the APC's leadership body, the 'Five Man Committee'. He is a Paramount Chief in Kono District. Conventional wisdom holds that Sam-Sumana can mobilise votes for the APC in this key area and this is why Koroma needs him on his ticket. ●

DEATH PUTS FEUDS ON HOLD

The country won a respite from the increasingly bitter pre-electoral campaigning among the major parties as all sides united in sympathy for President **Ernest Bai Koroma** after the death of his mother on 6 July. **Alice Rosaline Koroma**, a former schoolteacher, died at 80 in her hometown of Makeni. She was best known for letting slip in a BBC interview that she was an influential political advisor to her son. Thereafter, she was dubbed the Presidential Mother or the First Mother, new titles for a presidential relative.

The presidential candidate of the Sierra Leone People's Party (SLPP), **Julius Maada Bio**, who had not spoken to Koroma since becoming presidential candidate one year ago, expressed his 'most heartfelt' sympathy on his Facebook page (AC Vol 53 No 10). A few days later, Bio arrived at State Lodge and his picture with a beaming Koroma was splashed across the front pages of local newspapers. That this peace will last has been the earnest hope of most Sierra Leoneans and also of the United Nations, which maintains a large mission there. Since Koroma still sees Bio as the only serious challenge to his coveted re-election bid, it may be too much to hope that a single instance of goodwill in a moment of bereavement – when such goodwill is expected – may change the dynamic much between the two men. Other signals in the media display increasing bitterness; some predict that violence will break out some time before the November poll.

On the day the First Mother died, the Secretary to the Cabinet and head of the civil service, **George Pessima**, wrote a letter to all permanent secretaries and heads of the civil service soliciting financial contributions to the funeral. Under the government letterhead, he wrote that since Koroma was Minister for the Civil Service, the service 'as a body should make a lump sum financial contribution towards the funeral', which he would present to the President on 12 July. The opposition promptly denounced the letter and the Koroma family issued a statement dismissing it, saying he had written without prior consultation with the family. The Koroma family 'fully recognises its sacred responsibility for the funeral,' it said.

According to the local press, however, Pessima had already collected 100 million leones (US\$23,000) from civil service departments. It is not known whether Pessima handed this to the family or returned it to the donors. There were plenty of other contributions directly to President Koroma. At the well-attended funeral in Makeni, **John Sisay**, Koroma's cousin and the Chief Executive Officer of the titanium mining company Sierra Rutile Limited, gave Koroma \$45,000 and 300 bags of rice on behalf of his company. **Frank Timis's** African Minerals gave Le250 million and 24 head of cattle (AC Vol 53 No 12). Several of the country's 149 chiefdoms contributed cattle and money. The diamond-rich Kono District, home of embattled Vice-President **Samuel Sam-Sumana** (see Feature), gave Koroma 14 cows and Le100 mn., while the Fula (Peulh) community gave 25 cows and Le100 million. Witnesses saw over 100 cattle tethered near Alice Koroma's home, a massive walled compound refurbished by the President in 2008. ●

CAMEROON

Biya swings the axe

The President was enraged by a massive fraud at the national airline but has been biding his time before taking his revenge

In February 2010, **Marafa Hamidou Yaya**, then Minister of Territorial Administration and Decentralisation, confessed to the **United States** Ambassador, **Janet E. Garvey**, that he was worried. 'He half-joked, "I might end up in jail,"' reports a US State Department cable leaked by WikiLeaks last September. It was no joke. Over two years later, Marafa Hamidou is in the high security military prison of the State Secretariat for Defence and is on trial with other former high officials for the embezzlement of US\$29 million originally earmarked for a presidential jet. Many think the motive for the trial is President **Paul Biya's** belief that Marafa is a political threat.

Biya was undoubtedly made aware of several disloyal remarks by Marafa when the cables came to light last September but it is the jet scandal, which the President found out about several years ago, that has resulted in this trial. Marafa's chances of acquittal are extremely poor, given the extraordinary power Biya wields over the judiciary, but he has been fighting a rearguard action outside the court. The trial is the major talking point throughout the country and when Marafa arrives at court, shouts of 'liberate our President' break out from thousands of supporters, who also jam the public gallery. Marafa has been at the centre of power for many years and is believed to be exceptionally wealthy (AC Vol 43 No 17). In court, he

acknowledges his fans regally and chats amiably with friends while gendarmes try to control the crowd. Supporters in his home town of Garoua have stuck up posters around town, including at the residence of Communications Minister **Issa Tchiroma Bakary**. Tracts threaten retaliation if Marafa is not released on bail and police are attempting to arrest the authors.

Marafa is also receiving help from his enemies. To the astonishment of many, the legal advisor to the opposition Social Democratic Front, Professor **Ndiva Kofele-Kale**, is defending Marafa. The SDF has been a fierce critic of the Presidency's former Secretary General and accused him of fixing the elections for Biya in 2004 and 2011. Marafa also ran the parliamentary and local elections in 2007. In his conversations with the US diplomats in 2009 and 2010, Marafa said he was very worried about the competence and credibility of the polls once they were transferred to a new commission, *Election Cameroun* (Elecarn).

In reality, say analysts in Yaoundé, Marafa was annoyed about having to master a new system for fixing the elections for Biya. A political source told *Africa Confidential* that Biya, long aware of the aircraft fraud, did not let Marafa know he had lost his confidence, even telling him he was forgiven, and waited until Marafa had satisfactorily arranged

last October's elections before having him arrested. On 16 April, Marafa and former Prime Minister **Ephraïm Inoni** were locked up. Kofele-Kale said he was representing Marafa in the interests of justice, though he was certain his client would not get any.

The trial began on 23 July. Also in the dock were **Yves-Michel Fotso**, former Director General of the national carrier, Cameroon Airlines Corporation (Camair), and son of **Victor Fotso**, the country's wealthiest businessman (AC Vol 49 No 15); **Jérôme Mendouga**, former Ambassador to the USA (who is already serving a ten-year sentence); and **Jean-Marie Atangana Mebara**, a former Secretary General at the Presidency (AC Vol 49 No 12). Most trials suffer delay but this one has been conducted with exceptional speed; some arrested under Biya's long-running 'Epervier' (sparrowhawk) anti-corruption campaign have waited 18 months for trial but this one got going in less than three.

Marafa's lawyers had to fight hard to get his case file from the prosecutor's office to prepare his defence. Presiding Judge **Gilbert Schlick** rejected pleas for more time, saying a week was long enough to prepare. Defence lawyers say the file is incomplete. Schlick has declared that the court will sit continuously, on every working day, until the trial is over.

In Marafa's home town, the anger of his supporters forced the ruling *Rassemblement démocratique du peuple camerounais* to hurriedly dispatch a team of troubleshooters to calm things down. At its head was **Jean Nkuete**, RDPC Secretary General, who told the party faithful that President Biya's anti-corruption campaign 'spared nobody', no matter how big or powerful. From gaol, Marafa has written open letters to the President detailing past scandals, including the diversion by persons unknown of 32.5 billion CFA francs (\$60.6 mn.) intended to compensate the relatives of passengers killed in a 1995 Camair air crash.

In his letters, Marafa blames his spectacular fall from grace on hatred, infighting and jealousy among his RDPC colleagues while hinting that he has more skeletons to bring out of the closet. Biya appears unimpressed. One theory says that he allows those close to him to steal from the public purse until they become a political threat, when he uses evidence of criminal acts to take them off the scene. One of Marafa's predecessors at the Presidency, **Titus Edzoa**, has just finished a 15-year prison term but faces fresh embezzlement charges. He was arrested shortly after declaring his interest in standing for president in 1997. Marafa's chief difficulty, despite his vocal supporters, is a lack of public sympathy for someone who for so long enjoyed all the privileges of patronage. ●

SEVERELY TURBULENT AIRLINE

In 2001, President **Paul Biya** said he wanted a new presidential aircraft to replace his predecessor's ageing machine. However, since Cameroon was then applying for inclusion in the Highly Indebted Poor Countries Initiative of the World Bank and International Monetary Fund, the regime judged it wise to make the acquisition as discreetly as possible. Biya authorised the state oil company, the *Société nationale des hydrocarbures*, to release US\$29 million for the purchase and the Finance Ministry reimbursed the SNH. That was the last the Exchequer saw of the funds (AC Vol 49 No 15).

The current prosecution case of **Marafa Hamidou Yaya**, former Minister of Territorial Administration and Decentralisation, is believed to centre on the purchase of two elderly Boeings, a 767 and a 747. These were painted in the livery of the Cameroon Airlines Corporation and put into service. However, Camair's highly inflated lease payments for the aircraft were paid to a company controlled by people connected to government officials. Biya set off for Paris in April 2004 on the newly-acquired 767, known as the Albatross, but it turned back to Yaoundé with a malfunction and was unable to take off again. Although the incident was not life-threatening, the President was shaken and resolved to investigate.

Despite the malfunction and the massive fraud, the trial is still widely seen as political. In one of Marafa's indiscreet chats with United States diplomats in 2007, he confessed his ambition to succeed Biya as President. ●

ZIMBABWE

It's time for a vote

The courts say there must be bye-elections and that will impose change on all the political parties

The Supreme Court has finally forced President **Robert Mugabe** to hold long-outstanding bye-elections in three Matebeleland parliamentary seats. He had argued that the polls would be too expensive. Now, he must name a date by 30 August. The ruling, initially seen as yet another setback for Mugabe, was hailed as a golden opportunity by his faithful spin doctor, **George Charamba**.

These bye-elections matter for several reasons. The three parliamentary vacancies were created by the expulsion in 2009 of the faction of the Movement for Democratic Change led by **Welshman Ncube** (MDC-Ncube). Since Mugabe's Zimbabwe African National Union-Patriotic Front (ZANU-PF) has almost no support in the province, the rivalries that matter will be within the MDC. The results will deeply affect its future shape.

There are another 35 vacancies in the Senate and House of Assembly. Justice Minister **Patrick Chinamasa** has suggested that all the bye-elections could be held at the same time. The idea appeals to ZANU-PF because the vote could take place without implementation of the proposed electoral 'road map', so the ruling party could deploy its usual winning techniques. Moreover, the polls would test public opinion without putting the presidency at risk.

There are signs that the political logjam is slowly clearing. The Human Rights Statute has finally been passed (although it covers only events since 2008). So has the Electoral Act, which sidelines the partisan Registrar General and the security forces in favour of the Electoral Commission. Pleas by the MDC have persuaded foreign governments to ease sanctions.

The draft constitution has been completed and submitted to the three principals. **Douglas Mwonozora** of Premier **Morgan Tsvangirai's** wing of the MDC (MDC-T), Co-Chairman of the Constitution Parliamentary Select Committee (Copac), the body charged with drawing it up, expects the next stage, a stakeholders' conference, to be held by the end of August, with a referendum in late October. The ZANU-PF Co-Chairman, **Paul Mangwana**, is slightly more circumspect, against opposition from what he calls 'the devil's voices' of the ingenious **Jonathan Moyo**.

A referendum held in October

concurrently with the bye-elections would have certain attractions, not least financial. A key consideration is whether the parties to the Global Political Agreement will remain bound by their initial undertaking not to contest seats previously held by the others. Some ZANU-PF people may hope to claw back control of the lower house, but for different reasons both ZANU-PF and MDC-T may abide by their pact. The position for MDC-Ncube is much more problematic: since he ousted **Arthur Mutambara**, who remains a Deputy Prime Minister, Ncube has acted as a semi-detached member of the government.

MDC-Ncube is entitled to state funds, based on its 2008 vote. Not so the other minor players, the most visible of which are **Dumiso Dabengwa's** resurrected Zimbabwe African People's Union and **Simba Makoni's** Mavambo/Kusile/Dawn. ZAPU appears short of funds and foot soldiers, and Makoni has little support outside the chattering classes in Harare. Even they marvel that he has spent most of his time honing a Grand Manifesto.

ZANU-PF probably has most to gain from an extensive bye-election campaign,

which would draw attention away from its own faction-fighting over the leadership succession. The issue will by no means disappear but the immediate concern would be the selection of candidates, for which a stampede has already begun. Several big names are being punted, notably that of **Chinamasa**, who needs an election victory as a launching pad to become the party godfather in Manicaland when the bumbling **Didymus Mutasa**, 76, steps down.

The draft constitution is believed to provide, under ZANU-PF pressure, for two vice-presidents to run on the presidential ticket, with seniority clearly stated to indicate which would succeed to a presidential vacancy. There will be stiff competition. All this may be moot, however, given recent indications that ZANU-PF's representatives in Copac have been roasted for supposedly not defending the party's corner. If Mugabe attempts to remove parts of the draft it could mean the end of the entire process.

The MDC-T has its own internal problems, especially in Matebeleland and over Tsvangirai's leadership style. After some years of romantic escapades and ribald comment in the ZANU-PF-controlled media, Tsvangirai has settled for domesticity with **Elizabeth Macheka**. A lavish celebration of their nuptials will take place in September (AC Vol 52 No 24). There has been sniping at Macheka's expensive tastes and some Tsvangirai supporters fear that the MDC is harbouring a potential 'Second Shopper'. ●

SOUVENIR OF MATEBELELAND

So far, Matebeleland's special concerns have not been fully addressed by the political reform process. The Human Rights Commission will deal only with matters since 2008, leaving the long-running sore of the Gukurahundi massacres in the mid-1980s to go on festering. The draft constitution makes almost no provision for regional devolution, we hear. It is suspected that negotiators for the Movement for Democratic Change-Tsvangirai did not fight the Zimbabwe African National Union-Patriotic Front on this with much conviction.

Neither party has much expertise in handling the Matebeleland question. ZANU-PF's murderous repression left deep scars and the MDC-T's clumsy tactics contributed to the party split, when **Welshman Ncube's** faction left with almost a third of the parliamentary seats in 2008, depriving **Morgan Tsvangirai** of a first-round win. The defectors included the late **Gibson Sibanda** and other talent. Tsvangirai's attempt to impose discipline neither cowed nor appeased his Ndebele backbench. To see off Ncube and restore Matebeleland to the MDC-T, its leaders need to up their game.

Sibanda's replacement by **Thokozani Khupe** preserved the regional balance but she remains a relative lightweight. Holding the MDC party congress in Bulawayo proved counterproductive and infighting followed. The new Bulawayo Chairperson, **Gorden Moyo**, was seen as imposed over a more popular local activist, Senator **Matson Hlalo**, who is now putting pressure on Khupe in her Makakoba seat; she may move to a more tranquil rural berth. In her constituency, scores of activists are reported to have gone over to Ncube's MDC. He is an oratorical crowd-pleaser with a sharp legal mind.

The personality cult around the late **Joshua Nkomo** continues, with commemorative press advertisements on the 1 July anniversary of his death in 1999. His long-ignored autobiography has been reissued and serialised in the independent press. A memorial lecture by **Nkosana Moyo**, who resigned from Mugabe's cabinet and now chairs the Mandela Institute for Development Studies, was apparently blocked by the President's office. Moyo would be a great catch for whichever party could entice him. ●

SOMALIA

August will be hot

The elders are warming to their constitutional role, while Kenya weighs up the taking of Kismayo

The 135 Somali elders whose role is to appoint a Constituent Assembly have responded to the warm international welcome they have received by showing they want to take at least one more bow before leaving the stage (AC Vol 53 No 13). Under the internationally devised plans to create a successor to the Transitional Federal Government (TFG), whose mandate runs out this month, the elders would simply hand over to the CA. The meeting of the Assembly was temporarily delayed by mortar fire in Mogadishu. A longer delay may arise because the elders want to stay on – as the Upper House of a new Parliament.

The elders had wanted a bigger say in the constitution but were persuaded not to get involved. Since the elders will pick the new members of parliament, the legislators may well return the favour and approve their patrons forming a senate. The United Nations Political Office in Somalia (UNPOS) set a deadline of 6 August for the elders to provide their list of MPs but the elders want more time. There are indications that up to 70% have already been chosen and that most are Islamist and from the diaspora. We hear that **Egypt**, **Qatar** and **Turkey** have been supplying cash to the candidates, especially presidential candidates, that each government is closest to ideologically.

There remains some confusion about the constitution. Although the Puntland members of the CA arrived late, the Assembly nevertheless went ahead and accepted the reduced role which the road-map signatories and UNPOS had outlined for it: it would review all articles and comment on them but not change the draft constitution. Eventually, they will vote to approve the constitution but with the proviso that all the articles they had criticised and commented on would be reviewed and amended by the new Parliament. This needed to be done by 2 August but again the CA was asking for a week's extension. This is not how the Western script was meant to go. Donors have spent some US\$13 million on drafting a constitution and had earnestly hoped for better cooperation, most of all on the contentious issues: the role of *Sharia* (Islamic law) in civil administration, whether or not Somalia would bear the title of 'Islamic Republic' and what the limitations of the federal republic would be. These were to be

submitted to Parliament for discussion after the constitution was enacted.

The transition cannot end by 20 August, since the new constitution will not be in place by then, only a text with a long list of amendments requiring a lengthy process of committee work and bargaining. The new Parliament will spend its first months on that, even though many more-concrete issues need to be addressed. These formal matters are important to the donors. However, the new Parliament is likely to be more Islamist than the old and this may cause regret that the transition time was not longer.

Two other figures who are reluctant to bow out are **Sharif Sheikh Ahmed** and his political foe **Sharif Hassan Sheikh Adan**. They are puzzled, we hear, by conflicting messages from Washington. The UN **Eritrea** and Somalia Working Group report was leaked on 18 July and it contained allegations of rampant corruption throughout the TFG. Some analysts believe US intelligence was responsible for the leak, timing it to be of greatest use to the enemies of the two Sharifs. 'I don't doubt that there has been high-level plunder by members of the TFG but the figures are inflated and they are being spun to make the two Sharifs look like the worst possible choices for president,' a source familiar with the background to the report told us (AC Vol 53 No 5). Yet, the **United States** State Department is still courting and

complimenting both men as key partners in the country's political reconstruction. Somalis nowadays expect the mandate of President Sharif to be renewed.

The other big event in August will be an assault on Kismayo by the **Kenyan** forces and their *Ras Kamboni* Somali allies. Ramadan ends on 19 August and with it the TFG. A consensus is building among observers that Kenya will take the port city, possibly before the end of Ramadan. There had been pointers against such a move. Although the USA has agreed to provide drones, we understand, the UN had considered the cost of attack-helicopter support for the operation exorbitant. Kenya does not have enough helicopters for a major offensive and **Uganda** has been hopeful that the UN backing for the African Union Mission in Somalia (Amisom) would help it to refurbish its worn-out machines (AC Vol 53 No 7).

Now, though, the advantages for Kenya of moving on the town are believed to outweigh the disadvantages. First, Kenya could be making an important offering to the TFG's successor, much in the way that Ethiopia heralded February's London conference on Somalia with the capture of Baidoa. Also, *Al Haraka al Shabaab al Mujahideen* has no intention of defending Kismayo against major ground attack and its main forces have already left, observers say. Sleeper cells, suicide bombers and improvised explosive devices may well await Kenya's soldiers – although it is the *Ras Kamboni* men who are in the vanguard of Kenyan infantry movements – but they would be likely to enter Kismayo more or less unopposed. If Kenya took the port, its logistics train would then be seaborne, instead of coming overland on lorries which have to snake along roads in the hinterland and are subject to frequent ambushes by *Al Shabaab*. ●



SUDAN/SOUTH SUDAN

The anti-sanctions race

Negotiations are likely to drag on, despite UN efforts to pressure both Juba and Khartoum and the threat of a return to all-out war

As the 2 August deadline imposed by the United Nations Security Council loomed, Khartoum and Juba vied to be seen as the least obstructive government at their talks in Ethiopia. The Council's Resolution 2046 of 2 May threatens sanctions against those judged as blocking progress. In fact, the UNSC will take its cue from the African Union's Peace and Security Council (PSC). There, Egypt will block any sanctions against Khartoum, and Kenya and Uganda will block any sanctions against Juba. Western powers have little appetite for tougher action on Sudan. So the UN is likely to stretch the deadline.

The Government of the Republic of South Sudan blames Khartoum. On 25 July, the GRSS issued its 'Compliance Chart' documenting dozens of instances where it has complied with PSC and UNSC requests. The National Congress Party (NCP) regime has reduced its demand for US\$36 per barrel in oil transit fees to \$32, still far more than international rates. It is bombing South Sudan in targeted sorties.

African mediators and Western diplomats say they are trying to pull the two Sudans back from 'armageddon' – that is, a return to all-out war. Nor do Western powers want to be seen as backing their 'Christian friends' in South Sudan against another Muslim 'Arab' country. That's a card the NCP plays adeptly.

The United States has said it does not want the Khartoum regime to fall; European Union policy is to secure a negotiated agreement. Diplomats at the AU summit last month had low expectations about the talks but admitted there was no 'plan B'. Both sides have enough armaments for a long, bloody war. Hence, Resolution 2046, based on an African Union 'road map' (AC Vol 53 No 11).

Khartoum's latest tactic is to link its negotiations with the GRSS to talks with the Sudan People's Liberation Movement-North (SPLM-N). In effect, this means holding one set of negotiations hostage to the other. This makes success in either unlikely. That means the oil shutdown will continue, with devastating economic effects on both sides of the border.

Khartoum puts what it calls security issues above a deal on oil. 'Security' here is also code for the war in the 'Two Areas' of Blue Nile and Southern Kordofan, a war where the NCP is fighting the Sudan People's Liberation Army-North and its allies,

all grouped in the Sudan Revolutionary Front. The NCP disparagingly refers to the SPLM/A-N and SRF as 'remnants' or 'bandits'. It plays down their popularity and military strength but highlights the support they get from Juba.

The SPLM-N has for months been calling on Khartoum to allow relief aid to get to civilians in this war. The fighting started last year after Khartoum imposed Ahmed Mohamed Haroun Adam as South Kordofan Governor and deposed the elected Blue Nile Governor, Malik Agar Eyre, who is Chairman of the SPLM/A-N (AC Vol 52 No 10).

Over 300,000 refugees have fled from the 'New South' – the Three Areas (Two Areas plus Abyei). Many more remain behind, sheltering in caves in the Nuba Mountains, cut off from aid and unable to flee. UN aid chief Valerie Amos warned in June of a 'humanitarian catastrophe'.

More than 4,000 Ethiopian peacekeepers form the UN Interim Security Force for Abyei, mandated to disarm the area and allow its 110,000 Ngok Dinka population to return to participate in a referendum on joining South Sudan or staying in Sudan. Khartoum has blocked this vote, which it would undoubtedly lose. The two governments have agreed to hold the referendum this year but no one expects it to happen.

Abyei may have lost most of its inhabitants but at least it has some peacekeepers: the Two Areas have none and no international aid access since the expiry of the UN Mission in Sudan's mandate last year. UNMIS has been succeeded by the UN Mission to South Sudan (UNMISS), which has no authority to operate north of the new, albeit undemarcated, border.

This is one reason why Khartoum's UN Ambassador, Dafa'allah el Haj Ali Osman, a former head of the Foreign Ministry's International Organisations Department, complained about UNSC Resolution 2063, which with only Azerbaijan's abstention on 31 July extended the mandate of the United Nations-African Union mission in Darfur by one year. Particularly galling to him was the section that calls for 'the Hybrid Operation in Darfur to cooperate and share information related to the regional threat posed by the Lord's Resistance Army'. The LRA was not in Darfur, claimed Dafa'allah, citing the UNAMID chief, Nigeria's Ibrahim

Gambari (AC Vol 51 No 8).

Khartoum condemns the international presence and tries to weaken it. Mine-clearers working for UNMISS were promptly arrested for espionage when they strayed across the (disputed) border earlier this year. The UN demand for 'cooperation' over the LRA means that UNAMID could cooperate with UNMISS and also with the AU-backed military operation by the Central African Republic, Congo-Kinshasa, South Sudan and Uganda to track down the LRA (backed by Khartoum for years). Most worrying for the NCP is the prospect of US Special Forces, who assist this campaign, slipping into Darfur.

At its summit, the AU insisted that allowing access to humanitarian assistance was 'a matter of utmost urgency'. It also concluded that there would be 'no military solution to the conflict in South Kordofan and Blue Nile states'. It insisted the parties return to negotiation on the basis of the 28 June 2011 framework.

The AU roadmap adopted by UN Resolution 2046 demands that Khartoum and the SPLM-N negotiate on the basis of this framework, agreed between the Presidential Assistant and NCP Deputy Chairman, Nafi'e Ali Nafi'e, and Malik Agar, who was then Blue Nile Governor. Omer el Beshir immediately repudiated the accord, sidelining his former intelligence chief.

The AU has tried to negotiate aid access to rebel-held areas in agreement with the UN and Arab League, whose monitors are to supervise the impartial distribution of aid. Yet Sudan insists that security and political issues be tackled first and that no aid should go to rebel-controlled areas. Replying to the AU High Implementation Panel led by South Africa's Thabo Mbeki, Khartoum's negotiators in Addis declared on 28 July: 'Sudan responded to the AUHIP's invitation to implement provisions of the tripartite initiative of the AU, Arab League and UN but the apparent aim of the rebellion to take advantage of the humanitarian assistance to escalate war and shed blood in the two regions precluded breakthrough at the talks on humanitarian access to the affected people.' Khartoum accuses Juba of preventing those refugees who have made it to South Sudan from returning home: in fact most are in camps supervised by the UN High Commissioner for Refugees.

Sudan's Ambassador to London, Abdullahi Hamed Ali el Azrag, stunned a meeting in Britain's Parliament last month by claiming there were 'absolutely no restrictions' on aid access to the Two Areas. The only exceptions, he said, were some international non-governmental organisations who were 'not efficient' and that 'although some of them may be angels, many of them are actually demons'.

SPLM-N Secretary General Yasir

Saeed Arman says the AU road map offers no solution to the conflict. He leads a team of three SPLM-N aid officials in Addis: **Ahmed Saeed**, **Hashim Orta** and **Niroun Philip Ajo**. They reject NCP attempts to make humanitarian aid dependent on political negotiations. How many people would have died in South Sudan, asked Yasir, if the international community had waited for 17 years for the CPA to be signed before allowing the UN's Operation Lifeline Sudan to bring food to the starving? 'Half a million people are cut off from aid and facing famine and urgent action is needed now,' he told *Africa Confidential* on 29 July.

Yasir Arman says Britain and the CPA's other international guarantors need to take a more positive role in addressing the crisis north of the border, 45% of which he says the SRF controls. Their role could be crucial in implementing a mooted buffer zone between the two countries. None of this tackles the internal political issues, though. The SPLM-N presented Mbeki with five preconditions for political talks: that Khartoum accepts the 28 June agreement, lifts the ban on the SPLM-N and recognises it as a legitimate political party, releases detainees, establishes an international enquiry into recent war-crimes and reinstates Governor Malik. ●

SUDAN UNDER PROTEST

The killing of several student demonstrators in Nyala, the South Darfur capital, on 31 July has given Sudan's opposition its martyrs. That was what Khartoum had wanted to avoid. Reports of the fatalities varied between six and 'dozens', as *Africa Confidential* went to press, with scores injured. Protests began when transport operators went on strike because of diesel shortages. School children then began demonstrating, to be joined by older students, then the public at large. 'This was a massacre!' said one opposition leader. 'It has nothing to do with the armed movements.'

The spread to Darfur of urban protests from elsewhere in the country must concern a government that saw Darfur's crisis as a war in a peripheral area. Most other Sudanese have paid little attention to death tolls of 400,000 people in Darfur at the hands of the government and its proxies. There was widespread condemnation of the latest killings, though. 'More protests will follow; people are outraged,' said one oppositionist. The 'Sudan Change Now Movement' quickly published lists of the casualties.

After unfavourable comparisons with the 'Arab Spring', Sudan's protests dropped off the international headlines (AC Vol 53 No 14). This is partly because of what one fasting oppositionist called 'the stupor of Ramadan'. More importantly, the National Intelligence and Security Service has arrested hundreds of people – some say more than 2,000. **Halima Hussein Omer**, a student, lost an eye when hit by a rubber bullet and many people have been hospitalised after being tear-gassed; a police officer admitted using date-expired gas. Many protestors have been tortured and some have disappeared.

Some have particularly caught the public imagination, including **Rudwan Daoud**, who began Muslim-Christian reconciliation work as a refugee in the **United States** together with the late **South Sudanese** basketball star, **Manute Bol**. Rudwan is involved in a project for Muslims to help to rebuild Torit Catholic Cathedral, in Equatoria, which was structurally damaged when the Sudan Armed Forces attempted to blow it up during the war. This week, he has been on trial for terrorism and for spying for the US Central Intelligence Agency (Rudwan's wife is American). Both crimes are punishable by death. Sudan's springtime is far from over. ●

BOTSWANA

Threats to Khama fade

Opposition parties are unable to form an alliance capable of ousting the governing Botswana Democratic Party

In spite of the serious split in the Botswana Democratic Party in 2010, opposition parties cannot form a broad electoral alliance, the only way to end the BDP's long reign at the general elections in 2014 (AC Vol 51 No 13). The breakaway Botswana Democratic Movement (BDM) seems unable to sink its differences with the other parties. If the BDP keeps the 39 seats of the 57 directly elected members of parliament it has currently, President **Seretse Khama Ian Khama** will remain head of state.

Nevertheless, Khama's autocratic leadership style and his cronyism still worry those BDP members who did not defect to the BDM. One is the Minister of Minerals, Energy and Water Affairs, **Ponatshego Kedikilwe**, a former BDP Chairman whose continued cabinet membership acts as a counterweight to Khama and his dominant faction.

Further splits in the BDP are unlikely; two of the eight MPs who originally

jumped ship to join the BDM have even rejoined the BDP.

Khama continues to gather power to himself. In April, he transferred responsibility for the Directorate of Intelligence and Security and the Directorate of Corruption and Economic Crime from the Ministry of Justice, Defence and Security to the Ministry of Presidential Affairs and Public Administration, which is headed by his close ally **Mokgweetsi Masisi**. DIS Director **Isaac Kgosi**, a personal friend of Khama's, fell out with Justice Minister **Dikgakgamatso Seretse**, a former Defence Minister.

The DCEC was investigating Kgosi for possible misuse of government funds and this will have stopped with the move. The already highly secretive DIS will move even further from parliamentary and public scrutiny, too. The DCEC will probably also be prevented from investigating the award of tenders by the Botswana Defence Force (BDF), of which Khama was commander

prior to becoming President, to a company owned by his younger brothers.

Such unsavoury brews could be expected to inspire an anti-BDP alliance, consisting of the BDM with the two largest opposition parties, the Botswana National Front and the Botswana Congress Party. Yet the BCP, which was originally founded by dissident BNF members, remains vehemently opposed to the BDM.

The BNF leader, **Duma Boko**, backs the current alliance with the BDM but is at odds with ordinary members. A Gaborone lawyer, he has shifted the BNF sharply to the right since succeeding the ineffectual **Otsweletse Moupo** in 2009, angering veteran party members who favour greater state control and local ownership of the economy, the policies of their founding leader, the late **Kenneth Koma**. BCP President **Dumelang Saleshando** strongly dislikes BDM President **Gomolemo Motswaledi**, and senior BCP members have continued to make outspoken attacks on the BDM. A united front is a distant prospect.

Prospects of opposition unity weakened further when a BNF special congress in May endorsed Boko's pro-BDM line, which succeeded only in driving the BCP further away. Boko seems to believe he can win political success from an alliance that excludes the BCP but few BNF activists believe it. ●

ANGOLA

Secrets are not forever

The Gaydamak case exposed details of profit-taking in the diamond business that the government might have preferred to remain unseen

Russian-Israeli billionaire Arkady Gaydamak failed to convince the London High Court he had a case against diamond-dealer Lev Leviev in mid-June (AC Vol 53 No 14). Ever since, analysts have been poring over the unprecedented detail contained in the evidence about how Angola manages its diamond trade for the benefit of certain oligarchs and members of the elite.

The court recognised Gaydamak's 'full and final' agreement to relinquish any claim on Leviev. He was urged to make the deal by Angola's presidential elite, represented by General Manuel Hélder Vieira Dias 'Kopelipa', Minister of State in the President's Office, and Carlos Sumbula, Chairman of state diamond company Endiama. Gaydamak still tried to challenge the agreement.

Gaydamak stated in evidence that President José Eduardo dos Santos had told Kopelipa to obtain the two rivals' agreement to the deal so as to avoid

embarrassment if secret deals in the diamond business were exposed shortly before the parliamentary elections on 31 August. In return, Gaydamak was granted an Angolan diplomatic passport and the right to buy US\$3 million of rough diamonds a month. This did not shut him up, though. He claimed that a \$50 mn. payment from Leviev was part of the settlement, alleging that this was due to him because of his shareholding in the Angola Selling Corporation. The judge upheld his claim that he was a hidden shareholder in Ascorp at the time, despite Leviev's denials. The judge also upheld the Angolan settlement agreement and awarded Gaydamak no money, ordering him to pay 55% of Leviev's costs.

From 2000 to 2003, Ascorp held a monopoly of the country's diamond sales. The government claimed Ascorp had been set up to ensure that diamonds were not traded from areas controlled by the *União Nacional para a Independência Total*

de Angola, then in rebellion. The United Nations was not satisfied that Luanda's controls complied with UN sanctions meant to keep UNITA diamonds off world markets, until the civil war ended in 2002. Ascorp did not meet UN requirements either; visits to buying offices produced few records of the diamonds' origins or of the sellers. In fact, if Ascorp did not buy illegal UNITA diamonds, it was because UNITA had its own trading arrangements.

Gaydamak's first known links to Angola's diamond business came when he set up Strategic Consulting Group, run by Danny Yatom, a former head of Israel's external security organisation, Mossad. Gaydamak claimed this was a cover for bringing arms into Angola, allegedly to control illegal miners. SCG failed to control them and the contract was terminated in 2001.

If Angola's public compliance with UN requirements was one motive for Ascorp's establishment, Gaydamak's evidence claimed, there were other, probably more important, motives. These concerned the enrichment of President Dos Santos's first wife, Tatiana Cerguevna Regan (aka Kukanova), their daughter Isabel dos Santos, and Gaydamak himself. Ascorp helped Leviev to become the world's largest diamond trader after De Beers. The Angolan state held 51% of the firm through the *Sociedade de Comercialização de Diamantes de Angola* (Sodiam), Endiama's selling arm. Two private companies, Welox Ltd. and Tais Ltd., held the remaining 49%. Gaydamak claimed he owned shares in Welox from 2001. The original shareholders were Leviev (who already held 18% of the Catoca mine) and two Antwerp-based traders from Omega Diamonds, Ehud Laniado and Sylvain Goldberg. These men were buyers with Research and Development Resources, which had a buying licence in Angola. RDR's known directors were Isabel dos Santos and her mother, Tatiana Regan.

This group was instrumental in setting up Ascorp, together with Noé Baltazar, ex-Chairman of Endiama and a close associate of Isabel dos Santos. Although Gaydamak claimed that Ascorp had been his idea and the judge accepted his claim, Angolan diamond sources at the time said the impetus came from Isabel dos Santos and Baltazar and the concept had been under discussion since at least 1997. The inclusion of Omega Diamonds in Ascorp tends to support these claims.

Gaydamak's involvement with Leviev was said, without corroboration, to have come about because the government of Angola owed Gaydamak money for brokering arms supplies for the air force and Leviev had been told to settle that debt. He did so through Gaydamak's shareholding in the Africa-Israel group, which he sold in 2001, a few months before

CROSS-BORDER POLLUTION

Lev Leviev's interests in neighbouring Namibia could suffer as a result of the British High Court proceedings in June, especially from the judge's critical remarks about his credibility as a witness and from revelations about the manipulation of Angolan diamond-marketing. Leviev holds majority stakes in a large Windhoek diamond-cutting and polishing factory, Lev Leviev Diamonds Namibia (LLDN), and in an offshore diamond mining company, Sakawe Mining Corporation (Samicor, AC Vol 49 No 1). Both are in trouble. The cutting factory closed at the end of June and the Namibian police have just sent a report on alleged illegal diamond sales to the Prosecutor General for a decision on criminal prosecution.

Leviev acquired the Gibraltar-registered Namibia Minerals Corp. (Namcor) for a song in 2003, when it went into liquidation after failing to service loans, including one from Leviev. He then opened Namibia's second diamond-cutting and polishing plant, in line with the government's effort to add value to its mining business.

It soon emerged that Leviev was motivated mainly by Samicor's inability to recover enough gemstones for LLDN to cut and polish. The firm blamed this on Namcor's exaggerated reserve estimates; local industry sources blamed Samicor's weak technical capacity, saying the Israeli managers appointed by Leviev lacked experience in offshore mining. Namibia's Finance Ministry intervened when it understood that it risked losing a lot of revenue; the government receives 10% of the gross value of Namdeb's sales through an export levy, which would have been cut by 50%.

Also in 2007, De Beers signed a new marketing agreement under which 10-16% of Namdeb's output is sold to approved local cutters at regular 'sights' held in Windhoek by the Namibia Diamond Trading Co. (NDTC), another government-De Beers 50/50 joint venture. Namdeb accused an Israeli employee, Gabi Shitrit, of trying to steal diamonds; he vehemently denies this.

LLDN's 150 workers were sent home, initially on full pay and from 20 July to receive one week's wages for every year of service, under an agreement negotiated by the Mineworkers' Union of Namibia. In June, LLDN was the only one of 14 local cutting firms not to have been granted new three-year sales contracts by NDTC, almost certainly because of doubts over its probity. ●

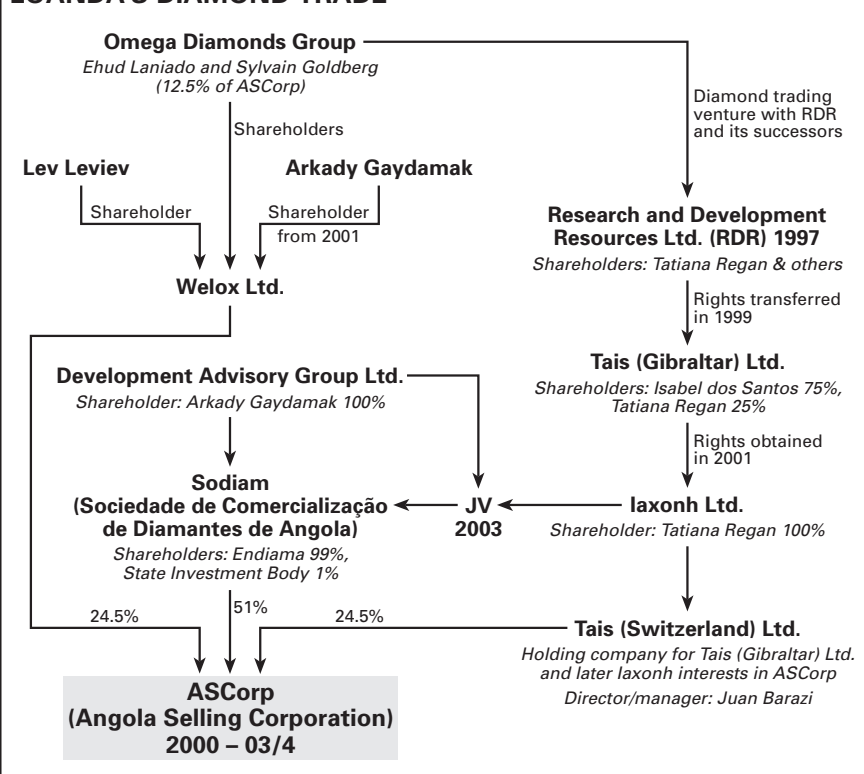
becoming an Ascorp shareholder. The inclusion of Isabel dos Santos in Ascorp was initially hidden and her company, Tais (Gibraltar) Ltd., was represented by another associate, **Juan Barazi**, who set up a shell company in **Switzerland** as the nominal shareholder (AC Vol 42 No 5).

Tatiana Regan's shareholding in Angola's diamond industry was one revelation in Gaydamak's evidence. He said that in June 2001, Tais (Gibraltar)'s shares had been transferred to Iaxonh Limited, of which she was sole shareholder, while Tais Switzerland remained the public face of the shareholding in Ascorp. He offered no evidence that Iaxonh had ended its association with Ascorp.

The government ended Ascorp's monopoly in 2003 but Gaydamak and Regan's secret involvement in Angola's diamond industry continued, according to the evidence before the court. In August 2003, Gaydamak's company Development Advisory Group Ltd. signed a service contract for technical assistance and diamond sales with Sodiam. DAG then signed an agreement with Iaxonh to market up to \$20 mn. per month of diamonds originating from Angola's formal sector. That deal was in partnership with the shareholders of Omega Diamonds, who still buy about \$150 mn. of diamonds a year from those mines.

Ascorp traded an annual average of \$700 mn. of Angolan diamonds on world markets and from 2003, when its monopoly ended, continued to buy diamonds from small diggers. Today, Ascorp (which includes Leviev and Omega, and is still headed by Baltazar), has the only network

LUANDA'S DIAMOND TRADE



of offices buying from small miners in Angola and buys about \$100 mn. of diamonds a year, according to Leviev.

Gaydamak was also involved in less successful diamond ventures. Sunland Mining Company signed a contract with Sodiam in January 2005 to buy up to \$35 mn. of Angolan diamonds monthly. Gaydamak brought the Angola Group into Sunland, with 20% of his shares in

the new company. He did not say that the Group consisted of members of the Angolan elite. He claimed that he had also signed diamond partnership agreements with **Maurice Tempelsman's** Lazare Kaplan International in a joint venture with Sodiam (AC Vol 40 No 20). From late 2004, LKI became the main buyer from Angola's artisanal miners but no longer buys diamonds there. ●

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POINTERS

Kenya

FORMER AIDE LASHES ODINGA

■ The most anticipated literary event in Nairobi in years – the launch of **Miguna Miguna's** tell-all about his five-year working relationship with Prime Minister **Raila Odinga** and their falling-out – did not disappoint. Once a student activist against President **Daniel arap Moi**, Miguna later became a key advisor to Odinga (AC Vol 52 No 3). He was sacked last August at the instigation, he alleges, of 'merchants of impunity' in the PM's office – a reference to Chief of Staff **Caroli Omondi** and Permanent Secretary **Mohamed Isahakia**.

The acolyte quickly became one of Odinga's loudest critics. A crescendo of scathing attacks culminated in *Peeling Back the Mask: A Quest for Justice in Kenya*. Within hours of the book's launch last month, it was rumoured to have sold an astonishing 5,000 copies. It contains lurid and damaging revelations about Odinga's life and entourage. Many of the allegations have proved to be little more than hearsay and Odinga's defence strategy has been shrewd: questioning the book's assertions, the author's character and the extent of his access to Odinga while he worked for him.

The Premier has been such a polarising political figure over the years that the book is unlikely to change many minds. An opinion poll showed that Odinga's ranking at the head of the queue to succeed President **Mwai Kibaki** was unaffected. It was, however, instructive that in his first public comment, Odinga alleged that the National Security Intelligence Service had sponsored the tome. Miguna himself, his friends say, would shriek at the idea of consorting with pro-Kibaki forces. Yet in the past, Kibaki's State House has frequently proved willing to sponsor projects bent on undermining the Prime Minister's presidential bid.

Congo-Kinshasa

M23 MOVES UP

■ The rebels of the *Mouvement du 23 mars* in North Kivu Province were only 20 kilometres north of Goma and looked likely to attack the town, sources there told *Africa Confidential* as we went to press. M23 fighters have prepared by training for urban warfare, we hear, while the organisation has been forcing young men to join its ranks, local civilians say. One goal appears to be to build a force that can threaten Goma without military support from **Rwanda**. Kigali continues to deny that it has ever given M23 such support (AC Vol 53 No 15).

Sources in the UN force, the *Mission*

de l'Organisation des Nations Unies pour la Stabilisation en République démocratique du Congo, also believed M23 would attack Goma. Monusco has been supporting attempts by the *Forces armées de la République démocratique du Congo* to resist the M23 advance but without success. Monusco called for two FARDC battalions to reinforce positions at Kibumba, 20 kms. north of Goma but only 300 soldiers turned up. No one believes they are likely to fight and one source in Goma says M23 plans to move in without firing a shot. Infiltrators are reported in town already. In early July, this tactic helped M23 take Bunagana.

Should M23 capture Goma, President **Joseph Kabila** will face severe embarrassment at the regional summit on the crisis in Kampala on 5 August and M23 might then be able to exact a heavy diplomatic price for withdrawing. It certainly appears to have the military strength to overwhelm the demoralised, disorganised and under-supplied FARDC troops and it is understood that the UN forces tend only to offer resistance so long as the FARDC are fighting alongside.

Tanzania

3 MN. EUROS IN THE FOUNTAIN

■ The trial for theft of Tanzania's former Ambassador in Rome, **Costa Ricky Mahalu**, has been postponed to 9 August. The alleged offence was committed in 2002 and charges were first brought in 2006 (AC Vol 49 No 13). The prosecution claims that when Mahalu purchased a new embassy in **Italy** in 2002, he and **Grace Martin**, a Counsellor at the mission, presented a false invoice for 3,098,741.58 euros (US\$3.8 million), which the government paid. The actual purchase price was 1 mn. euros and Martin and Mahalu pocketed the difference, a total of 2,065,827.60 euros, the state told Kisumu Magistrates' Court. The prosecution is demanding prison sentences and the return of the money.

The court heard sworn testimony from an Italian priest and notary public, **Marco Papi**, that Mahalu had signed a contract with him for 1,032,913.98 euros. Father Papi also testified that since the sales contract was between the selling company and an individual, he had to obtain authorisation from the Tanzanian Foreign Ministry for the contract to be valid. Observers suspect this may be how the Prevention and Combating of Corruption Bureau (PCCB) came to hear of the sale and decided to mount the prosecution. With strong encouragement from donors, President **Jakaya Kikwete** was on an anti-corruption crusade in 2005-06 and he then promised to pursue this case in particular.

Observers of the Tanzanian political scene were at first surprised that someone of such prominence could face prosecution. One source said that a key factor was that

Martin's husband, who did a lot of work for the Embassy, had found out that she was having an affair with Mahalu and gave information about the purchase to the PCCB and to Kikwete, who was then Foreign Minister. Mahalu and Kikwete were never on good terms anyway, we hear. The Ambassador had a low opinion of Kikwete's ability and tended to bypass him and reported directly to then President **Benjamin Mkapa**, the source added.

Mahalu was unable to call Kikwete as a witness, but he did call Mkapa, who testified that the purchase price was over 3 mn. euros and that two contracts were involved. However, **Matern Lumbanga**, who was then Chief Secretary of the Presidency and is now Tanzania's envoy in Geneva, said Mahalu had told him no such thing. Mahalu's defence claims two purchase contracts are necessary in Italy.

Mahalu was indicted only in 2006 and the trial was due to begin in January 2007. The case first opened in April 2007 and has been subject to numerous and persistent delays. Mahalu is a prominent academic lawyer in his own right and runs a law firm. A legal source said that the PCCB was unlikely to succeed in the prosecution, despite Mahalu's loss of high-level protection.

Ethiopia

CLASHES AT MOSQUES

■ Those attending the African Union summit in Addis Ababa on 14-16 July had their own theories for the riot police surrounding them and the generally heavy security. In fact, as the arrests throughout July made clear, Muslims threatening to disrupt the summit were the perceived danger. The authorities had warned Muslims at the Awalia Mosque not to hold a mass event on 13 July; when they persisted, over 70 were arrested. Security forces arrested leaders of Muslim organisations on 20 July. One week later, silent protests were still going on around the Anwar Mosque, the largest in the capital. Some 35-40% of Ethiopians are Muslim.

The government sees a danger from Salafist and Wahhabi preachers who have been increasing their numbers on Muslim councils and influencing the running of mosques. Some believe the government is overreacting and its efforts to control the Muslim community's selection of its leaders, such as the National Islamic Council, will be counterproductive. They say Ethiopia's Muslims have no interest in creating an Islamic state because they are outnumbered by Christians and so benefit from the country being officially secular. Radicals have been making some inroads, however, and the defenders of the government – never known for its liberalism – say it is reacting in the only way it knows how.

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BLUE LINES

The death of three incumbent African leaders in the last three months has shone a light on succession mechanisms and the adequacy of national medical services. Ghana's John Atta Mills, Malawi's Bingu wa Mutharika and Ethiopia's Meles Zenawi had vastly different political styles and ideologies and ran different political systems. Mild-mannered Mills was nicknamed 'the Prof'. Mutharika was the International Monetary Fund official turned finance minister and then Machiavellian despot. Meles was the Maoist guerrilla who overthrew a Marxist dictator before becoming a key Western ally. Both Meles and Mills had to seek medical treatment overseas because of deficiencies in local healthcare. All three countries, contrary to some foreign expectations, have engineered a constitutional succession.

All three died in office but their entourages elaborately concealed the seriousness of their ailments. In Mutharika's case, ministers insisted he was alive. Ministers assume that to admit the leader is ill is to confess to weakness, which will lead to instability. Yet when the end comes, the public suddenly learns it has been deceived. That further erodes confidence in government. Indeed, their subterfuge risks creating the very uncertainty they were trying to avoid. The taboos around sickness and death in many societies make it awkward for politicians and activists to demand more honesty about the health of their leaders – questions that are currently whispered in Algiers, Asmara, Harare and Yaoundé.

ETHIOPIA

After Meles

The Premier's death removes one of Africa's most prominent leaders and will test the unity of the country and the ruling party

The death of Prime Minister **Meles Zenawi** on 20 August has triggered a constitutional succession mechanism which he personally designed, having led the ruling Ethiopian People's Revolutionary Democratic Front for 21 years. His chosen successor, **Hailemariam Desalegn**, takes over in the first non-violent transition in Ethiopia's modern history. Hailemariam was Deputy Prime Minister, Foreign Minister and Deputy Chairman of the EPRDF.

An EPRDF Executive Committee meeting on 21 August endorsed his leadership and agreed to set aside any differences for now. He had been expected to take over only in 2015, when Meles was due to retire. The next stage is the recall of parliament to confirm Hailemariam's position as Prime Minister. Set for 23 August, this was postponed due to the funeral of the Patriarch of the Ethiopian Orthodox Church **Abune Paulos** on the same day. Now the parliamentary vote to endorse Hailemariam will take place after the state funeral of Meles on 2 September. Following that, Hailemariam will prepare to stand for the leadership at the EPRDF congress due next February and take the party into elections in 2015.

Hailemariam breaks with tradition by being a Protestant from the Southern Region, not a northern highlander or an Orthodox Christian. He is widely approved of in the party but milder than Meles and no political heavyweight. Senior officers, most of them former guerrilla fighters of the Tigrayan People's Liberation Front, will be the main power-brokers. The Chief of Defence Staff is General **Samora Yunus**, who fought alongside Meles in the 1970s and 1980s.

Many believe that the Tigrayan seurocrats have yet to decide on their longer-term view of the succession and their vision for the future. Ethiopia's commitment to the African Union Mission in **Somalia** and the campaign against *Al Haraka al Shabaab al Mujahideen* is very unlikely to change.

Meles had last appeared in public on 26 June, at a meeting with President **Sharif Sheikh Ahmed** of **Somalia**. After that, he was mostly in hospital in Brussels but doing government and diplomatic business on the telephone almost to the end. His aides and ministers created a fog of disinformation about his whereabouts, to protect his personal security, and about his actual state of health. So dense was the fog that even well informed insiders in Addis Ababa were shocked by the news of his death. Sources there say that he was recovering from an operation when he succumbed to an infection.

POWER STRUGGLE ON HOLD

No succession battle was in progress as Meles died and no serious power struggles are expected in the immediate transition. The EPRDF had already launched a process of 'generational change'. Meles had spoken of retiring earlier but was persuaded to stay on until 2015. The leadership is still nominally collective, with the party's 36-member Executive Committee theoretically able to overrule the prime minister.

The EPRDF consists of four regional parties: the Tigray People's Liberation Front, the Oromo People's Democratic Organisation (OPDO), the Amhara National Democratic Movement (ANDM) and the Southern Ethiopian People's Democratic

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THE MAN IN CHARGE, FOR NOW

Hailemariam Desalegn is a technocrat, a water and environmental engineer, and a former Dean of Arbaminch Water Technology Institute. He is from the Weleita nation in the Southern Nations, Nationalities and People's Regional State. He is not a veteran of the armed struggle but entered politics after the fall of Colonel **Mengistu Haile Mariam's** Derg in 1991; as Vice-President of the SNNPR in 2000-2002, and President in 2002-2005, he showed considerable toughness in keeping the ethnic political balance in a region of 56 ethnic groups. Nevertheless, he is often described as 'humble'.

After 2005, he became a Special Advisor to the Prime Minister, first on Social Affairs, then on Public Mobilisation and Participation. Largely responsible for restructuring and expanding the Ethiopian People's Revolutionary Democratic Front after 2005, he had a lot to do with preparing for its 'regeneration' process in 2010. A member of parliament since 2005, he was appointed Government Chief Whip in 2008 and Deputy Chairman of the EPRDF and Deputy Prime Minister in 2010. Since 2000, he has been a member of the executive committees of the EPRDF and the Southern Ethiopian People's Democratic Movement, and SEPDM Chairman since 2002. ●

Movement (SEPDM). The TPLF helped to form the other three parties but its dominance has weakened somewhat. In the middle class that has emerged under Meles, Tigrayans (with 6% of the population) have less weight than the Oromo (36%), Amhara (25%) and several other nationalities. Devolution to regional and local government structures has increased the shift of power away from Tigrayans, whose control of the police and military has been reduced in recent years. They now make up just over 18% of the army, down from well over half in the mid-1990s, and many senior Tigrayan officers have recently retired. Amhara soldiers have risen to 30% from 25% and Oromo to 25% from 21%. The Amhara opposition insists that Tigrayans run the federal government but this is no longer the case, say analysts in Addis.

A Tigrayan successor to Meles would be unacceptable, which was why Hailemariam was picked to manage the succession. He replaced the ANDM's **Addisu Legesse**, who retired under the policy of 'generational change', as Deputy Chairman and Deputy Prime Minister. The choice of his replacement was between Hailemariam and **Demeke Mekonnen**, the new ANDM leader, who was supported by his own party, while Hailemariam got the votes of the SEPDM, TPLF and much of the OPDO. The TPLF

seems to have calculated that a southern candidate would provide a balance between the Amhara and Oromo peoples and thus preserve Tigrayan influence; the ANDM wanted Demeke to come out on top, restoring the Amharas' 'rightful' place as traditional rulers of the country.

Many in the OPDO wanted an Oromo Prime Minister, because they inhabit the largest regional state, are the largest ethnic group and contribute the largest mineral and agricultural resources. However, the OPDO had no acceptable candidate and stood by Hailemariam largely because he is not Amhara. Some analysts, though, say the TPLF could yet decide to assert itself in the EPRDF, through its still substantial dominance of the security establishment. Tigrayan politicians may allow further democratisation in society and within the EPRDF but are likely to use their dominance of the security establishment to ensure that the reduction of their political and financial influence is mitigated, one source told *Africa Confidential*.

The big problem is inflation, which persists – as does economic growth, for the past eight years at 10%-plus, according to the government, or 8.9%, according to the International Monetary Fund. Growth is unlikely to hit the planned 14% target.

Twenty years of EPRDF rule have not abolished ethnic feelings and factions. A big TPLF split in 2001 involved dissenters

from Tembien and Enderta against the areas of Adua, Axum and Shire, from which Meles came. Some analysts think that the dissenters will return to prominence now that Meles is gone and may move against his widow, **Azeb Mesfin**, a former fighter and powerful businesswoman controlling several large companies.

Regional differences linger in the ANDM. Politics in the south reflect rivalries among its 56 ethnic groups; the Sidama people want their own state; the Wolaita are their traditional competitors; the Gurage and the Silte were recently recognised as a separate nationality. Hailemariam, a Wolaita, remains Chairman of the SEPDM, while the State President and Deputy Chairman of the party is **Shiferawu Shigute**, a Sidama. Another significant southern figure on the federal stage is **Redwan Hussein**, who is Silte. There is little agreement on how to include people from other nationalities, such as the Afar or the Somalis.

Meles had hoped to turn the EPRDF into a nationwide party but the idea appears to have been shelved. 'Generational change' will be discussed at a forthcoming congress, postponed until early next year. In the ANDM, some suspect that the newer recruits are not properly committed to the party's ideology. With **Bereket Simon**, Minister for the Government Communications Affairs Agency, about to retire, and **Kassa Tekleberhan**, Speaker of the House of Federation, likely to go in 2014-15, some Amhara believe the party will be under-represented at senior federal level.

The OPDO has both religious and regional problems, with tussles in the Supreme Islamic Council, whose elections start on 26 August. The Oromo Regional State spans evangelical Christian and Islamic areas, and the divide is reflected in politics. The rivals for the OPDO chair in 2010 were **Alemayehu Atomsa**, from largely Christian Wollega, and **Mukhtar Kedir**, an advisor to the Prime Minister, from largely Muslim Jimma (AC Vol 51 No 18). Despite Meles's support, Mukhtar ended up as Deputy Chairman and Alemayehu took the chair of the party and the presidency of the region. ●

SOUTH AFRICA

The Marikana massacre

The ANC's anti-Zuma faction tries to use the shootings to help depose the President

Senior politicians, not least of all President **Jacob Zuma**, are failing to deflect public anger about the massacre of 34 miners by police on 16

August at Lonmin's Marikana mine in Rustenburg. Jacob Zuma's bid for re-election as President of the governing African National Congress at the crucial

Mangaung congress in December could be another casualty of the tragedy. Senior ANC members have substantial investments in Lonmin and have failed to find a voice over the disaster, as has the official trades union movement.

The most devastating mass killing since the end of apartheid, Marikana could prove a defining moment in post-apartheid history. Its impact could rival that of the police killings in Sharpeville in 1960 or the government's slaughter of schoolchildren during the 1976 Soweto

uprising. Police said 78 people were injured and 259 arrested after a week of violent protests. Ten people, including two policemen and two security guards, had been hacked to death at the mine the week before. Behind the unrest lies growing divergence between grassroots labour activists and the National Union of Mineworkers (NUM), now a pillar of the establishment (see Box).

MALEMA SEIZES THE DAY

President Zuma rushed back from the Southern African Development Conference summit in Maputo, **Mozambique**, to address the crisis but that has not done him much good. He was accused of returning only to meet 'the bosses', in contrast to the expelled ANC Youth League leader, **Julius Malema**, who rushed to the mine, without police escort, to make common cause with the miners and mobilise feeling against Zuma (AC Vol 53 No 8). 'Julius Malema is the only one who cares about us,' the local press quoted some workers as saying. Zuma says that 'political forces' were behind the events.

Zuma's opponents are blaming the crisis on his leadership. Senior backers of rival presidential contenders, the Deputy President of both country and party, **Kgalema Motlanthe**, and the Housing and Settlements Minister, billionaire **Tokyo Sexwale**, are also echoing the 'failed leadership' line. Crises like this, they say, are routine and will continue if Zuma has another term.

Zuma is battling for his political life and he can be sure of full support only from his native KwaZulu-Natal Province. Insiders say he has lost the backing of a majority of the ANC National Executive Committee and many senior civil servants. The second-largest province, Eastern Cape, is also showing signs of moving away from him.

At the same time, Zuma's opponents accuse him of using dirty tricks to ensure victory at Mangaung. Last week, pro-Zuma leaders in the Eastern Cape dissolved the party's second-largest district, O.R. Tambo, declaring the election void after it produced a pro-Motlanthe leadership. Zuma succeeded only in further outraging party members by appointing his running mate, ANC General Secretary **Gwede Mantashe**, to resolve the dispute.

The massacre may also harm the ambitions of another presidential contender, **Cyril Ramaphosa**, the business tycoon who was formerly General Secretary of both the NUM and the ANC. Through a trust, he has shares in Lonmin, which was once part of **Roland 'Tiny' Rowland's** Lonrho, and sits on the board. His critics say that as an owner, he should take responsibility

for the massacre. When he pledged 2 million rand (US\$240,000) towards the victims' funerals and medical costs, Malema said it was 'bribe money', pointing out that Ramaphosa had only recently bid R19.5 mn. (\$2.4 mn.) for a buffalo cow at an auction.

Zuma has set up an inter-ministerial committee to probe the massacre. Its members are Home Affairs Minister **Nkosazana Dlamini-Zuma**, Defence Minister **Nosiviwe Mapisa-Nqakula**, Mineral Resources Minister **Susan Shabangu**, Labour Minister **Mildred Oliphant**, Police Minister **Nathi Mthethwa**, State Security Minister **Siyabonga Cwele**, Health Minister **Aaron Motsoaledi**, Social Development Minister **Bathabile Dlamini**, Cooperative Governance Minister **Richard Baloyi** and North-West Premier **Thandi Modise**.

The committee has been asked to propose how to assist the families of those who died or were injured and to use the Commission of Conciliation, Mediation and Arbitration to help to resolve the wage dispute between Lonmin and its workers. Zuma's opponents say the panel is made up of Zuma's supporters and is sure to absolve the government and police of any wrongdoing. Malema told his supporters: 'I do not trust Zuma. The police must investigate this, not some

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politically motivated commission.' Zuma's new National Police Commissioner and close ally, **Riah Phiyega**, hastily cleared the police of blame.

'On the same day that President Zuma declared a week of national mourning, Riah Phiyega remarked that police officers should not be sorry for the deaths of the 34 protestors at Marikana. This shows a gross lack of empathy,' said **Dianne Kohler-Barnard**, the opposition Democratic Alliance's shadow Police Minister.

Local police officers were reported as saying they had been instructed to use 'maximum' force. Zuma has commended a police policy of 'shoot to kill' and 'ask questions later' to curb high crime rates. On 21 August, Malema led Marikana residents to the local police station to lay murder charges against the police. ●

BATTLE OF THE UNIONS

The dispute at the Lonmin mine is as much about rivalry between the Association of Mineworkers and Construction Union and the National Union of Mineworkers as about wages. The AMCU has been cutting into the NUM's dominance in the platinum mines around Rustenburg and Brits in North-West Province for some time. The roots of the rivalry go back to 1998. African National Congress General Secretary **Gwede Mantashe** was General Secretary of the NUM in the late 1990s. He is now an ally of President **Jacob Zuma** and running on his electoral slate for December's ANC Congress at Mangaung. His opponents have been trying to prove he is in the 'pocket' of the mine companies since he opposes nationalisation. The Marikana events are a gift to them.

While General Secretary of the NUM in 1998, Mantashe disciplined a popular local North-West Province branch Chairman, **Joseph Mathunjwa**, and later expelled him from the Union. In September 1999, Mathunjwa led a strike at Douglas Colliery. He was sacked and the workers went on strike to secure his reinstatement; after two weeks, management relented. The NUM, however, expelled him for 'bringing the union into disrepute'. An NUM inquiry, however, revoked the decision and found Mathunjwa innocent, much to Mantashe's dismay. The two men had clashed before in a dispute over NUM financial management. Mantashe then called his own inquiry and expelled him regardless. That was when Mathunjwa, claiming the NUM leadership had been bought by the employers, formed the AMCU. Ever since, the NUM has been trying to prevent the AMCU from winning bargaining rights with employers, including at Marikana.

Now the struggle between the unions threatens to engulf the NUM's parent body, the Congress of South African Trade Unions (Cosatu), as well as the ANC. The NUM is Cosatu's biggest and richest affiliate and critical to the prospects of the leadership candidates at the Mangaung congress. The NUM is split between supporters of Zuma and the faction supporting ANC Deputy President **Kgalema Motlanthe** for President. The two groups in the NUM cannot agree on how to react to the Marikana massacre, which has left the union strangely mute about an event of national importance and at the centre of its interests. The NUM vote within Cosatu is so big that its choice of ANC faction is likely to be Cosatu's. Within Cosatu's own leadership, we hear that the General Secretary, **Zwelinzima Vavi**, is aligned with the ANC's Motlanthe group, while the President, **Sidumo Dlamini**, favours Zuma. Vavi and Dlamini are not on speaking terms. ●

KENYA

A rough, tough battle ahead

The hopes are high and the dangers are clear: Kenya's politics fail to match its economic success

With eight months before President **Mwai Kibaki** retires, Kenya faces several major challenges, all of which it must meet in order to negotiate a peaceful and legitimate transition to a new leadership and new constitutional structure. The economy continues to grow impressively. The rebuilding of Nairobi's roads demonstrates the coalition government's commitment to infrastructure investment but national politics remain dangerous. It will take care and goodwill to avoid a crisis in 2013.

The first of these challenges is the new constitution. Most of the devolved constitution which voters approved in the 2010 referendum is, on paper, clear but several pieces of enabling legislation have not yet been passed. The public-vetting procedures for key appointments such as judges are building confidence in the new structure but in other areas the future is shrouded in confusion, particularly over the role and structure of the 47 new county authorities, headed by elected governors.

This is the second time that Kenya has introduced devolution. In 1963-64, a similar regional structure was undermined and abolished within 18 months, hamstrung by opposition from the then ruling Kenya African National Union and by the continuance of the provincial administration as an alternative

instrument of central rule. Fifty years on, the same arguments are recurring. The key fault line is the role, if any, of the provincial administration, which the central government wants to retain by any means, and the structure of the new executive organisations working for the county governors.

Little has been done to prepare for the transition to devolution. The transfer of financial authority to the counties will be complex, offering central government ample opportunity to intervene. Beneath the public rhetoric of empowerment, many Kenyans believe that devolution really promises the power to keep land and jobs within the local community. The risk of ethnic fragmentation remains real. Demands for autonomy from the Mombasa Republican Council are a sideshow but anger at the unequal distribution of land and jobs is palpable, on the Coast and in the Rift Valley alike.

Another massive challenge will be the coming polls on 4 March 2013. Kenya has twenty years of experience in running multiparty general elections but these will be the first in which people vote in six polls at once: for president, senator, governor, member of parliament, women's representative and councillor. These will also be the first general elections administered by the new Independent

Electoral and Boundaries Commission. The IEBC's recent woes over the tender for biometric electoral registration, with allegations of corruption and dirty tricks leading to intervention by foreign governments and the takeover of the process by the cabinet, is partly a reflection of its newness. Yet it also reflects deliberate efforts well before polling to compromise the electoral process from within, amid real and imagined fears over rigging.

Given how important these elections are for the two leading presidential candidates, Prime Minister **Raila Odinga** and Deputy Prime Minister **Uhuru Kenyatta**, and given the fresh memories of administrative chaos and electoral malpractice in the December 2007 elections, tensions will rise between now and March 2013. Some fear that the groundwork is being laid for allegations of partisanship or incompetence by the presidential loser.

TELLTALE TRANSCRIPTS

How Kenya handles the International Criminal Court is another matter (AC Vol 53 No 8). Kenyatta and **William Ruto** are the most prominent of the four Kenyans facing trial next year for crimes against humanity arising from the post-election violence of 2007/08. The trial will be at the same time as the electoral run-off, a disastrous situation as it is hard to see either of the two presidential candidates voluntarily travelling to the Hague at this time. The case against Ruto is considered strong but the evidence the prosecution has so far disclosed against Kenyatta is far from convincing. Rumours suggest, however, that the prosecution holds inadmissible electronic transcripts of telephone calls from **Britain** or the **United States** which tell a much clearer story and which the prosecutors now need only to corroborate via admissible sources.

Both indictees seem to be betting therefore on winning the elections and somehow obtaining immunity from prosecution as a result or else copying **Sudanese** President **Omer Hassan Ahmed el Beshir's** defiance of the ICC.

For a country as reliant on external trade and tourism as Kenya, a pariah president would be an economic and political disaster. With so much at stake, the incentive to cheat or to resort to violence in the elections becomes even stronger. Should Kenyatta lose or decide to stand down, it will be hard for another president to compel him to go to trial. Whatever the truth, many grassroots Kikuyu believe that their 'young man' was the only one willing to defend them in January 2008 against the anti-Kikuyu pogrom that swept western Kenya. So if he calls them, they will come. For Kenya and, above all, for Kenyatta, there are hard choices ahead. ●

ETHNIC ARITHMETIC

Prime Minister **Raila Odinga** has had an awful year. He has lost his key ally, **Wycliffe Musalia Mudavadi**, in Western province and other supporters on the Coast. He also faces damaging allegations from a once-close aide in a recent book (AC Vol 53 No 16). Despite this, he and his Orange Democratic Movement (ODM) have retained solid support from the Luo people and significant, though shakier, support nationwide. Most assessments suggest that a presidential election in which all the ten or so current candidates stand will require a second-round run-off between the top two candidates on 10 April.

Odinga and **Uhuru Kenyatta** should both poll 25-30%, with Mudavadi, **William Ruto** and Vice-President **Stephen Kalonzo Musyoka** running third to fifth. Such a second round would be an ethnically-fuelled clash between a Kenyatta and an Odinga, repeating the clashes of the 1960s between their fathers, respectively the first President and Vice-President by 1964. The result was the exclusion of the Luo ethnic group from political power for a generation. This would be a dirty, no-holds-barred contest and a 'census vote' in the parties' homelands. Yet if fought fairly, it would probably result in Odinga's victory, since most Luhya, Kalenjin, pastoral and Coastal swing voters would support anyone but another (third) Kikuyu president, especially one with as much ethnic and dynastic baggage as Uhuru Kenyatta.

As a result, Kenyatta is coming under pressure from insiders around Kibaki not to stand himself but to allow Mudavadi to take the lead. A Kikuyu-backed, Mudavadi-led ticket might well beat Odinga. Kenyatta, though, seems bent on victory at any cost and for good reason: he is betting his liberty on winning this election. ●

EGYPT

President Mursi's soft coup

The Muslim Brothers consolidate power and find some military support, while the media suffers a crackdown

When President **Mohamed Mursi** retired the two most powerful military officers on 12 August, he strengthened the Muslim Brotherhood's grip on power but the move also seems to have won support among both officers and ranks (AC Vol 53 Nos 12 & 15). It is less clear how far this military support marks a shift in ideological orientation, amid claims that some senior officers and bureaucrats are undeclared supporters of the *Ikhwan* (Brothers). Yet it certainly reflects hopes that change in the senior officer corps could spread the military's multibillion-dollar largesse more widely.

At the same time, Mursi stripped the Supreme Council of the Armed Forces (SCAF) of the powers it had appropriated before he took office at the end of June. Mursi has asserted the authority of his office and is now in control of the executive and legislative branches of government. How did this come about? Was it sheer opportunism, taking advantage of an incident in Sinai that put the army and intelligence services in a bad light? Did Mursi act alone or, if not, who was supporting him: the Muslim Brotherhood, elements in the military, or both?

The trigger for Mursi's action was the 5 August raid by a group of armed men (accused by Cairo of being jihadists) on a border post in Rafah, at the southern entry to the Palestinian Gaza Strip. They killed 16 Egyptian servicemen. They were then killed by an Israeli missile as they tried to crash through a border fence. Then on 9 August, Mursi sacked the Director of Intelligence, Major General **Mourad Mowafi**, while three days later, he announced the retirement of the Defence Minister and SCAF Chairman, Field Marshal **Mohamed Hussein Tantawi**, and his deputy and Chief of Army Staff, Lieutenant Gen. **Sami Hafiz Anan**.

His case was logical: most of the men he replaced were well past retirement age; SCAF had also reneged on its promise to hand over full powers to the elected president once he had taken office. Mursi promoted two of the youngest SCAF members – both aged 57 – the Military Intelligence chief, Gen. **Abdel Fattah el Sisi**, is Defence Minister and Lt. Gen. **Sedky Sobhy** is CoS. He also found rewarding posts for three other Council members: the Navy Commander, Admiral **Moham Mamish**, is head of the Suez Canal Authority; the Air Defence chief, Lt.

Gen. **Abdel Aziz Seif el Din**, is head of the Arab Organisation for Industrialisation, a military industrial holding company; and the Air Force Commander, Air Marshal **Reda Mahmoud Hafez**, is Minister of Military Production. So Mursi preserved the structure of the military and its relationship with the civil authority. Senior officers accepted the reshuffle, even if Tantawi and Anan didn't. One local newspaper said they had been arrested.

DISILLUSIONED REVOLUTIONARIES

Not everyone is happy that Mursi has asserted himself. There is disquiet, in particular among the ranks of disillusioned revolutionaries. They worry that Mursi has accumulated excessive powers, ultimately to the benefit of the Brothers, and could substitute an Islamist dictatorship for a military one. Sisi is widely described as a closet MB sympathiser, despite little hard evidence, giving rise to fears that the Brotherhood is seeking to worm its way into the military establishment.

Similar accusations are levelled against Mursi's moves on the judiciary. **Mahmoud Mekky**, his choice as Vice-President, is a judge who campaigned vigorously to protect the independence of

the judiciary during the era of President **Mohamed Hosni Mubarak** but he, like his brother **Ahmed**, the new Justice Minister, is considered close to the Brotherhood.

This coincides with a crackdown on the media. State prosecutors have filed criminal charges against two journalists, **Islam Afifi** and **Tawfiq Okasha**, and confiscated copies of the Cairo-based opposition *ELDostour*. Afifi edited an edition of *Dostour* – owned by the liberal *Wafd* party – that claimed the Brothers were leading Egypt into chaos and bloodshed and had planned a massacre if Mursi had lost the presidential election. Okasha's *Faraeen* television station also opposes the Brothers (as well as the revolutionaries), on one occasion suggesting Mursi and his allies 'deserve to get killed'. More nuanced opposition views are also under threat from the Committee of Editors, chosen by the Islamist-dominated upper house of Parliament, which has excised critical editorials from newspapers. Journalists such as **Gamal Fahmy** in the *El Tahrir* newspaper have been leaving their columns empty in protest.

Mursi could respond by making the Islamist-stacked Constituent Assembly more inclusive. He could also reinstate the lower house of Parliament by calling early polls for the entire Assembly or the one-third of seats which the Supreme Constitutional Court declared invalid. If this phase of supposedly temporary absolute power is prolonged, some Egyptians may draw the conclusion that the 12 August coup was a joint endeavour between Mursi and elements of the SCAF to lock down the political system. ●

LET THEM WEAR COTTON

One of the first challenges for Egypt's new Prime Minister, **Hisham Kandil**, was to explain the collapse of large swathes of the electricity grid in early August. In a late-night television address, he rattled off statistics about the unexpected rise in demand, the effects of high temperatures and the temporary shortfall in generating capacity. What caught the public's attention, and provoked widespread ridicule, was his plea for people to conserve energy by wearing cotton clothing and gathering in one room of their homes. Kandil's misfortune is that the energy crisis is structural and will need more than changes in domestic habits to resolve. This is just one aspect of a broader economic challenge facing a government that does not appear well-equipped to tackle it.

Electricity demand has been rising by 7% a year on average over the past decade. The Egyptian Electricity Holding Company has just about managed to cope, bringing on 1,000-1,500 megawatts of capacity per year, but the gap between peak load and working capacity has narrowed. Egypt is also reaching the limits of the finance it can obtain from development agencies for new power stations, so EEHC's medium-term plans depend heavily on private investment, which may be hard to enlist owing to political concern.

Another critical issue is fuel. Natural gas exports have fallen from a peak of 18 billion cubic metres in the mid-2000s to less than 10 bn. cu. metres last year. Oil companies are reluctant to invest in developing new fields on the basis of payments derived from domestic sales, as the whole system is distorted by subsidy. The oil companies are owed billions by the Petroleum Ministry, which in turn is owed billions by the electricity companies. Residential users make up 40% of power consumption but their tariffs are subsidised to the tune of US\$1.5 bn. a year. Reforming subsidies will be a central part of the International Monetary Fund package but it will not be effective without politically risky rises in prices for consumers, including those at the bottom of the income pile. ●

After a unifying funeral, a divisive election

After the state funeral of President John Evans Atta Mills on 10 August, it took just three days for Ghana's vituperative party politics to resume. There are presidential and parliamentary elections to fight on 7 December and the opposition New Patriotic Party (NPP) wants to waste no time on airy sentiments about bringing civility to partisan debate. It accuses the governing National Democratic Congress (NDC) of shamelessly exploiting the death of its leader and sitting President to win voters' sympathy. Yet strategists in both parties – the main contenders in the polls – are struggling to read the public mood.

After the sad loss of their President, many Ghanaians spoke of a sense of national conciliation and pride that the country could firstly organise an almost seamless political transition and then hold an impressively solemn state funeral attended by 18 heads of state and the United States Secretary of State, **Hillary Clinton**. It was the biggest public gathering in Accra for decades and entirely peaceable, and almost free from political rancour. In contrast to the accolades showered on President Mills after his death, he was one of the most maligned presidents while in office. Some of the fiercest attacks came from his own NDC

party, led by former President **Jerry John Rawlings**. When asked whether this suggested crass hypocrisy, the new President, **John Dramani Mahama** told *Africa Confidential*: 'Ghanaians admired the tolerance of not responding to some of the personal insults that were thrown at him. I saw sincerity in the grief expressed by Ghanaians... even people who vilified him suddenly realised that this man stood for something; we can take consolation in that.'

From the moment he assumed office within hours of Mills's death, Mahama made it clear he would run for election on the late President's legacy. He reiterated that in his funeral speech: 'President Mills was the embodiment of what has been missing from our politics – civility, humility in service, honesty and peace.' Peppered with allusions to Shakespearean tragedies and American political oratory, Mahama's speech reinforced his standing as national leader. Almost inevitably Mahama and the NDC will benefit from the post-funeral effect. Funerals are central to cultural life and respect for the dead is paramount. NDC officials belatedly confirmed that Mills was being treated for throat cancer. Yet his brother **Cadman**, who sits on the Economic Advisory Council, told the crowd at the burial site that Mills had died of a massive stroke. Then conflicting reports emerged about how he had been taken from the Castle to the 37 Military Hospital on the other side of Accra: one version claimed the ambulance had broken down and another that Mills had been taken to the wrong department of the hospital.

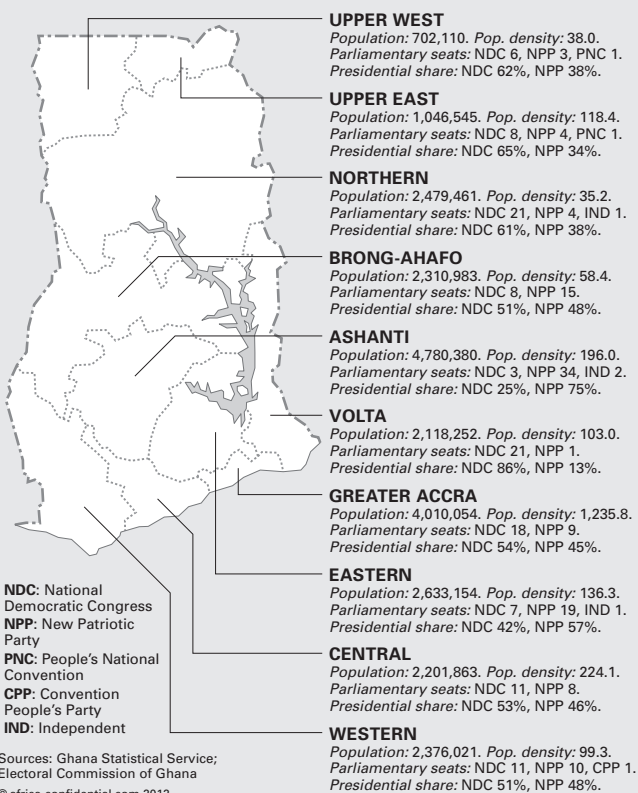
GHANA'S 2010 CENSUS AND 2008 ELECTIONS

NATIONAL TOTALS

Population: 24,658,823. Pop. density: 103.4 persons per sq. km.

Parliamentary results: NDC 114 seats, NPP 107 seats, PNC 2 seats, CPP 1 seat, IND 4 seats (total: 228).

Presidential election 2nd round party share: NDC 50.23%, NPP 49.77%.



SUSPENSION OF HOSTILITIES

For the sake of decorum, the NPP suspended its election campaigning for the duration of the mourning but then launched its first broadside against Mahama on 13 August with accusations of incompetence and corruption. Leading the charge was the NPP Chairman, **Jake Obetsebi-Lamprey**, who argued that Mahama would have to respond to charges that he was responsible for the failure of the **South Korean** STX housing programme, which he claimed put at risk tens of millions of dollars in state guarantees. These elections, Obetsebi-Lamprey insisted, were about the third NDC government 'and the incompetent, corrupt and uninspiring leadership they have provided; the gross mismanagement of the economy; the falling value of the cedi with its inherent impact on trade, from big business to the street hawker.'

Beyond arguments about oil and gas strategy, there are few substantive policy differences between the social-democratic NDC and the pro-business right-of-centre NPP. Both espouse the cause of using Ghana's new-found oil and gas wealth to kick-start an industrial transformation and massive improvements to the lamentable state education and health services. Often the NPP has the better lines: its presidential candidate, **Nana Addo Dankwa Akufo-Addo**, calls for an end to the commodity-exporting 'Guggisberg economy' (a reference to **British** colonial Governor **Gordon Guggisberg** in the 1920s, who promoted the cultivation of cash crops).

NPP loyalists make much of their party's management record: during its two terms of government in 2000-08, the economy more than doubled in size. In response, the NDC says it has presided over Ghana's elevation to a lower-middle income economy, in 2010. The NDC, particularly under Mahama, will favour a stronger role for the state-owned Ghana National Petroleum Corporation (GNPC) and the contracting of loans collateralised on future oil revenue.

It is especially keen on investment deals with **South Africa**, Asia and Latin America. By contrast, the NPP favours bringing in a major Western oil company, such as Chevron or ExxonMobil, and is committed to renegotiating the terms of the government's US\$3 billion oil-based loan from the **China** Development Bank. It would cut back the power and resources of the GNPC, insisting it would have no truck with resource nationalism.

JOBS AND EDUCATION

Both parties should concentrate on policies to create more jobs and improve education, according to successive opinion and marketing surveys in recent years. Yet the opinion poll evidence is much less clear about which candidate Ghanaians would prefer as their president. Pollsters cannot agree about how close the election will be: in 2008, Mills beat Akufo-Addo by under 50,000 votes. The latest survey published by the **French**-owned Ipsos Synovate group, based on a sample of some 1,700 voters collected in April and May this year, gives Akufo-Addo 44% against 36% for Mills, 8% for **Paa Kwesi Nduom** of the Progressive People's Party and 1% for **Hassan Ayariga** of the People's National Convention. The NDC commissioned its own Washington DC-based marketing company to interview 1,200 registered electors, also in May, and produced strikingly different results: 36% said they would vote for Mills, 35% for Akufo-Addo, 5% for Nduom and 2% for Ayariga but 23% were undecided. The pollsters tested the politicians' favourability ratings: Mills scored 64%; Akufo-Addo, 53%; Mahama, 53%; **Mahamadu Bawumia** (Akufo-Addo's running mate), 40%. Encouragingly for Mahama, he scored 20%, the lowest unfavourability rating, followed by Bawumia 24%, Mills 32% and Akufo-Addo 35%.

An important concern for NDC strategists is the popularity of Flight Lieutenant Jerry Rawlings, an avowed critic of Mills's government whose wife, **Nana Konadu Agyeman Rawlings**, challenged Mills for the party leadership at last year's NDC conference but scored under 5% of the vote. According to the pollsters, 63% of electors viewed Rawlings favourably and 26% said the same about Nana Konadu; 40% saw him unfavourably and 38% saw her likewise. A non-partisan academic calculated that if Rawlings has '50,000 votes in his pocket' (that was the NDC's margin of victory in 2008), he could cause trouble for the NDC. The party's own polling suggests that may be the case, which means Mahama would be wise to dissuade Rawlings from leaving the NDC.

Ghanaian political scientist **Emmanuel Spio-Garbrah** and his Da Mina Advisors group insists Rawlings' absence from the campaign will prove devastating for the NDC. He bases his view on census and historic voting data, along with an unspecified number of interviews in Ghana that suggest that NPP will win 52-53% of the presidential poll in the first round. Spio-Garbrah sees no sign that Mahama will benefit from incumbency, partly since he is less well known than Akufo-Addo outside Accra and his native Northern Region. Spio-Garbrah argues that the NPP will win the majority of the 45 new seats created

this year to raise the total of members of parliament to 275, with a 3-7% lead over the NDC in the parliamentary vote. Yet the NPP appears not to share Spio-Garbrah's view: it condemns the increase in constituencies as NDC gerrymandering and opposes the recall of Parliament to vote on the matter.

Much will depend on how Mahama takes to the presidential role. Coming from the Upper West Region, he can be relied on to give the NDC's traditionally strong vote in the north a further boost; the NDC's massive majority in the Volta Region is unlikely to be hit by the replacement of Mills by Mahama. Most problematic for Mahama will be his campaigning along the coast, Greater Accra, Central and the oil-producing Western Region. For now, Accra's support for the NDC has been buoyed by its hosting of Mills's state funeral but that could wear off faster than the party expects. Mahama has deployed his running mate and former Bank of Ghana Governor **Kwesi Amissah-Arthur**, born in Central Region, to commiserate with the local people for the loss of Mills, another local boy. Yet in Western Region, Akufo-Addo has stolen a march on the NDC by suggesting there should be some revenue-sharing formula that would recognise the Region's contribution of oil revenue to the national exchequer. Elsewhere, the NPP's majority in Ashanti and Eastern regions looks impregnable. ●

THE FIRST OIL ELECTION

The long shadow of oil and gas revenues falls across what is set to be Ghana's most expensive election campaign in history. International oil companies are under particular scrutiny for signs of partisanship towards one of the two main parties. Oil in Ghana has been partisan from the start with the rival National Democratic Congress (NDC) and the New Patriotic Party (NPP) claiming credit for the exploration that launched the industry.

An added complication is that two of the oil companies operating in Ghana – **Ireland's** Tullow Oil and the **United States'** Kosmos Energy – are in talks about selling equity to much bigger companies in Asia, the Americas or Europe. They are doing so as figures emerge of lower output from Ghana's Jubilee field – between 60,000 to 80,000 barrels per day – than the 120,000 bpd forecast for the end of the year. Officials in Accra raise questions about the companies' technical capacity to manage their deepwater fields.

Now both sellers and buyers are trying to calculate how the December elections will affect the sale price. Tullow, which owes much of its phenomenal growth into a £12.5 billion (US\$19.9 bn.) company over the past decade to its initial exploration success in Ghana, now has operations in **Uganda, Kenya, Ethiopia, Mauritania and South Sudan**. But it wants to sell some equity to finance expansion in Ghana and elsewhere in Africa and the Americas, according to senior industry executives in Accra. They say that Tullow is in talks with **China's** Sinopec about the sale of 10% of its 50% stake in the Tweneboa field but add that this will not mean a lessening of the country's overall interests in Ghana. Sinopec, which is a mainly onshore company in China, is already working on a project to pipe and process gas from the deep offshore Jubilee field, and Tullow is working alongside the China National Offshore Oil Corporation in Uganda.

Kosmos's position is more complex. The NDC government's blocking of the company's efforts to sell its equity via a confidential deal to the USA's ExxonMobil in 2010 left bitterness on both sides. The contentious issues – that Kosmos granted 3% equity in its block to the EO Group, a company close to the opposition NPP, and disputes over access to Ghana's national geological data – had ostensibly been resolved. Then Kosmos abandoned efforts to sell its equity, and changed its business model from a 'find and sell' oil company to a production and marketing company.

However, after its share price fell from a high of \$16 a share in New York in November 2011 to about \$9.5 this month, Kosmos is again under pressure to sell. This time, its investors – private equity firms Blackstone and Warburg Pincus, who control 90% of the company's shares – are leading the search for a buyer. First choice, we hear, is USA's Chevron but BP, Shell and **Norway's** Statoil are also watching closely. So is the China Investment Corporation, which has a \$3 bn. stake in Blackstone and could either buy Kosmos in its own right or in conjunction with Sinopec.

After its last row with the NDC government, Kosmos may prefer to wait it out until after the December elections. In the meantime, it faces a class action suit alleging securities fraud against investors in its initial public offering in May 2011 which claims the company failed to disclose vital information about its production problems in Ghana. Although Kosmos energetically rejects such claims, the litigants say they are preparing to demand disclosure of documents detailing Kosmos's troubled history in Ghana. ●

SIERRA LEONE

The case against Sam-Sumana

Claims of illegal foreign political donations could force President Ernest Koroma to drop his running mate in November's elections

United States businessmen are accusing Vice-President **Samuel Sam-Sumana** of diverting commercial investments worth hundreds of thousands of dollars into campaign funds for the All People's Congress (APC) in the 2007 elections. If the businessmen are proved right, Vice-President Sam-Sumana's conduct would be a clear breach of Sierra Leone's electoral law, which explicitly bans foreign political donations.

Missouri-based businessman **Ed Sandridge** set up the Taakor Tropical Hardwoods company in both the USA and Freetown in 2006 and contracted a forestry concession from the Forestry Division of the Agriculture Ministry in July 2007. Between June 2007 and January 2008, Sandridge paid \$430,000 by wire transfer, copies of which AC has seen, to Sam-Sumana and his associates in quest of more concessions. Sandridge claims that the money he sent was used by Sam-Sumana in the APC campaign, which was then in full flood, and not on obtaining concessions. He also gave Sam-Sumana 10% of the company shares. Sandridge received nothing in return, he says.

The allegation increases the pressure on President **Ernest Bai Koroma** to find a new running mate for the November election because it comes hot on the heels of an accusation by another US business person about similar, earlier business dealings. Minnesota-based **Mark Heiligman** said he and his backer had invested with Sam-Sumana in the United Diamond Mining Company in Sam-Sumana's home town of Koidu from 2001 (AC Vol 53 No 16). Heiligman's backer, a large-scale Minnesota used-clothes retailer called **David Kloeber**, lost over \$1 million in payments to Sam-Sumana, Heiligman says.

After inundating both the vice-presidential and presidential offices with e-mails demanding redress during 2010, Heiligman finally published an open letter in late July this year in *The New People*, a newspaper supporting the opposition Sierra Leone People's Party. The letter accused Sam-Sumana of stealing the funds. Sam-Sumana denied this, although he admitted he had been in business with Heiligman in the United Diamond Mining Company (UDMC), as referenced on Sam-Sumana's current official website. Sandridge told *Africa Confidential* he had made his substantial cash advances to

Sam-Sumana so that Taakor could obtain logging concessions from paramount chiefs in Kono District.

Sam-Sumana's late father was a chief in Kono, Eastern Province. Prior to the election, Sandridge did obtain one major logging concession from the government, in Tama-Tonkolili Forest Reserve in July 2007 but Taakor was never able to exploit it because a logging ban was imposed in November that year and Taakor could not ship the logs that were ready for export. The government lifted the ban temporarily in July 2008 but Sandridge was unable to export any timber before it was reimposed, permanently. He says the entire stock he had ready for export was then either stolen or it rotted away.

INVESTMENT LOST

Sandridge says that both Sam-Sumana and Koroma personally made promises to him and two of his business partners, **Mark Beasley** and **Jim Weller**, in early 2008. 'They personally assured me and my partners that the logging ban was temporary, so we continued to invest. But the ban became permanent, and I lost millions of dollars,' he says. This May, Sandridge sued the government in Freetown. On 4 July, Taakor won a default judgement against the government for breach of contract and damages over the official Tama-Tonkolili forestry concession.

The amount of the damages has yet to be set by a judge and Sandridge is in the process of compiling a full schedule of his losses. He says that he and his fellow investors have lost \$17.5 mn. and much of the heavy equipment he imported to work the concession – including two bulldozers and a dump truck – has been appropriated by road contractors. Sandridge says that Sam-Sumana was using the plant to build himself a house in Freetown. He managed to get some equipment to **Liberia**, where he is engaged in timber operations.

The schedule of Sandridge's payments to Sam-Sumana show \$125,000 going to his account at the Rokel Commercial Bank in Freetown in the two months prior to the 11 August elections (see Box). In the same period, a further \$75,000 went to **Momoh Konteh**, who was to become an aide in the vice-presidential office after the poll. Konteh has admitted that he was a conduit for the money, which he passed straight to Sam-Sumana for electoral expenditure

(although we hear he was unhappy to be allowed to keep only \$500 for himself). Konteh was later secretly filmed accepting \$2,000 from undercover journalists in a sting operation by the broadcaster *Al Jazeera English* in 2011, unrelated to the Sandridge affair. The journalists posed as loggers interested in illegally exploiting the forest. Konteh is currently on trial in Freetown with another vice-presidential aide, **Alex Mansaray**, on bribery charges arising from the broadcast.

Although the APC won a big majority in parliament in the 2007 elections, Koroma failed to cross the 55% threshold necessary for outright victory in the presidential contest, leading to a run-off in September. This meant the APC had to spend more. On 15 August that year, Sandridge sent a further \$30,000 to Sam-Sumana. He also asked Heiligman and Kloeber for money at the same time.

Kloeber loaned Sam-Sumana \$34,000 after he openly told Heiligman that he needed it 'for the presidential run-off'. Kloeber and Heiligman had decided to make the loan, said Heiligman, in the dim hope that it might help them to get their \$1 mn. back or allow the diamond-mining project to go ahead. Sam-Sumana has admitted borrowing the money but claims that he repaid it in full, which Heiligman and Kloeber deny. On 25 July 2012, Sam-Sumana appeared at a press conference to deny Heiligman's accusations. He produced a letter purportedly from Kloeber and written the day before, in which Kloeber dissociated himself from Heiligman's charges and expressed warm regards for the Vice-President. The letter was not signed and lacked any letterhead, even though a Kloeber company name was printed at the top. Heiligman says it is a crude forgery.

The money kept on coming. On 24 September 2007, less than a week after Koroma and Sam-Sumana had been sworn in, Sandridge wired \$100,000 to Sam-Sumana's account. He believed it was needed to buy out a logging concession in the Nimini Hills Forest Reserve belonging to a Greenway Timber Company. Asked why he continued sending money to Sam-Sumana, Sandridge says that he and his investors derived confidence from his new status as Vice-President and they had already obtained one legal, government-authorised concession at Tama-Tonkolili.

Another payment followed in January 2008, of \$100,000 to **Martin M. Gborie**. This was to complete, as Sandridge believed, the buy-out of Greenway Timber's concession. He says Sam-Sumana told him to pay Gborie, his nephew. Gborie would ensure the payment went to Sam-Sumana's uncle, who was the Paramount Chief holding the logging rights. According to Sandridge's bank documents, the money went by wire transfer on 25 January 2008

to a Commerzbank account in Frankfurt for forwarding to a Guaranty Trust Bank account, numbered 2012019323210. Sandridge heard no more about the money or how it was used. It was his last wire transfer to Sam-Sumana and his associates. It is only now, after years of seeking redress privately, that Sandridge has gone public. He says, 'I am not giving up on this.' The two US Senators for his home state of Missouri, **Roy Blunt** and **Claire McCaskill**, have taken an interest and Blunt has demanded an explanation from Sierra Leone's Ambassador to the US, **Bockari Kortu Stevens**.

Many Sierra Leoneans will be less concerned by the losses to a foreign business than about why their Vice-President is secretly taking hundreds of thousands of dollars in cash from overseas while campaigning for office, in apparent contravention of the law.

According to documents shown to *Africa Confidential* by Sandridge, Sam-Sumana also owned 10% of the equity in Taakor, although he never paid for it. The shareholding was in recognition of the role he had played in securing concessions, Sandridge says. In April 2008, Sam-

Sumana's lawyers have stated, he divested his holding in the company. Sandridge says Sam-Sumana transferred his shares in the Cyprus-based company to Martin Gborie. This was, however, eight months after he had taken office.

NO RESPONSE FROM THE VP

Africa Confidential telephoned, texted and e-mailed Sam-Sumana two days before publication, inviting him to reply to what was said about him in this article. We received no response. One day later, on 21 August, we phoned and sent the messages again. Less than an hour later, a man identifying himself as **Ahmed Kamara**, publisher of the pro-APC *Newstime Africa* website, phoned the AC office asking, 'What is *Africa Confidential*'s relationship with Ed Sandridge?' AC had never previously published Sandridge's name, which led the editors to infer that Sam-Sumana, instead of replying to our questions, had told Kamara to phone us.

Kamara went on to try to discredit Sandridge and then angrily accused AC of being 'used as a conduit by Sierra Leone's enemies'. Later on in the day, Kamara published an article on his website

SANDRIDGE PAYMENTS AND THE ELECTIONS

2007

12 June: US\$5,000 paid to Sam-Sumana.
31 July: \$40,000 paid to Momoh Konteh.
31 July: \$50,000 paid to Sam-Sumana.
2 August: \$30,000 paid to Momoh Konteh.
2 August: \$70,000 paid to Sam-Sumana.
11 August: **Polling day. APC wins parliament, but presidential run-off needed.**
15 August: \$30,000 paid to Sam-Sumana.
8 September: **Presidential run-off vote.**
18 September: **Koroma and Sam-Sumana take office.**
24 September: \$100,000 paid to Sam Sumana.

2008

25 January: \$100,000 paid to Martin Gborie.

Total payments: **\$430,000**
of which:

\$255,000 to Sam-Sumana,
\$100,000 to Martin Gborie,
\$75,000 to Momoh Konteh.

headlined '*Africa Confidential* engages in malicious propaganda to destroy the reputation of Sierra Leone government leaders'. The article made vague attacks on AC's reputation but failed to mention Sandridge or Sam-Sumana at all and repeated no part of Kamara's phone conversation with us. ●

MALI

Intervention plan revealed

The UN and Ecowas are thinking about a military operation in the north: the question is how, rather than whether

Mali's regional neighbours are planning a three-phase military intervention, according to a document from the Economic Community of West African States which *Africa Confidential* has exclusively obtained. The 'Strategic Concept' report has gone to the United Nations Security Council for consideration, where most members think the US\$410 million cost too high and the timetable too slow. The UNSC says any plan must involve the consent of Bamako, but members fear Mali's army may be part of the problem rather than the solution and could delay the retaking of the north.

Ecowas, the African Union, **France** and the **United States** are most concerned. They disagree on pace and priorities but there is broad consensus that an African force endorsed by the UN, on the model of the AU Mission in **Somalia**, is the way forward. Paris is keenest on immediate action, with Washington close behind.

The UNSC believes the Ecowas plan needs more work, we hear, so by the end of the month Ecowas hopes to hand it a detailed operational plan for its Mission in Mali (*Micema*, *Mission de la*

CEDEAO au Mali, after the Ecowas French acronym). The plan sets out the reasons for intervening and outlines a timetable. It proposes a force of 3,245 members, to which **Nigeria** (694), **Togo** (581), **Niger** (541) and **Senegal** (350) would be the biggest contributors.

LOW MORALE AND BIG EGOS

Transitional President **Dioncounda Traoré** is making progress towards a new political consensus in Bamako and could be amenable to a regional force, but his Defence Minister, Colonel **Yamoussa Camara**, told a meeting of Ecowas commanders on 9-13 August that it should not take the place of the Malian army in reconquering the north. Yet the Ecowas plan lists some of the army's problems as a 'collapsed command and control system ... low morale ... infiltration by extremist elements ... corruption ... internal schism and cleavages ... ill-equipped ... and misplaced professional ego/pride'. Its lack of capacity to fight the jihadists seems to be rivalled only by its injured pride if anyone else proposes to do so.

Ecowas recognises the dilemma. The

longer the wait before the Islamists are challenged, the better dug in they become and the more the area becomes a hub for terrorism and crime. Important differences remain among the international actors. The USA initially questioned the feasibility of military action after its own painful lessons in **Iraq** and **Afghanistan** but has now revised its view due to the seriousness of the jihadist threat in the Sahel.

Ecowas proposes that after a final round of planning the initial *Micema* deployment to Bamako and other towns in southern Mali take place in October-November, with a strike force complete by January 2013 and the campaign to recover the north launched from February. The US fears that four months could become twelve, allowing the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO), *Ansar Eddine* and *Al Qaida* in the Islamic Maghreb (AQIM) an unacceptable amount of time to consolidate.

If Ecowas is too sensitive to the Malian army's pride, **South Africa** fears a premature offer of military aid – or any hint of accommodation with Captain **Amadou Haya Sanogo** and the other 22 March putschists – would be seen as a retreat from the policy of zero tolerance of military coups. President **Jacob Zuma** was forced to give way to Ecowas over the crisis in **Côte d'Ivoire** last year. With former Foreign Minister **Nkosazana Dlamini-Zuma** now heading the AU Commission, South Africa will expect its voice to count for more. If Ecowas is thinking of a fudge in Mali, South Africa will work against it,

even though the putschists have hitherto reacted aggressively to any attempt to bring them fully under undisputed civilian control. Traore's 20 August cabinet reshuffle saw no substantial change in the civilian/military balance. The new Foreign Minister, **Tiémán Coulibaly**, is one of the anti-coup politicians, but pro-coup soldiers have retained all the security posts.

One thing on which Ecowas and the AU do see eye-to-eye is the regional mediator, **Burkinabè** President **Blaise Compaoré**. He recently despatched his Foreign Minister, **Djibril Bassolé**, to Gao to negotiate with the MUJAO. Ecowas Chairman Ivorian President **Alassane Dramane Ouattara** has taken this as a slight, despite their previously warm relations, because he had already tasked Nigerian President **Goodluck Jonathan** with this job. Compaoré has his own long-term interests and connections across the Sahel, which stirs suspicion about his unilateral approach to dealing with the various Malian factions.

The UN Department of Peacekeeping Operations has raised strategic questions about the Ecowas plan, according to a source in New York. It worries that the plan does not take sufficient account of

humanitarian issues and the collateral damage from an assault on the north.

Elected in May, France's new President, **François Hollande**, has made Mali a top priority and has stood ready since early in his term to help provide logistical and other practical support to an Ecowas intervention. France's role in the Ivorian crisis helped its international image. Support for Ecowas is the mantra in Paris and while France takes the lead for Europe on Mali, it is more likely to side with the UNSC than Ecowas if they clash on what to do. Privately, France believes it is unrealistic to imagine a military reconquest of northern Mali could be straightforward.

Success, and reunification, would involve at least some negotiation. Nevertheless, it also believes it will be necessary to subjugate the most hardline jihadists, especially those that are not Malian, such as AQIM and MUJAO; they would have no role in a national political settlement. Both France and the USA have practical experience of working with Ecowas forces. The US Africa Command has staged regular 'Flintlock' joint training exercises in the Sahel, while France has a long-established support programme for

African peacekeeping/enforcement, the *Renforcement des capacités africaines de maintien de la paix* (Recamp), with pre-positioned supplies at a base in Dakar.

UNSC members want the approach to include non-Ecowas regional neighbours, specifically **Algeria**, **Mauritania** and **Morocco**. Frosty relations between Algiers and Rabat could be an obstacle, but Mauritania would be a key participant in any military plan. Rabat is probably alone in desiring the appointment of a UN Special Envoy and full political dialogue with the armed groups.

Algiers talks tough and did set up a regional anti-terrorist command centre in Tamanrasset, in Algeria's far south, along with other Sahel governments (AC Vol 45 No 4). Yet it has much to lose from militants fleeing Mali for Algeria, not to mention an influx of refugees. Although Nouakchott has in the past staged hot-pursuit raids on AQIM in northern Mali, President **Mohamed Ould Abdel Aziz** recently said his forces would not join any Ecowas intervention. This does not mean, however, it would opt out, but political differences within the region and its organisations could well dim the prospects of early action to reunite Mali. ●

ANGOLA

The MPLA plans a landslide

Amid private jitters at the top, the ruling party is pulling out all the stops to ensure an overwhelming election win

The *Movimento Popular de Libertação de Angola* (MPLA) is pouring millions into a lavish campaign to ensure overwhelming victory in the general elections on 31 August. The team behind President **Dilma Rousseff's** victory in **Brazil** last year is in charge, we hear. Inducements include not just free beer, chicken and T-shirts but even free vehicles for religious groups, apparently to help them to encourage people to vote.

The saturation campaign runs across print and electronic media, especially those with youth appeal. Luanda's old guard professes confidence but is privately rattled by recent protests by young people and calls for President **José Eduardo dos Santos** to stand down; it enlists popular singers to draw crowds to its rallies, and pledges more jobs and university places. The government was disturbed by recent, unprecedented demonstrations by former soldiers who claimed they had been cheated of their pensions, and has promised an immediate high-level review. It has also given extensive media coverage to ex-soldiers who claimed opposition

parties had egged on the protestors. Winning is not enough. The message from the top is that the MPLA must garner as many or more votes than the 82% it won in 2008. Having never been formally elected in his 33-year rule, Dos Santos sees this vote as a referendum on his legacy. He cannot afford to end up looking weak.

A BIGGER BIRTHDAY BASH

The celebrations for his 70th birthday, three days before polling day, will work in the party's favour, it hopes. His birthday is always an event with seminars praising his leadership skills and his role in the peace process. This year it will be bigger still with football cups, concerts, television advertisements and poster campaigns reminding electors how much they have to lose if they do not vote in the right way.

The opposition claims that the MPLA is preparing to rig the ballot. The conventional wisdom is that the MPLA did so well in the 2008 polls because a nervous public wanted to avoid more war at all costs, and choosing the MPLA was the best way to achieve that. However, the

main opposition party, the *União Nacional para a Independência Total de Angola*, claimed that millions of extra ballot papers had swung the elections. UNITA says it chose not to challenge the results for the sake of national reconciliation. This time around it is different.

The UNITA leader, **Isaías Samakuva**, has called a nationwide protest on 25 August against electoral interference by the government, saying his party cannot let the elections go ahead with preparations as they stand. He is not calling for a boycott but hopes a protest will make the electoral commission address the issues he has raised. Civil society groups are also anxious, particularly about the delivery and counting of ballot papers, which they saw as the main problem in 2008.

Despite a legal requirement (and a promise) to do so, the government has not published the electoral register, which it, rather than the electoral commission, compiled. Nor has it published details of the third-party audit required by law. Other concerns abound, among them that polling may be allowed after nightfall, even in areas without electricity. There are rumours that plain-clothes security officers will staff polling stations. Brigadier Samakuva's concern about this threatens to attract swathes of radical youths who, although anti-establishment, have so far shown no formal political affiliation.

The *Comissão Nacional Eleitoral* (National Electoral Commission) maintains the vote will be fair and transparent, and

claims the opposition invents problems to divert attention from its lack of policies. 'The fact that the MPLA is defending the CNE tells you all you need to know,' said one civil society activist. 'The whole thing is cooked and even the Constitutional Court, which is supposed to be the final arbiter, has admitted privately it must do what it is told.'

There will be no observers from the European Union, which is claiming poverty after so many election missions in North Africa and the Middle East. Angola was no longer a major priority, a senior EU official told *Africa Confidential*, since its last elections had been peaceful. It is leaving the field to monitors from the Southern African Development Community and African Union. The presence of **Cape Verdean** former President **Pedro Pires** at the head of the AU mission is allaying few fears, even though he won the prize for good governance, founded by **Sudanese** magnate **Mohamed Ibrahim**, in 2011.

Neither Angola's regional allies and neighbours nor the EU – former colonial power **Portugal** in particular – seem to have any desire to disturb an economic powerhouse on which they already depend or at least have hopes of doing business with. Civil society groups intend to monitor the elections, counting the voters leaving polling stations. Such counts have helped to discredit attempts at ballot-stuffing in various countries. Where MPLA support is not strong, such as in UNITA's southern strongholds, violent clashes between rival supporters, including several deaths, have been reported, with claims that troops have been deployed to intimidate

THE OTHER CONTESTANTS

After 2008's electoral drubbing, the *União Nacional para a Independência Total de Angola* (UNITA) is now far better organised, winning respect for its sustained pressure on the electoral commission, and surprising even itself with the turnout at its rallies. Yet it faces stiff competition for the position of second party from the new kid on the block, the *Convergência Ampla de Salvação de Angola-Coligação Eleitoral* (Broad Front for the Salvation of Angola-Electoral Coalition). Formed less than six months ago by the charismatic **Abel Chivukuvuku**, a close associate of the late **Jonas Savimbi** when he led the UNITA rebel movement, CASA-CE claims to offer a 'third way' for Angola. The MPLA initially dismissed it as insignificant but was happy to offer Chivukuvuku plenty of state media space, to split the opposition vote and to report delightedly on how many supporters it was taking from UNITA.

The game changed, however, when Chivukuvuku's popularity became apparent, particularly among younger electors, and he shrewdly brought on to his ticket retired Admiral **André Gaspar Mendes de Carvalho 'Miau'**. He is a son of **José Mendes de Carvalho**, one of Angola's most respected nationalists, and while Mendes Junior was not politically active, his alliance with Chivukuvuku suggests the middle class is prepared to stand up to the MPLA. Few other parties are likely to poll well. The *Frente Nacional de Libertação de Angola*, one of the original liberation movements alongside the MPLA and UNITA, is beset by internal divisions and will be lucky to get a seat in parliament (AC Vol 52 No 25). The *Partido de Renovação Social* hopes to cling on to at least some of its eight seats, thanks to votes from its heartland, the diamond-rich Lunda provinces. The PRS campaign lacks the profile of those of UNITA and CASA-CE, as has that of *Nova Democracia*, widely seen as created by the MPLA in 2008 to split the opposition vote.

Three other parties or coalitions with no real prospect of winning seats are standing: the *Partido Popular para Desenvolvimento*, *Frente Unida para a Mudança de Angola* and the *Conselho Político da Oposição*. The *Bloco Democrático*, led by the respected intellectual and former MPLA Central Committee member **Justino Pinto de Andrade**, and the *Partido Popular*, run by human-rights lawyer **David Mendes**, were barred by the Constitutional Court from the polls due to irregularities in their lists of candidates. ●

opposition campaigners.

A boost for the opposition has come in the form of a distinctly lacklustre public performance by MPLA vice-presidential candidate **Manuel Vicente**, former head of state oil giant Sonangol and probable successor to Dos Santos. He looks out of

place among the *povo* (the people) at party rallies and awkward in the obligatory MPLA baseball cap and scarf, replacing his usual business suit. More traditional members also see him as not grounded enough in MPLA history and legend, carrying a far too corporate air. ●

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POINTERS

Zimbabwe/SADC

MUGABE'S MAPUTO SUCCESS

■ **Robert Mugabe** and his Zimbabwe African National Union-Patriotic Front (ZANU-PF) were pleased with the outcome of the Southern African Development Community summit in Maputo on 17-18 August. It had just begun when **South African** President **Jacob Zuma** was called home after the Marikana shootings (see Feature). In the absence of SADC's mediator between Mugabe and Prime Minister **Morgan Tsvangirai**, the summit fell back on anodyne resolutions.

Left unaddressed were the objections of Tsvangirai's Movement for Democratic Change faction to ZANU-PF's planned revisions to the draft constitution. There was one small consolation for **Welshman Ncube's** MDC faction: SADC leaders agreed to treat him as a principal in constitutional consultations, in place of Deputy Premier **Arthur Mutambara**. Zuma's daughter is married to Ncube's son.

ZANU-PF strategist **Jonathan Moyo** and his spin doctors swung into action. Next day, the ZANU-aligned *Sunday Mail* carried attacks on Zuma and SA's 'neo-liberal constitutionalism'. 'The only people who believe that South Africa is an enviable democracy are members of the elite in that unequal society who are creaming off the spoils of tenderpreneurship', it declared, 'while the masses sleep in shacks, earn a pittance and die like flies amid the world's biggest AIDS epidemic...' 'Zuma's mediation capacity...is now tainted and seriously compromised by the Marikana massacre beyond foreseeable recovery,' Moyo wrote. As June's deadline for Zimbabwe's constitution looms, Zuma handed the torch to **Tanzanian** President **Jakaya Kikwete**, who chairs SADC's Organ on Politics, Defence and Security Cooperation.

Madagascar

THE ROAD HOME

■ On 17 August, the Southern African Development Community failed in its third attempt to reconcile feuding Presidents **Marc Ravalomanana** and **Andry Rajoelina**. Rajoelina overthrew Ravalomanana in March 2009 and is now Transitional President (AC Vol 53 No 14). SADC's Troika, chaired by **South African** President **Jacob Zuma**, with colleagues from **Tanzania** and **Zambia**, had already brought the rivals together in July and in August. SADC wants to calm things down in preparation for a presidential election in May-July 2013, as proposed by the Independent National Electoral Commission and supported by the United Nations.

SADC had nearly decided to exclude both men from the Maputo summit,

said **Seychellois** Foreign Minister **Jean-Paul Adam**. Ravalomanana, in exile in South Africa, wants to be allowed home unconditionally but Rajoelina refuses. Ravalomanana received a sentence of life imprisonment for 'crimes against humanity' after a massacre by his security force in 2009. SADC says the verdict came from a 'kangaroo court' but it would certainly bar him as a candidate, because South Africa's National Prosecuting Authority believes there is 'reasonable evidence' of such a crime. The Troika is also upset because the ex-President's wife, **Lalao Ravalomanana**, was deported to **Thailand** when she landed in Madagascar.

The peace-makers are trying a new tack. A delegation led by South African Deputy Foreign Minister **Marius Fransman** met political, military and civil society leaders in Madagascar on 12 August to seek a way to allow Ravalomanana home without stirring instability. They hope that within three months the parties can agree on how to arrange peaceful elections next year. Nearly all the parties, except that led by ex-President **Didier Ratsiraka**, agreed such a deal last year but an advisor to Prime Minister **Jean-Omer Beriziky** told *Africa Confidential* that Malagasy politicians share a tendency to break their promises.

South Africa

RAIL TO THE CHIEF

■ Ex-President **Thabo Mbeki** has taken issue with South Africa's push to get **Nkosazana Dlamini-Zuma** elected Chairwoman of the African Union. She defeated the incumbent, **Gabon's Jean Ping**, prompting criticism that South Africa had used its position as a leading financial contributor to control the choice of the AU's top job (AC Vol 53 No 15). Mbeki's criticism will become public in a 6,000-word article for September's *The Thinker*, a magazine edited by **Essop Pahad**, his close ally and a minister in his cabinet.

Mbeki's article complains the AU focused on personalities instead of strengthening an institution he calls weak, we hear. He says African leaders should focus on problems such as Western powers' encroachment on African space, as in the toppling of **Libyan** leader **Moammar el Gaddafi** and the **French**-backed military intervention in **Côte d'Ivoire** after President **Laurent Gbagbo** refused to leave power.

Many African National Congress stalwarts are convinced that President **Jacob Zuma** has sent his ex-wife to the AU to remove her from the ANC's presidential contest at its coming national conference. Some KwaZulu-Natal ANC leaders wanted to nominate her for the presidency and other provinces were keen to have her as an alternative. Her candidacy could have placated the President's Zulu supporters, who object to his replacement by someone from another ethnic group. Some ANC

leaders in KZN fear a situation where Zuma is elected with support from KZN alone, with all other provinces opposing him. They could paralyse his second term by opposing his every move. Worse, it could lead to ethnic resentment of Zulu 'domination' of the ANC and government.

South Sudan

BLAMING THE OUTSIDERS

■ Economic crisis has fuelled anti-government protest in **Sudan** but in South Sudan, it has fuelled hostility to outsiders, real and imagined. Police in Jonglei State descend on aid agencies and businesses to root out 'fake South Sudanese'. Many legally resident Africans have been expelled and South Sudanese deemed foreign, harassed or dismissed.

Officials in some states insist only staff from that state be employed, which threatens tribal reconciliation. There is fear that Warrap State's 'community police', formed to protect cattle from Nuer raiders from Unity State, is becoming a militia beyond official control. In Pibor, reports abound of soldiers abusing Murle people (AC Vol 53 No 9). This includes rape, torture, kidnapping and crop destruction.

With 70,000-plus nationals in country, **Kenya** on 18 August sent a protest note to Juba. 'Kenyans are getting killed on weekly and monthly basis,' said Assistant Foreign Minister **Richard M. Onyonka**, blaming untrained security forces. Kenya's *Standard* blamed a wave of extortion mainly on 'elite South Sudanese citizens who have returned home after seeking refuge in countries such as Kenya, **Uganda**, **Congo**, Europe and America during the war', adding, 'Ironically, most of the illiterate and armed locals who came from the bush after the war are very friendly.'

Meanwhile, government Spokesman **Barnaba Marial** accused **American** journalist **Alan Boswell** of working for Khartoum. His publisher, McClatchy Newspapers, protested and Barnaba retracted. Denying the accusation, Boswell told us, 'South Sudan is not a welcoming environment for substantive foreign reporting,' and noted that local journalists lacked the support he had had. He had published that President **Salva Kiir** privately admitted to US President **Barack Obama** that Juba backed the Sudan People's Liberation Movement North. He could not have hit a more sensitive spot.

In June, Salva wrote to over 75 officials that over US\$4 billion had been stolen and asking them to account for their income. Caught up in the ensuing machinations was Presidential Advisor **Ted Dagne**, an **Ethiopian-American** appointed by the UN to help tackle corruption. Recent reports that he had written the letter and then 'fled' the country may have been misinformed. He was not expelled and may return soon, AC hears. His UN contract continues.

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BLUE LINES

Four African candidates are in the running to succeed France's Pascal Lamy as Director General of the 157-member World Trade Organisation. There is general agreement that the WTO's next chief should come from a developing country.

Ghana's former Trade Minister and ex-Ambassador in Washington, Alan Kyerematen, won formal backing as the African Union candidate at its summit in July. A senior member of the main opposition New Patriotic Party in Ghana, Kyerematen would be favourite to take over the party leadership should its candidate, Nana Addo Dankwa Akufo-Addo fail to win Ghana's presidential election, due on 7 December. That possibility might cool Kyerematen's enthusiasm for the WTO job.

Two Nigerians – Finance Minister Ngozi Okonjo-Iweala and Trade Minister Olusegun Aganga – have been mooted as credible alternatives to Kyerematen. Indeed, some of Okonjo-Iweala's Western friends, disappointed by her failure to win the World Bank presidency, suggest that the WTO position offers her a welcome pretext to leave President Goodluck Jonathan's problematic government in Abuja.

In South Africa, its tough-minded and radical Trade Minister Rob Davies has also been proposed for the WTO. His chances may be undermined by the rancour over South African Home Affairs Minister Nkosazana Dlamini-Zuma winning the chair of the AU Commission in July. For Africa to win at the WTO, it will have to start lobbying now and quickly unite around a single candidate.

ANGOLA

Four more MPLA years

The election victory was no landslide but the lack of foreign criticism gives Dos Santos enough space to organise a succession on his own terms

The *Movimento Popular de Libertação de Angola* won the general elections with 72% of the vote after spending more than US\$75 million on its campaign. The opposition, which took around a quarter of the votes on 31 August, is convinced fraud is the real reason for the ruling party's success. The main opposition party, the *União Nacional para a Independência Total de Angola*, claims the MPLA stuffed ballot boxes and wielded undue influence with the *Comissão Nacional Eleitoral* (CNE, National Electoral Commission, AC Vol 53 No 17). UNITA polled just under 19%, nearly doubling its tally from 2008.

For months, UNITA has accused its rival of preparing to fix the polls. It claims the government deployed undercover security officers to staff polling stations. In opposition strongholds, especially Benguela, Cabinda and Huambo provinces, many stations opened late. On 25 August, less than a week before the vote, UNITA staged a mass rally in Luanda, drawing an estimated 5,000 people to call for free and fair elections. Less than twelve hours before polling began, its leader, Brigadier **Isaías Samakuva**, demanded a meeting with President **José Eduardo dos Santos** and urged that polling be delayed. His requests fell on deaf ears.

As UNITA had predicted, some voters had problems finding their names on the electoral register and some were told they ought to be voting several hundred kilometres away in a different province. This may have been one factor in the big fall in turnout, down from 80% in 2008 to around 60%. Some analysts think the low turnout suspicious, both because this was only the third election in 37

years and because UNITA's leadership had presented itself far more effectively than in 2008. UNITA officials claim also that many of them were not given or were refused accreditation to monitor the vote and count.

Staff from local diplomatic missions were thwarted in their attempts to observe the polls. The **British Embassy**, we hear, had applied for 15 authorisations but the night before polling received only three, all for the remote Lunda Norte Province, to which a last-minute trip was not feasible.

APPLAUSE FROM THE USA

United States diplomats also struggled to get credentials. Yet on 5 September, the US State Department issued a statement applauding the parties for 'their civic engagement' in the elections while urging the government to 'investigate and address promptly all electoral complaints'. Many in the MPLA will take the statement as a de facto endorsement of their victory. There were observers from the African Union, the Southern African Development Community, Great Lakes, the union of Lusophone countries and the Economic Community of West African States, all of which gave the elections a clean bill of health.

A victory celebration – held under the guise of a belated 70th birthday party for Dos Santos, whose birthday days earlier had been an unexpectedly muted affair – was convened on 1 September, even though less than two-thirds of the results were in. The sound systems pumped on into the night at the vast pink presidential palace as the great and good of Luanda raised their glasses.

Samakuva greeted the result quietly, save

ANGOLA	2	CONGO-KINSHASA	3	BOTSWANA	4	ZIMBABWE	5	S.SUDAN/SUDAN	6
Forex windfall test		Kabila seeks succour abroad		Glittering prospects		A sickly constitution		TANZANIA	7
Supplier payments by oil companies will have to pass through the local banking system, but can it cope?		Discontent is widespread and the Francophone summit coming to Kinshasa in October won't help matters.		The government does all it can to tempt foreign investors into diamonds and other mining prospects.		ZANU-PF's Politburo interferes and throws out two years of cooperation over a new constitution.		LIBERIA	9
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for a statement late on 3 September to say UNITA was running a parallel count and considering its options. The final results are due around 15 September and UNITA is expected to mount a legal challenge. Its splinter party, the *Convergência Ampla da Salvação de Angola-Coligação Eleitoral*, led by **Abel Chivukuvuku**, won an impressive 6% of the vote despite forming only in March. CASA-CE, too, will probably submit a complaint to the Constitutional Court from which little is expected. Its judges

were chosen by Dos Santos himself.

Although there is some outrage among civil society groups, resignation is the dominant mood among the MPLA's opponents. Few believed the opposition could have won anyway. All eyes now turn to whom Dos Santos will pick for his cabinet and whether, as predicted, he will hand over responsibilities – and ultimately the presidency – to his new deputy, **Manuel Vicente**, former head of the state oil giant Sonangol and heir apparent.●

ANGOLA

Forex windfall test for banks

Oil companies will soon have to process all their supplier payments through the local financial system but will the system be able to cope?

Eight years after it was first proposed, the government is bringing in a law that will force oil companies to pay their suppliers through banks inside Angola. The Law on Foreign Exchange Regulations Applicable to the Oil Sector will provide a huge boost to liquidity levels in the local banking sector but it remains unclear if there will be many practical benefits for the local economy and how well local banks will cope with the influx of funds (AC Vol 52 No 24).

The law takes effect on 1 October and payments by oil companies may be made in dollars or kwanza. Over the next year, the measures will be gradually tightened. From 13 May, payments necessary to settle local tax bills must also be deposited with Angolan banks: until now, some oil companies have paid their tax bills via banks abroad, including in London. Then, from 1 July 2013, all payments to local suppliers must be made in kwanza. Finally, from 1 October 2013, any oil company payment to foreign suppliers or service providers will also have to be made from Angolan bank accounts.

The potential impact on the local banking sector is huge. Speaking at a meeting at the Royal Institute of International Affairs (Chatham House) in London in July, the Chief Executive Officer of the *Banco Espírito Santo Angola*, **Álvaro Sobrinho**, said that he expected US\$2 billion a month in extra funds to flow through the banking sector. The scale of the changes is a key reason why the law is only now being implemented, despite being first mooted in 2004. Oil companies and others have been concerned that banks would not be able to handle the scale of transaction involved. The government is betting that the banks will indeed cope.

The gradual process increases the chances that the law will go smoothly but not everyone is convinced it will be

problem-free. While the banking sector is generally perceived as far stronger than in 2004, some smaller banks could still struggle. At least one small bank is thought to have serious liquidity problems, says a banking source, and others may lack the institutional capacity to deal comfortably with the higher volume of transactions. 'I'd say the banking sector is better prepared than in 2004 but probably not totally prepared,' a senior accountant in Luanda says. 'Only when we see it put into practice will we know. It is a great question mark.'

IMF CONCERN AND APPROVAL

The International Monetary Fund has also raised concerns about the new law while noting potential benefits. In a statement after an Article IV consultation and monitoring mission in May, the head of the IMF's country team, **Mauro Mecagni**, said that the shift in transactions from offshore to domestic banks was 'expected to increase the scope for domestic financial intermediation and serve as a channel to promote increased competition and financial innovation'. He cautioned, however, that 'it may also result in a rapid expansion of banks' balance sheets. In order for the process of financial deepening to be sustainable, a significant strengthening of prudential supervision is advisable prior to the gradual implementation of the law.'

For now, oil companies are unlikely to alter their investment decisions because of the foreign exchange regulations. They are likely to favour Angola's larger banks with their funds. Among the main institutions expected to win out are the *Banco Angolano de Investimentos* and *Banco Privado Atlântico*, both part-owned by the state oil giant, Sonangol. Other banks well placed to capture a significant share of the funds include **South Africa's** Standard Bank (AC Vol 51 No 21), which is expanding its presence in the country,

Banco Caixa Geral Totta de Angola and *Banco de Fomento Angola*.

Sobrinho says that the entire economy could feel the benefits. 'I think this is very important for the Angola economy,' he told Chatham House. 'In terms of business, it is very important to finance the economy, entrepreneurs and the largest companies. We need to invest in some sectors. The banks need to have funds because there are no capital markets in Angola...the funds will be very important, first to the banks and second to companies, because the banks will have the necessary money to give credit for the Angola economy.'

Banks have already been making noises about boosting lending to the private sector. In May, 19 signed up to a new initiative led by the ministries of Economy and Finance called the 'Angola Invests' programme, to boost finance for micro-, small- and medium-sized companies at low interest rates. Yet the funds that they will receive from oil companies as a result of the new law will largely be in the form of short-term deposits. They are not well suited to acting as the basis for longer-term loans or investments.

One practical difference which the new measures will make is a need to revise some existing long-term contracts between oil companies and their suppliers, particularly after 1 July 2013, when oil companies will have to pay local bills in kwanza. 'To date, most payments for the oil sector have been done offshore or, if onshore, they have been done in dollars rather than the local currency,' says one international lawyer with clients in Luanda. 'All these contracts will have to be made in the local currency. Receiving the money in local currency may not be a bad thing but you must be able to export the currency and get dollars for it if you need to repatriate it. So, if you have longer term contracts you probably want to ensure that your contracts provide for a dollar reference rate and then receive the relevant amount in kwanza.'

In the long term, the new measures are likely to boost the kwanza and help to reduce Angola's current reliance on dollars. That could affect not just the oil and banking sectors but the entire economy.●

CONGO-KINSHASA

Kabila seeks succour abroad

Discontent is widespread and the Francophone summit will do little to cover up the national cracks

President **Joseph Kabila Kabange** got an unexpected present on 27 August when his **French** opposite number, **François Hollande**, said he would attend the 12-14 October Francophone summit in Kinshasa. After November's discredited elections and a string of human rights violations implicating the government, this allows Kabila some respite. The opposition has, though, intensified its attacks, blaming him for failing to curb regional unrest, especially the revolt by the *Mouvement du 23 mars* (M23) in the eastern Kivu provinces (AC Vol 53 No 16).

The *Forces armées de la République démocratique du Congo* (FARDC), may number 100,000 but it remains a ragtag assemblage of former militia and cannot even contain the estimated 400-600 M23 rebels. At the United Nations in late August, Foreign Affairs Minister **Raymond Tshibanda N'Tunga Mulongo** called for sanctions against **Rwanda** for instigating and backing M23 but oppositionists suspect that Kabila doubts his ability to confront **Rwandan** President **Paul Kagame**. Videos show him smiling at Kagame at the 7 August regional summit in Kampala, which did not help at home.

Anti-Kabila sentiment swelled after Rwanda reacted to the local resentment of its support for M23 by withdrawing two companies of Special Forces, about 280 men who had been operating alongside the FARDC in Kivu against the Rwandan Hutu *Forces démocratiques pour la libération du Rwanda* (FDLR). Kinshasa's Spokesman, **Lambert Mendé Omalanga**, at first denied that Rwandan troops had been present, before he was contradicted by the Defence Minister, **Alexandre Luba Ntambo**, who said they had been officially and publicly stationed there since March 2011. The opposition has used the confusion to step up its campaign against Kabila and label him a traitor who is in cahoots with Kagame. On 4 September, 20 political parties led by the opposition *Union pour la démocratie et le progrès social* (UDPS) signed a petition calling for Kabila's indictment for high treason over his handling of the Kivu crisis.

UN sources say that FARDC officers pocket money assigned for weapons, ammunition, food and fuel. Over-invoicing the airfreight of cargo aeroplanes is the game of the day, say some FARDC suppliers. Meanwhile, hundreds of FARDC soldiers without food supplies in Virunga National

Park are shooting heavily-protected game for sustenance. Other militias proliferate in Virunga: the Allied Democratic Forces/ National Army for the Liberation of **Uganda**; former *Rassemblement congolais pour la démocratie-Kisangani*; *Mai-Mai Muamba Liaki* and the *Mai-Mai Patriotes résistants congolais Lafontaine*. New groups in North Kivu include the *Nyatura* ('whip') Hutu, allied with the FDLR, and *Raia Mutomboki* ('angry citizens'), who fight against the FDLR.

This situation is likely to drag on unless the Kampala summit on 7-8 September of the defence ministers of **Angola**, **Burundi**, **Congo-Brazzaville**, **Congo-K** and **Uganda** results in a plan. At the August summit, a 'neutral' peace-

keeping force was agreed in principle. Yet Rwanda insists on being part of the force. A serious offensive against the currently quiescent M23 remains unlikely.

Supporters of the veteran opposition leader **Étienne Tshisekedi wa Mulumba** are exploiting nationalist anger over Kivu. UDPS Secretary General **Jacquemain Shabani Lukoo** blames Kabila and a 'conglomerate of ruffians who allow foreign powers and mafias to plunder Congo's riches' and is calling for the 'annihilation' of these 'impostors'.

In Kinshasa, people in Gombe district sing religious anthems and change the words to include phrases such as 'Lord, kill Kabila as you killed his father' and jump on cars singing the 'Zairoise', the national anthem of the late President **Mobutu Sese Seko**'s era. Equally dangerous for Kabila is the anger of the Roman Catholic Church at the balkanisation of Congo. The Bishops' Conference, the *Conférence épiscopale nationale du Congo*, has organised protests in Matadi, Kisangani and Kinshasa. CENCO is to visit Goma and Bukavu on 15 September to show 'solidarity', which is likely to add to a volatile situation. ●

REBELS AND DEFECTIONS

The Kivu crisis is diverting attention from other provinces where order is collapsing. In Katanga, two Republican Guard soldiers at Lubumbashi Airport were shot dead during squabbling over money, reportedly extorted from civilians. This has revived fears of new secessionist moves. President **Joseph Kabila**'s previously strong support in Katanga is waning. People there doubt his commitment to them and local opposition sources told *Africa Confidential* that they could move to secede if the government failed to allot the Province the 40% share of national tax revenue stipulated by the 2006 constitution.

In July, **Gabriel Kyungu wa Kumwanza**, former Governor and leader of the *Union nationale des fédéralistes du Congo* announced a plan to collect 100,000 signatures to call for a referendum to make the constitution more federalist by 2016, year of the next presidential election. Kabila's plan to get his younger brother, **Zoé**, appointed Governor instead of the popular incumbent, **Moïse Katumbi Chapwe**, is meeting stiff resistance.

Étienne Tshisekedi wa Mulumba's strongholds look unstable, too. In Western Kasai, the Chief of Staff of the Fourth Military Region, Colonel **John Tshibangu**, revealed on United Nations-sponsored *Radio Okapi* that he had defected and was setting up a 'Movement for electoral truth'. He presented himself as 100% Congolese (implying that Kabila is a foreigner). 'This is the beginning of the end for Joseph Kabila's illegal regime,' said Tshisekedi's deputy, **Valentin Mubake**. Another senior *Forces armées de la République démocratique du Congo* officer who defected in late August in Maniema, Col. **Mandro Mazelo**, is holding civil servants hostage until he gets promoted to the rank of general. On 28 August, men believed to be part of Kabila's security forces detained a journalist who had received death threats for reporting on Tshibangu's rebellion.

In Aru, Eastern Province, near the **Ugandan** border, local authorities and civic groups claim there has been no security presence since February. The *Mai-Mai* group led by **Paul Sadala** (aka 'Morgan') killed 15 okapis in the Epulu national reserve in June and has wreaked havoc ever since. In Bunia, civil society activists deride the government's inability to restore law and order. In Bas-Congo, the kidnapping on 27 June by the *Agence nationale de renseignements* of the province's most important politician, former Mines Minister **Eugène Diomi Ndongala**, adds to the frustration among the Bakongo; he is an ally of Tshisekedi and leader of the *Démocratie chrétienne* (Christian Democracy) party.

The 12-14 October Francophone summit in Kinshasa coincides with the governors' election in Eastern Province and Bas-Congo, where disputes over a poll in 2007 led to more than 150 deaths. Tshisekedi's *Union pour la démocratie et le progrès social* says the summit is a 'gesture of hostility against the Congolese people'. To transport the summiteers, Kabila will use hundreds of limousines, mainly Lexuses and Jaguars, bought for the 50th anniversary of Independence. This just adds to the general frustration. ●

BOTSWANA

Glittering prospects

The government does all it can to tempt foreign investors into diamonds, and other mining projects, too

As parliamentary elections approach in 2014, Botswana's divided opposition parties cannot complain about the economy (AC Vol 53 No 16). The biggest gesture of confidence came from diamond giant De Beers, which began in mid-August to move all its final sorting and marketing operations from London to Gaborone. This means moving skilled staff, technology and equipment involved in its global 'aggregation' operations – the final assortment process of like-for-like diamonds produced by all its mines. The move will be completed by the end of 2013 and was described by **Varda Shine**, Chief Executive Officer of De Beers' Diamond Trading Company, as 'perfectly timed'.

Local cutting, polishing and jewellery manufacture are expanding. Debswana Diamond Company, which runs mines and is owned 50-50 by the government and De Beers, now sells 10% of its output locally under a September 2011 ten-year marketing deal. The relocation has caused a property boom in Gaborone, with new office blocks (including a purpose-built sorting facility) and a Holiday Inn. Real growth in gross domestic product was estimated at 5.1% last year, with an average annual 4.5% forecast for 2012-

13 and about 6.6% for 2014-15. Barring collapse in the rich world, expanded mining will underpin strong growth and the government is keen to attract mining development capital.

Foreign direct investment in mining, more than half of it in diamonds, hit US\$4.2 billion at the end of 2010. Botswana is determined to stay a haven for foreign investors. It is sub-Saharan Africa's top-ranked country in the annual survey of mining companies by **Canada's** Fraser Institute and wants to remain so. The Minister of Minerals, Energy and Water Resources, **Ponatshego Kedikilwe**, laid out Botswana's attractions at a conference in Gaborone in late June. Companies must be given the opportunity 'to participate as freely as possible in mining', he said, with the government keeping to a regulatory role and enabling companies to make a return on their investment.

Corporate income tax, which applies to non-diamond mining and non-mining businesses, has been reduced from 25% to 22%. **Namibia's** non-diamond mining tax rate is 37.5%, with a new provision for a surcharge in times of 'high profitability'. **South Africa's** non-gold mining tax rate is 29% and the government plans new

measures, with a 50% resource rent tax and a state mining company. That makes Botswana even more attractive to investors (AC Vol 3 No 12). Policy is influenced by Debswana. The 2011 rise in rough-diamond prices halted as demand slowed in the rich world; in 2012-13, production is expected to stay at about 22-23 million carats. Like **Saudi Arabia** in oil, Botswana is the diamond swing producer, with the world's biggest output by value. **Russia** has the largest by volume.

OPPENHEIMER STAKE TO ANGLO

Botswana gets a share of the profits from diamond sales as well as mining, thanks to a 15% equity in De Beers, acquired, along with a big cash payment, when De Beers bought up Botswana's entire stockpile of several million carats in the 1980s, during a market slump. Namibia and South Africa participate in De Beers's mining operations only: the Namibian government has a 50% equity stake in Namdeb Diamond Corporation (Namdeb) and a South African black economic empowerment firm, Ponahalo Holdings, has a 26% stake in De Beers Consolidated Mines.

Botswana's sole partner in De Beers will now be the Anglo American Corporation, which is buying the 40% stake that South Africa's **Oppenheimer** family trust, Central Holdings, put up for sale. That \$5.1 bn. transaction will raise Anglo's stake to 85%; the \$1.3 bn. price tag was too high for Botswana.

De Beers, which accounts for 39% of global rough-diamond sales, reported a 15% drop to \$3.3 bn. in the first half of 2012 and output from Botswana, Namibia, South Africa and Canada fell by 14%, to 13.4 mn. carats. It hopes that demand, especially from Asia, will pick up soon and expects a shortage of rough stones by 2014. Debswana could then push output back up to capacity levels of over 32-34 mn. carats per year, as its giant Orapa mines shift from surface to underground mining. At Jwaneng, which produces more gem-quality stones than Orapa, Debswana will open new surface deposits and extend mining to at least 2025.

Diamond output from non-Debswana mines is also forecast to increase, including 400,000 carats per year from the Karowe mine that opened in April; the plan is to raise this to 700,000 carats annually after four years. Karowe is owned by the Lucara Diamond Corporation, part of the Lundin Group, founded by **Adolph Lundin** and now run by his sons, **Ian** and **Lukas Lundin**, has been active in **Congo-Kinshasa** and **Sudan**. **Lesotho** mining firm Gem Diamonds may delay building a mine at Ghaghoo in Botswana's Central Kalahari Game Reserve, whose 50,000 or so San (Bushman) inhabitants were shifted out of the reserve in 2002-03. ●

SHIFT THAT COAL

To diversify the economy away from its almost total dependence on diamonds, Botswana is pinning its hopes on coal. The east has estimated reserves of 200 billion tonnes of bituminous coal, mainly in the Mmamabula and Greater Morupule fields, with potential for exporting 90 mn. tonnes per year for the steam-coal market. In January 2012, the government lifted a moratorium on new coal exploration licences and set out a development strategy for the sector.

Demand looks strong for the foreseeable future, especially from power stations in **China** and **India**. In 2011 prices rose by 22% but fell this year due to the global economic slowdown. Advanced-stage projects by **Canada's** CIC Energy (Mmamabula), **Australia's** African Energy Resources (Sese) and Aviva Corporation (Mmamantse) and **South Africa's** Continental Coal (Kweneng) would produce coal for export.

The challenge is getting the coal to the sea for export. Landlocked Botswana is in the centre of Southern Africa so either Atlantic or Indian Ocean ports would do, though eastward is better for Asian markets. The old dream of a trans-Kalahari railway received a boost during President **Seretse Khama Ian Khama's** three-day state visit to **Namibia** in June, his first. Yet the easier and probably cheaper option is to upgrade existing rail links via **Zimbabwe** to the **Mozambican** ports, especially Beira and Matola. A memorandum of understanding (MoU) with Mozambique in early August will help. Mozambique, though, suffers severe rail and port bottlenecks in exporting its own coal.

At the MoU signing ceremony in Gaborone, Trade and Industry Minister **Dorcas Makgato-Malesu** noted the benefits of cooperation. 'We are signing for new generations,' declared her Mozambican counterpart, **Armando Inroga**, who spoke of 'vast reserves of minerals and gas that are said to be in existence'. Existing memoranda promise cooperation in power supply, control of cattle diseases, health and education. ●

ZIMBABWE

A sickly constitution

A new constitution seemed to be on its way until the ZANU-PF Politburo interfered and overthrew two years of cooperation

The once prestigious Harare Annual Agricultural Show, a shadow of its former self, gamely goes through the motions of being opened by an international figure. On 24 August, this honour fell to **Lesotho's Prime Minister, Motsoahae Thomas Thabane**, and he made a fulsome speech in praise of his host, President **Robert Mugabe**. The experienced listener, however, could also discern a few digs, including references to Mugabe's future role as a retired Southern African Development Community (SADC) statesman and to the importance of expanding food production.

The official media dodged such nuances and concentrated on prominent award-winners, who just happened to include the First Lady, **Grace Mugabe**, who won praise for her Gushungo Dairy, and General **Constantine Chiwenga**, Commander of the Zimbabwe Defence Force, who walked off with the Floating Trophy for the best exhibitor's stand. The judges obviously well understand political realities. Mugabe's Zimbabwe African National Union-Patriotic Front (ZANU-PF) prefers awards and photo opportunities, no matter how derisory the prize.

Since early August, ZANU-PF's Politburo had been meeting to consider the draft constitution drawn up over two years by the Constitution Parliamentary Select Committee (Copac). No role for the Politburo had been foreseen in the process. The draft was expected to be vetted by the three party principals, then presented to a stakeholders' conference in late August-early September, ready for a plebiscite in October-November (AC Vol 53 No 16).

The ZANU-PF negotiating team of Justice Minister **Patrick Chinamasa** and Transport Minister **Nicholas Goche**, along with Copac's Co-Chairman, **Paul Mangwana**, intimated that agreement had been reached on 97% of the draft and any further changes would be minor. The two factions of the Movement for Democratic Change (MDC) nodded the draft through after compromising on a number of issues. Meanwhile, Professor **Jonathan Moyo** and his flying spin doctors had been beavering away to undermine the exercise.

Mugabe was persuaded to refer the Copac draft to the Politburo, which began to examine it, line by line. Emergency meetings often lasted into the early hours and revision was complete just before **South African President Jacob Zuma**

arrived in Harare en route to the Maputo SADC summit on 17-18 August (AC Vol 53 No 17). Publicly unveiled the following week, ZANU-PF's amendments amounted to a complete rewrite of the Copac draft, revealing fundamental and irreconcilable differences. Zuma tentatively suggested that Copac and the ZANU-PF proposals be presented as alternatives in a referendum but he was recalled home to deal with the Marikana crisis before the summit could fully canvass his idea. Such a procedure would in effect give ZANU-PF a second bite. Many of Copac's proposals were themselves compromises between the three parties, concluded by all (including the ZANU-PF negotiators) in good faith in order to expedite matters.

MUGABE'S MANOEUVRES

A spirited defence before the Politburo by Chinamasa and Mangwana was no match for Moyo's vitriol. Eventually, Mangwana lamely claimed he had initialed but not signed the draft. Zuma and the Chairman of the SADC Troika prepared for a flying visit to Harare, only to be informed that Mugabe was at the Non-Aligned Movement Summit in Tehran, delivering a rattling attack on the United Nations and the West while enjoying the Islamic Republic of **Iran** Air Force's summer manoeuvres.

Such duplicity was greeted with disbelief by SADC and the public. ZANU-PF's rewrite reversed almost every progressive provision crafted into the Copac draft. All references to devolution were scrubbed out and any use of the word 'democratic' erased. The imperial presidential powers were written back in, checks and balances removed. The constitutional court and independent prosecuting authority were eliminated, and the judiciary made once more in the gift of the President. Parliamentary vetting of senior appointments and time limits on tenure were eliminated, as was the proposed statutory control of the Central Intelligence Organisation.

ZANU-PF's proposals tightened up ambiguities that, under the existing constitution, could threaten its hegemony. It proposed that the two unelected vice-presidencies be in the gift of the President and that in the event of a presidential vacancy, the outgoing president's party be entitled to nominate a successor without endorsement by Parliament.

Since ZANU-PF lost overall control

of Parliament in 2008, the House of Assembly under a non-ZANU-PF Speaker has tried with some success to hold ministers to account. ZANU-PF now proposes to strip the Speaker of his/her administrative functions, vest them in an appointed Parliamentary Clerk and so return Parliament to its former role as a talking shop and rubber stamp.

Zuma's proposal for referenda on both versions reflects a certain desperation at the lack of cooperation by the governing parties. Even that compromise may come to nothing. Flushed with his success in imposing his views on the Politburo, Moyo opened a second front in *The Sunday Mail* on 26 August. The lead story was that ZANU-PF would not budge an inch from its draft. Editorial comments and minor stories implied that there had been a fraudulent element in the Copac draft. The aim is obviously to discredit Copac, so as to ensure that its draft is not submitted to the stakeholders' conference or, if it is, that the conference will reject it. The latter would fit with ZANU-PF's behaviour during the initial outreach programme and at the first stakeholders' conference.

The objective is to ensure that ZANU-PF's version is the only one put before the electorate, either because of disruptions or because the principals cannot agree to put forward a flawed Copac draft. Mugabe has the power under the existing constitution to put ZANU-PF's proposals to a referendum. It may be significant that the Referendum Bill, on the Cabinet agenda before the SADC summit, mysteriously vanished from that agenda immediately afterwards. The Minister of Constitutional and Parliamentary Affairs, **Jessie Majome**, of Premier **Morgan Tsvangirai's** wing of the MDC, was not told of this development, which would delay an independent electoral commission from taking over the supervision of elections and referenda and maintain the role of the partisan Registrar General, **Tobaiwa Mudedede**.

Before 31 October, Mugabe must announce dates for at least three by-elections. Some suspect he may use that opportunity to announce March general elections under the present constitution. 'I am astonished at the sheer scale of disrespect, contempt and audacity exhibited,' complained the MDC's **Welshman Ncube**. A poll by the **United States** organisation Freedom House indicates that electoral support for the MDC has collapsed from 40% to 20%, with ZANU-PF rising from 17% to 30% (50% of respondents gave no preference). The MDC-Tsvangirai dismisses the poll but is purging local councils, where corruption has sprung up since it won all Zimbabwe's urban councils in 2008. On 16 September, Tsvangirai's lavish nuptial celebrations will reinforce public disillusion with an elite that does well, whoever wins elections. ●

SOUTH SUDAN/SUDAN

Politics over oil

Another round of talks may stave off hostilities but is unlikely to yield a credible border security agreement by the 22 September deadline

Much hard negotiating lies ahead between Juba and Khartoum after talks restarted on 4 September, following a month's delay for the funeral of Ethiopian Premier Meles Zenawi and the end of Ramadan. Foreign observers greeted the 4 August oil agreement as a 'breakthrough' and 'milestone' but in any event it could be months before the South resumes oil exports through the pipeline to Port Sudan. Both Juba and Khartoum insist that signing the oil deal is contingent on settling other key issues: border security, support for each other's dissidents and the status of Abyei.

Both are suffering severe economic crises because of their loss of oil revenue and this brings a growing political threat, especially in Sudan (AC Vol 53 No 16). A foreign diplomat close to the Government of the Republic of South Sudan told *Africa Confidential* that GRSS tactics were 'like shooting Khartoum in the leg and Juba in the head.' However, the battle is more about politics than oil. The loss of the South and ensuing economic problems have seriously challenged the National Congress Party (NCP) regime as public protest rises. After nearly half a century of war, for Juba the imperative is tackling Khartoum on equal terms.

The GRSS declared itself delighted with August's oil deal. Chief Negotiator Pa'gan Amum Okiech boasted of making just 'minor concessions' as Khartoum 'tried to extort South Sudan by attempting to charge exorbitant fees for the export of its oil.' Khartoum had demanded US\$25 per barrel for Petrodar's oil in transportation tariffs, he said, while Juba had offered \$5.50 and achieved \$6.50. The figures for transit (pipeline) fees for the same Blocks 3 and 7 were respectively \$6.00, \$0.63 and \$1.00. This last figure is close to the international average but it is hard to assess a realistic figure for transport and processing, since no certified figures are available for Khartoum's oil business.

Juba also offered, 'in the interest of peace', \$3.028 billion in 'direct transitional financial assistance' over three and a half years. This is 'equivalent to a third of Sudan's financing gap resulting from the loss of South Sudan's oil'. That payment didn't impress South Sudanese. Thousands of people were killed and tens of thousands displaced as Khartoum developed the oil fields while flouting basic environmental standards.

Yet Khartoum has given away much more than Juba in the oil argument. Much will depend on the rigour and accountability of implementation mechanisms.

'PIE IN THE SKY' PIPELINE

The deal may be a temporary expedient for both sides. The Sudan People's Liberation Movement (SPLM) government still talks up a pipeline to the new port at Lamu, Kenya. One oil expert called this 'pie in the sky', since its projected cost had doubled since first mooted. Beyond the technical and security challenges of building a 1,000-kilometre pipeline across three countries and which must carry two different kinds of oil, the finance question is critical. Some suggest that Juba would have to sell its oil forward; others talk about co-financing with Uganda and Congo-Kinshasa, whose oil exports would share some of the route. Estimates of oil reserves are not encouraging. Oil experts question the value of Total's giant but untested concession in the Sudd. In the existing fields in the north of South Sudan, 'the small shallow reservoirs can be drilled out in 10-15 years'.

As talks move to border and security issues, both Juba and Khartoum are under pressure to look conciliatory. The United Nations Security Council's extended deadline of 22 September for them to implement Resolution 2046 and settle their differences is pressing. Yet it could be extended yet again. Divisions within the UNSC – France, Britain and the United States favour Juba while China and Russia favour Khartoum – have encouraged both sides to stick to their positions.

On 31 August, a Security Council statement asked Khartoum to accept the Safe Demilitarised Border Zone map produced by the African Union High Implementation Panel (AUHIP). The Council's current President, France's Gérard Araud, afterwards complained that it had been forced to water down the statement, replacing 'demanded' with 'strongly urged'. That change was at the insistence of Russia, backed by Azerbaijan and Pakistan. All three say that when Khartoum bombed the South, it was simply in hot pursuit of rebels.

Khartoum buys military hardware from Russia and backs its non-interventionist line on Syria. Azerbaijan had recently abstained on a UN vote for

the mandate of the UN-AU Mission in Darfur to include the Lord's Resistance Army (backed by Khartoum), which has been sighted in Darfur. Ambassador Araud was on the brink of walking out, AC understands.

Resolution 2046 also requires agreement between Khartoum and the SPLM-North over the 'Two Areas', of Blue Nile and Nuba Mountains/South Kordofan, primarily to provide relief aid for hundreds of thousands of trapped civilians. The SPLM-N Chairman, Malik Agar Eyre, signed an aid agreement in June 2011 with Presidential Assistant and former security chief Nafi'e Ali Nafi'e, which President Omer Hassan Ahmed el Beshir publicly repudiated.

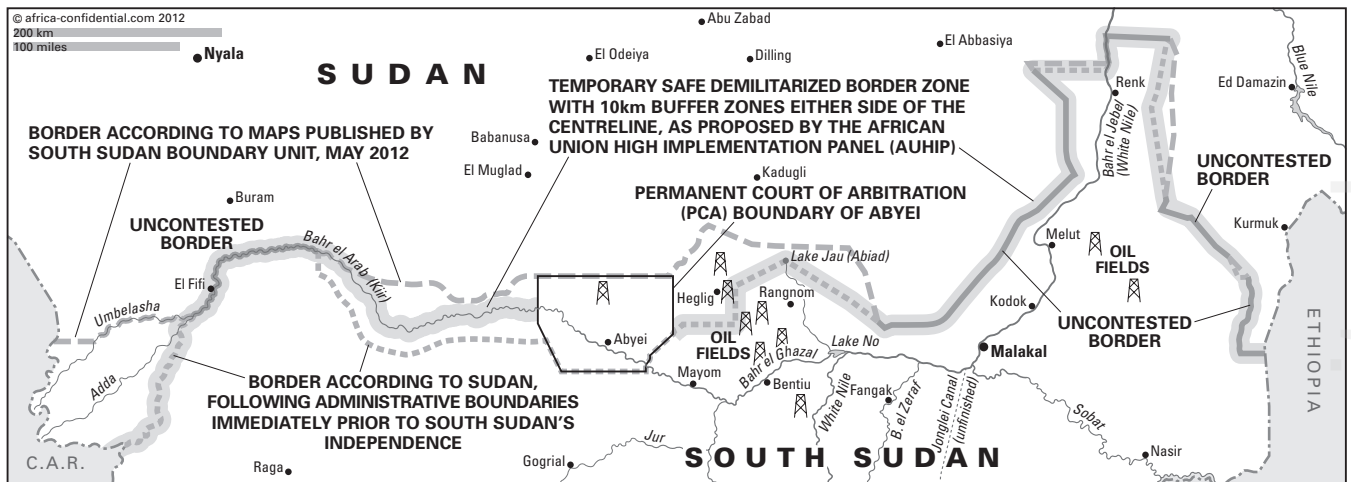
The SPLM-N wants aid to go into those areas it controls but Khartoum is reluctant to admit that the opposition controls such a vast territory and has serious support, especially among the Nuba. For political talks, the SPLM-N wants Malik reinstated as elected Blue Nile Governor, dozens of political prisoners released and itself unbanned as a political party. The SPLM-N leaders, including Secretary General Yasir Saeed Arman, in Addis this week for the talks, are under sentence of death in Khartoum for 'treason'.

Neither side is likely to move much over cross-border support for armed opposition groups. Khartoum insists that to reach agreement with SPLM North or South, Juba must stop supporting the SPLM-N. In turn, Juba demands Khartoum ends its backing for militias in South Sudan. Unlike the SPLA-N, which is a substantive political movement in Sudan which contested elections before it was banned, Khartoum's proxies in South Sudan garner some local ethnic support, as does David Yauryau, a Murle, in Jonglei, but enjoy no widespread popular backing (AC Vol 53 No 17). Khartoum may count on this changing if the GRSS grows poorer and less popular.

SUBVERTING SOUTHERN EXILES

Khartoum's National Intelligence and Security Service is intensifying operations in Kenya. NISS Director General Mohamed Atta el Moula Abbas, formerly based in Nairobi, has been actively trying to subvert Southern exiles in a land he knows well. NISS operatives have also been sighted in Mombasa, we hear.

Western diplomats now seem to be taking the Sudanese opposition more seriously. The Sudan Revolutionary Front (SRF), whose lead member is the SPLM-N but includes a range of parties, recently met US, Canadian and European Union officials in Switzerland. An opposition delegation due in the USA soon is likely to get a warm reception, says a Washington source. So will Southern President Salva Kiir Mayardit, who is attending the high-



level Sudans meeting on 27 September at the UN General Assembly.

Pressure is meanwhile mounting on **El Sadig el Mahdi**, leader of the largest party, the National Umma Party, to clarify his position on the protests and armed opposition, something he is expert at avoiding. In a 26 August interview by *Asharq al Awsat*, El Sadig tried to talk around this critical issue until the normally

diplomatic **Saudi Arabian** paper accused him of not answering its questions.

However, El Sadig did clearly say that the Umma Party Co-Deputy Chairman, **Nasr el Din el Hadi el Mahdi**, must choose between the Umma and the SRF, of which he is now Deputy Chairman to Malik Agar. This triggered a clear rejection: 'I am insisting on being in the SRF and not withdrawing from the Umma

Deputy Chair,' Nasr el Din told AC this week. Now El Sadig, who appears to want to replace his cousin with his daughter **Mariam el Sadig el Mahdi** as his Umma deputy, has postponed the issue until his visit to Britain in November, he told a party meeting on Monday. Times are changing. Umma members young and old have told AC they no longer want the leadership to be the birthright of the Mahdi family. ●

TANZANIA/GAS

Hopes and fears offshore

Estimates of the offshore deposits are now so vast that there is major concern that bribery will affect the next round of bidding

Tanzania is raising its estimates of gas reserves to around 30 trillion cubic feet, and with them, worries about whether the anticipated flood of cash can be managed without corruption. Scandals in the energy sector have dominated the media and parliament since June, with the deputy opposition leader and *Chama cha Demokrasia na Maendeleo* (Chadema) member of parliament **Zitto Kabwe** warning that officials and politicians took bribes to grant exploration licences in the 2004/06 licensing round and are ready to do so in the next.

The Energy and Minerals Ministry is scheduling a fourth round of bids for nine new blocks, sharpening the governance issues (see Map). Many MPs hope the gas bonanza will finally put an end to the chronic power shortages and supply the wider population with electricity. Only a minority of Tanzanians is on the electricity grid, which is subject to outages of up to twelve hours a day. Tanzania lacks a national hydrocarbons development policy and taxation regime legislation, which is another concern to economic analysts.

The Chadema opposition leader in Parliament, **Tundu Lissu**, has joined

Kabwe in making political capital from the energy corruption issues. In Parliament in July, he accused six MPs on the Select Committee for Energy and Minerals of having conflicts of interest or of being corrupt. The new Energy Minister, **Sospeter Muhongo**, had on 29 July noted cases of malpractice at the Tanzania Electricity Supply Company.

The MPs were accused mainly of minor procurement malpractice while Muhongo suspended Tanesco Managing Director **William Mhando**, along with three top managers – **Robert Shemhili**, **Lusekelo Kasanga** and **Harun Mattambo** – over allegations of embezzlement.

Lissu rejected any suggestion of wrongdoing by the Chadema Select Committee members. The Speaker, **Anna Makinda**, disbanded the Committee pending the conclusion of an investigation. The Sub-Committee of the Parliamentary Standing Committee for Privilege, Ethics and Parliamentary Powers is expected to make a report to Parliament when it resumes after the recess on 30 October. Analysts say it will be quickly forgotten.

These allegations concern contracts to supply tyres to the Energy Ministry, petrol

and other forms of similar low-level fraud and embezzlement that is not especially lucrative. They pale into insignificance when compared to the immense sums going on the power supply contracts to the much-criticised Independent Power Producers (AC Vol 52 No 20). Muhongo told Parliament recently that Tanesco was paying suppliers 42 billion Tanzanian shillings (US\$26 million) a month, half of its total monthly revenue.

Muhongo had pledged on coming into office that he would deal with such 'shoddy contracts', on which action is still expected (AC Vol 53 No 13). However, it is the potential for massive corruption in awarding the new exploration licences offshore that is causing most concern among industry analysts.

Kabwe, however, has tended to conflate minor and major corruption in order to maintain the high temperature around the bribery issue and pressure on the government. On 15 August, he declared that a report in June by the **Swiss National Bank (SNB)** showed that 'government leaders along with big businessmen have siphoned their money into Swiss bank accounts to the tune of TSh315.5 bn. (\$200 mn.).' Switzerland's central bank annually publishes the total amount of funds and loans in Swiss banks held by foreign nationals but without breaking them down into individual holdings.

Kabwe told Parliament, 'The Official Opposition has received reports that one current senior leader and some ministers in the previous government

Licensing Round	Blocks available	Awards
First Licensing Round, April 2001	Blocks 1–6	Only one bid received, from Petrobras for Block 5. Awarded.
Second Licensing Round, July 2002	Blocks 1–4 and 6–12	Four blocks, 9–12, awarded to Shell. Around Zanzibar and in dispute due to sovereignty issues between ZNZ and the mainland.
Third Licensing Round, May 2005	Blocks 1–4 and 6–8	Ophir Block 1, Statoil Block 2 and Petrobras Block 6.
Direct Award, April 2006	Blocks 3 & 4	Blocks 3 & 4 awarded to Ophir.
Limited Tendering, January 2007	Blocks 7 & 8	Block 7 awarded to Dominion Petroleum (later bought by Ophir) and Block 8 awarded to Petrobras.

Source: Tanzania Petroleum Development Corporation

are amongst the owners of these monies. Most of the money was paid by oil and gas exploration companies operating off the coast of Mtwara who were awarded licences between 2004 and 2006. The official opposition wants the government to issue an official statement on the steps it has taken since that Swiss central bank report came out. We want the government to tell the nation what steps it will take to have this money returned along with other money hidden overseas. The Official Opposition will release the names of the owners of this money held in Swiss banks unless the government issues an official statement on the issue' [AC's unofficial translation from Kiswahili].

Britain's Ophir Energy, part-owned by a prominent member of South Africa's governing African National Congress, Human Settlements Minister **Tokyo Sexwale**, was awarded Block 1, off the coast of Mtwara in the third licensing round in 2005. Ophir won two further Blocks, 3 and 4, by direct award the following year. There is no suggestion that bribery was involved. BG, formerly British Gas, later bought into the blocks later and is the operator, with Ophir retaining a minority interest. An Ophir

middleman, a South African business executive with strong ANC connections, **Moto Mabanga**, helped to obtain the concessions for Ophir. He brought a law suit against Ophir in London in June 2012 over his 5% share of the profits from the production sharing agreements which he had arranged (see Table). (Mabanga was in dispute with South Africa's Vodacom over a success fee after he had worked on the mobile phone company's problems in **Congo-Kinshasa**.)

When characterising the type of corruption that may or may not be involved in the upcoming licensing round, analysts pointed to potential similarities to the current case against President **Benjamin Mkapa's** former finance minister **Basil Mramba** and **Daniel Yona** who was Minister for Energy and Minerals from 2002 to 2005.

Both Mramba and Yona, along with **Gray Mgonja**, former Treasury permanent secretary, are charged with failing to take reasonable care of their official duties by occasioning the state the loss of TSh11,752,350,148 (US\$ 7.5 mn). This relates to tax exemptions granted to Alex Steward Assayers, a firm that was given a lucrative contract to audit gold production

between 2003 and 2007. **Daniel Yona** was also a non-executive director of Dominion Petroleum, according to news agencies. Dominion was taken over by Ophir earlier this year. All deny the charges in the trial, which has been adjourned to 12 October.

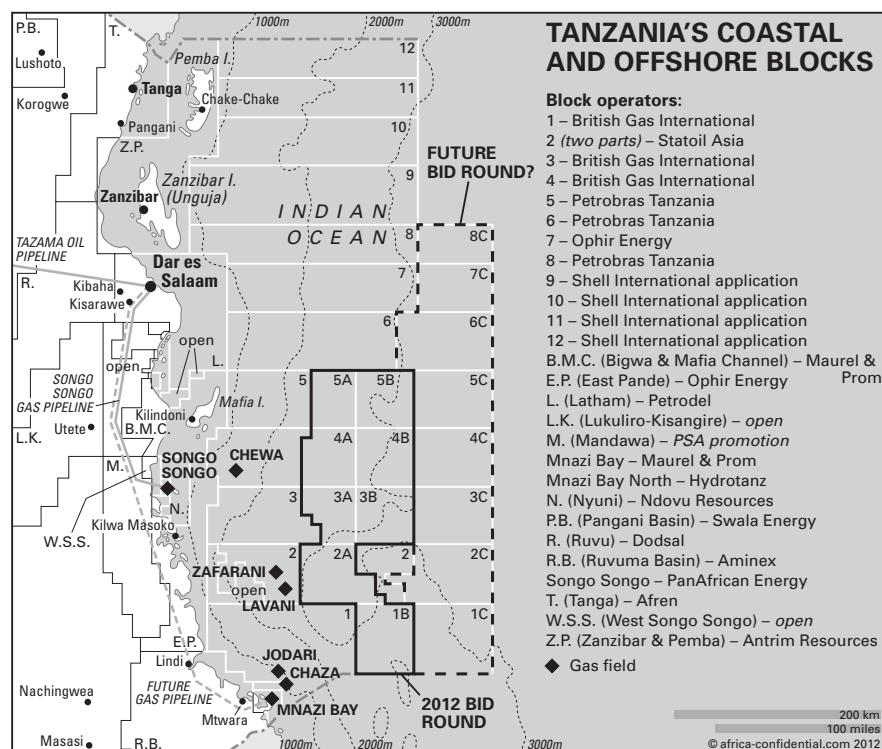
From the floor of Parliament, Kabwe has asked the government to issue an official statement listing the steps it had taken to ascertain the legitimacy of the holdings in the SNB report. He wants the money returned to Tanzania, along with other offshore funds, and threatens to name the account holders if the government does not act.

NO GAS PARTY

At the beginning of September, there were increasing calls for the Ministry to halt the fourth round of exploration licence bidding until Parliament had addressed the policy issues and economic development strategy around the energy industry and gas exploitation. The Energy Ministry appears to have heeded these calls and is asking for the licensing round to be delayed until after a Natural Gas Policy has been presented to Parliament after it resumes on 30 October. A draft Gas Policy is with the ministry already, says Professor **Samuel Wangwe**, Director of Research on Poverty Alleviation, a Dar es Salaam-based think tank asked to produce recommendations for the ministry, which Permanent Secretary **Eliakim Maswi** confirmed to *Africa Confidential*. The ministry decided to have the policy ratified before the 'roadshow' promoting gas opportunities. The Tanzania Petroleum Development Corporation's travelling exhibition will go to Houston, London, Singapore and Arusha.

Regardless of government gas policy, a more serious lack, industry observers say, is a cogent legislative framework for the offshore industry. Even without delays, the Gas Bill has no prospect of being passed by Parliament before April 2013 at the earliest, meaning it may have no impact on the new bidding round. The Bill will determine the shape of future production sharing agreements and the fiscal regime for the industry. In his budget speech, Muhongo said that signature fees were likely to be included.

A more radical recommendation from Parliament was for existing PSAs to be revised, something existing investors will lobby hard against. Ensuring continued investment in the sector will be crucial to ensuring increased gas supplies to the historically troubled power sector. A Gas Act could help investor confidence by codifying the taxation, royalties and other regulations that oil companies will have to observe. A Gas Master Plan is also said to be in the offing but the details are not available and it is thought to be no nearer implementation than the Gas Act. ●



LIBERIA

Not out of the woods

Solve one problem and another appears, which is why Liberia still needs the UN and its peacekeepers

The United Nations Mission in Liberia should serve another year, according to its latest progress report. It is cautiously optimistic in general but is more forthcoming in describing its frustration with the government's performance. After more than a decade of service, the cost of even a scaled-down mission comes close to US\$500 million a year. The UN anticipates deploying 3,750 troops in July 2015, down from just under 8,000 last month. UNMIL remains wary of generating hostile reaction to its eventual withdrawal, emphasising a gradual 'drawdown'.

Concern persists about the police and military. Progress has been painfully slow on security sector reform, a key part of UNMIL's brief. In June, Defence Minister **Brownie Samukai** used a seminar at the African Centre for Strategic Studies in Arlington, Virginia, **United States**, to play up Liberia's progress in building a professional force, with strong US support, to be operational by 2014. He even hinted at Liberia contributing its own international peacekeepers one day. Now, though, desertions are frequent and soldiers complain of sub-standard accommodation; the government and donors have promised changes but with little sign of the promised emphasis on professional training and recruitment.

The Liberian National Police retains its reputation for incompetence and corruption at all levels. Pay is poor at less than \$100 a month, state support is lacking, particularly inland, and the crime rate in Monrovia remains alarmingly high. This is far short of President **Ellen Johnson Sirleaf's** ideal of a force that is 'properly trained, equipped and incentivised'. Police Director **Chris Massaquoi** has criticised budget allocations, a concern shared by UNMIL and international partners.

The way now looks clear for the prosecution of the former Police Inspector General, Colonel **Beatrice Munah Sieh-Browne**, indicted for misappropriating funds for uniforms and dismissed over three years ago after an investigation by the Liberia Anti-Corruption Commission (AC Vol 52 No 15). The LACC is often accused of lacking the will or capacity to pursue high-level suspects and Browne's conviction would be a significant coup.

There has been some localised violence, including clashes at the University of Liberia in July, but little to test the security forces. The disturbances

that some expected after the Special Court for **Sierra Leone** in the Hague convicted and sentenced **Charles Taylor** did not materialise, even in areas strongly loyal to the former President. The toughest challenge came in the east, with forces including the army's Emergency Response Unit deploying in Grand Gedeh County on the **Ivorian** border to tackle cross-border mercenary activity (AC Vol 53 No 13).

Seven UN peacekeepers in **Côte d'Ivoire** and several civilians were killed in June, in an attack on an Ivorian village near the border. Human Rights Watch pointed to Liberian negligence in dealing with known mercenary hideouts and support networks for Ivorian militias on Liberian soil. Monrovia denied the charges, then pledged its full cooperation to Ivorian President **Alassane Dramane Ouattara**, issuing lists of wanted ex-mercenaries, closing the border, helping to send Ivorian suspects home and launching 'Operation Restore Hope' in the east.

Grand Gedeh is the home region of the late President **Samuel Kanyon Doe**, one of Johnson Sirleaf's bitterest adversaries. Residents say that investment is low and corruption high, with questions about the use of the County Development Fund. Local politicians fiercely criticised initial heavy-handedness by army and police, and Ivorian refugees have complained of harassment on both sides of the border. There are close ties between the Krahn people in Liberia and the Guéré in western Côte d'Ivoire, who mostly backed ousted President **Laurent Gbagbo**. Tension has eased but UNMIL's strong presence leaves questions about how the Liberian security forces would fare in its absence. So long as western Côte d'Ivoire remains volatile, Liberia is bound to be affected.

THE PRESIDENT'S FRIENDS IN DC

The UN report broadly applauds Johnson Sirleaf's stewardship, with caveats about the need to tackle corruption more effectively. The tone, however, is markedly less forgiving than in the past and not as complimentary as the President's staunchest international supporter, Washington, might like. Perhaps the sharpest individual comment came on compliance with the Kimberley Process: 'The Government's capacity to control diamond mining and trade, a vital part of the certification scheme, continues to be weak, with the network of regional offices

of the Government Diamond Office lacking basic capacity to monitor the movement of diamonds out of affected counties.' The report noted that the US Agency for International Development is on the point of ending its funding of artisanal diamond schemes as a result.

Still riled by its defeat in November, the main opposition party, the Congress for Democratic Change, lost important by-elections in Sinoe County in April and Montserrado in July, and is struggling to heal internal divisions. Johnson-Sirleaf has been embarrassed by dissent within her own Unity Party: activists marched on the Executive Mansion in June to complain of a lack of gratitude and a shortage of opportunities. Their reward was a promise of scholarships. Maryland Senator **John Ballout** denied backing the protests but warned that the party needed to think of its post-Sirleaf future. He has said he will contest for the presidency.

Sirleaf promotes an Agenda for Transformation – in education, the economy and infrastructure development. Liberia also awaits a draft Roadmap to Reconciliation: government-backed human rights specialists will address the legacy of the conflict, perhaps avoiding some of the complexities generated by the Truth and Reconciliation Commission, whose 2009 report has yet to be acted on.

The 2012/13 budget passed on 23 August provides the government with \$672 mn. Optimism about long-term economic prospects is based largely on the potential of extractive industries. After a rash of concessions signed with iron ore and oil palm companies, the new focus is on petroleum. Offshore deposits have drawn strong interest from investors such as Anadarko, Chevron and African Petroleum. Bruised by past criticism of shady oil deals, the National Oil Company of Liberia, headed by presidential son **Robert Sirleaf**, has run a high-profile, national consultative process, soliciting input on national oil policy, while shrugging off the inevitable charges of nepotism (AC Vol 53 No 8).

Yet complaints about corruption and amateurism are back with a vengeance in the timber business, still struggling for a clean bill of health after Taylor's years, which were marked by illegal logging and sanctions. A report on 4 September by Global Witness, with Save My Future Foundation and the Sustainable Development Index, warns that discredited loggers, including Samling of **Malaysia**, have got round conservation law by deploying private-use permits to win access to vast areas. These allegations will irritate Sirleaf, whose environmental credentials were challenged in *The New York Times* in January after local communities protested against the activities of the palm oil giant Sime Darby in western Liberia. ●

MOZAMBIQUE

The Putin option

The President hopes to go on running the country – and his businesses – after his term in office ends

The 23 to 28 September congress of the governing *Frente de Libertação de Moçambique* will be the field of the battle to decide whether President **Armando Guebuza** can hold on to political power. Although the constitution requires him to leave office at the next election in 2014, after two presidential terms, President Guebuza is determined to hold on to the Frelimo leadership and continue calling the shots from the sidelines. His plan is to leave the presidency but keep command of the country, emulating **Russia's Vladimir Putin**, who served the maximum permissible two consecutive terms as President but returned to the presidency last May after operating as Prime Minister in between. Guebuza failed to alter the constitution to allow him a third term and his 'Putin option' is not gaining favour from senior members of the ruling party (AC Vol 52 No 25).

The expected pattern in Frelimo is that changing the leadership involves a realignment of power inside the party and a redistribution of the resulting benefits of patronage. The Guebuza plan would leave many of those benefits where they are, in the hands of his own family and associates, shutting out other Frelimo members.

Guebuza's influence will be strongly felt at the tenth party congress. Members who risk openly challenging him by

opposing his choice of successor would face the consequences later, since he will remain party President. Horse-trading continues but underground. His own faction feels confident enough to back him publicly. On 2 August, Frelimo's Secretary General, **Filipe Paunde**, said that 'it would be difficult' to imagine Guebuza not being re-elected party president in September and that in 2014 the state president and the party president would not be the same person. That would be unprecedented, although Guebuza's predecessor, **Joaquim Chissano**, who stepped aside in 2005, briefly held on as party President until Guebuza squeezed him out.

OLD GUARD IN THE WINGS

Yet the succession is still wide open, partly since many senior members resent what they see as the arrogance of Guebuza and his cronies, as well as his aggressive business practices, and also because the successor must be seen to be a unifying and popular force. Guebuza's latest attempts to rewrite the party rules may succeed only in uniting factions against him.

Frelimo's conscience is **Graça Machel**, widow of **Samora Machel**, Mozambique's Founding President, and wife of **South African** former President, **Nelson Mandela**. She will not seek power herself but may back a contender like **Alberto**

Chipande, the old-guard figure who is mounting his own improbable bid for the leadership. Like other Frelimo traditionalists, Graça Machel has criticised the centralisation of economic power in President Guebuza's hands (AC Vol 53 No 18). Prime Minister **Luisa Dias Diogo**, a staunch Guebuza opponent, is also a potential contender.

Chipande is remembered, among the Frelimo faithful, as the man who fired the first shot of the liberation war. He represents an older and more principled approach to politics. He was muscled aside in business dealings by Guebuza's bag man, **Celso Correia** (AC Vol 52 No 18), and under presidential pressure was forced out of his long involvement in the *Sociedade de Desenvolvimento do Corredor de Nacala*. The SDCN has participation rights in the port and rail line from **Malawi** to the Indian Ocean port of Nacala.

The winner in that deal was Correia's company Insitec, in which Guebuza holds a beneficial interest. Dormant for years, SDCN is now involved in a huge infrastructure project with **Brazil's Vale** to export coal from new mines in Tete Province (Vol 52 No 11).

Guebuza has revitalised the structures that select delegates to the party congress and the vast majority of provincial secretaries were re-elected in early August. This could help centralise party structure but may reduce debate and internal balance in favour of loyalty to a single leader. To manage foreign investment and rising resource revenue as donor support declines requires a flourishing civil society with responsive and dynamic governance (AC Vol 53 No 9). Political continuity for Guebuza could cost Mozambique more than Frelimo may realise. ●

MADAGASCAR

Plunder unabated

A reckless dash to exploit natural resources threatens the environment and wildlife

After the military coup of March 2009, the plunder of Madagascar's vast resources went into overdrive, under high-level political protection. It shows no sign of abating and concern is growing. Onlookers deplore the damage, especially to the flora and fauna, 90% of which is unique to the island.

Over the past decade, more than 500,000 hectares of natural forest have been destroyed by slash-and-burn farming, illegal cutting of timber and unlicensed, untaxed mining for gold and precious stones. Even the national parks

of Masoala and Mananara in the north-east are suffering. Rosewood, classified under the Convention on International Trade in Endangered Species (CITES), is a hugely profitable export. Researchers from the Missouri Botanical Garden estimate that timber worth at least US\$130 million was exported in 2009 through the port of Vohemar in the north-east.

The Minister of the Environment and Forests, **Joseph Randriamiarisoa**, was fired last April after he accused **Mamy Ravatomanga**, a businessman close to President **Andry Rajoelina**, of

involvement in the trade (AC Vol 53 No 14). Ex-President **Albert Zafy**, a political ally of Randriamiarisoa, believes his suspicions about his successor's activities are confirmed in a 2010 video by Global Witness and the Environmental Investigation Agency, which shows **Chinese** rosewood traders boasting of their direct relations with Rajoelina. The owner of a Guangzhou timber business claims to have imported more than 1,000 containers of Madagascan rosewood. **Liu Hongyu** of Meheco, a Beijing company, said she deals directly with the President. Ravatomanga denies these charges and has started an action for defamation.

The trafficking continues. Last April, 3,000 logs were seized by the army and stored in the Antalaha barracks in the north-east. The seizure triggered tension among farmers, who have held several protest demonstrations. They are employed by what the local media call the 'rosewood mafia', about 50 local businessmen who

have obtained authorisations in dubious circumstances between 2009 and 2011 to exploit the timber. The law strictly forbids rosewood logging. The demonstrators also accuse the military of reselling the logs for their own benefit. Also, several senior politicians are said to have been involved in the illegal logging of three-quarters of 90,000-ha. state-owned forest.

GEMSTONE RUSH

Almost all the sapphires, rubies and topaz taken by illegal miners are exported tax-free, outside state control. In the latest gemstone rush, in the Ambatondrazaka region north-east of the capital, Antananarivo, about 30,000 diggers have come seeking sapphires since April. Most stones are bought by **Sri Lankan** traders on tourist visas. Gold production is thought to be around five to ten tonnes; the Mines Ministry hopes to regularise about a tenth of that trade by the end of 2012, with licensed purchasing offices and an export monopoly for the Central Bank. **Comoros** seized more than 60 kilogrammes of gold on two flights from Madagascar, which sent two ministers to try to prove that this was indeed Malagasy gold.

The Comoros are also a main customer for the rustlers who steal Zebu cattle and who, according to the International Committee of the Red Cross, make up 40% of the 20,000 prisoners in Madagascar's gaols. One leading bandit, **Arthur Rabefihavanana** (aka **Rambilazo** and aka **Remenabila**) is in his seventies, claims magic powers that protect him against police gunfire and the government has offered 100 mn. ariary (\$45,045) for

LOOTING MINERALS

New opportunities for plunder are opening up in minerals, oil and gas as shadowy businesses discover fresh resources. A few big companies have joined the voluntary Extractive Industries Transparency Initiative (EITI). They include Rio Tinto-Qit Madagascar Minerals, which has for several years produced ilmenite (iron and titanium bearing ore) near Fort Dauphin for export to **Canada**; Ambatovy, a subsidiary of Sherrit International; Sumitomo; **Korea** Resources Corporation; and Canada's SNC-Lavalin.

Ambatovy has more than US\$6 billion invested in a factory and port at Tamatave, with a nickel and cobalt mine at Moramanga. Production should start by the end of 2012 and bring in \$100 mn. annually to the Treasury. The state chrome producer, Kraoma, is also in EITI, as is Madagascar Oil, intended to be the first large domestic oil producer, with 150,000 barrels a day from its onshore concession at Tsimiroro. Because of the governance crisis, however, the EITI suspended the island's candidate membership, saying it did not believe 'that the relationships necessary for effective EITI implementation in Madagascar are currently possible and capable of being sustained'.

Prime Minister **Jean Omer Beriziky** recently berated less transparent companies, like Wuhan Iron and Steel Corporation, whose payment for iron ore exploration rights at Soalala is shrouded in mystery. He also urged **China** Geo Engineering Corporation (aka Mainland, AAC Vol 5 No 11) to rejoin EITI, after it was criticised by a non-governmental organisation for a deal that won it an ilmenite exploration licence in the south. Yet he is finding it difficult to get information about the mining and oil business.

Last December Beriziky wrote to the ministers of Mines (**Rajo Daniella Randriafeno Tolotrandry**) and Hydrocarbons (**Marcel Bernard**), as well as to **Bonaventure Rasoanaivo**, Director General of the *Office des mines nationales et des industries stratégiques*, transferring its duties to Bernard's department. OMNIS has still not produced proper accounts, despite its wide responsibilities and its right to bonuses. An advisor to the Prime Minister says the OMNIS is beyond all control. ●

his capture 'dead or alive'. Prime Minister **Jean Omer Beriziky** says the rustlers sometimes borrow weapons from the *Gendarmerie* and that civil servants tip them off about promising herds and arrange export licences.

Fisheries are vulnerable with only three coastguard vessels and ten small craft for Madagascar's 5,600-kilometre coastline,

no helicopters or aircraft. Chinese and **Taiwanese** trawlers work within the two-mile coastal limit, supposedly reserved for traditional fishermen. **French** firms buy up local craft and operate them from mother-ships, freezing the catches for export and starving local markets of supplies. The fish are getting smaller and less numerous, say conservation sources. ●

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POINTERS

Somalia/Britain

MONITORING ON HOLD

■ Britain's Department for International Development has taken no step towards setting up the Joint Financial Management Board promised at February's London Conference on Somalia, *Africa Confidential* has discovered (AC Vol 53 No 5).

After repeated requests for information about the Board – promoted at the Conference as a solution to the accusations of embezzlement and fraud against members of the Transitional Federal Government (TFG), DfID sent AC a statement by the then Secretary of State for International Development, **Andrew Mitchell**. It declared how important the body was, how Britain had taken the lead to 'drive forward' the process and how much Mitchell desired other countries to join it and lend their support. Asked what concrete steps had been taken to set it up, however, DfID would not elaborate.

An annex to the London Conference final communiqué outlined the initial members of the Board (the TFG and any successor government, Britain, **France**, the European Union and World Bank) and specified aims, objectives, rules and 'next steps' – none of which seem to have been taken. DfID's 2011-15 'operational plan' for Somalia made a more humble claim, far from the flashing cameras: 'We aim to help establish a Joint Financial Management Board, endorsed at the London Conference in 2012; this will oversee transparency in both TFG and donor financial flows.'

Not yet, it seems, seven months after the London delegates went home. Mitchell's statement mentioned the revelations of the United Nations Somalia and **Eritrea** Monitoring Group, accusing TFG members of lining their pockets. He said these findings 'underline the importance of agreeing and implementing the JFMB'. So far, the JFMB has no staff, money or other international support that we are aware of, suggesting that Somalis may have a long wait (AC Vol 53 No 16).

Mali

SIDELINING BLAISE

■ President **Dioncounda Traoré** has now officially requested military help from the Economic Community of West African States to help quell the revolt in the north. Sensitive to the possibility of a hostile reaction from the putschist Captain **Amadou Sanogo**, Ecowas will start by sending a small observer team. The official request came on 4 September and announced by the Ecowas Chairman, **Ivorian** President **Alassane Dramane Ouattara**, the next day. **France** encouraged

Traoré to ask for Ecowas help, we hear. It is increasingly wary of the personal motives of the Ecowas regional mediator, **Burkina Faso's** President **Blaise Compaoré**.

Paris blocked his suggestion that **Qatar** be given a mediating role in resolving Mali's issues. Burkina has good relations with the gas-rich Gulf state. Yet Doha has supported Islamist militants in the past and there are unconfirmed reports it has provided assistance to the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest*, the jihadists who control Gao. French intelligence has reports that trucks delivering weapons to MUJAO came through Burkina. Paris sees Traoré and Ouattara's move as a reassertion of Ecowas primacy in the crisis.

The move was welcomed by Mali's *Collectif des ressortissants du nord* (northern leaders in Bamako) and the anti-putsch *Front du refus*. It takes one step further forward the intervention that Ecowas has been planning for months and for which it seeks a UN Security Council green light (AC Vol 53 No 17). Sanogo's Spokesman, **Bakary Mariko**, still opposes intervention, claiming the army can beat the rebels – if Ecowas allows it to import more arms – not a view shared by Ecowas or the UN. Taking advantage of inertia in Bamako, the rebels have just seized Douentza, 150 kilometres east of Mopti.

Ghana

THE MAHAMA SWING

■ President **John Dramani Mahama** set out an ambitious election manifesto on 4 September and enjoyed a boost from the opinion polls, just four days after the National Democratic Congress (NDC) had confirmed him as its candidate at its special conference. Speaking on the 40th day after President **John Evans Atta Mills's** death, a significant time in Ghanaian culture, Mahama pledged to boost economic growth, make government more consultative and strengthen anti-corruption institutions. He is to chair the first meeting of a private sector advisory council and invited local and foreign businesses to attend. He offered some remarkable self-criticism: 'At times we set our aims too low and our bureaucracies seem non-functional.'

After backroom negotiations, Mahama secured what he called the 'symbolically important' presence of ex-President **Jerry John Rawlings** on 31 August at the NDC conference. A strong critic of Mills, Rawlings told Mahama his chances of election success would depend on how quickly he could restore integrity to the government. Activists suggest persuading Rawlings to endorse Mahama's candidacy would be critical to the NDC's success in marginal constituencies. In 2008, Mills won the presidency by under 50,000 votes. The latest opinion poll from Ipsos Synovate,

conducted over the past month, shows that Mahama's accession to the presidency puts the party marginally ahead in the presidential election due on 7 December. It found that 34.2% of voters would back the NDC's Mahama to 31.8% for the New Patriotic Party (NPP)'s **Nana Addo Dankwa Akufo-Addo**. Most significantly, it says 27.6% of respondents were still undecided. Politicians of all parties question the accuracy of opinion polls, but most expect the polls to be extremely closely fought.

The two main parties are concentrating on the 'swing regions': Western, Central and Greater Accra. Two of the three polls show the NDC ahead in Central and Accra but all three give the NPP a big lead in the oil-rich Western Region (AC Vol 53 No 17).

Kenya

MOMBASA MURDER

■ A 14-member team investigating the 27 August shooting in Mombasa of an *Al Shabaab*-linked Islamist, Sheikh **Aboud Rogo Mohammed**, will exclude police officials. Director of Public Prosecutions **Keriako Tobiko** wants to dampen down hostilities between police and local Muslim groups. After Rogo's wife accused police of murdering her husband, several youths went on the rampage for three days. One hurled a grenade at a police van killing two officers and a civilian and wounding 16.

Human rights groups say Rogo is the fifth Islamist activist from Mombasa to be shot dead or disappear this year. Violence has increased in Mombasa, the capital of the predominantly Muslim coastal province which used have a reputation for religious tolerance. That's changed with the spread of extreme Salafist teaching and the arrival of *Al Qaida*-linked jihadists. The National Human Rights Commission's **Hassan Omar Hassan** says that the violent methods of the Anti-Terrorism Police Unit were pushing Muslim youth towards jihadist groups. The ATPU is also accused of running extraordinary rendition operations on behalf of the **United States**.

Rogo had been detained on murder charges for the 2002 bomb attack on an Israeli-owned hotel along the coast, which killed 13 people. After being acquitted, he openly advocated international jihad. Since July, Rogo, 44, had been under United Nations Security Council sanctions for aiding **Somalia's** *Al Shabaab* militia. He made official complaints about threats to his life. Rogo's assailants blocked his vehicle in Bamburi, near to the local police station, and fired into it, killing him instantly and wounding his father-in-law. A Rogo associate, **Abubaker Shariff Ahmed** (aka **Makaburi** and on the US terror list), collected the body and buried it within two hours, prompting speculation that he may have conspired against Rogo. Shariff appeared in court on 5 September charged with inciting the recent riots.

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BLUE LINES

Suddenly middle Africa – that large chunk of the continent between the Limpopo river and the Sahara desert – is in the investment managers' sights. Watch for the swarms of tropically suited analysts bearing laptops, traipsing from one frontier capital market to the next in search of rising returns. They believe they have found one in Zambia, which last week became the ninth middle-African country to float a bond.

Despite Zambia's unpredictable President Michael Sata and his ambivalent mining policies, its bond issue was hugely oversubscribed. Investors queued up with about US\$12 billion. So the government raised the value of the bond to \$750 mn. from its planned \$500 mn. Almost as remarkable, the interest rate on the bond will be just 5.6%, slightly lower than debt-ridden Spain and Italy pay these days.

That reflects investors' more indulgent views of political developments in new oil and gas boom countries, such as Mozambique and Tanzania, as well as regional economies such as Kenya and Nigeria. Most economists reckon that the really spectacular economic growth in Africa – as it doubles its population to two billion over the next 30 years – will come from its middle belt. And faith in the North Africa's economies – save for Morocco – has dwindled. The killing of the US Ambassador in Benghazi on 13 September has spooked bankers as well as diplomats. And the political muddle in South Africa, where violent unrest in the mines continues to spread, is raising fresh doubts about its future direction.

SOUTH AFRICA

Zuma hits back as mining unrest spreads

The Marikana massacre shocked South Africans and unnerved the markets but President Zuma tells the trades unions that he needs another term

Arousing welcome at a national trades union conference and a belated wage deal at the Marikana platinum mines are the first signs that President **Jacob Zuma** is fighting back. He has been under fire over his handling of the crisis at Lonmin's platinum mine at Marikana, North-West Province, where police shot 34 striking miners dead on 16 August (AC Vol 53 No 18). The worst state violence since the end of apartheid looked as if it might cost Zuma his chances of re-election as President of the governing African National Congress (ANC) at its December conference.

For weeks, Zuma had seemed to be missing in action. After visiting Marikana after the killings, with heavy security, to speak mainly to the mine executives, Zuma sent his ministers to push unsuccessfully for a 'peace accord'. The strikers wanted their wage demands met first. Then on 19 September, Lonmin announced that the strike had been settled by offering mineworkers wage rises of 11-22% and one-off payments of 2,000 rand (US\$244). However, the deal seriously damaged the credibility of Lonmin's management and the mainstream trades unions.

Old alliances have been upturned as some politicians ran for cover and others tried to exploit the Marikana tragedy: the dispute had lasted five weeks and cost 45 lives. Zuma has made common cause with the Congress of South African Trade Unions (Cosatu) whose biggest affiliate, the National Union of Mineworkers had lost credibility at Marikana. Mineworkers at Marikana had rejected the NUM as their representative in wage negotiations with management.

So smaller rival unions, such as the Association of Mineworkers and Construction Union (AMCU) and the Committee for a Workers' International, stepped into the dispute on behalf of the dissident workers. This quickly turned into a three-sided and violent confrontation between AMCU, the NUM and Lonmin, with the police protecting the company's property. In the first round of clashes, both NUM officials and police were killed, as well as striking mineworkers. NUM officials told our correspondent that some of the dissidents had consulted *sangomas* (traditional healers) for supernatural protection.

NUM CHIDES MINE OWNERS

AMCU and its radical allies say that Lonmin's capitulation to most of their demands proves that the mainstream unions, such as the NUM and other Cosatu affiliates, can no longer credibly represent workers' interests. In a bizarre political twist, NUM officials blame Lonmin for its weakness in the face of the workers' militancy. South Africa has about 80% of the world's platinum reserves and the strikes spread across the platinum belt and seem to have encouraged strikes in some gold mines, too.

After ministers spent several weeks minimising the economic damage of the Marikana shootings, Finance Minister **Pravin Gordhan** admitted that the unrest could undermine growth and investment. In recent years, South Africa has benefited from substantial portfolio investment and from its role as an investment platform for other countries in the region.

One of President Zuma's most determined

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foes, the expelled President of the ANC Youth League **Julius Malema**, has stepped up calls for nationalisation of the mines, proposing a radical alternative federation of unions to challenged the hegemony of Cosatu. His latest demand is for strikers to make the mines 'ungovernable'.

NUM General Secretary **Frans Baleni** says Malema's group is responsible for the more than 800 people who have been trying to persuade workers at Xstrata, Murray and Roberts, and Samancor to down tools. Malema aims to link the mining protests to existing community campaigns about services, corruption and mismanagement.

Against this, Zuma's team has been lobbying the 20 main unions affiliated to Cosatu, with some success, judging by the warm reception given to his keynote address at the opening of Cosatu's National Conference in Midrand on 17-20 September (see next Feature). Sceptics point out that Cosatu President **Sdumo Dlamini** is a close ally of Zuma's.

UNION GRIP ON ANC

Given that its members make up about half of the ANC's 1.2 million members, Cosatu is a key power base for aspiring party leaders. Despite the union leaders' conditional backing for Zuma this week – some had demanded that he make more radical policy commitments – there is criticism of his record everywhere. Only the state-run South African Broadcasting Corporation has refrained from pinning the blame for Marikana on Zuma. Even his ex-wife, the veteran politician **Nkosazana Dlamini-Zuma**, took a swipe at him at her farewell as Home Affairs Minister, en route to Addis Ababa to take over the chair of the African Union Commission from **Gabon's Jean Ping** (AC Vol 52 No 23).

The two main candidates challenging Zuma for the ANC presidency, the national Deputy President **Kgalema Motlanthe** and Housing Minister **Tokyo Sexwale**, want to merge their campaigns in the lead up to the party congress at Mangaung on 16-20 December. Along with ANC Treasurer **Mathews Phosa**, they decline to defend Zuma's performance. When NUM officials asked Motlanthe (a former Cosatu official) to intervene in the Marikana crisis, he replied that although he sympathised, they should 'seek help' from Zuma.

Sexwale's presidential campaign – known as 'anyone but Zuma' (ABZ) – is looking for allies. Sexwale is willing to run as deputy to Motlanthe in a contest for the ANC presidency, on condition that he would take over as President after one term. Sexwale's supporters worry, though, that Motlanthe might be unwilling to fight all the way against Zuma – unless he thinks victory is assured. Both challengers will watch the nomination process keenly. On 1 October, the rival ANC factions are due to announce their slates of candidates for the top six posts in the party: president, deputy president, secretary general, deputy secretary general, chairperson and treasurer general.

Publicly, Motlanthe says the system of rival slates for the top six posts is divisive. Many think he lacks the stomach for a bare-knuckle fight with Zuma for the party presidency. By November, when most of the nine provinces will have submitted their preferences for the coming elections, there will be little doubt about the favourite. Should Motlanthe withdraw at that stage, Sexwale's supporters assure us that he is determined to challenge Zuma with his own band of ABZ activists.

The pre-conference negotiations could prove critical. Sexwale and Motlanthe's campaigns are trying to woo to their cause ANC Secretary General **Gwede Mantashe**, who is still allied to Zuma. Mantashe is extremely popular in Eastern Cape Province, where the anti-Zuma campaigners scored a narrow victory in party elections in August.

Getting Mantashe on side by offering to keep him as Secretary General under a Motlanthe-Sexwale presidency would extend their base in the Eastern Cape and counterbalance the dominance of Zuma's neighbouring KwaZulu-Natal (KZN) (which has the most ANC members, with Eastern Cape next). Motlanthe's original slate had Sports Minister **Fikile Mbalula** for Secretary General: Mbalula's likely to get that if Mantashe turns them down.

The other problem for the anti-Zuma people is Malema. Although Sexwale defended him in his ANC hearing this year, the two have never been close. More recently, Malema pronounced himself opposed to Sexwale standing even as Deputy on the same ticket as Motlanthe: he would prefer Mathews Phosa as Motlanthe's running mate. Malema wants a new party president to reverse his expulsion from the party in return for his support against Zuma. Some in the anti-Zuma camp are wary of being drawn into a messy deal. They believe that there is so much opposition to Zuma that they can win the leadership without Malema.

In August, the anti-Zuma group won the leadership of the ANC's Eastern Cape district of Oliver Reginald Tambo; provincial officials had disallowed the

first election for 'voting irregularities' but the same anti-Zuma team won the rerun in late August (AC Vol 53 No 17).

The Motlanthe-Sexwale group relies on the Eastern Cape and Gauteng (where it also has majority support) as its main bases. Now it is trying to weaken Zuma's grip on KZN, by persuading provincial leaders to change position publicly. **Bheki Cele**, whom Zuma fired as National Police Commissioner, was Chairman of the ANC's large eThekweni region (Durban) in KZN for over a decade. He is unafraid to take on the Zuma militants and has emerged as key strategist for the Motlanthe-Zuma campaign. We hear Zuma is concerned about Cele's activities and has asked for a meeting with the top six provincial leaders to determine their individual loyalties.

TRADING DEPUTIES

Zuma's allies are sounding out whether Motlanthe would abandon his presidential ambitions and accept reappointment as Deputy President. The idea is that, half-way through his second term, Zuma would offer Motlanthe the state presidency while remaining ANC President. The Motlanthe group seems unimpressed, not least because Zuma's team has made similar overtures to former ANC Secretary General **Cyril Ramaphosa**. As a Non-Executive Director of Lonmin, Ramaphosa has come under heavy attack since the Marikana massacre and now seems more enthusiastic about a deal with Zuma, if he can win assurances from the canny President: he announced on 20 September that he is ready to serve his country again. Yet again, the Zuma camp has dangled the prospects of the deputy presidency in front of Sexwale, hoping to split him off from Motlanthe.

Beyond the dealmaking, Malema is stepping up his campaign. Zuma wants the authorities to prosecute him for corruption in Limpopo Province. They are trying to encircle Malema by taking on his friends and business partners and choking off his flow of money. On 16 September, Zuma instructed the Hawks, the Special Investigating Unit of the SA Police Service, to investigate allegations against him of incitement to violence during the Marikana protests. The Unit is seeking videotape footage and has given the case to investigators who deal with 'crimes against the state'.

Malema's group wants to mobilise the retrenched workers of the Aurora mine, where presidential nephew **Khulubuse Zuma** has a stake. They also claim they can 'prove' that presidential son **Duduzane Zuma** is part of a labour-broking syndicate which has supplied workers to Lonmin's Marikana mine. As militancy grows among the workers and the ANC leadership elections draw near, the battle will get still rougher. ●

SOUTH AFRICA

Disunited unions

Despite some stage-managed glad-handing, quarrels over tactics and ideology haunt Cosatu's conference

A political fix negotiated on 16 September allowed the leaders of the Congress of South African Trade Unions to paper over their differences as Secretary General **Zwelinzima Vavi** agreed to tone down a critical speech about President **Jacob Zuma's** government the following day. Vavi has been battling with Cosatu President **Sdumo Dlamini**, who is a die-hard supporter of Zuma: each had wanted to push the other out of office at Cosatu's annual conference in Midrand on 17-18 September. Yet in the face of growing militancy and disenchantment with the mainstream trades unions among workers, they agreed a truce.

The deal on the leadership election staved off a looming battle between Cosatu's largest affiliate, the National Union of Mineworkers (NUM), and the second largest, the National Union of Metalworkers of South Africa (NUMSA). At issue are leaders, policies and whether to back the re-election of Zuma as President of the governing African National Congress (ANC).

NUMSA's General Secretary, **Irvin Jim**, wants Cosatu to push the ANC to adopt more radical economic policies, including sweeping nationalisation, as the price for his union's support for a second term for Zuma. The NUM tries to stay out of the ANC's political ructions. Its General Secretary, **Frans Baleni**, opposes nationalisation, backs Cosatu's old leadership and wants it to stay neutral in the ANC leadership struggle between Zuma, **Gkalema Motlanthe** and **Tokyo Sexwale**. The group opposing Baleni seems stronger since the massacre at Marikana.

NUM leaders are yet to visit the Marikana mine workers, perhaps fearing another violent confrontation. Vavi's political report to Cosatu's National Conference pointed to several weaknesses:

- the NUM is 'under attack in the platinum belt from its former members and other forces';
- the NUM and other Cosatu affiliates such as the South African Transport and Allied Workers' Union and the Communications Workers' Union are losing members to breakaway unions;
- several other unions have been de-registered because of falling membership and internal disputes, such as the South African Democratic Nurses' Union;
- serious flaws in membership services across the board;
- Cosatu's local leaders are not adequately trained and mentored.

HIGH ROAD OR LOW ROAD

Vavi spoke of a high road and a low road for the ANC government: the low road means a growing loss of popular support for the governing party, growing splits within its ranks and its integrity being compromised by the 'tenderpreneurs', a generation of businesspeople seeking enrichment through state contracts. Or the ANC could take the high road towards what Vavi called the 'Lula moment'.

Vavi said that **Brazil's** trades unionist-turned-President, **Luis Lula da Silva**, had faced deep divisions in his workers' party four years after taking office but during his second (and final) term in 2006-2011, he engineered a dramatic improvement in living standards. 'This is possible if Cosatu

has a clear political strategy,' said Vavi, 'and this is what we want from the ANC.' While many Cosatu members cheered his analysis, Zuma-loyalists, such as the NUM's Baleni and ANC Secretary General **Gwede Mantashe**, refused to accept that the government faced any sort of crisis.

The Marikana tragedy signalled the end of the old labour market regime. At Marikana, mine workers rejected their union representatives (mainly the NUM) and tabled wage demands outside the official bargaining process established after 1994 under pressure from Cosatu. This formal process had given the dominant unions, mostly Cosatu affiliates, a monopoly grip over workers' representation in specific sectors. The rule was that the 'official' union with the right to represent workers in wage negotiations should have the support of at least 51% of the workers concerned.

At Lonmin's Marikana mine, the Association of Mineworkers and Construction Union was not recognised and therefore excluded from wage negotiations, giving the ANC-affiliated NUM a monopoly. At Marikana, the miners set up 'worker committees' and broke down the NUM's monopoly position. Now Cosatu wants to reassert its leadership of the labour market regime.

Cosatu delegates pushed for a minimum wage and also discussed mandatory central bargaining in all industries, with all companies obliged to take part. For now, companies can opt out and those engaged in platinum mining had done so. Cosatu's leaders and members are divided over its alliance with the ANC. Some criticise government failures over public services, official corruption and mismanagement: they are pushing for sweeping reform of the ANC as voiced by Vavi. Others such as Dlamini are avid backers of Zuma: their big concern is the union federation's waning influence.

In many ways, Cosatu's factional battles mirror the bigger national political struggle in the ANC. ●

CONGO-KINSHASA/RWANDA

New York showdown

Joseph Kabila and Paul Kagame take their battles over the Kivu provinces to the UN General Assembly

Congolese ministers have been energetically lobbying in New York ahead of a high-level meeting on Central Africa at the United Nations General Assembly which opens on 25 September. Kinshasa wants the UN Security Council to sanction Rwanda's Defence Minister, **James Kabarebe**, Chief

of Defence Staff, **Charles Kayonga**, and General **Jack Nziza** for their support for the rebels of the *Mouvement du 23 mars* in North Kivu Province. The bulk of M23 fighters come from the Tutsi-led *Congrès national pour la défense du peuple*.

The work of the UN Group of Experts has become deeply entangled in the

propaganda war between Kinshasa and Kigali, especially since its interim report in June accused Rwanda of militarily supporting the M23 rebels. Former combatants consistently, credibly and independently of each other confirmed Kigali's crucial role in their rebellion. However, the Experts' report included weaker circumstantial evidence about uniforms, ammunition and the like, which gave the Rwandan government some basis to undermine its credibility.

Most Western governments did not accept Rwanda's denials and kept their aid programmes frozen. **Britain**, though, resumed its assistance, delighting Rwandan President **Paul Kagame** and

confirming the long-held opinion in Kinshasa that Britain backs Tutsi attempts at hegemony in the Great Lakes Region. The **United States** State Department said it considered the Experts' report 'flawed' but remains 'concerned' about Rwandan involvement in the conflict.

The Rwandan government is uncomfortably aware that the Experts' final report, due in December, will probably conclude that it is still helping the Congolese Tutsi rebels and trying to stir up insurrection elsewhere in eastern Congo. Kigali is doing its best to destroy the credibility of the Expert Group's coordinator, **Steve Hege**, whom it accuses of 'genocide ideology'. Rwanda's mainly Tutsi rulers say they are involved in eastern Congo-Kinshasa because of the presence there of their old enemies in the remnants of the previous Rwandan government's Hutu-led army, the *Forces démocratiques de libération du Rwanda*.

Defence Minister General James Kabarebe gave a long interview to the veteran **Belgian** journalist **Colette Braeckman** in late August, revealing that two companies of the Rwanda Defence Force were in Rutshuru conducting joint operations against the FDLR with two companies of the Congolese army, the *Forces armées de la République démocratique du Congo*. On 31 August, the RDF pulled its troops back into Rwanda in full view of the media, which witnessed

them cross the border wearing FARDC uniforms, then change into RDF ones.

As Kabarebe and Kagame had no doubt anticipated, the revelation was hugely embarrassing for President **Joseph Kabila**. Opposition politicians in Kinshasa immediately claimed that the continued presence, with Kabila's knowledge, of Rwandan troops in eastern Congo proved that the President was secretly in league with Rwanda. On 6 September, the long-time opposition leader, **Etienne Tshisekedi wa Mulumba**, accused President Kabila of treason, alleging that 'secret accords' existed between him and Kagame. The accusation was swiftly denied by Kabila's Spokesman **Lambert Mende**.

DEMANDS FROM KINSHASA

A few days later, Mende and Foreign Minister **Raymond Tshibanda N'tungamulongo** hit back, demanding that the UN Security Council sanction Kabarebe and Rwanda for backing *M23*. The Mines Minister, **Martin Kabwelulu Labilo**, asked that minerals from Rwanda be classed as 'conflict minerals' and barred from trade since their sale was funding the rebellion. In mid-September, Kinshasa demanded the extradition from **Burundi** of **Roger Lumbala**, a Kasaian member of the National Assembly, alleging that he had conspired to provide arms for the rebellion (AC Vol 52 No 19). Lumbala now protests his innocence from **France**,

while the Congolese intelligence service, the *Agence nationale de renseignements* (ANR), claims to have records of emails and text messages between Lumbala and Kabarebe that prove a conspiracy.

The material has convinced the international researchers who have seen it, especially since they do not believe that the ANR is capable of faking this kind of thing. Rwanda claims, however, that the ANR has recently grown sophisticated enough to fool Hege and the Experts; they deny being manipulated by the ANR but admit receiving a lot of their evidence from this source. If their final report leans heavily on ANR-derived evidence, it will undermine the Group's credibility, to President Kagame's advantage.

The Kinshasa government's attention is meanwhile diverted towards preparations for the Francophonie summit, scheduled for 12-14 October. Buoyed by the news that **François Hollande** will be there (though a little nervous about what the French President might say about human rights and whom he might meet) Kabila's government is manically trying to sort out N'djili Airport, which descends into bad tempered chaos the moment that more than one international flight lands at around the same time. Stretches of the road into town remain terrible. Like the war along the border, it seems unlikely that it can be fixed in time – but maybe not impossible. ●

KENYA

Kilelengwani burns

The mass killings in the Tana River Delta presage an upsurge of violence ahead of elections next March

As two mass graves are discovered in the Ozi Forest, acting Internal Security Minister **Mohamed Yusuf Haji** is at the centre of claims of official involvement in the Tana Delta killings. There are also reports of widespread abuses by a 1,800-strong force of General Service Unit (GSU) paramilitaries sent from Nairobi to quell the rebellion. After long-standing communal tensions exploded in six weeks of retaliatory violence, the graves at Ozi discovered just outside Kilelengwani village on 17 September indicate that the death toll could be far higher than the 113 previously confirmed.

As Kenya prepares for general elections in March, there are reports of clashes in other regions. They follow a deadly pattern from the 2007 elections and before. Since January, rival communities have clashed along the Kisii-Kipsigis border in the South Rift Valley, in Muhoroni along the Nandi-

Luo border and in Baringo in the North Rift. There were also clashes in Wajir, Moyale and Isiolo in the north.

Under the new constitution, which devolves power to 47 county governments, the balance of power in grassroots politics assumes far greater importance for national politicians. Big politicians in Nairobi watch carefully the funds that are distributed directly to the semi-autonomous counties; they try to ensure that their supporters (usually ethnic coalitions) control or at least have a stake in how power in the new counties is organised.

This partly explains the deadly violence in the Tana Delta. Following the Kilelengwani attacks on 11 September, police arrested **Dhadho Gaddae Godhana**, the Livestock Assistant Minister and member of parliament for Galole, for incitement. He was immediately relieved

of his ministerial duties. On a television talk show, Godhana had claimed that Haji was behind the violence in the Tana. In turn, Haji accused Godhana of inciting his Pokomo farming community to attack the neighbouring pastoralist Orma people. There has long been rivalry between the two communities.

Yet relative calm had reigned in the region for a decade. The previous flare-up was in 2002-04 over Orma grazing rights. Human rights groups in Nairobi have called for an investigation into the claims about Haji's role. After Internal Security Minister **George Saitoti** died in a helicopter crash in June, Haji took over his ministerial duties temporarily (AC Vol 53 No 13). Rights groups point to a conflict of interest: Haji, an ethnic Somali, is also MP for Ijara, a constituency bordering the Tana Delta.

Both Pokomo and Orma leaders accuse Haji of protecting his own interests in the Delta. During the recently concluded boundaries review exercise, Delta residents complained of gerrymandering – that the borders of Ijara constituency had been extended by three kilometres into the Delta. They then lodged a court case, one of 260 from across the country. The courts hastily threw them all out. Critics also accuse Haji of influencing the Boundaries

Commission to resettle immigrant Somalis closer to the Tana River. In a televised interview, Haji rejected claims that his ownership of a cattle ranch in Malindi, south of the Delta, might have influenced his handling of the conflict.

Haji knows about election violence. He was a provincial commissioner in the Rift Valley during the 1990s, when President **Daniel arap Moi's** regime exploited communal tensions between Kalenjin and Maasai locals and Kikuyu settler communities in the province to drive out opposition-supporting groups. Moi-loyalists in the then ruling Kenya African National Union launched a campaign of ethnic cleansing against Kikuyu in the Rift Valley, whom they identified as opposition supporters. The 2001 **Akiwumi** Commission investigated the causes of those ethnic clashes and named Haji among hundreds of politicians and bureaucrats held responsible. However, he has never faced any charges linked to the violence.

IMPOTENCE OF STATE SECURITY

Two days after the GSU stumbled on the graves, it was still unclear whether the dead had been part of the militia that attacked Kileleshwa on 11 September or villagers possibly killed even before reports of the Pokomo-Orma violence became generally known. GSU and police scouting the area had initially hinted that the bodies belonged to a Pokomo militia. That attack, the third of its kind since early August, left nine police officers dead and raised concerns that state security couldn't deal with inter-communal clashes.

Discovered alongside the mass graves was a cache of traditional weapons – 32 machetes and 17 spears – as well as police uniforms, sleeping bags, two pairs of binoculars and two thunder flashes, all suggesting that the Pokomo militia had camped out in the dense forest. In the 11 September raid, the attackers are reported to have worn police uniforms. Ten mobile telephones collected by the police suggest links to the secessionist Mombasa Republican Council. The MRC has consistently denied any role in organised violence.

Last year, 'awareness workshops', organised by the district administration in the nearby towns of Witu and Garsen, exposed deep-seated hostility between Orma and Pokomo. This year's boundary review worsened tension: the Orma and Wardei pastoralists saw their lands coming under pressure from Somalis in the neighbouring Tjara community. These tensions seem to be behind the latest clashes. The Orma had long complained that they lacked representation in the Tana Delta: all three parliamentary seats are held by Pokomo politicians.

With just six months before elections,

there are doubts about timing, as constitutional reformers in Nairobi focus on efforts to depoliticise and professionalise the police. Some officers fear that the rows over top-level changes at headquarters in Vigilance House could further weaken the police's response to communal violence. According to the constitutional reform timetable, Police Commissioner **Mathew Iteere's** contract expired on 28 August. He was to have been replaced by a new Inspector General of Police, a civilian to be supervised by a board nominated by the President and Prime Minister and approved by Parliament. President **Mwai Kibaki** has nominated several close allies, all of whom Prime Minister **Raila Odinga** rejected, further delaying security reform.

As the police came under scrutiny after the Kileleshwa attacks, Deputy Spokesman **Charles Owino** shocked many by his claim that the police would

not imperil their bosses by issuing orders to shoot-to-kill attackers. Referring to the International Criminal Court's indictment of former Police Commissioner **Mohammed Hussein Ali**, he declared: 'You sent Ali to the Hague. We will not allow you to send Iteere there as well.'

Kibaki's opponents smell foul play. They claim the ructions at Vigilance House may have been instigated by State House. The seurocrats, they say – including Kibaki's allies, National Security Intelligence Service Director **Michael Gichangi** and acting Civil Service head **Francis Kimemia** – are using this latest wave of violence to slow down constitutional reform and maintain the *status quo*. With Kibaki's camp split over the succession – whether to back **Uhuru Kenyatta** or **Wycliffe Musalia Mudavadi** – some strategists argue for another postponement of the elections. More chaos and violence would help that cause. ●

THE RUSH FOR LAND

A rush for the rich resources of one of the world's most biologically diverse environments is entangled with the politics of the Tana River Delta. Most intriguing is the government's 40,000-hectare deal with **Qatar**. Qatari companies were trying to secure a deal to take over Delta land for agricultural projects – palm oil, vegetables and rice have been cited – in exchange for financing the development of the Lamu Port Project.

Competition between rival ministries in Nairobi's coalition government stalled the negotiations; then President **Mwai Kibaki's** ministers opened talks with **Chinese** companies to finance and develop the Lamu project. It is unclear whether the Qatari offer is still active. Meanwhile large tracts of land were handed over to Bedford Biofuels, an **Australian** biofuel consortium. **Canada's** Tiomin Resources has been allocated mining rights in the Delta which it plans to develop. Its 1999 discovery of vast titanium deposits had led to much wrangling over relocation compensation fees between residents of Kwale in the southern coastal region and Tiomin.

Most of these deals were sealed in Nairobi. A few years ago, local human rights groups in the Delta began asking why local communities had not been consulted. Last year, they forced the National Environment Management Authority to conduct an environmental impact assessment (EIA) in the area.

The latest wave of commercial interest in the area dates back to 2004, when the Tana and Athi River Development Authority (TARDA), the state corporation that manages 138,000 square kilometres in the Delta, launched the Tana Integrated Sugar Project (TISP). The late **Alex Mureithi**, a nephew of Kibaki's, was appointed to run TARDA. Recognising the Delta's potential, he set off to woo both local and international investors.

By the time of Mureithi's death in 2008, TARDA had made several deals, including a US\$300 million sugar development project in 2006 with Mat International, once known as the country's biggest sugar importers and part of Kenya's Tal Group. Mat is also linked to Somken International, a downstream oil company with several filling stations in Kenya. After it was allocated 10,000 ha. in the TISP project area, Mat agreed to build a sugar processing factory in Garsen in the Delta that was expected to produce 160,000 tonnes of sugar annually, 25% of Kenya's total output. The deal was to be financed by the **Swiss** bank UBS.

Delta activists have red-flagged the Mat International deal, suggesting that the company may use the concession to prospect for oil and gas. There are no official reports of any oil finds in the Delta so far nor any indications that Mat even has the financial muscle to do any prospecting. Yet with new discoveries made in the north, it is possible that there could be oil in the Delta – or at least some investors might believe that.

Mumias Sugar Company, Kenya's largest sugar mill, this July sought \$180 mn. on the international markets to develop a 2,000 ha. plantation in the Delta. While the EIA gave TARDA a clean bill of health, the prospect of a wave of new development re-opened old ethnic rivalries. It pitted the pastoralist Orma, Wardei and Somali communities against the Pokomo, who were keen to lock out the pastoralists from access to the river and the Delta dry-season grazing lands. ●

New president, new laws and old enemies

The election of President Hassan Sheikh Mohamud is seen as a sign of stability but the new government's foundations are far from strong. Meanwhile, Kenya's military policy is worrying other members of the Amisom alliance. The election process was marred by vote-buying but Western commentators welcomed the outcome, often warmly. However, Ethiopia has concerns about the Islamist background of the new leader.

Somalis welcomed the election of President **Hassan Sheikh Mohamud**, an outsider with a better reputation than his predecessor, as the first critical test of the new constitution. The election by Parliament concludes a painful political process, the famous road map, ending the transition and changing the faces of the ruling team. President Hassan is from the Waisle subgroup of the Abgal, who are part of one of the most important clan groups, the Hawiye, in a country where clan really counts.

Many diaspora candidates seem to have expected too much of their own clan and some polled fewer than five votes. Four of the top six were Islamists: Hassan; his predecessor, **Sharif Sheikh Ahmed** from *Tajamuc* (aka *Ala Sheikh*); **Abdirahman Moalin Baadiyo** from a faction of *Al Islaah*; **Abdulqadir Ossoble** from *Al Itisaam*, a continuation of *Al Itahaad al Islamiya* (AC Vol 42 No 22). Although Hassan Sheikh stood out as a candidate, the size of his support was unclear till the last moment. Being an Abgal was in his favour: his clan claims to own Mogadishu and many thought an Abgal leader could help to prevent trouble in the capital – as long as it wasn't his predecessor, Sharif Sheikh Ahmed, an Abgal/Harti. Hassan Sheikh is respected as an educationalist and is a prominent member of civil society. He is not from the diaspora, a key advantage as hostility rose against ambitious diaspora politicians, sometimes nicknamed 'mortgage ministers' since they want political office so as to earn enough money to pay off their mortgages in the country where they gained asylum.

Hassan Sheikh's reputation for not being involved in the fighting has helped him at home. His Peace and Development Party includes students past and present of SIMAD, the private university he founded in 1999, and members and ex-members of *Al Islaah* (Reform), which is ideologically close to Egypt's Muslim Brotherhood. The head of his election campaign was **Farah Abdikadir** (Hawiye/Sheikhaal), who used to chair the Formal Private Education Network, set up in 1998. Although Hassan has tried to dissociate himself from *Al Islaah*, many in Mogadishu say he is still linked to it, while acknowledging that he is far more tolerant and open-minded than the average member; he has cultivated relations with secular educational institutions.

Most observers see *Al Islaah* as an important part of his profile and say some of his campaign funding came from **Kuwait**. He is also believed to have links to other Islamist groups, especially a group that split from *Islaah* in 2006, *Damul Jadiid* (New Blood). The candidate of the other *Islaah* faction, Abdirahman Baadiyo, is a fellow Abgal but a Wabudhan.

The new President has excellent connections in **Britain**, having acted as a consultant to the Department for International Development. He was hired as one of a three-person consultant team to help improve coordination between donors and the Transitional Federal Government from February to July 2000,

a DfID official told *Africa Confidential*. He also worked for the United Nations' War-torn Society Project for years. However, Hassan won essentially because he garnered a considerable protest vote against his fellow clansman, President Sharif Sheikh, and took the trouble to forge alliances with several other clans.

Ethiopia fears, we understand, that he may open channels to *Al Haraka al Shabaab al Mujahideen*. Scant attention has been paid to the details of the new constitution, in force since polling day. It gives the president significantly less power than President Sharif Sheikh enjoyed, meaning that the future prime minister and parliament are going to be more important in shaping policy. The system the new leadership inherits needs major change, observers say, while it has to manage often contradictory demands, from both home and abroad.

Among the many challenges are Kenya's dangerously divisive military policy and the persistent failure of Somali politicians to win over former *Al Shabaab* supporters in areas cleared by the African Union Mission in Somalia (Amisom) operations. Although *Al Shabaab* has taken heavy blows in the recent fighting, it has maintained recruitment and financial support and has been quick to exploit its enemies' failures to win back hearts and minds.

By attempting to assassinate President Hassan on his first day in office with suicide bomb attacks, *Al Shabaab* made clear that nothing has changed. In the run-up to the presidential election, some commentators highlighted divisions, splits and dissension in the *Shabaab* leadership: they have proved largely illusory. Instead, it has reorganised militarily, so that its forces now mirror Amisom's organisational and geographical chart, and have expanded operations into Puntland and parts of Somaliland. It has carried out ambushes and assassinations daily in areas controlled by its opponents and launched a major recruitment drive in the Galgadud region, training dozens of new fighters.

WISHFUL THINKING

United States diplomats have been unstinting in their praise and promotion of the political process. Washington hopes to take the country out of the political equation during its own presidential campaign. Its optimism over the last ten years, talking up the new constitution, new parliament and the success of the road map, does not necessarily match events on the ground. The constitution is another example. Donors spent over US\$13 million getting a text drafted and they wanted it adopted at all costs rather than work for a better constitutional framework, say some close to the events. The UN Development Programme controlled the exercise until the Committee of Experts decided to go back to Mogadishu and work in the Somali language. Latterly, the debate was more Somali-driven, although not by much.

Nevertheless, the text changed again when it came into the hands of the six signatories of the road map: the Transitional Federal Government President, the Speaker of Parliament, the TFG Prime Minister, the President of Puntland and representatives of *Ahlu Sunna wal Jama'ah* and of *Galmudug*. All made further changes and the Federal Constitution and Reconciliation Minister, **Abdirahman Hosh Jibril** (Darod/Leykasse), presided over a committee in Addis Ababa to redraft

the text according to the wishes of the signatories. They angered many Somalis by ignoring the work of the independent experts' panel, especially its recommendations on federalism. The panel's Chairman, **Mohamed Osman Jawari** (Rahenweyne/Digil Mirifle/Eelay), is the new Speaker of Parliament.

The conditions in which the Constitutional Assembly adopted the draft were far from ideal. After many delays, it convened, with 180 of 825 members absent. The CA had the right only to list the points in dispute and send them to the new Parliament for adoption, which it did on 1 August by 621 votes. The result is far from satisfactory. The constitution is not the permanent basic law which Britain and the USA had said was necessary and it may be changed later. Since the Speaker himself was on the Experts' Committee which the road-map signatories so pointedly ignored, he is expected to challenge the document, especially on its definition of federalism.

THE NEW PARLIAMENT

Much international attention fell on the 135 elders who were to choose the CA members and the new members of parliament (AC Vol 53 No 13). In many clans, the chosen elders were known for their allegiance to a specific road-map signatory. Diaspora Somalis have told AC that the blatant buying of seats deterred some of the best-qualified people abroad who had initially been attracted to working as MPs back home.

Many traditional leaders made poor choices, says one Mogadishu analyst, with some would-be MPs buying their seats for \$20,000, others for double that. Some Hawiye/Murosade/Ugass and Habr Gidir/Ayr Ugass representatives were particularly greedy, we hear, but by no means alone. As well as individuals seeking promotion with their own funds, the road-map signatories sponsored favoured candidates, as did representatives of the governments of **Djibouti**, Ethiopia and Kenya, albeit to a lesser extent than in 2004, the analyst said.

Clan elders often disagreed among themselves and different lists were provided to the Technical Selection Committee that was vetting candidates. Sometimes the elders provided a list and then changed their minds after money had changed hands, submitting a new list a couple of days later. The TSC itself was contentious. President Sharif Sheikh Ahmed criticised the committee because the then Speaker, **Sharif Hassan Sheikh Aden** (Rahenweyn/Ashraf), and Prime Minister, **Abdiweli Mohamed Ali** (Darod/Majerteen/Omar Mohamud), had chosen its 27 members.

Selection procedures went by the board. Parliament was supposed to include at least 30% female members – a condition the international community insisted on – and warlords were barred. Yet women ended up a mere 14%. If clan elders had been required to select the female members before sharing out the seats allocated to the clan among its sub-clans, female representation would have been stronger. The Marehan refused to appoint any women and the TSC did not demur, despite some internal opposition. Constitution Minister Abdirahman Hosh took a seat his clan elders should have given to a female and secured the TSC's approval later, AC discovered. Abdiweli ensured that he and some 35 of his ministers and senior civil servants got seats.

The rule on warlords illustrates another difference in perception between Somalis and the internationals. For Somalis, the warlord era ended with the victory of the Islamic Courts Union in 2006. Warlords have since had precious little opportunity, thanks to both Amisom and *Al Shabaab*, to build up military machines. Some are emerging but they are untried, often leaders of local militias or TFG officers cultivating their autonomy. It was the TSC's job to decide who was and was not a warlord without independent adjudication. In some clans, this produced bitter arguments. President Sharif Sheikh's solution has been widely decried as worse than the problem. The Supreme Court Chairman, a police officer with a reputation for



incompetence, made the selection and as a result, 14 warlords are back in Parliament.

PICKING THE SPEAKER

The election of Mohamed Jawari as Speaker of Parliament resulted from an unwritten agreement among politicians: Speaker and President must not come from the same clan. The TFG Speaker, Sharif Hassan, wanted to become the next President and was considered a serious contender. He is Rahenweyn and it is widely said in Mogadishu that President Sharif Sheikh took steps to make sure Jawari, also Rahenweyn, became an MP, so that if he became Speaker, Sharif Hassan would be ruled out for President. MPs voting for this were joined by others angry at Sharif Hassan's failure to convene Parliament for a year. Sharif Hassan's nominee was a former Premier, **Ali Khalif Galaid** (Darod/Dhulbahante), who got 77 votes in the first round against Jawari's 119. There was no second round, so Jawari was elected by acclamation. This may be legally dubious but since President Sharif managed to settle his score with Sharif Hassan, say sources close to him, he did not subject it to close scrutiny.

Similar liberties with the rules may persist in the new Parliament, political sources say. Most MPs were MPs previously or TFG officials. Nearly 160 MPs have been in politics for more than four years and many have doubtful records. They leaven this pessimism, though, with the view that around 30 parliamentarians have strong personal values and high ambitions for Somalia. There are fewer diaspora MPs than in the previous Parliament but 43 of them are British passport-holders. It is believed that British diplomats are pushing them to form a bloc in order to influence the work of Parliament.

The Speaker's election paved the way for the President's. Sharif Hassan's defeat was predictable but he dithered before deciding to back his one-time arch-rival, President Sharif Sheikh. As election day approached, pundits were putting the

President and Prime Minister neck-and-neck. Yet things were not so clear in Mogadishu.

ANYONE BUT SHARIF SHEIKH AHMED

In the first round, Hassan Sheikh won the endorsement of the few MPs who had backed him in 2011, 24 MPs mostly linked to *Al Islaah*. He also won the support of MPs who initially favoured Sharif Sheikh but were disappointed by his deal with Sharif Hassan. Money may also have helped some twenty-odd MPs make up their minds. The second round was clearer – many voted for Hassan on the basis of ‘anyone but Sharif Sheikh Ahmed’. Some analysts see Hassan Sheikh as more adept than his predecessor but difficulties in his background compound his lack of political experience. First, his party has overnight become an Abgal party, which carries the risk, as happened

to many others in the past, that he will become a clan, rather than national, leader. This goes beyond Somalia’s culture of clan politics: under the previous President, many Abgal misappropriated land and public property.

More important may be the connections with *Al Islaah*. Nobody knows how influential this ideology will be but it will come under heavy scrutiny in central and northern Somalia, as well as in neighbouring capitals, where people know that the differences between *Al Shabaab* and other Salafist groups are not as great as many Westerners believe. The selection of the prime minister and team of ministers will be critical in determining the direction of the new regime. Under the new constitution, Parliament is also more powerful and back in business. MPs who have spent much money on their election will now be seeking a return on their investments. ●

AS AMISOM TARGETS KISMAYO, AL SHABAAB CHANGES TACTICS

The campaign against *Al Haraka al Shabaab al Mujahideen* is suffering from divisions within the African Union Mission in Somalia and fears over poor tactics, military observers have told *Africa Confidential*. Kenya is pursuing its own national interest ahead of the policy it agreed at the Intergovernmental Authority on Development (IGAD), say Amisom sources. *Al Shabaab* was held responsible for a suicide attack in a Mogadishu restaurant on 20 September which killed 15 people. The Islamist militia seems to be intensifying guerrilla operations as pressure mounts on its base in Kismayo.

One of the first tasks for President Hassan Sheikh Mohamud will be to address these concerns, as well as worries about the Kenya Defence Forces’ (KDF) campaign to retake Kismayo. Many Somalis believe that Kenya tried to get the Transitional Federal Government Prime Minister, **Abdiweli Mohamed Ali**, elected president because they were confident of a quick agreement on maritime borders, which would allow oil exploration to proceed.

The Somali National Army is also under fire. Amisom took over from it in Afgoye because of fears that it was driving civilians back into the arms of *Al Shabaab*. Nor has confidence in the SNA increased since many middle-ranking officers were promoted during the last stage of the presidential election campaign. The army now has some 50 generals, with insufficient middle-ranking and non-commissioned officers.

Security has improved overall and far more territory is under Amisom’s control. Yet this may prove tenuous and surrogate forces – local clan militias allied to different contingents in Amisom and the SNA – do not inspire confidence. They are key to Amisom’s control of key urban areas but commanders doubt their capability. Some could become the personal armies of new warlords. This has happened in the capital’s Dharkinley area and is a threat in newly liberated areas where administrations have been set up with scant local consultation.

Amisom faces challenges from the expansion of its operations as well as strains in the alliance. Its troops know Mogadishu well and had good intelligence when they retook it. Yet outside the city they are also outside their comfort zone and obliged to put more trust in local allies than they would like. Amisom contingents also have varying levels of competence. The Djiboutian soldiers who took over from Ethiopians in Belet Weyne have become a liability, we hear. One sceptic remarked that their only clear contribution to stabilising the town has been expanding the qat market. There are fears that if Ethiopian troops withdrew from the outskirts, the Djiboutians would quickly succumb to local militias or *Al Shabaab*.

More subtle but equally disturbing to Amisom’s high command are the KDF issues. Kenya provoked the jealousy of Burundi by assuming Amisom’s second-in-command position, after Uganda. As Burundi has been there longer and lost more men, its leaders feel slighted and reluctant to support Kenya’s operation to take Kismayo. The 4,600 KDF troops have yet to be fully integrated into Amisom. Ugandan commanders are less vocal but believed to share the Burundian view.

The Kenya Navy’s shelling of Kismayo provokes particular concern. Hitherto, Amisom had never subjected any Somali town to an artillery barrage. Commanders fear that the shelling, with the high probability of civilian casualties, will be counter-productive. Nairobi has been promising to take Kismayo for nearly a year and is now gearing up for a major assault on the port, for which the shelling appears to be a precursor. Residents are terrified of being trapped in devastating artillery battles, now that *Al Shabaab* is setting up big guns to fight Kenya’s forces.

In Kismayo’s hinterland, Jubaland, the KDF is reluctant to adopt a comprehensive strategy to avoid alienating the population of areas it has taken from *Al Shabaab*. Britain, the United States and IGAD have

held numerous meetings to prod the Kenyan command into taking this strategy seriously. The late Ethiopian Premier, **Meles Zenawi**, played his part until late June, when his health sharply deteriorated, by campaigning to ensure that minority clan groups in the region, such as Hawiye, Rahanweyn, Bantus and Dir, would have a say in their future, which would help to keep them away from *Al Shabaab*.

When Meles left the scene, however, the KDF began to return to its previous policy of favouring mostly Ogadenis, while its local military ally recruits from the Mohamed Zubeir, a sub-clan of the Ogadeni, military sources say. The result is that many non-Darod clans are tactically shifting their support to *Al Shabaab* because it does not contest their right to be present in the area.

Overall, *Al Shabaab*’s military situation remains patchy. It has lost vast areas to Amisom and defections have increased. Yet the suicide bomb attacks in Mogadishu around Hassan Sheikh’s election were in the securest parts of the capital, near the United Nations Development Programme compound and less than 300 metres from the airport entrance. In Lower Juba, they have on occasion blunted KDF attacks and those of its Ras Kamboni allies, forcing them to retreat. The outskirts of Baydabo, Belet Weyne, Balad and Afgoye are too insecure to permit any international civilian presence to help with stabilisation.

Chiefly, it is the failure to win hearts and minds after *Al Shabaab*’s military defeats that still helps the jihadists. Thanks to its formal association with *Al Qaida*, *Al Shabaab* is well-financed and is absorbing a stream of more committed, if less experienced, fighters. They may be best suited to the move towards large terrorist operations that is part of *Shabaab*’s new tactical direction. On 15 September, Kenyan police seized a large cache of terrorist hardware in a Somali neighbourhood of Nairobi. Security may improve in Mogadishu but in Nairobi, perhaps not for some time (AC Vol 53 No 18). ●

BURUNDI

Aid threatened, conflict up

Rebel forces have stepped up attacks on government positions ahead of a critical aid conference in Geneva

The United Nations officially classes Burundi as a 'post-conflict nation' but chronic low-level violence persists. At the beginning of September, a dissident offshoot of the main opposition declared it was opening an armed offensive. Donors will meet in Geneva on 29-30 October to call for pledges to a US\$2.1 billion 'Growth and Poverty Reduction Strategic Framework' but its prospects do not look good in the present security climate.

The **Belgian** and **French** foreign ministries have warned visitors and residents of the risks. French diplomats reported armed attacks in May on the homes of French nationals in Bujumbura, which, says the Foreign Affairs Ministry, is the target of terrorist threats. In the districts of Kinindo and Gatoke, crime is on the rise. The Embassy strongly advises against travelling outside the capital after 6 p.m., when the police no longer control the roads and all areas experience 'recurrent problems with bandits', the *Quai d'Orsay* website says.

Armed groups operate in Bubanza and Cibitoke provinces, in the north-west along the **Congo-Kinshasa** border, and especially in the Kibira National Park. UN agencies provide armed escorts for employees travelling outside Bujumbura. Although incidents are common, the official media rarely report them. President **Pierre Nkurunziza** and his governing *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (CNDD-FDD) prefer to maintain an appearance of calm.

Unrest has been festering since the municipal elections of June 2010, which most opposition parties said were rigged (AC Vol 52 No 3). The main opposition includes the former rebel *Forces nationales de libération*, led by **Agathon Rwasa**. Four years ago, he signed a ceasefire with the government but he remains in Congo-Kinshasa. In September 2011, the violence reached a peak when the rebels slaughtered about 30 people at Gatumba, near Bujumbura (AC Vol 52 No 22). On 3 September this year, the FNL's military wing announced it was officially reopening hostilities.

This followed a rocket attack the previous day on an army post at Mutimbuzi, not far from Bujumbura airport. Local people say that there were at least 50 raiders and that the government soldiers offered no resistance, although

the army, the *Force de défense nationale*, later said there were no casualties. The FNL communiqué was highly political. It bore the number 001/2012 and the FNL logo and was delivered to local media. It claimed that the reopening of hostilities was justified because government security forces had killed several hundred members of the mainly Hutu FNL since the 2010 elections, a claim supported by Human Rights Watch reports this year.

A POLICY OF EXTERMINATION

However, it was not **Rwasa** who signed the FNL statement but 'General' **Aloys Nzabampema**, a commander of the FNL's western zone during its war with the government, who was integrated into the national army as a major in 2009. However, he followed his leader back into the bush in 2010. He says he wants to end the regime's 'policy of extermination of FNL members' in a campaign called *Mukube*, which means 'hunt them down'. Nzabampema calls for resistance by the people of Burundi and asks the international community to speak out when FNL members are slaughtered 'like wild animals'. His statement condemns the destruction of opposition parties, the harassment and imprisonment of journalists and civil society activists, the expulsion of **German** Ambassador **Joseph Weiss** in 2011, corruption and embezzlement by Nkurunziza's 'clique', and the electoral fraud of 2010.

Many of these complaints are echoed by the opposition parties, both Hutu and Tutsi, which joined the FNL to form the *Alliance des démocrates pour le changement-Ikibiri* (ADC-Ikibiri). It includes the *Alliance démocratique pour le renouveau-Urunani Rw'Imvugakuri*, led by former Vice-President **Alice Nzomukunda**; *Conseil des Patriotes of Anicet Niyonkuru*; **Léonard Nyangoma's** *Conseil national pour la défense de la démocratie* (not to be confused with the ruling CNDD-FDD, AC Vol 50 No 18); the tiny FEDS-Sangira of **Gervais Niyongabo**; *Front pour la démocratie au Burundi*, led by **Léonce Ngendakumana**; *Mouvement pour la solidarité et la démocratie*, led by **Alexis Sinduhije**; ex-President **Jean-Baptiste Bagaza's** *Parti pour le redressement national*; *Parti indépendant des travailleurs*, led by **Nicéphore Ndimurukundo**; **Aloys Baricako's** *Parti pour la paix, la démocratie, la réconciliation et la reconstruction*;

Rassemblement des démocrates pour le développement au Burundi, under **Jean de Dieu Mutabazi**; and *Union pour la paix et le développement-Zigamibanga*, under **Zedi Feruzi**.

Yet FNL Spokesman **Aimé Magera** rejected Nzabampema's announcement, labeling it 'manipulation' by the government. The FNL, he said, had disbanded its armed wing in 2009 and Nzabampema had no right to speak for the Front. **Jacques Bigirimana**, Secretary General of another dissident FNL faction led by **Emmanuel Miburo**, disowned Nzabampema, as did all the members of the ADC-Ikibiri coalition and **Pacifique Nininahazwe** of the *Forum pour le renforcement de la société civile*.

The opposition fears tough reprisals by the army. The human rights body, the *Association pour la protection des droits humains et des personnes détenues* (Aprodh), says the government holds more than 400 political prisoners, most of them FNL members. The ADC-Ikibiri officially condemns the violence but a report on Congo-K by UN experts says that Sinduhije supplies arms to the FNL, which is even more dangerous because the FNL collaborates with with the Hutu *Forces démocratiques pour la libération du Rwanda* (FDLR) in South Kivu (AC Vol 53 No 3). Founded in 1980 as the armed wing of the *Parti pour la libération du peuple hutu* (Palipehutu), the FNL is split between its **Rwasa** and **Miburo** factions and it is not clear whether **Rwasa**, the main party's leader, is in agreement with Nzabampema. **Rwasa** has recently called upon Nkurunziza to leave power. Aprodh President **Pierre Claves Mbonimpa** takes Nzabampema's threats seriously and one senior diplomat thinks Nzabampema 'has the capacity to do real damage', with more than 1,000 armed followers.

Some claim the government, which had already engineered one split in the FNL, is behind these events. This looks doubtful. It is anxious for the donor conference in **Switzerland** to go well and therefore plays down the political nature of the attacks. The army Spokesman, Colonel **Gaspard Baratuza**, even denied that the FNL had attacked Mutimbuzi, blaming it on 'armed bandits'. University of Burundi political scientist **Siméon Barumwete** believes that security can never be assured so long as the FNL is split. Many doubt that **Rwasa** really controls the 1,000 or more fighters in the Kibira Park or in South Kivu.

While Nzabampema seeks to ramp up the tension, Nkurunziza seeks to prolong his rule. In August, he said that he intends to change the constitution to allow himself a third term in office, starting in 2015. The rules allow him to stand once for re-election; Parliament elected him first in 2005, then he won the 2010 elections, which the opposition boycotted. ●

ANGOLA

Luanda buys Mayfair trophy

Despite the ruling party's election win, criticism is growing of its opaque financial management, including property investments in London

Angola has spent £220 million (US\$356 mn.) from funds ostensibly intended for long-term investment in the national infrastructure on a 'trophy' property in Mayfair, London. Plaza Global Real Estate Partners announced at the end of August that it had bought the 103,000 square foot (9,570 sq. metre) prestige office block at 23, Savile Row on behalf of the *Fundo Soberano Angolano* (Angolan Sovereign Fund). Plaza Global Real Estate is a joint venture of Quantum Global Real Estate and LaSalle Investment Management. Quantum has strong links to **José Filomeno de Sousa dos Santos** 'Zenu', one of President **José Eduardo dos Santos's** sons (AC Vol 52 No 10). The move has caused some surprise since half of Angola's population lives below the poverty line and its human development indicators are among the world's worst.

The FSA is a *Fundo Petrolífero*, created by Presidential Decree in February 2011, not a Sovereign Wealth Fund, *Africa Confidential* understands. The FP is a mechanism for allocating oil revenues to capital investment infrastructure projects. No figures are available for the size of the Fund. According to its statutes, the FSA was to be founded with initial capital equal to the value of the profit from the sale of 36.5 million barrels of oil (the retail price less costs and other overheads). The law indicates that the state oil company, Sonangol, should top up the fund on a monthly basis to the tune of the profit on

100,000 barrels a day. Angola produces about 1.7 million barrels a day.

Media reports at the time the FP was set up said the money would be spent on water and electricity infrastructure projects, sectors that remain in disarray ten years after the end of the civil war in which they were so severely damaged. The statutes reveal, however, that the Fund, which is accountable not to Parliament but to the President, can invest in 'whichever sectors are considered strategic' in the course of 'achieving its aims'.

The Fund may, say its rules, store or deposit investments and capital in domestic or overseas bank accounts in any currency. It can choose third parties to manage these. Luanda reports say that Zenu is Chairman of the Board.

QUANTUM MECHANICS

Quantum Global Real Estate, which seems to have taken on some third-party functions for the FSA, is part of the Quantum Global Group, which also comprises Quantum Global Investment Management, Quantum Global Private Wealth, Quantum Global Capital Advisors and Quantum Global Corporate Services. It is based in Zug, Switzerland, and shareholders include **Ernst Welteke**, a former President of Germany's Bundesbank who resigned in 2004 over a hotel bill scandal, and **Jean-Claude Bastos de Moraes** (AC Vol 49 No 3). Both are board members of Angola's Banco Kwanza Invest, launched in 2007.

It is part-owned by Zenu and until 2011 was called Banco Quantum Capital. Zenu and Bastos de Moraes are close personal friends and together run the Swiss-based African Innovation Foundation (*Afrikanische Innovations Stiftung*) which describes itself as 'a not-for-profit NGO dedicated to promoting new technology and good governance in Africa'. Projects include giving laptops to school children in Luanda and hosting a conference on preventing money-laundering.

Questions mount about conflicts of interest in FP's management, as does concern about the opacity of the FSA's finances which, a Luanda financier says, is not necessarily receiving the 100,000-barrel monthly top-up. AC has found no trace of public disclosure of a summary of the accounts, as stipulated in Angolan law. Nor is the Fund mentioned, apart from its launch, on the Finance Ministry website.

Luanda has set up similar funds in the past. The *Banco Desenvolvimento de Angola* began in 2006 as the sole manager of the National Development Fund which is by law endowed annually with 5% of fiscal revenue from the oil industry and 2% from the diamond industry to fund agricultural and other projects. We hear the accounts dried up some time ago and the NDF appears to be in limbo. To steer Angola towards greater financial stability and reduce its vulnerability to oil price shocks, the International Monetary Fund has encouraged Luanda to create an 'oil stabilisation fund', to provide liquidity to cope with fluctuations in oil revenues.

'What this country needs first and foremost is to build its capital infrastructure...if it can't spend all the money straight away, which is possible... then it should be ring-fencing funding, not buying up London real estate,' one Luanda economist told us. ●

ANGOLA

Opposition claims dismissed

Petitions accusing the government of systematic fraud in the presidential elections have been unceremoniously thrown out by the courts

The Constitutional Court has rejected the challenges by opposition parties claiming fraud during the 31 August elections and has endorsed President **José Eduardo dos Santos's** first formal electoral mandate in his 33 years as President. The three opposition parties had all contested the results, which saw the *Movimento Popular de Libertação de Angola* (MPLA) returned with nearly 72%

of the vote and an absolute majority in Parliament (AC Vol 53 No 18).

The *União Nacional para a Independência Total de Angola* (UNITA), *Convergência Ampla da Salvação de Angola-Coligação Eleitoral* (CASA-CE) and *Partido de Renovação Social* (PRS), claimed their representatives had never received accreditation, as provided for in law, to supervise the count. They say the

electoral register was doctored and this accounts for turnout dropping to 60%.

The voter abstention rate was three times higher than in 2008. CASA-CE and PRS also claimed that the total number of voters they recorded at polling stations in their respective strongholds of Luanda and Lunda-Sul did not tally with the figures of the national election commission, the *Comissão Nacional Eleitoral*, and cost them seats. None of the observers – some independent, others not – judged the elections invalid. The CNE has rejected all the charges and published tabular data which it says refute the claims.

UNITA has harangued the CNE for months. It presented a 25-page document that reads at times like a spy novel, referring to meetings in hotel rooms, training sessions with Chinese intelligence officers

and the importation of sophisticated **Russian** telecommunications equipment. UNITA's main charge is that some 2.3 million electors, identifiable by name and place as likely UNITA voters, were deleted from the register. UNITA leader, Brigadier **Isaías Samakuva**, named four Chinese nationals, producing what he said were photocopies of their passports, and claimed they were all intelligence officers who had conducted training sessions in electoral manipulation for MPLA cadres in a Cabinda hotel. He said that they were the main architects of the deletions from the register, as he outlined the existence of a 'parallel CNE'.

Neither Beijing nor the individuals concerned have issued a public denial. On 25 August, Samakuva claimed UNITA had compiled a sample list of 'deleted' voters, available for inspection, which included people who had registered but were turned away at polling stations because they were not on the list. The register was published in time for the polls but the international consulting firm Deloitte did not complete an audit of it, said Samakuva. UNITA made much of this before polling. It also presented to the court copies of correspondence from the CNE's Moxico and Uíge provincial branches voicing concern about the register. The Court did acknowledge that some 2 million voters had not updated their records since 2006 and that a number could have died.

UNITA also questioned how a firm linked to the national army, the *Forças Armadas Angolanas*, had won a tender to manage electoral data transmission. The party brought up the role of the military,

which in some rural areas transports electors to polling stations, the number of undercover security operatives working at polling stations and the fact the central scrutiny centre was under the control of the all-powerful *Casa Militar*, the organ within the FAA which provides a direct link to the presidency (AC Vol 51 No 4).

In official declarations to each party, the Court said the lack of accredited party representatives had had no impact on the final result and that the difference in votes claimed by the parallel counts would not have won any party any more seats. This cool rejection followed an early rebuttal by the CNE that had described the challenges as 'out of context' and 'lacking in proof'. The CNE dismissed concern about the faulty voter lists, adding that there was no proof that foreign nationals had voted, nor evidence that polling stations stayed opened beyond the official cut-off point.

'BAD LOSERS'

CNE Spokeswoman **Júlia Ferreira**, whose flat voice is now well-known to Angolans after she spent days reading out results province by province live on national radio and television, said the challenges had been made in 'bad faith'. The state media have blasted the opposition parties as 'bad losers' trying to 'justify their party funding'.

The youth movements, which were vocal about fraud in the run-up to the vote and ran a website collating complaints, are now conspicuous by their silence. There have been the usual rumblings on the sidelines about the credibility of

the Constitutional Court, whose judges are handpicked by Dos Santos. Their government-supplied cars were last week upgraded to new US\$270,000 Jaguars.

Several credible sources say that during the election the CNE 'was awash with' undercover agents from the notorious *Serviços de Informação* and *Serviço de Inteligência e de Segurança de Estado* (SINSE) posing as support staff. They were reportedly in charge of scrutinising the signatures that accompanied parties' registration for the elections.

Dos Santos and his new Vice-President, former Sonangol boss **Manuel Domingos Vicente**, are expected to be sworn in on 25 September. The ceremony will take place in front of the **Agostinho Neto** park, which contains a 120-metre tower on the mausoleum housing the remains of Angola's first President, who died in Moscow in 1979 and whose memorial plaque was unveiled this week. After that comes the appointment of ministers.

Among the names tipped for the cabinet are the internationally respected economist **Manuel Nunes Júnior** and Vice-Minister of Territorial Administration **Adão Francisco Correia de Almeida**, the man UNITA accused of liaising with Chinese intelligence over the elections.

UNITA will take up its seats in Parliament, the leader said, pledging to pursue the claims of poll fraud by 'all legal means'. The Court's ruling, however, is 'final' and it is the court of last resort in Angola. No further appeals are possible. CASA-CE is expected to lodge complaints with the European Court and the International Criminal Court. ●

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POINTERS

Gambia

JAMMEH'S EXECUTION SPREE

■ What prompted President **Yahya Jammeh** to start eliminating all the residents of death row in Banjul's infamous Mile Two Jail? Some attribute it to his heavy dependence on 'spiritual' advice from marabouts or use of *grigri* (magic). The opposition denounced him for announcing the executions, the first since 1985, on the Muslim festival of *Eid el Fitr*, for the lack of due process and for not informing the victims' families.

Those executed include three people accused of treason in a 1996 plot and others condemned for political offences. On 14 September, security officers shut down *The Standard* and *Daily News*, which had criticised the executions. Jammeh suspended the execution of 37 remaining detainees under sentence of death. He says he is waiting to see if the execution of nine people on 26 August has a deterrent effect on the crime rate and he has received many petitions for clemency from elders, women's and youth groups. Islamic groups had earlier backed the executions.

The killings, by firing squad, caused a ripple of shock through the public, even greater since the bodies of those executed were not returned to their families. In the past, Jammeh has ignored such feeling but this time may prove more sensitive to adverse reactions from the Economic Community of West African States and the West, especially the European Union. A score of **Nigerian** civil society organisations petitioned President **Goodluck Jonathan** to intervene because two Nigerians are still on death row. Demonstrations took place in **Guinea Bissau** for a national on death row, while the Dakar media have been protesting against the execution of two **Senegalese** – with three more on the list. A visit to Banjul by former President **Abdoulaye Wade's** Foreign Minister, **Madické Niang**, is said to have helped their cases. Some think Wade was aiming to embarrass his successor, **Macky Sall**.

Zimbabwe

MORGANATIC MARRIAGES

■ Amidst a confetti shower of court orders, affidavits and writs, the nuptials between Prime Minister **Morgan Tsvangirai** and **Elizabeth Macheka** on 16 September were down-sized from a full-blown civil ceremony to the celebration of an existing 'customary union' (legally recognised traditional marriage). This was made clear by the Roman Catholic priest who unexpectedly pronounced the blessing. The Methodist Bishop of Harare, who had been wrongly cited as the officiant in some

legal papers, had publicly distanced his church from 'this circus'.

The couple had already gone through a customary union and the civil ceremony was meant to be a personal and political statement. But **Locardia Karimatsenga Tembo**, who claimed to have married the Prime Minister last November according to traditional rights, is claiming US\$15,000 per month maintenance and had sought an interdict against the civil union. After actions in three different courts, it was accepted on the eve of the marriage that there had indeed been a customary union. The civil licence was cancelled.

Two days before the wedding, a **South African**, **Nosipho Regina Shilubane**, claimed that she too had accepted a Tsvangirai proposal, plus an exotic holiday in the **Seychelles**. Ironically, that 'marriage' was an attempt by the groom's advisors to defuse reports of his bed-hopping with more than half a dozen other women.

Swazi Premier **Barnabas Sibusiso Dlamini** was the only one of the invited Southern African Development Community leaders to brave the ridicule and turn up at the plush reception in the hills near Harare. The grass roots had been catered for with popular bands at the capital's Glamis Stadium. The happy couple joined them only to find a desultory turnout and swiftly high-tailed it back to the hills.

Politically, the business was disastrous and most commentators thought Tsvangirai was ill-served by his advisors. Some suggest his lack of judgement in his personal life is at the root of it, even if securocrats did play a role in deepening the hole he was in. Support for his Movement for Democratic Change-T fades amid political ineptitude and perceived corruption. Rumours say the securocrats are preparing traps for the other MDC chiefs, **Welshman Ncube** and **Tendai Biti**. Neither is as likely to fall in, we hear.

Mali/Mauritania

DEAD PREACHERS POSER

■ The handling of the killing by Malian troops of 16 Islamic preachers, nine of them Mauritanian, threatens the delicate balance between the interim regime and the army, say Bamako sources. Firm action against the killers could spark another coup. Just before the killings on 8 September, a putsch was narrowly averted, we hear. This followed President **Dioncounda Traoré's** request to the Economic Community of West African States to help retake the north from jihadist rebels (AC Vol 53 No 18). Yet failure to act would anger Mauritania, where protestors took to the streets.

The leading theory of what happened is that soldiers at a checkpoint near Diabali, north of Segou, stopped a vehicle carrying the preachers from the Islamic Dawa on their way to a conference in Bamako. Although the Dawa is reputedly non-violent,

the soldiers apparently mistook the heavily bearded men for jihadists come to join the rebellion. Initial reports said the shooting had started after a vehicle failed to stop; later reports say the victims and their driver were interrogated before being shot in cold blood. Two days later, an army spokesman gave yet another view, announcing that a single rogue soldier, 'not the Malian army', was responsible. Whether Nouakchott will buy this explanation, which has all the appearances of a face-saving formula, remains to be seen.

Mali's civilian leaders and putschist Captain **Amadou Sanogo** have been conspicuous by their absence in the febrile atmosphere. Sanogo did not mention the killings in his recent television broadcast but the jihadists in the north have called them an 'assault on Islam' and have threatened, implausibly, to 'storm' Bamako.

Sierra Leone

PROFITS DERAILED

■ **Frank Timis's** Tonkolili iron-ore project has problems running its trains on time – and even on the line, *Africa Confidential* has learned. In early September, his firm, African Minerals Limited, posted an interim loss of US\$106.7 million in the six months to 30 June. Shares fell about 13% in August. AML said unexpectedly wet weather had affected production, which is now expected to total only 5-6 mn. tonnes in 2012, against the anticipated 10 mn. AML predicted in April.

The human factor, however, is thought to be more to blame for hold-ups. Industrial relations have not improved much since armed police shot dead one person at Tonkolili mine during protests in April. Raids and pilfering of AML property have been rife. The railway line from the mine to the deep-water harbour at Pepel has suffered particularly. AML used wooden sleepers, instead of the usual concrete, for part of the track and people near the line have been stealing them, leading to derailments.

Lorry drivers working with dismissed AML employees cart off the steel rails and sell them for scrap in Freetown or Conakry, **Guinea**. One AC correspondent saw a large gang working on track replacement in July and was told theft of sleepers was responsible for the damage. In late August, after the police arrested a truck driver suspected of involvement, other drivers raided the Port Loko police station and freed the detainee.

However, AML told AC that the line upgrade was all but complete and 'there have been no serious issues.' AML, Sierra Leone's biggest private employer, has been demanding that government curb the persistent raids on its property. Yet Tonkolili lies in the heart of one of the key support areas of the governing All People's Congress, making any such move before the November general elections highly unlikely.

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BLUE LINES

African finance ministers, bankers and economists met on 4 October at the Organisation for Economic Cooperation and Development in Paris to exchange ideas on promoting youth employment. Nigeria's former President Olusegun Obasanjo said chronic unemployment linked the insurgencies in the Niger Delta and in northern Nigeria. Others such as Ecobank's Temitope Oshikoya and the African Development Bank's Chief Economist Mthuli Ncube called for more investment in technical and vocational training. Currently, such training gets between 2-6% of education budgets.

Arend van Wamelen from McKinsey's office in South Africa reeled off statistics about African employment: today the continent's workforce is 382 million, of which 42% are employed outside farming; and 18% of the new wage-paying jobs are in the retail and hospitality sectors. By 2020, Africa will have another 122 mn. workers and by 2035, its workforce will be bigger than China's or India's. More than 48% of Africans will go to secondary school by 2020 but business leaders are still reluctant to invest in skills and training.

The World Bank, which produces its own tome on job creation this year, emphasises financial sustainability. Since four out of five workers in Africa are farmers or self-employed (8 out of the 10 mn. new workers every year), the priority should be to make smallholder farming more productive, and therefore profitable. That would help sustain investments in education and keep them relevant.

NIGERIA

Financial faultlines

Rising oil theft, the insurgency in the North and fuel subsidy fraud make it hard for the government to survive unless it agrees to hard-hitting reforms

So far, those blocking reform are winning hands down in the running battles with reformers in the government. Yet their victory could prove to be a hollow one if they bankrupt the Treasury in the process. As President **Goodluck Jonathan** prepares to read the 2013 budget in the National Assembly on 11 October, which estimates state spending of 4,929 billion naira (US\$31.11 bn.), some economists in Nigeria question whether its targets are achievable without massive foreign borrowing.

Others take issue with the statistical basis for the economic projections. In an ill-tempered hearing in the Assembly on 4 October, the Governor of the Central Bank of Nigeria (CBN), **Lamido Sanusi**, repeated his view that the economy was hobbled by massive organised oil theft. Nigeria belongs to the Extractive Industries Transparency Initiative, but there was no reliable auditing of crude oil production, still less of how sales revenue was managed. The Nigerian National Petroleum Corporation claims oil production is up to 2.7 million barrels a day: Sanusi asked how the NNPC would know that, given its record on data gathering.

Assembly members saw the reference to the NNPC's tenuous grip on financial realities as signalling a wider rift in government between the economically literate officials in the CBN and Finance Ministry, and the top officials in the Petroleum Ministry, led by Minister **Diezani Allison-Madueke**, who have proved adept at deflecting outside efforts to impose some accountability on their fiefdom. Sanusi also complained that the Assembly's frequent demands that he appear at hearings were disrupting his work

programme. Many in the Assembly have not forgiven his questioning of the costs of the federal legislature, especially salaries. Senators earn over \$1mn. a year before generous allowances for houses in the capital and their constituencies and travel budgets. The government's arithmetic is coming under increasing strain.

REFORMERS OUTMANOEUVRED

Economists and bankers in Lagos, the commercial capital, say that the financial status quo is not sustainable. Yet they see little prospect of the government tackling the roots of the crisis because its main reformers – Sanusi and the Coordinating Minister for the Economy, **Ngozi Okonjo-Iweala** – are outmanoeuvred by defenders of that status quo. There are three pressures overwhelming the economy:

- oil theft (bunkering) has increased in the Niger Delta to over 450,000 barrels per day from the NNPC's claimed production of 2.7 mn. bpd, which would mean annual revenue losses of over \$10 bn.;

- the cost of the insurgency in the north is hitting home, firstly with a security vote of over \$5 bn. in the 2012 budget, which crowded out investment in agriculture, health and education; and secondly, with the destruction of the northern economy and a growing north-south migration which is distorting national development plans;

- the costs of the fuel subsidy have spiralled out of control; the backlog of subsidy payments due from 2011 could amount to \$18 bn. That's well over half the total \$28 bn. national budget for 2012. The government's decision to halve the petroleum subsidy this

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Miners get bad reviews		Come if you must		Sam stays on the ticket		The grand corruption trap		EGYPT	9
The government prepares to publish its review of the major mining contracts.		There is next to no political consensus in Mali for military intervention, however much support the UN and Ecowas muster.		As the campaign gets under way, Koroma decides to keep his beleaguered deputy on the ticket.		The resumption of oil production is expected to boost the economy; by how much depends on improving governance.		MOZAMBIQUE	10
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year, after its failed attempt to abolish it in January, will more than halve the costs this year, along with much tougher checks on fraud. However, the government is left with accumulated obligations of several billion dollars to the fuel traders that it will be unable to finance without recourse to more borrowing.

A successful \$20 bn. debt reduction deal with bilateral and multilateral creditors a decade ago (largely thanks to the effort of Okonjo-Iweala, then Finance Minister), cut foreign debt to under \$8 bn. The figure has crept up again. This week, **Abraham Nwankwo**, Director General of the CBN's Debt Management Office, forecast that Nigeria would owe about \$25 bn. By 2015, \$16.75 bn. to foreign creditors and \$8.44 bn. to domestic ones.

Bankers in Lagos think this may be an underestimate. They point out that the NNPC already owes about \$8 bn. to foreign banks to finance continuing commitments on its fuel subsidy scheme, while domestic debt is already over \$8 bn. All these shenanigans in fuel trading have pushed up the cost of living. **Olusoji Akinola**, a banker turned consultant, said the government had failed to introduce any palliative measures after cutting the subsidy. He pointed to increases in electricity tariffs and higher duties on imported wheat (pushing up the price of bread by 4.5%) and on rice.

At the same time, unemployment is growing and the Trade Union Congress of Nigeria is calling loudly for a national job-creation plan. **Herbert Ajayi**, President of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, said 800 companies had folded and economic growth was slowing. Provisional data from the National Bureau of Statistics indicated that gross domestic product in the first quarter of 2012 grew by 6.2%, down from 7.1% in the same period last year. Real GDP growth for fiscal year 2012 is projected at 6.5%, down from 7.5% in the fiscal year 2011.

As economic conditions get tougher,

there could be a resumption of January's mass demonstrations against government attempts to cut the fuel subsidy. The protests forced the government into a partial retraction of its policy and prompted the National Assembly to set up a probe into corruption around fuel subsidy claims made by the big trading companies. However, none of the well connected companies accused of fraud have been prosecuted and even cases against the more obscure companies are proceeding painfully slowly.

The government may be playing for time. Perhaps it hopes that its investments and semi-privatisation of the power sector will be seen to pay off in the next year. It has announced five of its preferred bidders for the six power generating companies and 23 bidders for the eleven power distribution companies. Just as this goes through, the old national grid has boosted power output to over 4,000 megawatts for the past month, providing one of the longest periods of semi-continuous power in the south-west for several decades. It is a crude calculation but if Jonathan's government is seen to have fixed Nigeria's chronically dysfunctional electricity industry, then almost any other sins may be quickly forgiven. ●

GUINEA

Miners get bad reviews

Beny Steinmetz Resource Group and Rusal are in the government's sights as it prepares to publish its review of the major mining contracts

A review of Guinea's biggest mining contracts due this month will raise new questions about the future of the US\$10 billion Simandou iron-ore project. The report will also test the credibility of the mining strategy launched by President **Alpha Condé's** government after it came to power in December 2010. Advised by luminaries such as **George Soros** and **Tony Blair**, the government has reviewed the mining code and launched a review of mining contracts awarded by successive military-led regimes (AC Vol 53 No 13). Legal and political battles now loom as some of the losers fight back.

The first casualty of the review is likely to be **Beny Steinmetz** Group Resources (BSGR), which claims to have secured mining rights to Blocks 1 and 2 at Simandou, for an undisclosed price, from the late President, General **Lansana Conté**, shortly before his death in December 2008. Former Mines Minister **Mahmoud Thiam** played a key mediating role. Condé's government, which insists it

has evidence of illegal payments linked to the deal, has been investigating Thiam's foreign accounts and property investments in New York. Thiam, who now works with the **Singapore-based China International Fund**, rejects all charges of wrongdoing.

Political insiders in Conakry say that **Mamadie Conté**, née **Touré**, fourth wife of Gen. Conté, favoured BSGR because her brother **Ibrahima Sory Touré** was its long time Director of External Relations (AC Vol 51 No 18). Shortly afterwards, he became its Vice-Chairman in Guinea. After the Simandou deal went through, BSGR on-sold 51% of the rights to Blocks 1 and 2 at Simandou to **Brazil's Vale** for US\$2.5 bn. Sceptical about both the bankability of BSGR's claim and policy continuity in Guinea, Vale would not make more than a down payment to BSGR (understood to be some \$100 million) until Steinmetz was able to produce the all-important presidential decree confirming the legitimacy of the concession.

Despite the best efforts of Steinmetz

and Thiam, the presidential decree proved elusive: the military regime would neither confirm nor deny the legitimacy of BSGR's claim. Yet since Condé's election, the government has moved against Steinmetz. New Mines Minister **Mohamed Lamine Fofana** publicly questioned his claim, even before the mining review makes its formal report this month.

A veteran of African mining disputes and a former sightholder with De Beers, Steinmetz is taking the fight to Guinea. A European-based business intelligence company is helping BSGR's campaign, investigating claims that senior Guinean officials and their relations are involved in a new wave of corrupt contracts.

The charges against BSGR are multiplying. Officials in Conakry say that if it fails to manage its Zogota mine concession, where riots by villagers led to at least six deaths in August, it could lose its concession at Simandou, regardless of the broader legal questions about the sale of the concession rights. Steinmetz has threatened to sue Brazilian investment bank BTG Pactual, accusing it of using its advisory role to Conakry to win licences for a holding company at the expense of BSGR's and Vale's investments in Simandou and Zogota.

BSGR sent its Managing Director, **Asher Avidan**, to Brazil to identify lawyers for the case. Avidan says his quest was supported by Vale but Conakry

officials question that: they say they are prepared to work with Vale on Blocks 1 and 2, if Steinmetz is eased out of the concession. However, Minister Fofana dismissed Steinmetz's threat to sue BTG as 'insulting', further raising the stakes.

Industry sources suggest the government which, under the new rules, can now hold up to 30% in mining projects, may want to split Steinmetz's 49% stake in Simandou with Vale. A 'strictly private and confidential' document dated 4 July 2012 in São Paulo, and seen by *Africa Confidential*, sketches out a plan between BTG Pactual and Guinean officials for the development of the Simandou mine and infrastructure which excludes Steinmetz.

The document goes into great detail, describing services to be rendered by BTG Pactual, including negotiations, terms, audit supervision and a schedule of payments to BTG Pactual. For Steinmetz, this secret contract constitutes a major breach of faith by the Guinean authorities and the whole affair might end up in the the International Chamber of Commerce in Paris. Yet it seems that Vale, the world's second-largest mining company, has less stomach for a fight with the Condé government.

In February, AC spoke to senior Vale officials who said the company was on the brink of leaving Guinea because of legal and policy complications surrounding its investment in Simandou (AC Vol 53 No 4). Some of the key Vale staff who decided to

join forces with Steinmetz in Guinea have now left the company. Last month, Vale officials told reporters that its \$19.5 bn. Serra Sul iron-ore mine in Brazil would take priority over operations in Guinea. That could bring Rio Tinto, Chinalco or another mining company back into contention in Simandou.

Previously, Anglo-Australian company Rio Tinto held the rights to all four blocks at Simandou but was stripped of Blocks 1 and 2 in 2008 for failing to stick to the terms of its agreed work programme. Until now, Rio Tinto has contested that decision and the subsequent transfer of Blocks 1 and 2 to BSGR. However, following its payment of a \$700 mn. 'fine' to the government and its public commitment to invest in a railway from Simandou to the coast, Rio has shored up its relations with the government.

CHINALCO IN A HURRY

A Guinean delegation visited Rio's headquarters in Australia in September and announced that the first tonne of ore would be exported from Simandou by June 2015. Chinalco, Rio Tinto's new partner in Simandou, is trying to speed up the project, according to a senior mining official in Conakry. He added that some officials suspected that Rio had wanted to keep Simandou on its books to boost its share price, rather than for prompt development. To show good faith, Rio Tinto has recently signed a \$150 mn. contract

to improve access to the ore deposits, we are told. Almost all the work has been contracted to Guinean companies such as **Kerfalla Person Camara's** Guicopress and others. The intention is to develop a mine capable of producing 95 mn. tonnes of ore in the period up to 2018.

The cost of the Simandou project – mine, town, 670 kilometres of railway, deep-water port – is estimated at more than \$15 bn., of which 51% would be paid by Guinea. President Condé's government had agreed with the African Iron Ore Group, run by **Liberia's Ethelbert Cooper**, to create a company that would raise the finance. Yet big questions loom about the credibility of that scheme.

The World Bank (especially its mining specialist **Boubacar Bokoum**) and the International Monetary Fund, which agreed \$2.1 bn. in debt relief for Guinea last month under its Heavily Indebted Poor Countries Initiative, are keeping a close eye on the Simandou project. Excessive or opaque financing schemes could breach the terms of the debt reduction. Moreover, the Bank's private sector affiliate, the International Finance Corporation, has been considering an equity stake in some of Guinea's mega-mining projects.

Aside from BSGR, the other company forecast to fall foul of Guinea's mining review is Rusal (**Ruski Alumini**), majority-owned by the oligarch **Oleg Vladimirovich Deripaska**. Rusal believes its concession at Dian-Dian – one of Guinea's richest

HOW FOREIGN COMPANIES ARE FARING IN GUINEA'S MINING REVIEW

BHP Billiton (Australia/United Kingdom)

SHAREHOLDERS: Listed in London and New York.
PROJECTS: Global Alumina, a \$4 billion project for a 2.8 million tonne aluminium refinery at Sangarédi. Holds rights to iron ore deposits at Mount Nimba through the *Société des Mines de Fer de Guinée*.
STATUS: Wants to sell its 33% stake in Global Alumina and Mount Nimba; it cites a change in its global strategy.

China Power Investment (CPI) (China)

SOURCE OF FINANCE: China Development Bank, and guaranteed by China Exim Bank.
PROJECTS: \$5.8 bn. bauxite refinery, port and coal-fired power station at Boffa; will produce 6 mn. tn. of alumina a year.
STATUS: Project on hold pending environmental impact assessment; other critical questions remain.

Hyperdynamics Corporation (United States)

SHAREHOLDERS: Listed in New York and raised \$130 mn. in 2011 from equity offering.
PROJECTS: Hyperdynamics (77%) has a joint offshore oil exploration venture with Dana Petroleum/Korea National Oil Corporation (23%); one well drilled.
STATUS: No oil found in commercially viable quantities. Hyperdynamics' financial position is weakening. Looking to farm out 40%.

Bellzone (Australia) and China International Fund (CIF) (Hong Kong/Singapore)

SHAREHOLDERS: Main investment is coming from the CIF run by Jack Cheung in Guinea.
PROJECTS: Kalia mine which has some 4 bn. tn. of high-quality iron ore.
STATUS: Mines Minister Lamina Fofana issued a letter of approval outside the formal review process.

Alcoa (United States/Guernsey)

JOINT VENTURE: The *Compagnie des Bauxites de Guinée* (CBG) is owned by Halco Mining (51%) and the Guinea government (49%). Halco is owned by Alcoa (45%), Rio Tinto/Alcan (45%) and Dadco (10%).
PROJECTS: CBG has proposed establishing a refinery capable of producing 1.5 mn. tn. of aluminium a year, but has made no progress since 2007. Its mines produced 14 mn. tn. in 2010.
STATUS: Government approval for expansion but questions over role of Dadco chairman Victor Dahdaleh who faces prosecution for corruption in British courts in April 2013.



Rusal (Russia)

The world's biggest aluminium company.
SHAREHOLDERS: En+ (47.4%), Onexim (17.0%), SUAL Partners (15.8%), Amokenga Holdings (8.8%), Public Float (10.8%) and Management (0.3%).
PROJECTS: Friguia alumina production facilities at Kindia; development of the Débelé bauxite deposit; bauxite deposits at Dian-Dian.
STATUS: Stopped production in April after a strike; Russian management have not returned. Rusal wants guarantees for its Dian-Dian operation in exchange for reopening Friguia. A review is likely to suspend Rusal's operations which may prompt a legal challenge.

Beny Steinmetz Group Resources (BSGR) (Geneva-based)

SHAREHOLDERS: Main shareholder is a family trust of diamond heir Beny Steinmetz.
PROJECTS: BSGR has a 49% stake in Simandou Blocks 1 and 2; Brazil's Vale has 51%.
STATUS: Mines Minister Fofana has raised questions about whether BSGR's acquisition of the Simandou blocks is legal. A review is set to suspend Steinmetz's involvement which he will challenge in court.

Rio Tinto (Australia/United Kingdom)

SHAREHOLDERS: Public company listed in London and New York.
PROJECTS: Simandou iron ore concession Blocks 3 & 4; building a 650 kilometre railway from the mine to Benti port, south of Conakry.
STATUS: Rio paid \$700 mn. in fines to the government this year. It says it will invest \$10 bn. in what it calls the largest integrated mining project in Africa.

African Iron Ore Group (AIOG) (United States/Liberia)

SHAREHOLDERS: The AIOG founder and chairman is Ethelbert Cooper, a close associate of Emmanuel Shaw II, Minister of Finance under Liberia's President Samuel Doe.
PROJECTS: AIOG has 40% in *Infrastructures Minières de Guinée*; state investment vehicle *Société Guinéenne du Patrimoine Minier* 60%. The first project is to build \$7 bn. of infrastructure in Simandou Blocks 3 and 4.
STATUS: The Simandou project currently requires endorsement of the World Bank's private sector affiliate, the International Finance Corporation.

Anglogold Ashanti (South Africa/Ghana)

SHAREHOLDERS: Public company listed in Accra, Johannesburg and London.
PROJECTS: Operates the Siguiri mine in the northeast with the government (15%) and plans to double its production by 2016. It currently produces 260,000oz per year.
STATUS: Expansion plans depend on new discoveries and the outcome of the government's mining review.

unexploited bauxite reserves – is under threat. So it is refusing to restart production at Friguia until its Dian-Dian rights are assured. Friguia, which can

produce 630,000 tonnes a year, has not operated since April. Rusal had promised to open a mine, a big aluminium refinery, a town and a 117 km. rail line to a deep-

water port, for about \$5 bn. Yet it may pull out in favour of Chinese investors, who have improved sharply their own relations with the Guinea government. ●

MALI

Come if you must

There is next to no political consensus in Mali itself for military intervention, however much support the UN and Ecowas can muster

President **Dioncounda Traoré's** formal request to the United Nations was clear. On 18 September, he asked for a resolution for military intervention, under Chapter 7 of the UN Charter, 'to assist the Malian Army in recapturing the occupied northern regions'. However, the Malian army itself is not under unified command and there is no solid political consensus behind the interim government's request.

The invitation met with sniping and posturing in Bamako, much of it from political backers of this year's coup-maker, Captain **Amadou Sanogo**, including the *Coordination des organisations patriotiques du Mali* (Copam), the *Solidarité africaine pour la démocratie et l'indépendance* and the *Mouvement populaire du 22 Mars*, a SADI offshoot.

These groups, along with other sections of civil society, resolutely opposed intervention by the Economic Community

of West African States (Ecowas) and have not changed their tune since the UN General Assembly meeting on 26 September. Among Ecowas's fiercest critics have been former Culture Minister **Aminata Dramane Traoré** and a former student leader and founder of SADI, **Oumar Mariko** (AC Vol 53 No 12).

The high-voltage criticism of Ecowas stems from the regional grouping's early condemnation of the 22 March coup by Sanogo and its rapid imposition of sanctions. They also resent what they see as its attempts to steer Mali's post-coup restructuring, particularly the demand for a government of national unity. SADI has been scathing about **Burkina Faso's** President **Blaise Compaoré** and his Foreign Minister, **Djibril Bassolé**, whom they see as pro-Tuareg and insufficiently respectful of Mali's sovereignty.

The anti-interventionists were also

angered by Ecowas's stated intention of deploying in Bamako to provide security for the authorities, presenting this as an attempt to shore up Traoré and further marginalise Sanogo. They rail against any dilution of national sovereignty and place a touching, but probably misplaced, confidence in the army's ability to liberate the north single-handed.

Copam, SADI and others have failed to mobilise mass support but still tap into strong popular antipathy towards the political class. SADI says it wants to bring deposed President **Amadou Toumani Touré** to trial: that is unlikely to come to anything but it finds favour with Malians embittered by what they perceive as the international community's coddling of an incompetent, corrupt government. Much of their bile is directed at former President **Alpha Oumar Konaré**, as well as Touré.

COUP-MAKER TURNS VP

Sanogo's early lustre may have faded but he shows no sign of being sidelined. Traoré has strongly hinted that a vice-presidential slot covering security issues is there for Sanogo in the still to be formed *Haut conseil de l'état*. Ecowas, **France** and the **United States** would hardly welcome that appointment but are more concerned by the partnership with the Malian military. Sanogo has made much of the rejuvenation of an army humiliated in the north in January and February, while senior officers such as the Mopti Commander, Colonel **Didier Dacko**, have been equally bullish. Dacko has praised the role of local militias and self-defence units in being ready to take the fight to the insurgents in the north. However, it will be hugely challenging for Ecowas to hold the reins on an organisation such as *Ganda Koy*, the largely Songhai militia which has a history of committing atrocities (AC Vol 53 No 15). The killing of 16 preachers by Malian soldiers also indicates poor discipline or worse (AC Vol 53 No 19).

There is still some momentum behind the idea of negotiating with the jihadists. Compaoré appears to have failed. Malian initiatives are still tentative. After a trip north by the *Haut conseil islamique*, the Guina Dogon movement, representing the northern-based Dogon community, met leaders of *Ansar Eddine*, *Al Qaida* in the Islamic Maghreb and the *Mouvement pour l'unité et le jihad en Afrique de l'ouest* in Kidal, Timbuktu and Gao in September. Little came of it. Veteran Tuareg leader **Iyad ag Ghali**, though, looks far more approachable than his AQIM and MUJAO counterparts. ●

MALI A L'AMISOM

Momentum is building for international backing for the proposed military intervention in Mali to expel the jihadists. After the United Nations General Assembly and the 26 September high-level meeting on the Sahel in New York, the next step is a meeting for all the principals in Bamako on 19 October. Military experts from the Economic Community of West African States (Ecowas) will present their detailed proposals on the shape of the intervention force and its timetable for approval by UN military experts. If that all goes smoothly, a UN resolution authorising military force will quickly follow.

At the UN, it was clear that **France** is the leading force pushing the process forwards. In spite of **United States** Secretary of State **Hillary Clinton's** comments about the need for elections before a military intervention, the USA is believed to support France. Both see African leadership as crucial. Apart from Mali's own divided opinion about the intervention, several Ecowas members are experiencing problems, mostly financial, in meeting their commitment to the intervention force. Paris is pushing UN Secretary General **Ban Ki-moon** to appoint **Jean Ping**, outgoing Chairman of the African Union Commission, as his Special Envoy for the Sahel region, a new position that could turn into head of an Amisom-type presence in Mali. Ping, like his country, **Gabon**, is reliably pro-French. The names of French former Foreign Minister **Bernard Kouchner** and **Algeria's** **Saïd Djinnit**, head of the UN Office for West Africa, have also been put forward.

France exerts effective political influence over the UN Department for Peacekeeping Operations (DPKO). Its current head is **Hervé Ladsous**, who took over from another Frenchman, Ambassador **Alain le Roy**, on 3 October 2011. **Togo**, an elected UN Security Council member since January, technically leads on Mali and the Sahel at the UNSC, but France has taken de facto control of the issue. Paris is likely to send a battalion to support the Ecowas stabilisation force, said a French source, presumably from its pre-positioned troops at a base in **Senegal**. Some African diplomats claim that French robustness in Africa, starting with **Côte d'Ivoire**, then **Libya** and now Mali, means it is using the DPKO for mission creep in Africa. ●

SIERRA LEONE

Sam stays on the ticket

As the official election campaign gets under way, the President decides to keep his beleaguered deputy on the ticket

President **Ernest Bai Koroma** has decided to keep his Vice-President, **Samuel Sam-Sumana**, on the governing All People's Congress ticket in the 17 November general elections. Koroma spent most of September investigating alternative running mates without success, say sources in Freetown. It was only as the deadline for nominations approached on 30 September that Koroma told APC officials that he was retaining Sam-Sumana.

The search for alternatives had accelerated during July after **United States'** businessman **Mark Heiligman** claimed that Sam-Sumana had wasted investment funds and had borrowed US\$34,000 for the presidential run-off poll in September 2007. Sam-Sumana denied the charges. In late August, *Africa Confidential* published the charges of another US businessman, **Ed Sandridge**, with whom Sam-Sumana had once been in partnership in a logging concern. Sandridge said he had paid Sam-Sumana \$430,000 during 2007 and 2008, only for him to use the money, possibly in contravention of Sierra Leonean electoral law, to help to finance the APC election campaign (AC Vol 53 No 17). Neither Sam-Sumana nor Koroma has denied Sandridge's charges or responded to AC's request for a reply.

In September, local newspapers reported that Koroma had invited all the 28 Paramount Chiefs in Kono District, Sam-Sumana's home and political base, to come up with a prominent person from the Kono ethnic group to replace him. The chiefs nominated **Finda Diana Konomanyi**, daughter of a popular former head of the local council in Koidu, the District's main town, the local press said. She had been abducted by the Revolutionary United Front and became a prominent figure in the RUF in the 1990s.

A week before nominations closed, Koroma approached **John Mondeh Kamanda**, a Supreme Court Judge and former President of the Special Court for Sierra Leone, we hear. Justice Kamanda is from Kono but he is said to have last visited the place in the late 1980s, before civil war devastated the diamond-rich district. Kamanda pointed out that no member of the judiciary may stand for political office unless he or she has ceased to be a judge for at least a year.

The powerful Information Minister, **Ibrahim Ben Kargbo**, who is known to

be a critic of Sam-Sumana inside the APC, justified keeping him on the grounds that he is Muslim while Koroma is Christian. Kargbo argued that despite 'hurdles' from his past, Sam-Sumana and Koroma presented 'a winning team'.

The APC believes that the appeal of Koroma, who remains untouched by the questions surrounding his deputy, is strong enough to bag the election for the party alone. They also argue that Koroma's opponent in the race, **Julius Maada Bio** of the Sierra Leone People's Party (SLPP), is equally, if not more, vulnerable to corruption allegations dating back to his leadership of a military junta in the 1990s (AC Vol 53 No 10).

Former President **Ahmad Tejan Kabbah** made allegations about military leaders profiting from passport sales after Bio handed over power to him in 1996. Yet Bio has denied the allegation and Kabbah has recently been campaigning for him. How much damage Sam-Sumana might do to Koroma's campaign is unclear but his presence clearly undercuts Koroma's reform message. Nor is it helped by the fact that two of Sam-Sumana's aides, **Momoh Konteh** and **Alex Mansaray**, are still on trial accused of taking bribes from undercover *Al Jazeera* journalists (AC Vol 53 No 16). They were seen demanding bribes for access to Sam-Sumana but the Anti-Corruption Commission said there was not enough evidence against him to prosecute. In August, the ACC successfully

prosecuted former Freetown Mayor and APC strongman **Herbert George-Williams** for corruption; he was sentenced to three years in gaol or a fine of \$35,000, which he promptly paid.

DEFLECTIONS

The APC has succeeded in wooing prominent SLPP figures to its side. However, the SLPP contends that Koroma is using his powers of incumbency and cash to encourage such defections. In March and June respectively, two former aspirants to the SLPP presidential nomination, **John Leigh** (AC Vol 46 No 20) and **Usman ('Usu') Boie Kamara**, announced they had switched sides. Kamara, who was only narrowly beaten to the presidential candidacy by Bio, was a major loss. He was a senior mining industry official who helped to arrange the diamond and iron ore concessions for **Frank Timis's** Sierra Leone Diamond Company, now African Minerals Limited. He has a significant shareholding in AML.

In late September, **Robin Farley**, an SLPP member of parliament, also crossed over to the governing party. He had been arrested in June and accused of being involved in the electoral registration of minors; he was denied bail several times. Because of his legal troubles, the SLPP would not let him stand for Parliament but he joined the APC and two days later, the case against him was dropped. He is now standing for the APC in a seat in the SLPP's eastern stronghold.

Defections from the APC to the SLPP have been less impressive. In April, the party announced that **Iye Bah Jawarah**, the APC Vice-Chairwoman in its heartland of Koinadugu District in the north, had defected to the SLPP along with 203 supporters. She was said to have been won over by **Kadi Sesay**, Bio's running mate, who is also from the north. ●

ELECTION TAX AXED

A major electoral controversy came to an end in mid-September when President **Ernest Bai Koroma** reversed the decision of the National Electoral Commission Chairwoman, **Christiana Thorpe**, to raise massively the fees for candidates for office. On 31 July, she had announced that presidential candidates would have to pay 100 million leones (US\$23,000) instead of the previous L1 mn.

Parliamentary candidates would need to find L25 mn. instead of L100,000, with similar increases across the board. Thorpe argued that they were needed because of a shortfall in NEC finances, but the opposition Sierra Leone People's Party immediately announced it would pay only the old charges. The SLPP believes Thorpe, who was appointed by Koroma, favours the governing All People's Congress unduly and it accused her of delivering the 2007 elections to the APC by invalidating hundreds of thousands of SLPP votes in its Kailahun District stronghold (AC Vol 53 No 1).

Praise for Koroma's move mingled with alarm that he had not attempted to prevent Thorpe's move in the first place. The reversal was probably prompted also by the fact that members of the United Nations Security Council had raised the fees issue with Freetown's UN Ambassador, **Shekou Momodou Touray**. Further pressure came with a UNSC resolution calling for the fair conduct of the polls. 'Wide acceptance of the results,' it stated, would be 'a key benchmark for consolidation of peace in Sierra Leone.' ●

The grand corruption trap

The nine agreements signed between the Khartoum and Juba governments on 27 September will throw the focus back on to the appalling living conditions in both states. The agreements include a deal on resuming oil production in South Sudan. Economic conditions in both countries worsened sharply after Juba halted oil production in January in protest at what it said was massive cheating by the Khartoum regime on arrangements to share oil revenue and the charges that Juba paid to export its oil via Port Sudan.

Expectations are high that restarting oil production in South Sudan will provide an economic boost to both Sudans. How much of a boost depends on how far governance standards are improved, especially those related to grand corruption on contracts and diversion of oil revenues for personal gain. It also depends on security. Both countries are on a war footing.

The latest security accord stipulates a demilitarised buffer zone along the still undefined border. No agreement was reached, though, on the disputed border areas, including Heglig/Pan Thou and Abyei, where the National Congress Party (NCP) regime held out against implementing the agreement it signed in 2005 (AC Vol 52 No 14).

The main rebel force in Sudan, the Sudan Revolutionary Front, says it controls 40% of the border. Khartoum's forces will use that as a reason to attack the area and probably South Sudan, as it claims the SRF is critically dependent on Juba for arms and logistics. Sudan's overstretched army faces rebellions on at least four fronts – Blue Nile, South Kordofan, Darfur and increasingly, the east – apart from growing civilian dissent and protests.

For South Sudan, security mainly means dealing with attacks by Khartoum and its proxy militias. Countering Khartoum has dominated South Sudanese thinking since the Comprehensive Peace Agreement (CPA) in 2005 and that of the Sudan People's Liberation Movement/Army (SPLM/A) for over two decades before that. 'It is as if people were waiting with bated breath since 2005', said one seasoned Sudanese analyst. Many were convinced that Khartoum would block the 2011 independence referendum, so Juba's immediate security concerns trumped all others, including how to modernise the economy and provide basic healthcare and education to South Sudan's roughly eleven million people.

Pressure on Khartoum this year by Western governments, especially Washington, encouraged South Sudan: 'Leaders can now focus on the economy', the Presidential Advisor on Economic Affairs, **Aggrey Tisa Sabuni**, told a London School of Economics meeting on 3 October. The challenge was balancing 'short-term needs', including security, with 'the long-term needs for sustainable development' and 'building a nation from scratch'. The former Finance Ministry Under-Secretary urged foreign governments and aid organisations to continue backing the South Sudan government: 'The baseline is to constitute a modern state with a robust public finance system.'

Outsiders have stepped up criticism of the Government of the Republic of South Sudan (GRSS), especially on economic performance and corruption (AC Vol 53 No 15). 'No one asks about the pre-existing state', said the Sudanese analyst. 'The South was ruled colonial-style from the garrisons. There was no properly constituted state with structures and services.' The country was

at war for half a century and the area not ruled by Khartoum was the preserve of SPLA forces.

Stopping the theft of state funds will test the GRSS. In May, President **Salva Kiir Mayardit** wrote to 75 officials, in a letter later made public, estimating that corruption within government had cost the country US\$4 billion since the CPA, when the interim government was formed (AC Vol 53 No 17). 'Many people in South Sudan are suffering and yet some government officials simply care about themselves', he wrote. 'The credibility of our government is on the line'. During the war, as the late General **John Garang de Mabior's** deputy, Lieutenant General **Salva** had challenged his Chairman and Commander-in-Chief over corruption in the SPLA. Now he faces criticism for failing to stop corruption in his government.

\$60 MILLION RETURNED

The letter asked the 75 to return the funds, via a Nairobi bank account. If they did, he said, they would be exonerated from criminal charges. Some \$60 million is believed to have been returned so far, a local legal professional told *Africa Confidential*. The identity of the 75 officials has not been made public but ministers, ex-ministers and other senior government figures are believed to be on the list. Not all are thought to be deeply corrupt – mismanagement and administrative incompetence are big problems – but nor is the list exhaustive. Some named, including the former Labour, Public Service and Human Resource Development Minister, **Awut Deng Acuil**, have come forward and published their accounts, trying to prove their innocence (AC Vol 48 No 15). President **Salva** sacked some ministers amid corruption allegations in 2007 and 2009.

'Some people on the list have been ministers since the signing of the CPA and have had one portfolio after another but some were not in government until September 2011 and have never controlled government funds', **Aggrey Tisa** told AC in Juba. 'There are people on the list who everyone knows are clean.' This week in London, he added that the 75 officials accused of corruption 'should be identified' and called for more errant officials to be named and shamed. 'No, I haven't had a letter – yet,' he said.

Some see **Salva's** anti-corruption letter as a first, important step towards tackling a huge problem. It was 'sincere' but 'badly designed and badly executed', commented one human rights activist. Many politicians and officials in Juba have been extremely defensive, desperately trying to minimise the problem. Critics say the letter was mainly aimed at placating foreign aid-givers who threaten to cut aid unless corruption is tackled. 'There's nothing to suggest the money is being paid back or that anything will be done to make people pay it back', observed a worker in an international non-governmental organisation.

Local civil society organisations reject **Salva's** 'amnesty in return for stolen money', the South Sudan Human Rights Society for Advocacy angrily declared in June. 'The international community can't help South Sudan unless it takes steps to tackle corruption', said the Chairman of the Juba Civil Engagement Centre, **Peter Lasu Ladu**. 'Unless officials are prosecuted, arraigned in court – then they'll know something is being done'.

In a country where a cash economy is often a novelty, it is difficult to calculate how much has been stolen. The introduction of formal accounting practices and electronic payroll systems is beginning to make a big difference. Quantifying corruption is

made harder by the variety of corrupt practices. 'Some of the more sophisticated corrupt people will do a kick-back scheme outside of formal contracts,' says the legal expert. 'In other cases, money is taken outright in the hope that it won't be noticed.' Another minister told us his biggest problem was 'people not coming to work'. Some make that complaint about ministers, too.

Foreign business people have swarmed in with bagfuls of dollars. Many tell us that paying bribes is a recognised way of doing business in South Sudan. One senior oil executive said company regulations forbade that. 'That makes it easy for us, except that everybody else is doing things differently.'

One oil company said that a very senior official in the Juba government had demanded and received substantial kickback payments for oil concessions in transactions in Nairobi but he added that the official, who came from a key minority ethnic group, was 'unsackable' for political reasons. Transparency lobbyist Global Witness complains that last month's oil agreement with Khartoum contains no public accountability clauses.

PETTY CORRUPTION RIFE

Petty corruption is also commonplace: police and soldiers demand payments at roadblocks. An aid worker said a community leader in the disarmament programme had seized weapons only to return them to anyone willing to pay. Checks on procurement are critical, as Aggrey acknowledged. When a government official's vehicle breaks down 'they just buy another one', a security consultant in Juba tells AC. Vehicle procurement for the whole country is done in Juba and seen as particularly corrupt.

Officials in the provinces are commonly sent top-of-the-range four-by-fours which need high-technology maintenance

(unavailable) or low-slung cars that cannot survive the atrocious roads, said a source in Upper Nile. Staff on government business get huge per diems and attendance allowances.

The suspension of oil production and revenue losses forced the Juba government to cut waste and corruption. The 2012-13 austerity budget slashes benefits. 'Corruption was rampant when there was loads of money around but no longer,' says a senior banker in the capital. 'The Central Bank and many government institutions are actually functioning better now.'

In July and August, civil servants went unpaid after what one source close to the process said were 'glitches in implementing the austerity budget.' Amid great poverty and the need to feed families, people have grown used to taking matters into their own hands. 'Some teachers who weren't paid found another way,' says the oil executive. 'They arranged to have exam papers printed and they kept the money. Even people in the church have been doing similar things'.

When money goes missing it is not always for corrupt purposes but an informal welfare system. 'Someone might take a suitcase of money into the bush to pay some teachers and along the way meet some unpaid nurses or have to feed their starving family members,' says a local analyst. The primacy of family and ethnic group often goes hand in hand with a mistrust of national government.

For now, efforts to tackle corruption will be a compromise between lofty aspirations and complex reality. 'We're not going to see hundreds of millions of dollars transferred into the bank account in Nairobi,' said an analyst in Juba, 'but the government has said what it would like to happen and not many governments would be open enough to do that. It's still a step change.' Salva Kiir's anti-corruption letter has made it so much harder for officials in Juba to douse demands for accountability. ●

FIRST STEPS TO STOPPING THE STEALING

A serious campaign to stem corruption will require a regulatory framework. In December 2009, the Government of the Republic of South Sudan (GRSS) published the Southern Sudan Anti-Corruption Strategy, 2010-14, which states that it 'recognises that corruption exists and is committed to fight the evil... in all its manifestations.' It has also set up institutions for monitoring, including the Anti-Corruption Commission (ACC) in 2009 and an Auditor General to scrutinise government accounts. Yet in seven years, there has not been a single prosecution.

However, Auditor General **Steven Kiliona Wondu** has won much praise (AC Vol 53 No 11). In his audit for 2007-08, he found the Finance Ministry had allocated more funds than authorised for some departments, glaring financial mismanagement by the Internal Affairs Ministry and lax financial administration at Education. Overall, he found a lack of proper financial management systems and a dearth of professional accountants. Accounting practices in some public institutions were a 'disaster'. Wondu is due to publish his findings on the 2009 and 2010 accounts later this year.

Government measures are widely seen as powerless. The ACC has no power to bring prosecutions and Wondu notes

that there are no follow-up mechanisms for his reports. The Audit Chamber is insufficiently independent, he says, being responsible to the Finance Ministry for its budget and the Labour Ministry for its (insufficient) staff. In his 2007-08 audit, he was prevented from commenting on the accounts of the Interior and SPLA Affairs ministries. Both he and the ACC Chairman, Justice **John Gatwich Lul**, want an economic crimes court.

The South Sudan Legislative Assembly, South Sudan Human Rights Society for Advocacy and South Sudan Civil Society Alliance have all demanded that suspects be named and formally charged. 'It's an opportunity to make sure they are apprehended and all of the money is returned', SSCSA Secretary General **Chol Makuei** told us. Yet even limited government moves help. 'It has given us licence to lobby on the issue,' says a veteran foreign analyst. 'In Khartoum, you get imprisoned and tortured if you talk about corruption; here you can quote the President.'

The government has to balance conflicting pressures: donor demands and the domestic imperative not to be seen as stealing or wasting public money against political realities. Appointments have to accommodate the interests of

many tribes and regional power groups. **Salva Kiir Mayardit** can ill afford to drag his colleagues through the courts. 'The President fears that if he does this, the government will disintegrate,' civic activist **Peter Lasu Ladu** said.

Whatever is done to empower the anti-corruption bodies, they will not become powerful overnight. This leads into the capacity of the justice system, which 'doesn't have a whole lot of teeth', says a legal expert. 'Many of those implicated have armies at their disposal.' Salva's widely praised strategy of bringing his enemies into the tent, many of whom were generously armed and funded by Khartoum, strengthens the GRSS politically but makes it vulnerable to abuse from within.

The anti-corruption institutions do not have the means to follow an international financial paper trail, even if it exists. 'A lot of the money...has been invested in new cars and houses in Nairobi and in bank accounts in Dubai and London', says one local businessman. Local non-governmental organisations can only lobby. The problem of quantifying losses is crucial. 'I don't want to talk about the US\$4 bn. figure before I see our own figures, I think it's too high', Finance and Economic Planning Minister **Kosti Manibe Ngai** told *Africa Confidential*. ●

ZIMBABWE

Campaigning begins

The major parties are setting their sights on the coming elections but they have little confidence in their leaders

The two main political parties are moving into campaign mode. The High Court has finally acceded to President **Robert Mugabe's** request to delay the outstanding by-elections any time up to 31 March. By that time, Mugabe states in his submission, a general election will be taking place. Not many share this optimism and expect further slippage. Ironically, neither of the two main contestants is brimming with enthusiasm about its leader. Mugabe, who is also the Zimbabwe African National Union-Patriotic Front's President, still has flashes of his former brilliance but turns 89 next February, is in uncertain health and sometimes nods off. There are only long odds on whether he would serve out another full five-year term.

Plenty of contenders fancy their chances for the succession, but the party is paralysed by the fear of tearing itself apart. ZANU-PF is desperately trying to insert a provision into the constitutional draft that in the event of an uncompleted term, the party to which the outgoing president belonged should nominate the successor. This will be fiercely resisted at this week's stakeholders' conference to review the draft constitution.

In contrast, the Movement for Democratic Change celebrated the 13th anniversary of its foundation amid a crisis of a different sort. The 59-year-old founding leader and now Prime Minister, **Morgan Tsvangirai**, has been altogether too energetic but not in cabinet or on the hustings. MDC-Tsvangirai hoped his recent wedding would end three years of merry widowhood but, egged on by the ZANU-PF-orientated media and intelligence services, he has become a figure of ridicule. He did not help himself when intoning, 'I am truly sorry for the inconveniences caused,' as if he were an apologising utility provider.

Of rudimentary formal education, Tsvangirai offered the electorate – and admirers beyond – simplicity, stolidity, frankness and undeniable resilience and courage in the face of beatings and treason trials. The image of middle-aged lovers beached in exotic resorts jarred (AC Vol 53 No 19). Yet sexual adventure normally becomes a political impediment only when coupled with incompetence, which is what seems to be clear from the steady loss of public support recorded in opinion polls since the party peaked in 2008. Tsvangirai was elected President on the MDC's formation in 1999. As the

then leader of the Zimbabwe Congress of Trade Unions, the only non-ZANU-PF countrywide movement, he was seen as a link between the working class and the opposition intelligentsia. That fault-line remains, along with another, on the Matebeleland divide.

These faultlines were never fully understood by the MDC's founding and funding godfathers, the dispossessed commercial farmers and Western embassies. Even last week, **Ben Freeth**, a Commercial Farmers Union leader, was complaining in the independent media that the draft constitution would not restore large farmers' rights.

The MDC swept to the brink of power in 2008 on the slogan 'vote for change', only for ZANU-PF to ruthlessly hold on to national power for another five years. There was a naïve belief that international pressure, especially from the Southern African Development Community (SADC), would restore the MDC's election victory and there was complacency as the party waited to be installed in office. The creation of a coalition government allowed the MDC some success, particularly in an economy which was in free fall, but which it could not convert into political success; ZANU-PF frequently stole the credit. The message became blurred and popular enthusiasm started to evaporate.

TURF WARS

Coalition government has meant changes in faces but not always in the way new ministers perceive their functions. Encapsulating the problem is the current spat between the MDC-T Minister of Energy, **Elton Mangoma**, and the troubled Zimbabwe Electricity Supply Authority. ZESA favours one set of bidders for its contracts and there are claims that Mangoma is blocking those bids to further his own favourites. ZESA board member **Jonathan Kadzura** just happens to be in the running for a ZANU-PF nomination in Manicaland.

At the municipal level, the MDC-T swept the board in landslide victories in all the urban councils in 2008. After four years in power, almost every town hall has produced a corruption scandal; the most common has been the allocation of municipal land to councillors, just like their ZANU-PF predecessors. The MDC-T has failed to come up to public expectations, which is reflected in opinion polls showing

that nearly half of the electorate refuse to indicate a party preference.

The urban vote has been the bedrock of MDC support. The shindig in Harare to celebrate 'the wedding' failed to mobilise an enthusiastic attendance nor did the party's anniversary in Bulawayo a fortnight later. In 2008 in Matebeleland, the breakaway MDC faction, now led by **Welshman Ncube**, made a spoiler intervention and sunk Tsvangirai's chances of an overall majority. The lessons have not been learned and the build-up to the MDC's anniversary party was marred by claims that Harare was imposing itself on the local leadership.

In the rural areas outside Matebeleland, ZANU-PF is increasingly confident that it will claw back some of the seats lost to MDC-T in 2008, especially with a judicious deployment of the army. It will, however, also have to reverse its abysmal urban performance over the last decade if it is to win a clear plurality in the presidential contest. It cannot rely entirely on the MDC-T's flat-footed performance and two cynical and potentially anarchistic tactics have taken root.

The first and more successful is to allocate agricultural plots from requisitioned land around urban areas and allow the beneficiary to subdivide and sell much smaller residential lots. There are no planning controls and a complete absence of services, including sanitation and running water. The result is a sudden mushrooming of shanty towns beyond the control of urban councils, particularly around Harare. The new residents are beholden to and controlled by local ZANU-PF structures. In some areas, there are wealthy sponsors with their eyes on gerrymandering nearby parliamentary seats. In the long run, these could be environmental disasters.

The second, the sponsoring of vigilante groups among the young unemployed, has backfired badly. Initially conceived as a means of harassing street vendors and others who support the MDC-T, shady groups such as *Chipangano* (Oath) began to use extortion on everyone, regardless of party affiliation.

In Harare, the situation in the marshalling areas for the commuter kombis (minibuses) became chaotic as *Chipangano* and the ticket touts battled for turf. The police, who thought shaking down the kombi operators was one of their perks, arrested hundreds of people from both sides. **Tendai Savanhu**, the ZANU-PF Politburo member whose brainchild it was, is desperately trying to distance himself. Neither Mugabe nor Tsvangirai is likely to step down gracefully to spend more time with the family and their respective parties have invested too much in their candidacies to force the issue at this late stage. ●

EGYPT

Courting foreign business

The new government wants to win back the confidence of foreign investors but all it has to offer is warmed-up policies from Mubarak's era

At the end of September, an Egyptian investment bank, the Beltone Financial, held a conference in Cairo for its international clients, heralding a 'New Dawn' for the Egyptian economy. This will be followed in mid-October by a similar gathering organised by Euromoney, whose 1997 'Tiger on the Nile' conference set the tone for the periodic bouts of investor exuberance in the second half of ex-President **Mohamed Hosni Mubarak's** reign. The new government, formed after the Muslim Brotherhood's **Mohamed Mursi** won the presidential election in June, has endorsed these efforts to rekindle foreign investor interest.

Prime Minister **Hisham Kandil** spoke at the Beltone event, having earlier charmed a high-powered **United States'** business and government delegation with a quip about capital repatriation, assuring them that they would not be charged five pounds for getting on the camel and then fifty for dismounting, a notorious practice of pyramid tourist touts. The message coming from the government is that the fundamental orientation of the economy, which made it attractive to external investors in the past, has not changed and that new opportunities are opening up as recovery builds up a head of steam. As for economic policy, the government has presented a programme to the International Monetary Fund which is essentially an update of targets and measures drawn up before Mubarak's regime fell.

Two central questions for investors are firstly, whether the economy is really poised to recover and secondly, whether the government's policies are credible, both as a means to address the economic problems and in political terms. Economic performance during the final five years of Hosni Mubarak's presidency was mixed.

Real gross domestic product growth averaged about 6%, driven by high levels of foreign investment, both direct and in the form of purchases of Egyptian equities and treasury bonds. However, inflation was in double digits for most of this period and the budget deficit averaged about 8% of GDP. Living standards improved for a narrow but expanding middle class, but most people continued to live in poverty and there was a strong perception – in many cases accurate – that the system was riddled with cronyism and corruption.

FOREX STABILISES

Since the revolution, growth has slumped to about 2% and foreign exchange reserves have fallen by about US\$20 billion, to a level sufficient to finance only three months of imports. There has so far been little sign of a recovery in underlying growth; the 5.2% year-on-year growth recorded in the first quarter of this year was distorted by the effect of being based on the corresponding quarter of 2011, when the economy contracted by 4.3%. Forex reserves have stabilised at just over \$15 bn. thanks to inflows of cash from the **Saudi Arabian** and **Qatari** governments and to the fact that most of the portfolio investment that could have left has now gone. Higher global prices for fuel and food have pushed up import costs and tourism is still in the doldrums.

The most positive aspect of the balance of payments has been the big rise in remittances, which hit \$17.8 bn. in the fiscal year that ended in June, but this also reflects the fact that people increasingly depend on the earnings of relatives working abroad. The first post-revolution government made a quick assessment of what level of balance-of-payments support Egypt needed and received a prompt response, with offers of some \$10 bn. from

the IMF and other donors in May 2011. The generals who took power after Mubarak's overthrow turned down the Fund's original offer. It is now back on the table. The IMF has set two public conditions: that other donors make prior commitments and that its credit has broad political support.

With funds starting to flow from the Gulf as well as from the European Union, **France** and the **USA**, the first condition appears to have been met. None of the political parties have endorsed borrowing from the IMF with any enthusiasm and Nasserist and leftist groups have expressed strong opposition. However, President Mursi has signalled his approval by acquiescing to the formation of a government filled with technocrats with a background in liberal economics.

The government has increased the size of the IMF credit that it is requesting from \$3.2 bn. to \$4.8 bn. The Fund has indicated that the amount approved will depend on the strength of the programme. The main elements will include a target to bring down the fiscal deficit from 11% of GDP in 2011/12 to 3-4% in five years through a combination of higher growth and cuts in fuel subsidies.

Those cuts are now ready to go ahead, with smartcard-based rationing of supplies of cooking gas, diesel and high-octane gasoline (a plan that was ready for implementation before the revolution). Many expected the IMF to press for devaluation but the government has ruled out any major adjustment. The Egyptian pound has, in fact, depreciated by almost 10% against the dollar since the revolution and the Central Bank of Egypt (CBE) seems to be trying to manage a gradual devaluation to reduce the rate against the weakened euro.

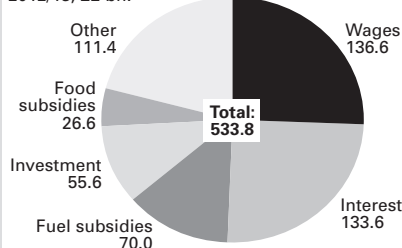
VIRTUOUS CIRCLES

The expectation of devaluation was one of the factors that had deterred international financial investors from re-entering the Egyptian market. In several other respects, though, it was attractive as equity prices hit rock bottom at the end of 2011 – since when they have gone up by 55% – and yields on government securities had risen to about 14%. If foreign portfolio investment revives as funds from donors

EGYPT'S ECONOMIC INDICATORS

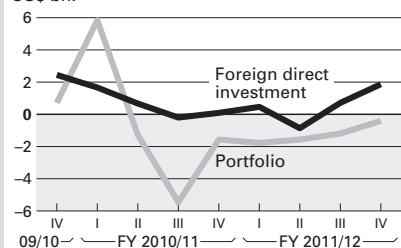
BUDGET EXPENDITURE

2012/13, £E bn.



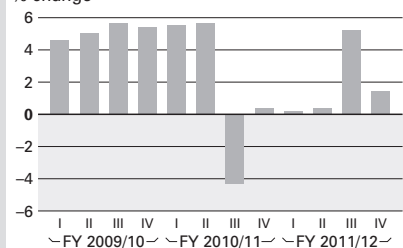
CAPITAL FLOWS

US\$ bn.



QUARTERLY GROWTH

% change



Sources: Ministry of Finance;
Ministry of Planning; Central Bank of Egypt

and the IMF start to roll in, foreign exchange reserves will increase, thereby enhancing the Central Bank's ability to defend the local currency. Such a virtuous financial circle would encourage inflows of foreign direct investment, on which the government is pinning its hopes to mobilise funds for major infrastructure projects. However, investor sentiment could quickly turn against Egypt. There was an early indication of this at the start of October when share prices fell after reports that a planned IMF visit had been

put off until December. The notion that Egypt finally has a stable government also rests on shaky ground, as a potentially divisive referendum on the new constitution looms, with parliamentary elections scheduled to follow.

If the discussion about an IMF programme stretches over into 2013 and the government continues to talk about subsidy reform rather than implementing it, there could be renewed pressure on the balance of payments, which would heighten the risk of a runaway

devaluation. Another challenge facing Mursi on this front will be the need for him to appoint a new CBE governor, as the veteran incumbent, **Farouk Abdel Baky el Okdah**, in the post since 2003, has said he plans to retire at the end of the year. Mursi has had a promising start to his presidency, asserting himself in his power struggle with the military and in his foreign policy. He has largely left economic policy in the hands of the technocrats but he, not they, will ultimately be judged on the results. ●

MOZAMBIQUE

Partial win for Guebuza

The President maintained his grip on the party at the Pemba Congress but there were still some surprises

The tenth Congress of the *Frente de Libertação de Moçambique* ended on 29 September but President **Armando Guebuza** did not get everything he wanted: he won't be able to wait out a presidential term as Prime Minister before returning to the top job (the **Putin** option, AC Vol 53 No 18). Frelimo's choice of candidate for 2014's presidential election is still wide open. However, the party presidency, which Guebuza, the only candidate, held on to at the Congress, is far more influential than the premiership. As President of the governing party until at least 2017, he will have much leverage over his successor. During his tenure, Guebuza has strengthened party power but not that of civic society.

The vote for the crucial Central Committee overwhelmingly favoured Guebuza. Most of the 195 members are Guebuza-loyalists, as are most of the 17 members of the all-important Political Commission. The big surprise was the removal from the PC of Prime Minister **Aires Ali**, Guebuza's preferred candidate for the national presidency. The rejection of Ali was a clear signal that Guebuza's power has limits. Another reverse was the failure of Presidency Minister **António Sumbana**, Guebuza's right-hand man, to win election to the CC. Yet before the anti-Guebuza factions could even cheer, the PC also dumped their darling, former Prime Minister **Luís Dias Diogo**. The CC is to choose Frelimo's nominee for the national presidency next year: the candidate does not have to be a PC member but it is unlikely that someone unable to win a seat on the PC could be chosen, says Mozambique analyst **Joseph Hanlon**.

Until the Congress, Diogo had been considered a strong presidential candidate. Guebuza's attitude is key but she has an independent power base in both party

and country. Her home region is Tete, the heart of the mining industry and centre of the coming mineral wealth. A group of her supporters from Tete who were elected to the CC delayed the PC vote for several hours in protest at her exclusion. One member, **Teresa Tembo**, refused her place on the PC in protest, we hear.

Guebuza-loyalist **Felipe Paunde** won re-election as CC chairman with 77.4% of the vote. As Frelimo's Secretary General, he is deputy to its President and oversees the selection of the first secretaries of Mozambique's eleven provinces. These control the 128 district party secretaries and have voting rights at Congress. This was the main transmission belt of Guebuza's influence. **Celso Correia**, hitherto known only as Guebuza's main ally in his business affairs, won election to the CC (AC Vol 52 No 18), as did Guebuza's executive daughter, **Valentina Guebuza**.

Dissenting voices could still be heard, however. **Jorge Rebelo**, a respected war veteran who is close to **Graça Machel's** faction, denounced Frelimo's 'authoritarian trend'. He called for acceptance of criticism within the party and attacked the tendency to denounce all views that diverge from official party lines. Opinions are banned or repressed, he complained, saying people should be able to talk without fear of retaliation. He also warned against the use by senior officials of the cover of 'national unity' to attack dissenters and claim they were not 'genuine Mozambicans'.

Rebelo's reward for speaking out was to fail to win re-election to the CC: on the day that he made his speech, the television cameras were absent although most of the Congress was broadcast. On 25 September, security guards searched delegates' bags, confiscating copies of the daily *O País* and the previous issue of the weekly *Savana*.

The CC's **Edson Macuácuá** argued that party rules forbade the distribution of publications on Congress premises.

Machel's group came out of the Congress considerably weakened and ex-President **Joaquim Chissano's** faction also failed to register but this only means that a realignment of factions may be under way. Machel and Chissano still have a good deal of influence. The real surprise was the growing strength of war veteran and old-guard stalwart **Alberto Chipande** and his allies **Carvalho Muária**, Sofala Province Governor since 2010; **Alberto Vaquina**, Tete Governor; and **Eduardo Joaquim Mulémbwè**, former Speaker of Parliament and ex-head of the Verification Committee in charge of party discipline. All were picked for the PC and although heavily outnumbered could form an anti-Guebuza block. Mulémbwè told *O País* he was willing to stand for the presidency.

Eneas Comiche's election to the CC would not have pleased Guebuza. As Mayor of Maputo, Comiche won a reputation for improving governance and services before falling out with Frelimo officials, supposedly for not favouring them with land deals. Frelimo refused to let him stand again in 2003. Guebuza's hold on the party is not monolithic as also evident in the election to the CC of **Marcelino dos Santos**, veteran Frelimo leader and minister under Machel and Chissano; **Graça Machel**; and **Samora Machel Júnior** ('**Samito**'), son of the Founding President. Samito was first elected to the CC in 2006.

Frelimo's presidential candidate is sure to win the next election: most agree that he or she will emerge from the following:

- **Felipe Paunde**, Secretary General.
- **Eduardo Mulémbwè**, former Nampula Governor and Parliament Speaker, 1994-2009, lawyer; former Attorney General.
- **José Pacheco**, Verification Secretary, Agriculture Minister, ex-Interior Minister and Cabo Delgado governor.
- **Verónica Macamo**, lawyer, founding member of the Mozambican Association of Women, from Gaza Province and Parliamentary Speaker since 2010.
- **Luís Dias Diogo**, ex-Prime Minister, former Finance Minister. ●

SOMALIA

Takeover at Kismayo

Kenya takes Al Shabaab by surprise but raises questions about its choice of leaders for the port city and its ability to manage the politics

The battle for Kismayo was anything but the decisive contest many expected, we can report, now that more details of the fighting have emerged. *Al Haraka al Shabaab al Mujahideen* had promised not to give up Kismayo without 'bloody battle', in the words of its Spokesman, **Ali Mohamud Rage**. This marked an apparent reversal of its policy of not contesting major towns. Yet when the African Union Mission in Somalia landed forces by sea ten kilometres up the coast on 28 September, *Al Shabaab* was taken by surprise and decided to retreat, said sources close to the Islamists. Fearful of ambushes, bombs and booby traps, the Kenyan forces and their militia allies took so long to enter the city that the defenders were able to retreat in good order with all their equipment, the sources said. Amisom will be pleased it suffered no serious losses but disappointed it did not damage *Al Shabaab* more.

In the build-up to the struggle for the Kismayo, pro-government and pro-*Shabaab* radio stations duelled over the scale of the battle to come. Around 2,500 civilians were leaving the city every day, according to media reports. The jihadists had reinforced their defensive positions

and stationed anti-aircraft guns on top of high buildings. *Shabaab* had appealed for volunteers to help defend Kismayo, and some fighters came from as far as Mogadishu to answer the call, according to some reports. All nonessential staff and the families of *Shabaab* fighters were evacuated by mid-September, the pro-*Shabaab* website amiirnuur.com stated.

SHABAAB'S TACTICAL RETREAT

When the Amisom landing came, its forces were still 40 km. inland from the port. At first, *Shabaab* rushed troops out of the city to the beaches to prevent its supply lines from the Lower Shabelle region being cut. It was at this point, we hear, that *Shabaab's* high command ordered a tactical retreat from the town. It is believed the jihadists left behind a small force to cause maximum disruption and casualties to the new occupiers of the port. Several bomb explosions were heard after the Amisom forces arrived.

Having taken the port, Amisom's problem now becomes ruling it. Sheikh **Ahmed Mohamed Islaan 'Madobe'** (AC Vol 52 No 22), leader of the Ogaden Ras Kamboni Brigade (RKB), Kenya's main military ally in the area, is

expecting to run the city and perhaps the regional governorate. Alternatively, a figurehead from a minority clan may be given nominal control, with Ahmed Madobe exercising the real power in the background, according to one scenario. Yet Kenya has made promises to the international community that this will not happen, we understand, and Madobe is said to be aware of the how controversial his personal role could be. **Mohamed Abdi Mohamed 'Gandhi'**, the French-Somali President of 'Azania', a proxy state in the Juba Valley created under Kenyan tutelage, could also be involved.

Other clans, such as the Darod sub-clans Marehan and Harti, and the Hawiye, Dir and Rahenweyn clans, are not happy with this and are lobbying the Mogadishu government to intervene on their behalf. Some of these clans supported *Shabaab* precisely because it opposed Ogadeni dominance in the area. The governance of the city and the Lower Juba region as a whole is full of pitfalls for Amisom, say sources familiar with Kismayo. It presents special problems because of *Shabaab's* long rule there. *Shabaab's* first governor of the Juba region was from Somaliland, which would have been a virtual impossibility under other administrations.

Under the Islamist ideology, clan rivalries were suppressed but with *Shabaab* gone, clan allegiance is to the fore once again and there is strong potential for serious unrest. If serious clan disputes were to break out in the wake of the *Shabaab* withdrawal, it would hand them a major propaganda victory to compensate for the loss of its most important town. ●

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POINTERS

Angola

NO NEW BROOMS

■ The new cabinet sees some surprising departures but like previous reshuffles, appears to be all about loyalty to President **José Eduardo dos Santos**. In an obvious demotion, former Vice-President **Fernando da Piedade Dias dos Santos 'Nando'** returns to the largely ceremonial role of parliamentary Speaker. All now looks set for the eventual transfer of power to the new Vice-President, **Manuel Vicente**. That choice originally met some resistance from within the ruling *Movimento Popular de Libertação de Angola*.

Most noteworthy was the replacement of **Carlos Maria da Silva Feijó** as Minister of State and Chief of (Civilian) Staff by **Edeltrudes Maurício Fernandes Gaspar da Costa**. Once a partner in Feijó's Luanda law firm, Da Costa comes to the Presidency from the National Electoral Commission; the job is perhaps a reward.

This marks the third time Feijó has been removed from the same post, an obvious signal that no senior official can afford to assume his or her job is safe. Although he helped write the controversial 2010 constitution that abolished direct presidential elections, he has been kept in the background for some time. Dos Santos may have envied his growing international profile and his facility with the media.

Also out are **Ana Afonso Dias Lourenço**, Planning Minister since 1999, and **Joaquim Duarte da Costa David**, a former Sonangol head who held posts on-and-off in the Industry Ministry since 2000. Afonso is tipped for a role in the Presidency, while David, a close confidant of Vicente, could replace Sonangol's new head, **Francisco de Lemos José Maria**, whose straight-laced approach is not proving popular among senior managers, we hear.

Presidential ally and millionaire businessman General **Manuel Hélder Vieira Dias Júnior 'Kopelipa'** continues as Minister of State in the Presidency, despite reports of ill-health, but his title is changed from Head of the Military Household (*Casa Militar*) to Head of the Security Household. Former Interior Minister **Sebastião José António Martins** heads the *Serviço de Inteligência e Segurança de Estado*, replaced at the Ministry by a former deputy, **Ângelo de Barros Veiga Tavares**.

Congo-Kinshasa/France

LA FRANCOPHONIE

■ Cries of disappointment resound from those expecting **François Hollande's** election as President to make a decisive break with the clandestine commercial networks between Paris and its African

former colonies. Hollande's decision to go to Kinshasa for the *Francophonie's* 14th annual summit on 12-14 October provoked protests from human rights activists in Paris and Congolese oppositionists. They argue that his presence will amount to an endorsement for what was widely seen as the fraudulent re-election in November 2011 of President **Joseph Kabila**.

Hollande's decision was partly informed by the Minister for the *Francophonie*, **Yamina Benguigui**, on her return from a visit to Kabila. He had, she said, taken note of France's urging that he move in favour of human rights and reform the dubious National Electoral Commission. Benguigui said that Hollande's absence would be taken as offensive by 'African friends' like Presidents **Ali Ben Bongo of Gabon** and **Paul Biya of Cameroon**, whose elections were also both tainted by fraud.

Lobbying in favour of participation came from Areva, with its exclusive deal for uranium mining; from Orange, which has just bought a phone licence from *Congo-Chine Télécom*; and from Total, whose oil block is in Virunga National Park. Total put on the pressure during a French diplomats' conference in late August, when Hollande announced that he would attend; those present included Total Managing Director **Christophe de Margerie**, and **Jérôme Ferrier**, his chief of security.

They pointed out that Total needed to make sure of its Congo operations before a French court could decide on a plea by human rights activists for implementation of the Bamako declaration of 2000. That excludes the *Francophonie* from taking an active presence in countries that violate democratic principles. After **Madagascar's** coup d'état in 2009, the Summit relocated from there to Montreux, **Switzerland**. This time, the French judicial authorities decided to postpone the hearing until after the Summit. Congo's main opposition leader, **Étienne Tshisekedi**, who had been invited to meet Hollande during his visit, has already called for demonstrations.

Guinea Bissau

UN-PERSONS

■ Guinea-Bissau's appearance at the United Nations normally attracts no fanfare but this year there was much anticipation when its interim President, **Raimundo Pereira**, overthrown in the 12 April coup, was listed to speak at the General Assembly (AC Vol 53 No 9). He did not show up on 28 September, apparently because officials from the Economic Community of West African States stopped him. Ecowas incurred the displeasure of the UN and European Union by appearing to legitimise the coup when it recognised a 'transitional government'. This was led by **Manuel Serifo Nhamadjo** as President and **Rui Duarte de Barros** as Prime Minister.

The Bissau government now wishes

to test international resolve further by appointing a new ambassador to the UN to replace the long-standing envoy, **João Soares da Gama**. The new Ambassador is Colonel **Manuel Maria Monteiro Santos**, aka '**Manecas Grande**', 70, a veteran of the *Partido Africano da Independência da Guiné e Cabo Verde's* liberation war. Santos was previously Ambassador to **Angola** and was sent there, we hear, to get him out of Bissau. He arrived in New York a month ago on a G-1 (diplomatic) visa granted by the **United States** government, which backed the Ecowas-brokered deal that gave rise to the transitional government. Santos is an unashamed supporter of the April coup and tried to persuade the UN to let Nhamadjo speak at the Assembly.

The issuing of the visa denotes Santos as a foreign official but UN Secretary General **Ban Ki-moon** will not accept his credentials, leaving him in diplomatic limbo, recognised at home but not at the UN. Meanwhile, Soares da Gama is the official UN Ambassador and in a different kind of limbo: recognised at the UN but not at home. The UN Credentials Committee has the job of sorting it out.

South Sudan

JONGLEI FLASHPOINT

■ The Khartoum regime was air dropping supplies to rebel militia in South Sudan as its negotiators prepared to sign the 27 September peace agreements with Juba, the United Nations reported. That will reinforce scepticism about the durability of the peace deal and point to more clashes in Jonglei.

On 24 September, troops from the UN Mission in South Sudan (UNMISS) and Juba's army, the Sudan People's Liberation Army (SPLA), saw a white aeroplane drop eight parcels three kilometres from Lekuangle, Pibor County. Khartoum paints some military aircraft white to resemble UN planes. Jonglei State Governor **Kuol Manyang Juuk** had just accused Sudan of resupplying **David Yauyau's** Murle rebels. Many non-Murle have joined Yauyau because, say local officials, Khartoum refused Southern troops their retirement benefits unless they fought for him first. The situation in Pibor County has deteriorated. Pibor Town is calm but many 'Arab' (often Darfur) and 'Funj' (Blue Nile) traders have left to bank their profits in Juba. SPLA troops from the disarmament campaign bring business; telephone money transfers are highly profitable.

Last month, reports by UNMISS and Amnesty International accused SPLA soldiers of rape, torture and other abuses during disarmament, which began last year (AC Vol 52 No 18). Some soldiers were arrested. The SPLA complains the reports are unfair: UN Representative **Hilde Johnson** is engaged in damage limitation. UNMISS has boosted its presence in Jonglei but has no enforcement mandate.

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BLUE LINES

On 17 October, French President François Hollande acknowledged that Algerians had been massacred at a 1961 independence rally in Paris. The victims of the police crackdown have never been officially counted, but historians reckon the number may have reached 200, making the incident the most brutal use of state force since the German occupation.

Hollande stopped short of blaming police chief Maurice Papon, whose forces cleared the protestors who violated a curfew. Nonetheless, the President's statement angered his political opponents by suggesting police culpability in the 'bloody repression'. The message should be welcomed by the country's some three million immigrants from Algeria and the wider Maghreb.

Hollande's olive branch is strategically timed. He arrives in Algeria this week, and he badly needs the cooperation of North African authorities to counter security threats at home and abroad. Hollande backs an Ecowas/African Union force for Mali, where *Al-Qaida* in the Islamic Maghreb holds six French hostages.

It is not only France that is rethinking the colonial legacy. On 5 October, London's High Court ruled that three Kenyan citizens who were tortured by British colonial authorities during the 1950s *Mau Mau* uprising could take their case against the British government to full trial. Many who witnessed or participated in the repression are now dead, but the ruling has symbolic significance and has cheered the elderly veterans of the *Mau Mau* struggle.

WEST AFRICA

Regional confrontation looms

Support in the UN and Europe is growing for a west African military force to push out the entrenched jihadist groups in northern Mali

The developing plan to oust the jihadist forces controlling northern Mali is moving forward, with regional security talks in Bamako starting on 19 October and a meeting between the Algerian and French Presidents on the following day. So far, much of the effort has gone on military and logistical coordination, without much thought on any side about the equally important question of political strategy.

There is a danger that a poorly conceived military campaign could draw many states in the region into a lengthy and bloody conflict, at least as catastrophic as Somalia's two-decade civil war. If anything, the prognosis for West Africa is more ominous than it was in the mid-1990s for Somalia. It is more complex and less self-contained than the Somali crisis. Local jihadists, *Ansar Eddine* and the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO), have secured most of the key centres in northern Mali, where they profit from highly lucrative drugs, arms and people smuggling operations.

Their close allies from *Al Qaida* in the Islamic Maghreb (dominated by Algerians) are now well entrenched. United Nations experts report collaboration on military training, bomb-making and arms shipments between the jihadists in northern Mali and groups such as *Boko Haram* from Nigeria. On 15 October European foreign ministers commissioned a plan to deploy 150 senior military trainers to work with Mali's national army. The aim is to rebuild the army, whose command structures, discipline and fighting capability have disintegrated over the past nine months. The ministers want the plan finalised for their 19 November meeting.

The multiple layers of negotiation for the 3,300-strong intervention force from Ecowas member states underlines its complexity. The operation over a desert region the size of France will require formidable logistics and airpower. On the West African side, Côte d'Ivoire's President Alassane Ouattara as new Chairman of Ecowas is the titular leader of the intervention, but he faces a new insurgency at home from forces loyal to ousted President Laurent Gbagbo. Reports that Gbagbo's forces may be teaming up with dissident Malian fighters and jihadist groups may have increased his determination to intervene. Ghana is preparing for elections on 7 December and Senegal's President Macky Sall says his army is over stretched. Mauritania's military is in crisis, after the purportedly accidental shooting of President Mohamed Ould Abdel Aziz (see Feature).

Algeria's intelligence on AQIM and its role in regional security (it has said publicly that it will not join the intervention) will be top of the agenda in the meeting in Algiers between Presidents Abdelaziz Bouteflika and François Hollande on 20 October.

Nigeria, with the biggest military in the region, was the leading force in previous Ecowas interventions. However, it is currently grappling with *Boko Haram*'s insurgency in its northern states, which may limit its practical contribution. The UN's overarching role in the intervention was established on 12 October, when the Security Council gave Ecowas and the African Union a 45-day deadline to produce a detailed plan. This will set out 'means and modalities' – strategy and a breakdown of the personnel and budget needed to launch the intervention. ●

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CÔTE D'IVOIRE

Ouattara under threat again

Ex-President Gbagbo's supporters in Accra are planning guerrilla attacks over the border and may even have reached out to Mali's jihadist rebels

On 12 October, the United Nations Security Council discussed a worrying report by a UN Group of Experts that says that supporters of former President **Laurent Gbagbo** are bent on destabilising the government of President **Alassane Dramane Ouattara**. The GoE is charged with monitoring compliance with UNSC Resolutions on Côte d'Ivoire.

Resolution 2045 of 26 April modified the existing arms embargo and specifically demanded that the authorities fully cooperate with the GoE while it investigated the movement of arms, mercenaries and diamonds, which UN officials believe may be fuelling conflict. Principally, the Experts' report says that Gbagbo-loyalists have set up what amounts to a rebel infrastructure. Gbagbo is in prison in Scheveningen, a district of the **Netherlands'** capital, the Hague, where he is awaiting trial at the International Criminal Court. His lieutenants, however, have been busy.

The leaked report says that the

command centre of the fledgling rebel infrastructure is in Accra, **Ghana**, while an unknown number of militia are in training camps in the dense jungle of eastern **Liberia**, which Africa Confidential sources have also confirmed. There are also persistent rumours that **Charles Blé Goudé** is in Liberia. Once nicknamed the 'General of the Streets', he was leader of the *Jeunes Patriotes* and Youth Minister in Gbagbo's government.

Recruitment in Liberia is easy. Tens of thousands of Ivorian refugees remain in the border area, among them many unemployed young men. In addition, there are Liberian mercenaries who have been looking for work ever since the last political crisis ended in April 2011. Among them is the notorious **Isaac Sayou Chegbo**, aka '**Bob Marley**' (AC Vol 53 No 13). The Liberian authorities briefly detained him in April 2011 and he remains at large. Money is available for recruitment. The main centre in eastern Liberia is Zwedru, which has a bank and a busy Western

Union facility. Money is said to be wired there from Accra.

The growing rebel infrastructure highlighted in the GoE report is certainly capable of causing trouble, especially in the west, but it cannot mobilise enough troops to pose a threat to Ouattara's government. However, both Liberian and Ivorian security forces lack equipment and staff and even when backed by UN peacekeeping operations in both countries, they cannot guarantee safety and security along the porous, 700-kilometre border.

The media seized on one point in the UN report: a meeting between some unnamed people from Gbagbo's side with **Ansar Eddine**, the Salafist group under **Iyad ag Ghali** that controls the **Malian** city of Timbuktu. The meeting is supposed to have taken place on the border between **Senegal** and **Mauritania**. On 14 October, Gbagbo's party, the *Front populaire ivoirien*, issued a statement in Abidjan saying that these accusations were 'a masquerade' aimed at hiding the current government's failings.

'MEDIA MANIPULATION'

Blé Goudé called the report 'mendacious and ridiculous'. The former Abidjan Port Director General **Marcel Gossio**, who is named with **Blé Goudé** as among those seeking to destabilise Ouattara, has written to **Bert Koenders**, the UN Secretary General's Special Representative in Côte d'Ivoire, to complain that the leak was an 'act of media manipulation' (AC Vol 52 No 3). From **France**, Gbagbo's Special Advisor, **Bernard Houdin**, called the report 'a manipulation'.

For the government, **Joël N'guessan**, a tough spokesman for Ouattara's *Rassemblement des républicains* (RDR) said the report was proof of serious attempts to destabilise the country. The government has made several claims this year that pro-Gbagbo forces were actively trying to overthrow it. When, on 12 October, General **Dogbo Blé Brunot** and other officers from Gbagbo's former army received gaol sentences of up to 15 years for murders committed during the post-election crisis, N'guessan declared the sentences too lenient (AV Vol 46 No 23).

There have been several attacks in recent months, including June's ambush near the Ivorian town of Taï, which killed seven UN peacekeepers from **Niger** and several other people (AC Vol 53 No 13). Local fears are increased by claims that immigrants from **Burkina Faso** are being transported to areas around Taï and working on commercial cocoa farms at the expense of the local population.

In the troubled town of Duékoué, violent incidents continue after local youths destroyed the Nahibly camp for internally displaced persons in July. On 11 October, six corpses were found in a

GBAGBO'S GHANA CONNECTION

Former President **Laurent Gbagbo**'s loyalists fled to **Ghana** in droves when he was finally deposed in April 2011. They did so hoping for political support from **Jerry Rawlings**, the former President, according to sources in Accra and in Abidjan. Rawlings has met several of the Gbagboists in Accra, including **Charles Blé Goudé**.

The Ivorian members of Gbagbo's inner circle who originally set up camp in Accra include **Blé Goudé**, **Nady Bamba**, Gbagbo's second wife, **Justin Koné Katinan**, Gbagbo's former Budget Minister, **Damana Pickass**, the man who physically prevented the Ivorian election results being read out at a press conference in December 2010, and several top *Front populaire ivoirien* (FPI) officials. **Blé Goudé** is now organising armed groups in **Liberia**.

Back in Abidjan, Ivorian officials have grown increasingly angry about the activities of the exiles, especially Katinan, and President **John Dramani Mahama**'s government appears to have been jolted into action. In the second week of October, Ghanaian security arrested eight so far unidentified senior Gbagbo activists in Accra, a security source told *Africa Confidential*. On 5 October, two Ivorians were repatriated for 'attempting to destabilise' Côte d'Ivoire and for buying 600 AK-47s in Accra, the source added.

Rawlings' support for Gbagbo hinges on a widespread perception of his role in the Ivorian conflict in 2010/2011 as 'anti-imperialist' and there is general hostility to French intervention in Africa. Gbagbo also convinced the **South African** government that he was being targeted by **French** and Western commercial and political interests. Rawlings has publicly called Gbagbo's arrest a 'deportation' and Gbagbo's supporters have been seen at Rawlings' Accra residence, according to a source close to him. Ironically, some Gbagbo loyalists appear to depend on support from within the government of President **Alassane Dramane Ouattara**, too.

Blé Goudé, we hear, is in continued touch with **Guillaume Soro**, the former Prime Minister and now President of the National Assembly. The source claims that **Blé Goudé** is also in contact with Interior Minister **Hamed Bakayoko**. All three were comrades-in-arms in the *Fédération étudiante et scolaire de Côte d'Ivoire* (FESCI), a violent youth militia, before their political paths diverged. ●

common grave. Residents of Duékoué tend to consider the national army, the *Forces républicaines de la Côte d'Ivoire*, a foreign occupying force. The government has said it will investigate.

Gbagbo's ex-Budget Minister, **Justin Koné Katinan**, is at the heart of the pro-Gbagbo fund-raising drive, the GoE says. He is wanted by the Ivorian government for fraud. Katinan was first arrested in Ghana in late August, but paid security officials 13 million CFA francs (US\$26,000) to win his release, according to a security source in Accra. Côte d'Ivoire had tried to have him extradited without providing full details

of the charges against him. In pro-Gbagbo circles, this was seen as an attempt to get him to Côte d'Ivoire by force.

On 8 October, he was re-arrested and charged with the murder of several people in Abidjan during the post-poll crisis. As AC went to press, he was in still custody. His lawyer says he is an asylum-seeker and so protected from extradition. Ghana's President **John Dramani Mahama** has declared that his country will never be used as a rear base to destabilise a neighbour and Deputy Minister for Foreign Affairs and Regional Integration, **Chris Kpodo**, repeated this on 13 October. ●

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MAURITANIA

Aziz's power game

President Abdel Aziz uses the threat of jihadist forces as a way of fending off pressure to hold elections and make concessions to opposition parties

President **Mohamed Ould Abdel Aziz** is navigating a delicate course across the region's geopolitical minefield. Mauritania is not a member of the Economic Community of West African States yet it was still significant that in early September, Abdel Aziz ruled out any role for his country's troops in the expected Ecowas intervention in Mali. This move is not believed to make any difference to whatever military plan takes shape but it may help to deflect Islamist objections at home. As *Africa Confidential* went to press, Abdel Aziz was in hospital recovering from a gunshot wound sustained on 15 October. While few believe the official story of an 'accidental' shot, no further details have emerged, although there is no visible threat to his power.

Abdel Aziz does need to be concerned about the potential reach of the Malian jihadists, for guerrillas could easily establish footholds in the extremely thinly populated regions of northern Mauritania. At the same time, Aziz has expanded counter-terrorist cooperation with both **France** and the **United States**. Mauritania could be a key element in any military intervention as a rear base for the foreign troops, African or otherwise.

The President's announcement came shortly before Malian troops killed 16 Dawa preachers (AC Vol 53 No 19). Mali's jihadists have attempted to make political capital out of the massacre in Mauritania as well as Mali. If Abdel Aziz had not declared that he would not take part in any military intervention, the protests in Nouakchott and Nouadhibou against the killing could well have been larger. The *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* (MUJAO) threatened revenge and said that it would launch

attacks in Mali, Niger and Burkina Faso. Mauritania was not on the list.

A measure of the potential support for Islamism in Mauritania was clear when hundreds of protestors marched in Nouakchott, Nouadhibou and Magta-Lahjar last month, after the anti-Islamic film *The Innocence of Muslims* was translated into Arabic and appeared on the internet. *Al Qaida* in the Islamic Maghreb

(AQIM) declared on 15 September that it backed the protests and was planning attacks on Americans in Mauritania. In August 2011, the local press reported that AQIM members were distributing propaganda material and holding recruiting drives along the Malian border, an area which was the focus of aggressive counter-terrorism measures following the increased AQIM presence in the region.

The international coalition against the jihadists is worried about the prospect of events exacerbating the clan and cultural rifts that characterise Mauritanian society, with its 'white Moors', 'black Moors' (Haratines, former slaves), Bedouin Arabs and Arabised Berbers. Although some accuse Abdel Aziz of appeasing Islamists, there is little doubt that he could be a

HANDLING THE OPPOSITION

Despite official promises of elections, President **Mohamed Ould Abdel Aziz**'s government has shown no serious signs of holding any. The opposition is not united and does not present a political threat. In late July, Interior Minister **Mohamed Ould Boilil** announced that legislative and municipal elections would be held in November. The statement was then retracted and then Boilil denied he had ever made it.

The *Coordination de l'opposition démocratique* (COD), an umbrella organisation that nominally unites the opposition, responded furiously. It was angry partly because the announcement undermined the electoral process, which is being managed by the *Commission électorale nationale indépendante*. It also contradicted the private negotiations they were holding at the Presidential Palace. In early October, the Speaker of the National Assembly, **Messaoud Ould Boulkheir**, said that he was working on a framework to outline a political transition and presidential elections (AC Vol 44 No 20). In the absence of a timetable, this lacks credibility.

Popular opposition to Abdel Aziz has grown significantly since the sanctification of his 2008 military coup in the widely discredited – but broadly internationally accepted – presidential election of 2009. This spring, demonstrators gathered in their thousands in Nouakchott shouting '*Dégage, Aziz!*' ('Get lost, Aziz!'). Activists have at times blocked access to the Palace, vandalised its walls and occupied its forecourt. The opposition is diverse but too diffuse to present a threat to the regime. The COD has called a day of protest on 14 November, when the mandates of local and parliamentary representatives are due to expire. The President has promised to extend them. If the protest goes ahead, the numbers who turn up will be a measure of opposition support.

Yet compromise – or cooption – is in the air. **Boidiel Ould Hmeida**, leader of *El Wiam* party, and **Ould Boulkheir**, leader of the People's Progressive Alliance, both members of the COD, have recently said they were disillusioned with protests and that 'engagement' with Abdel Aziz and his politics was the only way forward. There is a gulf between the militancy on the streets and the accommodating view of COD leaders. Boilil's announcement and retraction made matters even more difficult for the COD leaders. ●

useful ally in any coming military struggle with AQIM, MUJAO and *Ansar Eddine*, the other key jihadist group ensconced in northern Mali. This may explain the absence of international pressure on him to hold elections (see Box).

One sign that Abdel Aziz may support the anti-jihadist campaign was a report late last month that he had met **Bilal ag Acherif**, the Secretary General of the *Mouvement national pour la libération de l'Azawad*. The MNLA is the Tuareg nationalist group which initiated the revolt in northern Mali before the jihadists marginalised it. It retains some military

capability and is seen as a possible ally of the Malian army or of an Ecowas force in any thrust to the north. It certainly has scores to settle with the Islamists.

Abdel Aziz's relationship with Washington has gone from strength to strength. Military relations were officially resumed in February, but the two had been cooperating on counter-terrorist measures and training for at least a year before then. Mauritania provides ideal terrain for a US military base – totally isolated from civilian contact in the midst of the vast expanse of desert. The US military has been flying surveillance missions

with increasing frequency all over the Sahel from a base in Ouagadougou, the *Washington Post* reported in June. France has a longer history of strong military ties with Mauritania and there were unconfirmed reports that AQIM had tried to kill the French Ambassador on 16 September. For now, Abdel Aziz will support moves against the jihadists as strongly as he can without having to confront any of his own people over it. His involvement, if it materialises, is likely to be limited to logistical support for France, the US and Ecowas, which could be crucial to any intervention in northern Mali. ●

SOUTH AFRICA

Zuma's campaign pays off

On the brink of the ANC conference in Mangaung in December, incumbent Jacob Zuma has outmanoeuvred his rivals for the party presidency

African National Congress leaders are trying to stitch together a deal that would avoid a contest for the party Presidency between incumbent **Jacob Zuma** and Vice-President **Kgalema Motlanthe** at the party's conference on 16-20 December in Mangaung (Bloemfontein). The proposal with the widest support so far is one that would allow Zuma to remain as ANC President until 2017 but he would make way for his deputy, Motlanthe, to stand for the national presidency in 2014. However, *Africa Confidential* understands that the Zuma camp believes they can still get their man a second term as President of both country and party.

Two provincial ANC branches are running the two presidential campaigns: the Gauteng Provincial Executive Committee is working for Motlanthe and the KwaZulu Natal (KZN) Provincial

Executive Committee is running Zuma's campaign. The teams met in Durban on 13-14 October to cobble together a leadership deal between the two candidates.

The KZN ANC, led by **Zweli Mkhize**, wanted the Gauteng ANC, led by **Paul Mashatile**, to merge their slate of nominations for the top six leadership positions in the ANC, but to retain Zuma as President, Motlanthe as ANC Vice-President and **Gwede Mantashe** as ANC Secretary General. Zuma has offered Motlanthe a number of compromise scenarios to avert an ugly leadership contest at the upcoming Mangaung conference. The condition is that Motlanthe would not challenge Zuma for the ANC leadership at the conference but remain as Deputy President with added responsibilities.

The pro-Zuma KZN ANC leaders told their pro-Motlanthe Gauteng counterparts that they could not change Zuma's

nomination for the presidency because there will be a 'backlash' from Zulu-speakers in KZN. Some ANC KZN leaders at the Durban meeting admitted that they were unhappy with Zuma's performance but said their hands were tied. Officials there said that KZN would revolt if Zuma or another Zulu speaker did not get the ANC and national presidency. That makes any deal between KZN and Gauteng highly problematic – unless Motlanthe decides not to stand against Zuma in Mangaung.

So the backroom deals for the top six ANC posts will continue. Only a few of the provinces back the Forces of Change/Anyone but Zuma slate, led by the millionaire and Minister of Human Settlements, **Tokyo Sexwale**. Right now, the odds favour Zuma.

MOTLANTHE'S SUPPORTERS

The pro-Zuma camp believes that the Motlanthe campaign has less to do with the Vice-President's own decision and more to do with key party figures worried about their own political futures. Nothing can happen unless Motlanthe agrees to run, and he has yet to reveal his intention. Described by his friends as 'sensitive' and 'smart', they said he was brilliant at diagnosing the party's problems, but not so good at answering them.

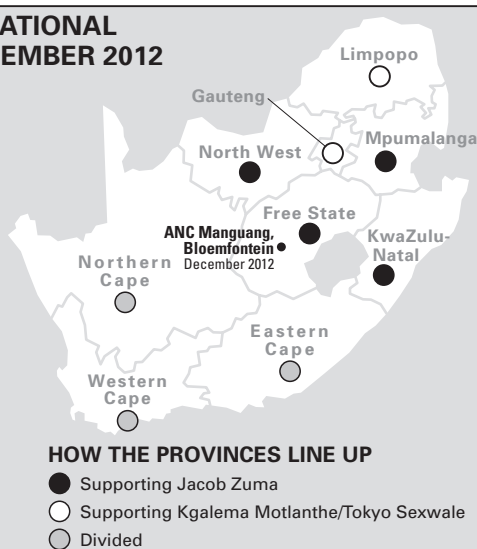
Ebrahim Harvey's Kgalema Motlanthe: A Political Biography was described as 'The book event of the year,' with over 1,000 people at its launch. Harvey writes about Motlanthe's rows with his colleagues, especially over the expulsion of the ANC Youth League leader, **Julius Malema**. Some say the fact that Motlanthe wanted this publicly known didn't go down well with one of the guests, ANC Secretary General Mantashe. Yet even at the book launch, Motlanthe did not utter a word about his own political ambitions.

The pro-Zuma lobby says that if Motlanthe runs against Zuma, they will bring in **Cyril Ramaphosa** as a candidate for the Vice-Presidency. He is already on the slates of KZN and of Mpumalanga. The nominations for the ANC's top posts opened in early October. Branches

DELEGATES TO THE ANC'S NATIONAL ELECTIVE CONFERENCE, DECEMBER 2012

Total ANC voting delegates	4,500
BRANCH VOTING DELEGATES	4,103
Eastern Cape	676
Free State	324
Gauteng	500
Limpopo	574
Mpumalanga	467
KwaZulu-Natal	974
Northern Cape	176
North West	234
Western Cape	178
NEC, ANC PROVINCES & LEAGUES	397
ANC National Executive Committee	82
ANC Provincial Executives	180
ANC Veteran's League	45
ANC Womens' League	45
ANC Youth League	45

Sources: African National Congress;
Africa Confidential correspondents



first decide their preferences, then hold nomination conferences to determine their final submission to the electoral commission. 4103 delegates are due to attend the Manguang conference. KZN will send the most, 974, and it holds its nominating conference on 24 November.

IT'S ALL ABOUT THE NUMBERS

Next comes the Eastern Cape, with 676 delegates. The province emphasises 'unity and cohesion' and wants Motlanthe to stay on as vice-president. However, members say that 'if he is standing as president, we are prepared to agree on the deputy president being one of the most known businesspeople'. That means Ramaphosa. Eastern Cape also wants current Chairwoman **Baleka Mbete** to serve again, with Mantashe as Secretary General, **Jessie Duarte** (a Zuma ally) as Deputy Secretary General and **Naledi Pandor** as Treasurer General. The Anyone But Zuma slate had hoped to make inroads there, especially after the election of an anti-Zuma team in the OR Tambo region. Eastern Cape should complete its general meetings by 20 November.

Limpopo (574 delegates) wants Motlanthe for President, Sexwale for Deputy President and **Fikile Mbalula** for Secretary General with **Thandi Modise** retaining her position as Deputy Secretary General, and **Mathews Phosa** staying on as Treasurer. However, Mbalula (known as **Mabaks**) may now have switched support to Zuma (see Box). When Mbalula's change of heart was reported, he was quick to denounce the 'political thugs and their consorts who have elected to subject me to political lynching....they have decided to defame me through political looting and vandalism, when they cannot face me and engage me as a comrade.' Mbalula said he had never been party to any deal-making, but it is clear that he lacks support.

The ANC's intellectual base, the Gauteng region (500 delegates), supports Motlanthe with its Chairman Paul Mashatile as Treasurer. The province could not make up its mind on the other positions; it recommended both Sexwale and **Nkosazana Dlamini-Zuma** for Deputy President, **Joel Netshitenzhe** and Mantashe for Secretary General, and Modise or Pandor as Chairwoman. Mpumalanga Province (467 delegates) resolved to nominate leaders 'in touch with the people, accessible and flexible'. It chose to keep Zuma, Mbete and Mantashe in their current positions. The province has put forward Ramaphosa for Deputy President, Duarte for Deputy Secretary General and KZN Premier **Zweli Mkhize** for Treasurer.

The ANC in the Free State (324 delegates) has not yet made its choice known, but Premier **Ace Magashule** is a vocal Zuma supporter. The North West

(234 delegates) called for no changes among the top six posts. Western Cape (178 delegates) remained undecided. Provincial Chairman **Marius Fransman** was quoted as saying that he believed Zuma should serve a second term and was not supporting radical leadership change.

For Northern Cape (176 delegates), a deal may be on the table. Its controversial Chairman, **John Block**, faces graft charges but might get behind Zuma if they were dropped. Northern Cape will announce its choices only after the other branches have made their nominations and its delegates will 'try to maintain unity and cohesion'.

The Youth League's 45 delegates intend to vote for Motlanthe as President, Mbalula as Secretary General and Phosa or Sexwale for Vice-President. Sexwale could also be nominated as Treasurer. Modise, Mashatile and **Thenjiwe Mtintso** were also put forward. The ANC Women's League (45 delegates) wants Zuma, Motlanthe and Mantashe for another five years – with women in three of the top six party jobs.

The *Umkhonto We Sizwe* Military Veterans' Association (45 delegates) backs Zuma, Motlanthe, Mantashe and Mbete, with **Zweli Mkhize** replacing Phosa as Treasurer and Duarte as Deputy Secretary General. Nominations close at the end of November.

Factionalism will continue to be a hallmark of ANC branch meetings. Money to buy votes is distributed in 'cooler' bags, often used by thirsty South Africans, to keep their six-packs of beer ice cold in the summer months.

The biggest boost for Zuma's campaign has been the call by the Central Executive Committee of the Congress of South African Trade Unions on 17 October for the re-election of the ANC's top leadership – with the exception of Zuma's biggest critics – Treasurer Phosa and Deputy Secretary General Modise. Cosatu's position was a compromise between its General Secretary **Zwelenzima Vavi** (anti-Zuma) and Chairman **Sidumo Dlamini** (pro-Zuma). Its support for Zuma as ANC leader is based on him leaving the national presidency in 2014 and being replaced by Motlanthe. However, Zuma would remain President of the ANC until 2017.

Cosatu is also demanding that Zuma adopt more radical policies, including setting a minimum wage and imposing a central system of collective bargaining for wages and benefits. That would give Cosatu-affiliated unions a monopoly of representation at factory and plant level. The Marikana crisis began when thousands quit the Cosatu-affiliated National Union of Mineworkers to join more radical, non-recognised unions. ●

WINNING THEM OVER ONE BY ONE

The plan to secure President **Jacob Zuma** certain victory at the African National Congress's leadership election focuses on one-to-one meetings with his main opponents. Zuma's enforcers are concentrating on those ANC figures who have strong local support in provinces: they persuade the dissenters to switch sides on one hand offering more patronage and on the other hand threatening to take away their existing state contracts.

Team Zuma is working in large regions in hostile provinces, such as Nelson Mandela Bay in the Eastern Cape, Sekhukhune in Limpopo and the West Rand in Gauteng. We hear they have offered to let Northern Cape provincial ANC leader **John Block's** corruption charges 'disappear' if he switches support to Zuma.

Also targeted are trades union leaders opposing his second term, such as the National Union of Metalworkers of South Africa. Zuma has had face-to-face meetings with its General Secretary, **Irvin Jim**, offering patronage and promising policy concessions. Jim surprised his colleagues last week, when he said that he 'could consider' supporting Zuma for a second term. We hear that Zuma has now met all the general secretaries and presidents of Congress of South African Trade Union-affiliated unions who have opposed his re-election as ANC president.

On 11 October, Zuma met Sports Minister **Fikile Mbalula**, the anti-Zuma group's nominee for ANC Secretary General. The deal proposed to Mbalula was that he should withdraw from the race for Secretary General and distance himself from **Julius Malema**, the expelled former ANC Youth League leader; in return Zuma would give Mbalula a senior Cabinet job, perhaps Defence Minister, and back him for the Deputy Secretary General post in the ANC. Zuma has managed to isolate Malema by entangling him and his associates in corruption and tax evasion prosecutions. Zuma is also offering his main opponent, **Kgalema Motlanthe**, a chance to stay on the Zuma slate as Deputy President of the ANC.

Another tactic to swing the vote is to ensure that 'pro-Zuma' members are encouraged – by various inducements – to take over their branches and get to the conference as voting delegates. Branches that remain opposed to Zuma risk being 'deregistered' or disqualified for violation of the rules. In Eastern Cape, parallel pro-Zuma branches are being set up. These will replace the anti-Zuma branches, which will be deregistered. ●

ZAMBIA

Big budget, big promises

The triumph of the bond issue and strong public spending plans may help revive a stagnant economy and the government's political fortunes

One year after taking the helm, President **Michael Chilufya Sata** and his Patriotic Front (PF) face mounting pressure from electors upset at their apparent failure to deliver on ambitious campaign promises. Sata won the presidency by promising more jobs and prosperity, the absence of which is causing more and more resentment. Yet after a slow start, the government has now won wide international acclaim for its highly successful US\$750 million Eurobond issue in September. It has also set out to win back public approval with a jobs-orientated budget that includes large increases in public spending.

Finance Minister **Alexander Chikwanda** made his budget speech to Parliament on 12 October and the emphasis was on public spending, much of it capital expenditure. The government aims to create 200,000 jobs in 2013, he said. Last year, Sata and the PF won the elections partly because of Zambians' disillusionment with the 20-year rule of the Movement for Multiparty Democracy and the presidency of **Rupiah Banda** (AC Vol 52 No 20).

How much the bond issue will help is yet to be seen. It was initially intended to raise \$500 mn. but demand from **United States**, European and Asian investors was so strong that the government

raised its value to \$750 mn. The cash will stabilise the foreign exchange market and help the PF government to make a start on big infrastructure expenditure including roads and power generation, which will also boost employment. 'The achievement of the first bond being oversubscribed establishes Zambia as a very credible investment destination and that our country has a vibrant future,' said Sata, the day after the bond issue.

Alleyes will be on how the government invests the money. During Sata's first year in office, there has been little major new investment in the mining sector and the employment rate has stagnated while the young population that is the bedrock of Sata's and the PF's support keeps on growing. Investors were put off by the pressure from wage demands, with some wildcat strikes cutting output. The fall in copper production has been severe, depressing the value of the kwacha, but the government strengthened it again by banning the use of foreign currency in local transactions in May.

Wage increases have not impressed investors, either, notwithstanding the benefits to the local economy. In July, the government raised the minimum wage for maids and other household servants to K522,000 (\$104) a month and to K1.1 million (\$218) for non-unionised shop

workers. Encouraged by the change in government, workers have pressed home their wage demands and a **Chinese** manager died during protests in August at the Collum Coal Mine (AAC Vol 5 No 11), where miners claimed their pay was below the new legal minimum. In 2010, Chinese mine managers at Collum opened fire on a group of protesting miners (AC Vol 51 No 23).

Others have expressed a lack of confidence. 'The job seems to be too big for Sata and his government. They were used to being in the opposition', observed **Mike Mulongoti** – Banda's Works and Supply Minister who resigned to campaign for Sata in the elections – on 24 September. Special criticism, including from foreign officials, is directed at PF Secretary General **Wynter Kabimba**, who initially declined to join Sata's cabinet while raising concerns over his statements which placed party and policy above elected government (AC Vol 53 No 10).

In September, Sata compounded these concerns by appointing him Justice Minister. Kabimba replaces veteran lawyer (and former United National Independence Party SG) **Sebastian Zulu**, an ex-Solicitor General who resigned from the Banda government over corruption in July 2011.

SATA'S 'FAMILY FOREST'

Sata is also under fire for crowding his cabinet and top administrative posts with relatives, confidants and party functionaries. The influential *Post* newspaper, long a supporter of his and a constant thorn in the side of the Banda government, described Sata's government in a recent article as 'a family forest', a jibe at ethnic favouritism as well as nepotism.

Key civil society groups in the umbrella Oasis Forum Council of Churches in Zambia, Law Association of Zambia, Non-Governmental Coordinating Council and the influential Roman Catholic Zambia Episcopal Conference are increasingly critical of Sata's style of leadership and his departure from campaign promises. Oasis Forum, which led opposition to the late President **Frederick Chiluba's** third term bid in 2001, had been generally supportive of Sata.

Sata is the country's first known Catholic leader and some 29% of Zambians are Catholic but his relationship with the Church is currently strained. The President is not helping his own cause by refusing contact with the media. The only time he has addressed local journalists was on 30 April, when he announced the suspension of three judges. This has led some to label his tenure as an 'absentee presidency' (AC Vol 53 No 13). ●

EX-PRESIDENT BANDA SWITCHES HORSES

The political landscape is changing and President **Michael Sata's** Patriotic Front faces a new opponent. Having lost faith in his own party, the Movement for Multiparty Democracy, former President **Rupiah Banda** has secretly begun financing the United Party for National Development led by **Hakainde Hichilema**, say political sources in Lusaka. Hichilema was once mooted as a PF ally in an electoral pact before the general elections; many commentators believed at the time that neither the UPND nor the PF could defeat the MMD on their own. The UPND was the third-largest party in Zambia and the strongest in the south, where opposition to Sata is now most concentrated.

The MMD is now a shadow of its former self. Hichilema was arrested twice in September after strident street protests. He came before the magistrates in July for 'incitement' after claiming that the PF had arranged for a government-supported militia in **Sudan** to train PF youths. The Director of Public Prosecutions, **Mutembo Nchito**, asked Hichilema to substantiate or retract the statement, but he refused, leading to his arrest.

Hichilema's high-octane campaign is aimed at increasing popular support and at provoking or destabilising President Sata himself. Hichilema has been trying to draw donor governments to his banner, citing Sata's government's growing intolerance of criticism. MMD leader **Nevers Mumba** and Hichilema have been taking every opportunity to complain about Sata, especially to the **British** High Commissioner, **James Thornton**, and the **United States** Ambassador, **Mark C. Storella**. After the envoys raised issues with the President, he made thinly-veiled hostile remarks since he believed, we hear, that they were acting at the instigation of the opposition. ●

TOGO

Faure fading fast

The President's attempts to maintain a consensus collides with a disaffected civil society more interested in genuine democracy

President Faure Gnassingbé's prospects of staying in office in the long-term are diminishing. Ever since he succeeded his late father, **Gnassingbé Eyadéma**, in February 2005, opposition to dynastic successions and the awareness that he was the choice of the 'ethno-military clique' have worked against him. The armed forces are dominated by Kabyé people. The Kabyé in northern Togo constitute 27% of the population while the Ewe in the south are 44%. However, there was a strong desire for peace after 15 years of political strife and persistent opposition to his father's dictatorial rule.

Faure could present himself as a more national figure, since his mother was an Ewe from Atakpamé. His first presidential election in April 2005 was marked by strong allegations of fraud and days of street violence. However the parliamentary elections of 2008 and the subsequent presidential election in March 2010, when he was re-elected with a majority of 61%, were both peaceful and more accepted internationally. Yet this did not mean that they were free and fair, and the opposition continued to protest bitterly (AC Vol 51 No 6).

In 2010, Faure benefited from disunity in the main opposition grouping, the *Union des forces de changement*. UFC leader **Gilchrist Olympio** (75) is also dynastic, being the son of founding President **Sylvanus Olympio**, assassinated during a coup d'état in 1963. Gilchrist did not stand in 2010 for health reasons but was already in conflict with his party's Secretary General and presidential candidate, **Jean-Pierre Fabre**. Gilchrist's health troubles coincided with the first occasion when he had been constitutionally eligible to stand since 1998. The UFC stand-in in 2003 and 2005 was **Emmanuel Bob Akitani**, who won over 38% of the vote in 2005. In 2010, Fabre managed only 34%. The rift between Olympio and Fabre deepened after the election and in May 2010, Gilchrist took the UFC into government. Fabre rejected the move and that September, formed a new party, the *Alliance nationale pour le changement*. The ANC became the spearhead of the opposition and in 2011 coordinated a series of strikes and demonstrations.

Gilchrist's historic compromise with his family's enemy of half a century,

the Gnassingbé clan, could have helped to legitimise Faure's 'new look', despite part of the UFC refusing to be coopted. Yet Faure's position became more difficult because the ANC had to prove its credentials as an authentic opponent of Gnassingbé's clan. The UFC controlled several ministries, including Foreign Affairs, but the party kept up its criticism of Faure. Now, Gilchrist's associates are questioning whether joining the 'unity government' was worthwhile.

FAURE'S BAD TIMING

Yet Faure has been just as vulnerable as the opposition to internal differences. He gaoled his elder brother, former Defence Minister **Kpatcha Gnassingbé**, in 2011 for attempting to overthrow him but the feud continues to unsettle the regime (AC Vol 50 No 8). Things began to go seriously wrong for Faure in the first few months of 2012 after he had dissolved the former single party, formed by his father, the *Rassemblement du peuple togolais* and replaced it with the *Union pour la République* (Unir, which also means 'unite'). The timing was off: it came just as several opposition and civil society groups came together to form the *Collectif sauvons le Togo* (CST, Let's save Togo collective) and mobilise street protests against the regime.

Two reports triggered the protests. The first, in February, was by the *Commission nationale des droits de l'homme* (National

Human Rights Commission) on the torture meted out in Togo's gaols. A second report in April by the *Commission vérité, justice et réconciliation* led by the Bishop of Atakpamé, **Nicodème Anani Barrigah**, was dismissed by Fabre's ANC, although the 68 recommendations were an attempt to draw a line under Togo's turbulent past.

The CST protestors held massive marches in June, August and September calling for Faure to go and for electoral reform. The President has responded with tear gas and hundreds of arrests but the crisis continues. One of those arrested was former Prime Minister **Gabriel Agbéyomé Kodjo**, who was released only after powerful international friends interceded. This included threats to suspend foreign aid.

Faure has since tried to placate the opposition by sacking ministers, including Prime Minister **Gilbert Fossoun Hounbo** on 8 July and, in August, the powerful Minister of Territorial Administration, **Pascal Bodjona**. He is a Kabyé who was at school with Faure. Bodjona was arrested in September over a bizarre scam to defraud an oil magnate from the **United Arab Emirates**, **Abass al Youssef**.

The disgrace of an influential power-broker such as Bodjona is said to have reinforced further the power of two security bosses. These are Colonel **Alex Yotofrei Massina**, *Director of the Agence nationale de renseignements*, which was heavily implicated in the torture reports, and General **Mohammed Acha Titikpina**, *Gendarmerie* Chief-of-Staff. Present uncertainties and the risk of further CST demonstrations make it doubtful that the parliamentary elections will be held before the legal date of 11 November. The CST has called for them to be postponed till next June. ●

FRATERNAL RIVALRY

There was an inevitability about the clash between President **Faure Gnassingbé** and his elder brother, **Kpatcha Gnassingbé** ever since the time when they accompanied their dying father on the aeroplane to Tripoli, **Libya**, in February 2005 (AC Vol 50 No 9). President **Gnassingbé Eyadéma** had over fifty children and they form a court as complex and intrigue-bound as the **Saudi Arabian** royal family. Yet Faure and Kpatcha were always the likeliest to succeed.

The large and ebullient Kpatcha already found it difficult to accept that his calmer younger brother should get the top job. Although for a time Kpatcha accepted a ministerial job and other perks, it was always on the cards that he would attempt to seize power, which he did, unsuccessfully, in April 2009. The fact that it took two-and-a-half years before it was felt safe to bring him to trial shows how much he is still feared.

Before the trial, further efforts were made to try to discredit him. The website Sahel Intelligence carried a story alleging that the **United States** Drug Enforcement Administration was seeking to question Kpatcha about a visit he had paid in 2007 to the narco-state of **Guinea-Bissau** to meet operatives in the West African drugs network. Yet support remains strong for Kpatcha among the Kabyé people because some see the older brother as 'pure-blooded', while Faure is of mixed ethnic heritage. ●

CONGO-BRAZZAVILLE

A poverty of strategy

The President and his ministers respond to criticism of their economic policy by changing the goals but little else

Stung by accusations that he and the governing elite have squandered the country's oil wealth with nothing to show for their three decades in power, President **Denis Sassou-Nguesso** has ramped up his government's economic goals. Massive infrastructure development and capital-intensive prestige projects are what he has in mind but he is paying little attention to lasting growth in an oil state whose domestic economy is feeble. In its Article IV report on 12 October, the International Monetary Fund backed this view. While the economy was stable, it noted, growth had not been inclusive, the private sector was not diversified and public spending was still subject to the vagaries of the oil price.

The presidential vision does not include empirical planning, overcoming constraints to broad-based growth or the detailed policy and macroeconomic reform necessary for Congo-Brazzaville to prosper, say economic observers. A supplemental budget in April was ostensibly aimed at reconstruction but did little more than fuel

almost import-intensive inflation because the domestic economy lacks the capacity to respond to stimuli. On 25 September, Colonel (Retired) Sassou-Nguesso reshuffled his cabinet. This was mainly to accommodate his dismissal of Defence Minister **Charles Zacharie Bowao**, who had refused to resign over the catastrophic ammunition explosion in March. He has since been charged with criminal responsibility for the disaster (AC Vol 53 No 7). Finance Minister **Gilbert Ondongo**, received a slightly expanded portfolio.

'INDUSTRIALISE AND MODERNISE'

The target of the current National Development Plan is to 'industrialise and modernise the country' in a few short years. Yet there has been little diversification of the economy. Congo is more dependent on the oil sector than ever (68% of gross domestic product in 2010) and recent data indicate only small reductions in poverty, far below what would be expected in a post-conflict recovery.

Traditional economic weaknesses

remain unaddressed: non-transparent management of resource wealth, failure to increase spending on basic social services, lack of a policy for growth of the non-oil private sector. Reforms in these areas were part of the government's official programme with the IMF and World Bank for over a decade and were a condition for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

The IMF's latest review of the government's 2012-16 Poverty Reduction Strategy, a commitment that Sassou entered into only reluctantly, provides a sober assessment. The government's aim to 'modernise' the country, notes the Fund, depends on fulfilling commitments in the last PRS, for 2008-11. Results were unsatisfactory regarding 'the promotion of diversified, inclusive, employment-creating...growth and the equal distribution of the benefits'. This is as blunt as the IMF gets when criticising a country's inability to meet its commitments on poverty reduction. In 2010, US\$1.9 billion of debt relief through HIPC was waved through with backing from **France** when poverty reduction policies were not even in place. The IMF and other donors now have little leverage. The Fund sees it as important to stay 'engaged' so as to exert some influence rather than risk a rift. Yet Sassou's implementation of both anti-poverty policies and transparency in the oil accounts has been extremely slow, with little real progress in the last five years.

The IMF review faults the government's PRS for basic planning weaknesses and a lack of realistic assumptions about how to reduce poverty, especially in view of the official goal of reducing poverty by 15% in less than five years. Natural resource extraction is one sector earmarked to fund the goal of economic expansion.

Growth in the mining sector seems assured, with several large base-metal projects expected to come into production by 2017, including **Anglo-Swiss** Xstrata's proposed Zanaga iron ore mine. Currently, non-oil exports are at an all-time low, at 6% of the total, down from 10%.

The Brazzaville government appears to have a limited commitment to market reform, including that aimed at simplifying the operating environment for private sector businesses. The annual World Bank 'Doing Business' survey ranks Congo-Brazzaville's business climate as one of the most adverse in the world, at 181st of 183 countries. Indeed, the government has only just begun to establish a channel for formal dialogue with the local private sector. The authorities have yet to take serious action to redirect public spending towards 'pro-poor' areas. Instead, the elite remains focused on capital-intensive infrastructure and prestige projects which are poorly integrated with national planning priorities and poverty reduction. ●

BORROWING BIG

Building Congo-Brazzaville's infrastructure, a more tangible goal than policy reform, has been taken to heart. It is overseen by the department for large projects, the *Délégation générale des grands travaux*, under Minister **Jean-Jacques Bouya**, a former *Air Afrique* pilot and now a member of the presidential circle. Projects include telecommunications – a national fibre-optic backbone – road building, power generation and new special economic zones, including one in the President's home town of Oyo in the far north.

Apart from upgrading the country's dilapidated infrastructure, the various projects have yet to be properly costed or vetted for their economic and poverty reduction impacts. A long-standing government commitment to the World Bank to submit the public investment programme to cost benefit analysis and to integrate it with national planning priorities has been ignored. Much of the current infrastructure spending is financed and built by **Chinese** companies under bilateral agreements (AAC Vol 5 No 8).

Their financing has raised concern, as these are not development projects but commercial deals financed by Chinese companies through suppliers' credits and then taken on by Congo as new sovereign debt. There is concern that public debt is rising rapidly, less than three years after debt relief primarily funded by Western taxpayers. Suppliers' credits contravene undertakings to the International Monetary Fund under the Highly Indebted Poor Countries programme and in successive lending agreements (the last being the Extended Credit Facility, which has not been renewed) not to contract new non-concessional lending, i.e. commercial debt. The exact financial terms of these contracts are not known. This issue is part of a long-standing cat-and-mouse game between Brazzaville and the IMF around the regime's lack of transparency and efficiency in public financial management.

China is particularly involved in the electrical power sector, where new projects have nearly tripled national capacity in three years to well in excess of national demand. Output would more than double again under an agreement with SinoHydro to build a 600 MW hydro-electric dam at a cost of US\$700 million. The emphasis on power generation continues even though the grid is unable to distribute electricity across the country. ●

Bankers of the world unite

Africa cannot avoid current global financial uncertainties but its higher growth is bringing in bankers bearing cheaper loans and Asian investors

Frustration and disarray among policy-makers on the Eurozone recession and fears of a slowdown in Asian growth dominated the Annual Meetings of the International Monetary Fund and World Bank in Tokyo on 12-14 October. Brave talk about Africa's rising economic momentum and hopes for more innovative development ideas from new World Bank President **Jim Yong Kim** were among the few bright spots of the meeting.

Japan had offered to host the meeting, because of concerns about instability in the intended location of Cairo, following the overthrow of Egypt's President **Mohamed Hosni Mubarak** last year. Among the notable absentees were **Chinese** Finance Minister **Xie Xuren** and People's Bank of China Governor **Zhou Xiaochuan** – who was due to deliver the prestigious **Per Jacobsson** lecture – because of the row with Japan over the Senkaku islands.

Several big Chinese banks also stayed away. On top of that, **Germany** was blamed for holding up the creation of a Eurozone banking regulator, as wanted by the European Central Bank, and the **United States** faces a fiscal cliff because its legislators won't agree on anything before the presidential election on 6 November.

GROWTH AT ABOUT 5.25%

For Africa, though, the Bank and Fund reckon the glass is about half full. 'The baseline scenario is still decent growth at around 5.25%', says IMF Africa Deputy Director **Roger Nord**. 'But clearly there are downside risks.' The slump in demand from the European Union and the USA is hitting Asia, which had been supporting global growth. China still risks a rapid slowdown, amid political infighting over the leadership transition. This could lead to a fall in commodity prices, which are still the engine of a majority of African economies – and the promised boom in metals has not materialised.

For **Shanta Devarajan**, the World Bank's Chief Economist for Africa, there is enough domestic demand in Africa to sustain it as long as there is no meltdown in Europe, North America and China. He says that a decade of increasingly likely stagnation in Europe and the USA would have a relatively modest impact on Africa but that, 'if world trade collapses, this would be disastrous for Africa.' The continent is less well prepared than in

2009, when it was able to push counter-cyclical spending to compensate for a loss of exports. 'Median African debt levels are around 40% of GDP [gross domestic product]', says Nord, 'compared to about 38% around the last crisis. But that space has to be usable.'

Sub-Saharan Africa may have built up 'buffers' to help ward off shocks, but **Rwandan** Finance Minister **John Rwangombwa** – who was much in evidence during the meetings – spoke for many when he said that investment flows were lower than expected and export markets were shrinking. He believes that 'the buffer is being eaten away' and the global crisis 'really hinders the benefits we should be getting' from two decades of economic restructuring and the continent's greater 'resilience'.

Rwanda's own ambitions could be dulled: it has registered 8% annual growth over the last decade, but 'we need investment to keep this going.' Kigali may not achieve President **Paul Kagame's** target of middle-income status by 2020, which **Rwangombwa** said would require 11% growth over the next eight years. 'We can only do that if we have a better environment in the world economy.' African countries may have trouble finding lenders, although a recent **Zambian** bond issue was twelve times oversubscribed. **Tanzania** has asked for a precautionary lending prearrangement with the Fund in case of a global downturn.

The largest demand in recent years has been for technical assistance, on which the IMF spends an increasing amount of time in Africa, helping to manage the economic impact of oil money, designing tax regimes for mining and devising a mix of policies to

ensure the maximum gain from resource revenues. **Uganda's** Finance Minister, **Maria Kiwanuka**, says, 'We want to make sure that our resources under the ground become infrastructure on the ground', with rural roads and other agricultural infrastructure a priority. She insists that Uganda will avoid the corruption usually associated with oil revenues by placing them in a special fund, open to parliamentary and public scrutiny, and will invest to help spread wealth beyond just the elite. Unfortunately, Uganda's parliamentarians have just voted to pay themselves a special US\$100,000 bonus at the end of their terms.

GHANA'S FUTURE IN TRUST

The Director of Oxford University's Centre for African Economies, **Paul Collier**, agrees with the new approach, hailing a new **Ghanaian** law that requires 30% of any oil revenues to be kept in trust for future generations. This is not always easy. **Samura Kamara**, **Sierra Leone's** Finance Minister, points out that 'managing expectations alone is very hard'. His government – facing allegations of corruption in the mining and timber sectors – is planning a sovereign wealth fund, with IMF technical assistance.

Nigeria's own recent launch of a sovereign wealth fund was an attempt to prevent the state governors staking such heavy claims on the country's oil wealth. The government's ambitious plans to use oil and gas revenue to reform the chronically failing power sector are moving incredibly slowly, obstructed by powerful vested interests. Finance Minister **Ngozi Okonjo-Iweala** (who launched her new book, *Reforming the Unreformable*, at Nigeria's Embassy in Tokyo) emphasised the importance of understanding the political economy of reform.

This means sidelining the beneficiaries of the dysfunctional status quo. 'For example, we are reforming our fertiliser subsidy system at the moment, and our Agriculture Minister [**Akinwumi**] **Adesina** is doing some excellent work cutting out the middlemen. But you would

SUB-SAHARAN AFRICA'S ECONOMIC PROSPECTS: GROWTH, INFLATION AND TRADE

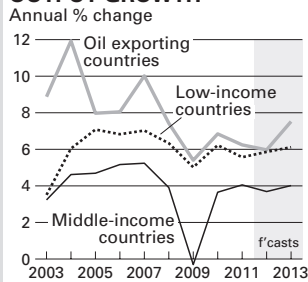
Source: IMF World Economic Outlook, October 2012

Selected countries	REAL GDP Annual % change				CONSUMER PRICES Annual % change				CURRENT ACCOUNT Percentage of GDP			
	Projections			2011	Projections			2011	Projections			2011
	2011	2012	2013		2011	2012	2013		2011	2012	2013	
Sub-Saharan Africa	5.1	5.0	5.7		9.7	9.1	7.1		-1.7	-3.2	-3.3	
OIL EXPORTERS												
Angola	6.2	6.0	7.5	11.2	10.8	8.9	5.5	3.8	3.4			
Nigeria	3.9	6.8	5.5	13.5	10.8	8.6	9.6	8.5	6.6			
	7.4	7.1	6.7	10.8	11.4	9.5	3.6	3.5	3.1			
MIDDLE-INCOME	4.1	3.7	4.0	5.4	5.7	5.5	-3.4	-5.3	-5.3			
Ghana	14.4	8.2	7.8	8.7	9.8	10.9	-9.2	-9.1	-7.0			
South Africa	3.1	2.6	3.0	5.0	5.6	5.2	-3.3	-5.5	-5.8			
LOW-INCOME	5.6	5.9	6.1	15.1	12.5	7.6	-10.9	-11.1	-11.2			
Ethiopia	7.5	7.0	6.5	33.1	22.9	10.2	0.6	-6.1	-7.7			
Kenya	4.4	5.1	5.6	14.0	10.0	5.8	-10.6	-8.5	-8.6			

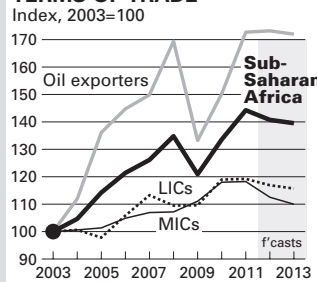
TRENDS IN SUB-SAHARAN AFRICA'S GROWTH, TRADE, PRICES AND BUDGET

Source: IMF World Economic Outlook, October 2012

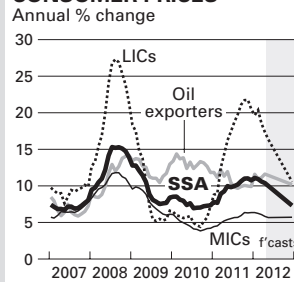
OUTPUT GROWTH



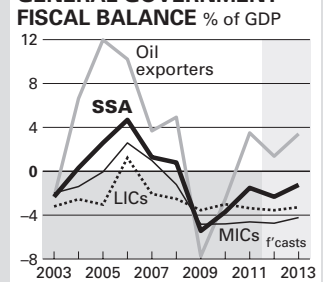
TERMS OF TRADE



CONSUMER PRICES



GENERAL GOVERNMENT FISCAL BALANCE



not believe the time and the energy that those who have been profiting from these subsidies have been putting into trying to defeat him,' said Okonjo-Iweala. She is struggling with the gasoline and diesel importers who have benefited from the state's multibillion-dollar subsidy scheme.

Better infrastructure should bring structural changes and more jobs.

However, the Director General of the Japan International Cooperation Agency's Africa Department, **Eiji Inui**, says that Africa might do better to make agriculture more efficient before reaching for manufacturing jobs. 'Brazil is a good example of this, going for rural jobs first,' Inui suggested.

A key phrase at the Bank/Fund

meetings was 'inclusive growth'. Economists point out that the uprisings in North Africa showed what years of non-inclusive growth can bring. Capital-intensive resource projects don't deliver more jobs without careful planning and local sourcing.

Newai Gebreab, Chief Economic Advisor to the **Ethiopian** Prime Minister, explains that for many African countries, a lack of infrastructure coincides with rapid population growth and demand for jobs – but that these can be complementary. 'We have a large road and house building programme, but we have ensured that the contracts mainly go to small companies which tend to use labour-intensive technologies.'

IMF FINANCE FOR MURSI'S NEW ORDER

The planned US\$4.8 billion International Monetary Fund loan for Egypt could be concluded within the next two month. And other foreign financing is on its way, say officials at the International Monetary Fund and World Bank Annual Meetings in Tokyo. According to the IMF's Middle East and Central Asia Department Director, **Masood Ahmed**, the Fund is 'keen and happy to support an Egypt-led programme, but it needs to deal with the key challenges Egypt faces and it needs to have broad support.'

The Fund pushes this line in the hope that it might dampen the expected popular opposition to the loan and its conditions. An earlier \$3 bn. loan proposal was blocked by the Supreme Council of the Armed Forces for fear of mass opposition.

Egyptian activists invited by the IMF to attend the Tokyo meetings raised concerns that the proposed loan arrangements would lack real transparency. This happened in the 1990s, when the IMF imposed strict conditions and ignored calls for social justice. Measures to tax the rich effectively, recoup the proceeds of past corruption and tap income from gold mines, whose wealth many Egyptians believe is being hidden from them, should be a priority, the activists argued.

The new IMF facility is expected to contain more conditions than the abandoned \$3 bn. loan proposal. However, it will bring some relief from the current heavy dependence on local borrowing. Some 44% of domestic bank assets are now held in government paper, according to the Regional Director of the Institute of International Finance, **George Abed**. 'In most other situations [this] would be quite exceptional,' he said: 'It will take some time for Egypt to wind down this sovereign liability.'

Other finance will follow the IMF's lead. A \$4 bn. package of loans, loan guarantees and military assistance was promised by **United States** President **Barack Obama's** government, but that has been held up since the attacks on the USA's embassy in Cairo during the furore over the film 'Innocence of Muslims'. **Turkey** underlined its burgeoning regional influence in the region and general economic strength by committing \$1 bn. to Cairo in early October.

Qatar has disbursed \$500 mn. of a \$2 bn. commitment of budget support for the Central Bank of Egypt; officials in Doha say that the remaining tranches should arrive between now and December. **Saudi Arabian** Ministry of Finance data republished by the IMF show that Riyadh has committed \$3.99 bn. and disbursed \$1.54 bn. to President **Mohammed Mursi's** government. The Saudi aid commitments stand in stark contrast to payments elsewhere; **Morocco** has yet to receive any of its \$1.25 bn. commitment, and **Tunisia** is still waiting for a promised \$750 mn. Out of a total \$17.86 bn. commitment of financial aid to Arab states made between January 2011 and June 2012, only \$3.66 bn. had been disbursed, according to official figures.

Egypt's economy remains under huge pressure as the new Islamist government struggles to square its ideology with the market economics demanded by the IMF and other Western financiers. There has been some recovery since last year's uprisings. The IMF's new World Economic Outlook forecasts that Egypt's gross domestic product will grow at a better than expected 2% in 2012 and 3% in 2013, up from 1.8% in 2011. ●

JOB AND WEALTH CREATION

Morocco is pushing similar policies. Finance Minister **Nizar Baraka** outlined a comprehensive programme of job creation, which is desperately needed since the Arab Spring. 'We have reserved 20% of state contracts for small- and medium-sized companies in the latest budget.' He is a technocrat operating under the conservative *Istiqlal* party's colours in **Abdelilah Benkirane's** Islamist-led government. Baraka explained that Morocco's push to buy up banks and develop businesses in the region Rabat calls Greater North-West Africa was part of a strategy to create wealth and jobs through regional ties. A powerful Moroccan delegation visited London just before the meetings to link up with a new lobby, 'TheCityUK', promoting the new Casablanca Finance City as a hub through which banks could develop business across francophone Africa.

Formerly outlawed on World Bank and IMF premises, the idea of 'Industrial Policy' made a cautious comeback. The IMF's Nord points to the white elephants that litter Africa's proto-industrial landscape. But the Bank and Fund are trying to adjust to a new world economy where *dirigiste* Asian economic policies have a growing influence. After the 2009 crash, the Fund favoured government spending to boost demand, a departure for the institution. Rwandan Finance Minister **Rwangombwa** says, 'They no longer give

us a package of money and say "do this, don't do that". They now sit down with us and we develop our own policy planning.' The lenders no longer impose their much-disliked 'conditionalities', but aim to agree on performance targets.

Namibia's Finance Minister, **Saara Kuugongelwa-Amadhila**, says the IMF has been 'embracing the positive role that can be played by fiscal policy to support growth,' but that both Fund and Bank had a one-size-fits-all policy and needed to be more flexible about national procurement programmes. She protested that the big lenders could be unhelpful in tackling specific issues, such as post-Independence racial inequalities in Namibia. 'We would want to see a more positive attitude towards some of these policies we have to introduce,' she said.

GOLD SALES TO FINANCE LENDING

Christine Lagarde, the IMF's Managing Director, has given a boost to two other initiatives. The first is to use the bumper profits realised from recent windfall international gold sales to finance concessional lending. While austerity-stricken donor countries scale back their commitments to Africa, this will boost the pool of capital available.

The second is her nod towards the Financial Transactions Tax, which has been pioneered in **France**. Lagarde had wanted a somewhat different scheme, but she has broadly endorsed the plan, which implies that the banking sector should pay some toll for the implicit guarantee it receives from governments, as in the huge bank bailouts of recent years.

CHANGING TRIBAL CUSTOMS ON J STREET

An anthropologist and medical doctor, the new World Bank President **Jim Yong Kim** is putting his training to practical use: 'There is a piece of paper up on the wall of my Managing Director **Caroline Anstey**'s office, which she calls the Spaghetti Diagram – it shows all the departments and processes that a decision has to go through at the Bank before approval. 'We are going to slim that down,' says Kim, who talks passionately about the 'science of delivery'. 'I am a student of management', he says, citing Harvard Business School's **Michael Porter** as a mentor.

At the World Health Organisation, Kim pushed through reforms including the successful '3 by 5' campaign of delivering anti-retroviral drugs to three million people by 2005. 'Setting targets changed people's behaviour,' says Kim, whose next target is absolute poverty. There are around 22% of people in the world living in absolute poverty, measured as living on under US\$1.25 a day. That figure is currently coming down by 1% a year. Kim promised a 'reasonable but audacious' target to cut it much faster.

Kim insists that the institution must be a 'solutions bank', not the 'knowledge bank' it formerly called itself. It is opening a 'Delivery Knowledge Hub', which will focus on **South Africa**'s difficulties in spending budgets effectively. Often, South Africa's government in Tshwane has been unable to spend its allocations on health and education in the provinces due to administrative weakness. Kim says the new centre will bring best practice from around the world, from organisations outside the World Bank, to boost poor service delivery – a favourite target of striking workers and opposition politicians.

He wants to do more in fragile states such as **Somalia**, building on his experiences in **Haiti**. He saluted the efforts of his predecessor, **Robert Zoellick**, to increase transparency at the Bank and promised more openness. Kim's line on accountability most impressed the Tokyo meeting. He pointed out that in the **United States** doctors who are responsible for the death of patients have to appear before panels, so that 'the next generation of doctors and students can improve.' He will personally chair hearings into Bank failures.

The first country Kim visited as Bank President was **Côte d'Ivoire**, which he praised as 'country that has artists and scholars the envy of its neighbours'. He didn't duck a question on **South Korea**'s pop sensation **Psy**, singer of the ubiquitous Gangnam Style, praising the country of his birth for wanting to be 'the Amsterdam of Asia, they want all children to speak three languages, and have invested heavily in music and cinema.' ●

A campaign by Oxfam's Paris office has persuaded some parliamentarians to take up the tax, but there is disappointment that governments want the money for themselves, not for the overseas

development Oxfam had pushed for. Oxfam's **Sébastien Fourmy** reckons the new tax in France could raise \$160 million for development, just 10% of what it will contribute to the national treasury. ●

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POINTERS

Congo-Kinshasa/Rwanda/Uganda M23'S OTHER PARENT

■ Indirect talks between the M23 rebels in North Kivu and the Kinshasa government are finally taking place in Uganda, sources in Kampala have told *Africa Confidential*. Yet this news was quickly followed by the leak by United Nations officials in New York of a UN Group of Experts' report on Congo, which accuses Uganda of supporting and supplying M23 alongside Rwanda.

The report builds on an earlier investigation of Rwandan support for the rebels (AC Vol 53 No 13) but comes to firmer conclusions: it states that M23's Congolese leaders, **Bosco Ntaganda** and **Sultani Makenga**, are under the direct command of Rwanda's General **Charles Kayunga**, answering to the Minister of Defence, General **James Kabarebe**. Uganda allows the political branch of M23 to operate from Kampala, the report says, and has sent weapons and troops to support M23 operations. Both Uganda and Rwanda deny the charges.

Uganda is currently responsible for a 'peace process' on the Kivus rebellion under the aegis of the International Conference on the Great Lakes Region (ICGLR). As the row over M23 re-ignited, an M23 delegation led by its political chief, Bishop **Jean-Marie Runiga Lugerero** (AC Vol 53 No 15), confirmed that it is holding talks in Kampala with Kinshasa via the Ugandan Defence Minister, **Chrispus Kiyonga**. President **Yoweri Museveni** pressured M23 into halting armed actions during the ICGLR mediation, we hear.

In early October, M23 fighters surged from their most northerly positions around Kiwanja in Rutshuru towards the border town of Ishasha. They did not take Ishasha but the message was clear: make progress in the talks or more territory will be seized. Although the indirect talks only began after that, Runiga has returned to the rebel base in Bunagana amid reports that forces allied to M23 have launched attacks in Masisi in North Kivu. M23's cohesion has been threatened in recent weeks as territory it holds has been raided by rival militias.

Mozambique

GUEBUZA'S NEW MAN

■ President **Armando Guebuza** has underlined his command of party and state by removing Prime Minister **Aires Ali** from his government job after he failed to hold on to his party post. **Alberto Vaquina**, the Governor of Tete Province since 2010 who was elected to the all-important Political Commission (PC) of the *Frente de Libertação de Moçambique* (Frelimo) for the first time, is the new Prime Minister.

Aires Ali was widely seen as Guebuza's man, but he lost his seat on the 17-member PC, the executive body of Frelimo's Central Committee, at the party's Congress in Pemba in late September. This is widely viewed as a snub to the President (AC Vol 53 No 20). Yet there was no constitutional reason why Ali, Premier since January, should quit. Guebuza sacked him to assert Frelimo's dominance of government – and Guebuza's dominance of Frelimo.

Prime Minister Vaquina is a doctor who trained in tropical medicine in **Portugal**. He was director of health services in Cabo Delgado before becoming Governor of Sofala Province, and then of Tete. Guebuza reshuffled the cabinet and gave ministerial positions to other party members who had won seats on the PC, including **Carvalho Muaria**, who is now Tourism Minister. Nampula Governor **Felismino Tocoli** was fired after failing to win election to the 195-strong Central Committee.

Some see parallels with Ali's fate and that of Frelimo media supremo **Edson Macuacua**, who also lost his seat on the PC. He was re-elected to the Central Committee but removed from his post as head of Frelimo's Mobilisation and Propaganda Department. Delegates at Congress had been outraged when Macuacua ordered security guards to search their bags and confiscate any publications reporting the rare, critical comments on party leaders that came from the floor.

Sudan

ABYEI ARRANGEMENT

■ Khartoum's National Congress Party regime wants to use the diplomatic plaudits following its compromises on the oil-sharing deal on 17 September with South Sudan (AC Vol 53 No 20) to win backing for a new plan for the future of Abyei. It proposes splitting what the Permanent Court of Arbitration (PCA) had defined as Abyei and cancelling the referendum agreement which Khartoum and Juba had signed under the Comprehensive Peace Agreement of 2005.

The idea of dividing Abyei was floated by **Scott Gration** when he was **United States** Special Envoy to Sudan in 2009-11. His accommodation of the Khartoum government provoked criticism from some of his US diplomatic colleagues and activists on Sudan in Washington. When **Kenya's** Nation television asked him on 13 October whether in June he had resigned or been sacked after only a year as Ambassador in Nairobi, Gration replied, 'This is a very difficult question [chuckles] to answer'. Embassy staff complained about his management, we hear.

Russia's Envoy for Africa, **Mikhail Margelov**, announced that the Khartoum government favoured dividing Abyei after meeting President **Omer Hassan Ahmed el Beshir** on 5 October, although Khartoum

promptly denied this was its view. However, on 8 October the pro-government *Al Rai al Aam* backed the division of Abyei, then the official Sudan News Agency quoted the Foreign Ministry Spokesman, Ambassador **El Obeid Ahmed Murawih**, as saying that 'a referendum is not a desired option', and 'a political settlement' would be preferable.

The NCP says such a settlement would resolve questions about who would be eligible to vote. Independent experts believe that Khartoum would lose Abyei in a free vote by the main residents, the Ngok Dinka. Khartoum argues that the pastoralist Missiriya should also vote, but the PCA's ruling in 2009 recognised that the referendum was for the Ngok and that the Missiriya only use the territory temporarily. Khartoum now rejects the African Union's proposal to abide by the CPA and the PCA ruling. If Khartoum doesn't get its way on Abyei, it could hold up the ratification of last month's oil-sharing and other agreements with Juba.

Tunisia

GHANNOUCHI UNPLUGGED

■ Liberal mistrust of Islamist leader **Rachid Ghannouchi** is mounting after his unguarded remarks about collaboration with hard-line Salafist groups were secretly videoed and distributed on the internet. Ghannouchi, who styles himself as the *eminence grise* of the ruling *Ennahda* party, is heard discussing which parts of the state are now under Islamist control and advising the Salafists where next to direct their efforts for maximum effect.

The video's release comes in the wake of growing clashes between Salafists and secularists, especially on university campuses, over artistic freedom. It undermines Ghannouchi's carefully constructed image as a modernising, moderate Islamist, honed during years of exile in London, and reinforces arguments by secularists and feminists in Tunisia that *Ennahda* has a double agenda: Ghannouchi promises democracy and tolerance while *Ennahda* works secretly with Salafists to establish a theocratic state. 'I made a mistake when I said before that *Ennahda* is moderate,' said **Beji Caid Essebsi**, who was interim Prime Minister after the fall of President **Zine al-Abidine Ben Ali** last year. 'After hearing this from the leader of the ruling party, I'm afraid for Tunisia.'

Although *Ennahda* is extremely well funded, Ghannouchi denies that the party receives money from its ideological allies overseas. Foreign funding of election campaigns is illegal in Tunisia. That may be why Ghannouchi hired London libel lawyers Peter Carter Ruck to sue *The Independent* and its correspondent **Robert Fisk** for reporting a claim by **Syria's** Foreign Minister that **Qatar** had financed *Ennahda's* election campaign last year. *The Independent* has apologised and accepted Ghannouchi's denial.

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BLUE LINES

Africa will watch the United States' election on 6 November with a sense of history as its candidate Barack Obama vies for a second term, says a West African academic. However, Africa will watch China's leadership transition, which begins that same week, with a sense of economic destiny. No question about that on the numbers. This year, China's trade with Africa – forecast at US\$220 billion – is set to overtake that of both the USA and the European Union.

The history factor could produce a sharp change in US-Africa strategy, should Obama win a second term. He is under fire for the lack of impact of his two new policies in Africa, the climate change initiative and Feed the Future agriculture programme. Washington insiders predict Obama will assemble a more coordinated, aggressive team to push these plans ahead. Policymakers are also working on a stronger version of the African Growth and Opportunity Act, offering African exporters greater access to the US market.

The stakes and the ideologies at play in China's leadership change are far less clear. The new General Secretary of the Communist Party, Xi Jinping, has a reputation for being both pragmatic and enigmatic. However, there is a growing economic anxiety in China, caused by flaws in the state capitalist model, the slowdown in Western markets and increasing popular protests, all suggesting the need for sweeping economic reforms. These reforms – and their political side effects – will again change China's relations with Africa.

SUDAN/ISRAEL

Target Khartoum

Israel's attack on a Khartoum arms factory highlights its tougher line in Africa and Sudan's growing ties with Iran

Taken by surprise, Khartoum officials at first offered contradictory explanations for the devastating attack on the El Yarmouk arms factory in Khartoum at around midnight on 23-24 October. After emergency discussions, the regime blamed Israel and complained to the United Nations Security Council. Although Iran and Arab governments condemned the attack, there was little real Arab support and virtually none from elsewhere.

The trigger for the bombing of the El Yarmouk Industrial Complex was an attack on Israel from Gaza using Sudanese-made rockets, a senior Sudanese opposition source claimed. Opposition parties have supporters – and therefore sources – even in government organisations. As always, Israel declined to confirm or deny the attack but one serving official told *Africa Confidential* that the reason was developments in the Sinai Desert, where *Al Qaida* and other jihadists had built up bases as Egypt's former regime under President Mohamed Hosni Mubarak was losing control.

'We need time to understand exactly what happened here, but the role of Sudan is clear: it is a dangerous terrorist state,' the Israeli Defence Ministry's Director of Policy and Political Military Affairs, Major General (Retired) Amos Gilad, told Israeli Army Radio. After a strike against a Sudanese arms convoy in January 2009, the then Israeli Prime Minister, Ehud Olmert, said: 'We operate in every area where terrorist infrastructures can be struck. We are operating in locations near and far, and attack in a way that strengthens and increases deterrence. There is no point in elaborating. Everyone can use

their imagination. Whoever needs to know, knows.' At the time, Khartoum's National Congress Party regime had kept quiet about the attack until relatives of the victims leaked it (AC Vol 50 No 7). The silence was later seen as an admission that the NCP was moving weapons, thought to be *Fajr-3* rockets, via Sinai to the ruling *Harakat al Muqawama al Islamiya* (Hamas) in Gaza.

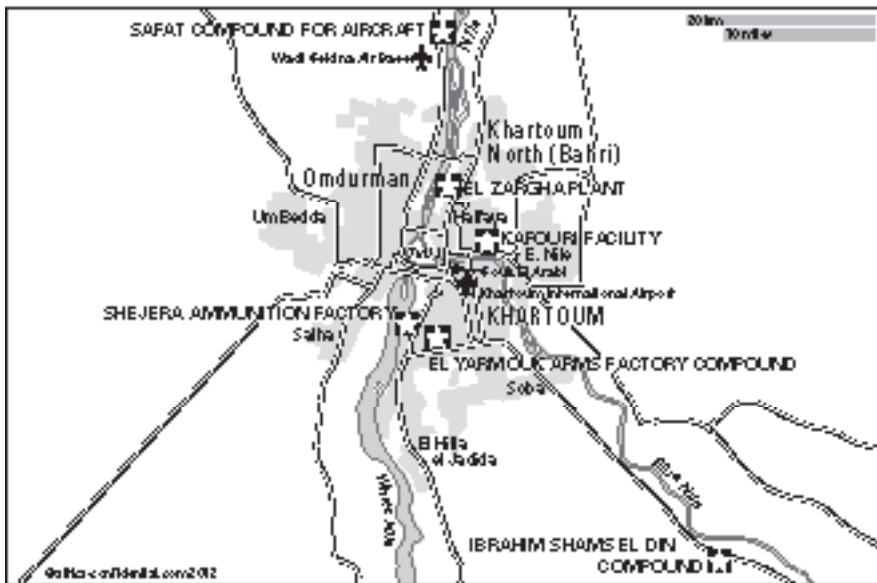
The government has hosted both Hamas and *Hezbollah* since the guru of the NCP (then called the National Islamic Front, NIF), Hassan Abdullah el Turabi, and Mustafa Osman Ismail set up the People's Arab Islamic Conference in Khartoum in 1991 (AC Vol 41 No 13). The PAIC was later seen as the cradle of *Al Qaida*.

DOOMSDAY METEORS

This time, say opposition and other sources, the rockets for Gaza were *Shihab* (meteor), probably *Shihab-3*. These have a 1,280-kilometre range. Some observers doubted that such rockets would be destined for Gaza or that Iran would allow such a powerful weapon to be made in Sudan. Others counter that Iran needs a reliable manufacturing centre in case of an Israeli attack. 'The sky was filled with burning phosphorus, making people believe Domsday had come', said one Sudanese.

Britain's *Sunday Times* listed Israel's attack force as eight F-15I aeroplanes, four carrying two one-tonne bombs, escorted by four fighters; two CH53 helicopters, in case crew rescue were required; one Boeing 707 tanker, to refuel the jets and choppers over the Red Sea; and crucially, a Gulfstream G550 ultra-long-range electronic warfare jet.

SUDAN	2	NIGERIA	3	NIGERIA	5	CONGO-K/RWANDA	6	ZIMBABWE	7
Khartoum's military complex		The \$100 billion bash		Shell and the Delta litigations		Uganda accused		ANGOLA	8
AC has identified five operational military factories in or near the Three Towns Capital.		Government efforts to ignore a comprehensive new report on oil and gas industry corruption arouse deep suspicions.		The cases under way may affect the future of class-action compensation claims across Africa and around the world.		A new UN report accuses Uganda and Rwanda of running the M23 rebellion: Kampala's foreign aid could soon be suspended.		SÃO TOMÉ	9
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This was to jam Sudan's radar. Production may have been underground. Photographs released by the **United States**-based Satellite Sentinel Project show the main target as a 60-metre shed in the north-east of the vast Yarmouk Complex and some 40 6.5 m. containers, monitored days earlier. 'While SSP cannot confirm that

the shipping containers seen on October 12 remained at the site on October 24, analysis of the imagery is consistent with the presence of highly volatile cargo in the epicenter of the explosions', it says.

SSP was set up with assistance from Harvard University and finance from the 'Not on Our Watch' group founded by

actors **George Clooney**, **Don Cheadle**, **Matt Damon** and **Brad Pitt**. It also noted 'at least six' 16 m. impact craters. Most of Yarmouk was not targeted but it was damaged by a massive fire that reignited the next day and again on 29 October. Khartoum said that two people were killed and many injured but did not mention deaths at the factory itself. Local reports claimed at least seven Iranian engineers died. The regime still has rocket storage facilities near Kenana, in White Nile State, we hear. There were reports in White Nile that a convoy of weapons had been bombed some three weeks ago, a Sudanese source told us. Reuters news agency quoted 'Western intelligence sources' as confirming this.

Yarmouk, some 14 kilometres from central Khartoum, is in El Shejera ('tree', originally **Gordon's Tree**) and a series of strategic installations is scattered across the area from the White Nile to the Blue Nile, mixed in with mainly down-market housing. The National Security and Intelligence Service (NISS) quickly cordoned off the area, refusing access even to police, who alone have the laboratory and other facilities needed to investigate the damage.

KHARTOUM'S MILITARY-INDUSTRIAL COMPLEX

Africa Confidential has identified five operational military factories in or near the Three Towns capital of Khartoum, Omdurman and Khartoum North (Bahri):

- The first is the **Ibrahim Shams el Din** Compound for Heavy Industries in Giad Industrial City near Soba, south-east of Yarmouk. Major Ibrahim played a key role in the National Islamic Front's 1989 coup and was blamed for the execution of 28 officers and countless other troops in 1990. He died in an aeroplane crash in 2001. **Salah el Din Mohamed Idriss**, former owner of the *El Shifa* pharmaceutical factory, which the **United States** bombed in 1998 claiming it produced precursors for chemical weapons for *Al Qaida*, also had an interest in Giad (AC passim). *Al Qaida*-founder **Usama bin Laden**, who lived and operated in Sudan 1991-96, had a farm near Soba, which was believed at the time to house a terrorist training camp.

Giad opened in 2002. Today it produces tanks, armoured transporters, armoured personnel carriers, mobile artillery and uses, said a source, 'very, very advanced machinery'. This challenges many current assessments of Sudan's capacity.

- The plant at Halfaya, in Bahri, is called *El Zarghaa* ('she who looks over the horizon') because it produces communications equipment, including fibre-optics.

- Some 20 kilometres north of Omdurman by Wadi Seidna Air Base stands Safat Compound for Aircraft, opened in 2005. Unmanned aerial vehicles (drones) are said to be manufactured here, with **Iranian** assistance. In 2008, the Sudan Liberation Movement-Unity Command shot down an Iranian-designed Ababil UAV, as United Nations inspectors later confirmed (AC Vol 49 No 18). It was a later model, the Ababil-T, which Iran flew over **Israel** early in October and photographed military bases.

- Yarmouk was built in 1994 on the site of a fertiliser factory which had never worked properly. It is named after the battle in 636 when the Caliph's soldiers heavily defeated Byzantine forces, prompting the demise of Christianity in the Near East. It is run by the National Intelligence and Security Service, with heavy involvement from the former NISS Director, Lieutenant General **Salah Abdullah Mohamed 'Gosh'** until he was dismissed last year. It has 35% Iranian ownership, *Africa Confidential* has been told.

The compound has (or had) five factories, focusing on rockets, heavy artillery, medium artillery, light artillery and machine guns (medium and light). It originally produced ammunition (30 calibres) but now makes weapons as well, including mortars (*hown*): 60 millimetre (*Nimir*), 82 mm. (*Abboud*) and 120 mm. (*Ahmed*). Arms and ammunition from Yarmouk have been identified by arms monitors and Sudanese oppositionists after government attacks in Darfur, Blue Nile, the Nuba Mountains and **South Sudan**, as has materiel, including banned anti-personnel mines, with Iranian markings.

About 300 Iranians were thought to be working at the plant, including some from the Iranian Revolutionary Guard Corps. They had Sudanese passports and clothes but locals quickly identified them as foreign. Iran is also involved at Safat. When on 28 October Dubai's *Al Arabiya* television asked ex-Information Minister **Rabie Abdel Aati** about reports that Iranian Revolutionary Guards operate in Sudan and that Iran gives millions in economic aid, he did not deny it and said economic cooperation or joint investments between countries were not a sin.

- The old Shejera ammunition factory near Yarmouk opened in 1959 and is still operating, mainly for the domestic armed forces.

- The Kafouri facility in Halfaya, Bahri, is perhaps the most secretive. Opposition sources say that it was a storage centre for the *El Shifa* factory, which members of several political parties still maintain was preparing chemical weapons and was not merely a pharmaceutical factory, as Khartoum insisted. Now Kafouri stands seemingly idle, surrounded by diplomats' residences. ●

NISS officials locally blamed the attack on the Sudan People's Liberation Army, which only served to enhance the image of regime disarray, since the SPLA (North or South) has no airpower. Khartoum State Governor **Abdel Rahman el Khidr** then explained that the fire had spread because of 'dry grass', after which the Sudan Armed Forces Spokesman, Lieutenant Colonel **Sawarmi Khalid Saad**, blamed a welder. The NCP Spokesman, Professor **Badr el Din Ahmed Ibrahim**, offered yet another version and it was hours before Culture and Information Minister **Ahmed Bilal Osman** blamed Israel. The NCP was probably awaiting confirmation of Israel's role from 'other security forces in the neighbourhood,' an oppositionist said.

Sudanese reacted with derision: 'The government spends its energy on crushing the people not defending the country,' one commented. Most of Sudan's weapons – manufactured or imported (mainly from **China**, **Iran**, **Russia**, **Belarus** and **Ukraine**) – have been used at home. Khartoum's growing military cooperation with Iran suggests it wants to build a serious arms export industry. Intelligence agencies will watch its links with Islamist governments and groups in **Libya**, **Tunisia** and most of all, **Egypt**, more closely.

Sudan's relations with Iran – military and other – were active from soon after

the 1989 coup but grew strongly after the 2008 and 2009 defence agreements. Several regime stalwarts had already been trained in security skills, including torture, in Iran. In 2008, the then Iranian Defence Minister, **Mostafa Mohammad Najjar**, described Sudan as 'the pivot of Iran-Africa relations'. Under President **Mahmoud Ahmadinejad**, Iran's push into Africa has grown rapidly. Israel monitors the ties between Tehran and Khartoum: 'We know that it is also involved in shipping arms and weapons to Libya through Darfur. From Darfur, weapons also go to **Chad** and **Mali**. Meanwhile, Iran continues to increase its interests in the region through business links and support of domestic wars,' an official said.

TEHRAN'S TASK FORCE

After the Yarmouk bombing, the Khartoum government emphasised its support for Palestine and Muslim causes but barely mentioned Iran. Tehran had other ideas. 'A task force of the 22nd Iranian army docked in Sudan this morning,' the Iranian Students' News Agency reported on 29 October. The task force comprised 'a helicopter fleet and destroyer ships, which have been sent to Sudan with a message of peace and security to the neighbouring countries and also of confronting terrorism.' This news may

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not have reassured neighbouring Gulf governments.

Khartoum again declared itself at war with Israel; in fact, it has officially been at war since 1967. It also complained to the UN Security Council, where Ambassador **Dafa'allah el Haj Ali Osman**, a former envoy to **Bangladesh** and **Pakistan**, told the Council that Israel 'was the main factor behind the conflict in Darfur'. Also on 29 October, though, **Tariq al Humeid**, Editor-in-Chief of **Saudi Arabia's Asharq al Awsat**, which is close to the Royal Family, ridiculed Sudan's pretensions to confront Israel or produce weapons when its people were hungry. He attributed Sudan's problems to 'Muslim Brotherhood' rule and failed to criticise Israel's attack. ●

NIGERIA

The \$100 billion bash

Government efforts to ignore a comprehensive new report on oil and gas industry corruption arouse deep suspicions

Findings by a government-commissioned task force that over US\$100 billion has been siphoned off from Nigeria's oil and gas industry since 2002 is causing a political storm. It may also prompt fresh legal cases against international oil companies. If the government fails to act on the report, which is due to be sent to President **Goodluck Jonathan** on 2 November, it will further undermine reformers, such as Economy Minister **Ngozi Okonjo-Iweala** and Central Bank Governor **Sanusi Lamido Sanusi**. They have been issuing dire warnings on recent economic developments. Opposition activists are gearing themselves up for a Herculean struggle to keep the report centre stage.

The Petroleum Revenue Special Task Force probed in detail the system in which all Nigeria's oil is sold through private traders, such as **Vitol**, **Addax**, **Glencore** and **Trafigura** (all of which have been subject to international legal proceedings) without

any independent accounting mechanism. It has called for more information about **Calson**, a joint venture set up by **Vitol** and the Nigerian National Petroleum Corporation (NNPC) to market oil made available to the country's four refineries at deep discounts. Because the refineries operate at a maximum of 50% capacity, the company has access to at least 225,000 cheap barrels per day (bpd).

The accounting is opaque. The Task

Force suspects Nigeria could have lost more than \$5 bn. through the arrangement. It examined how oil ministers awarded oil licences without formal contracts and has identified \$183 million of signature bonuses owed to Nigeria which have 'gone missing' over the past four years.

The two biggest losses identified are oil theft, mainly by the fraudulent diversion of cargoes, estimated at more than \$5 bn. a year (AC Vol 53 No 20); and the deliberate mispricing of gas exports by the Nigeria Liquefied Natural Gas company, in which international oil companies have management control. The Task Force accused NLNG of presiding over a price-fixing scheme which has cheated Nigeria of some \$29 bn. in the past decade.

Independent investigators have linked fraud in the building of the liquefied natural gas plant on **Bonny Island** to a

	RESERVES Million barrels			PRODUCTION Thousand barrels a day		
	end-2000	end-2010	% growth	end-2000	end-2010	% growth
Angola	6,000	13,500	125	746	1,351	248
Chad	900	1,500	66	0	122	
Congo-Brazzaville	1,700	1,900	11	254	232	15
Equatorial Guinea	800	1,700	112	91	274	301
Nigeria	29,000	37,200	28	2,155	2,402	10
Sudan	600	6,700	1,004	180	475	264

scheme to misprice Nigeria's gas exports to Europe and North America to the benefit of opaque intermediary companies. At Bonny, the consortium led by Halliburton of the **United States** is reckoned to have inflated the price of the \$7 bn. plant by over 10%.

Under the US Dodd-Frank Wall Street Reform and Consumer Protection Act, passed this year, these allegations of price-fixing against the leading shareholders in the NLNG – Royal Dutch Shell, France's Total, Italy's ENI – could prompt legal action in the USA. All the companies are listed with the New York Securities and Exchange Commission and therefore subject to Dodd-Frank rules, which compel them to make detailed disclosure of their tax and royalty payments on a country-by-country basis, allowing investigators to test further the Task Force's allegations. The Force suggests complicity between state officials and state oil company staff

in the claimed price-fixing. The companies have declined to comment until they see an official copy of the report.

The government has been forced into reacting to the report after a draft copy was leaked to Reuters news agency on 24 October. It comes just as Petroleum Minister **Diezani Allison-Madueke** is trying to push a version of the Petroleum Industry Bill through the National Assembly which gives sharply increased discretionary power over contracts and revenue to the Minister and the President. Assembly members, especially those in the House of Representatives, will try to use the report against Jonathan's government and its attempts to increase presidential and ministerial powers. There is also strong opposition to Allison-Madueke's proposal to compel all companies to pay 10% of their net profits in Nigeria into a fund to redress the environmental despoliation of the Niger Delta.

The report lists how existing revenue has been pillaged and misdirected and this will fuel opposition to new taxes until the many existing revenue gaps have been plugged. Several northern politicians, whose region is under threat economically and politically from the *Boko Haram* Islamist insurgency, vow to oppose any more concessions for the Delta.

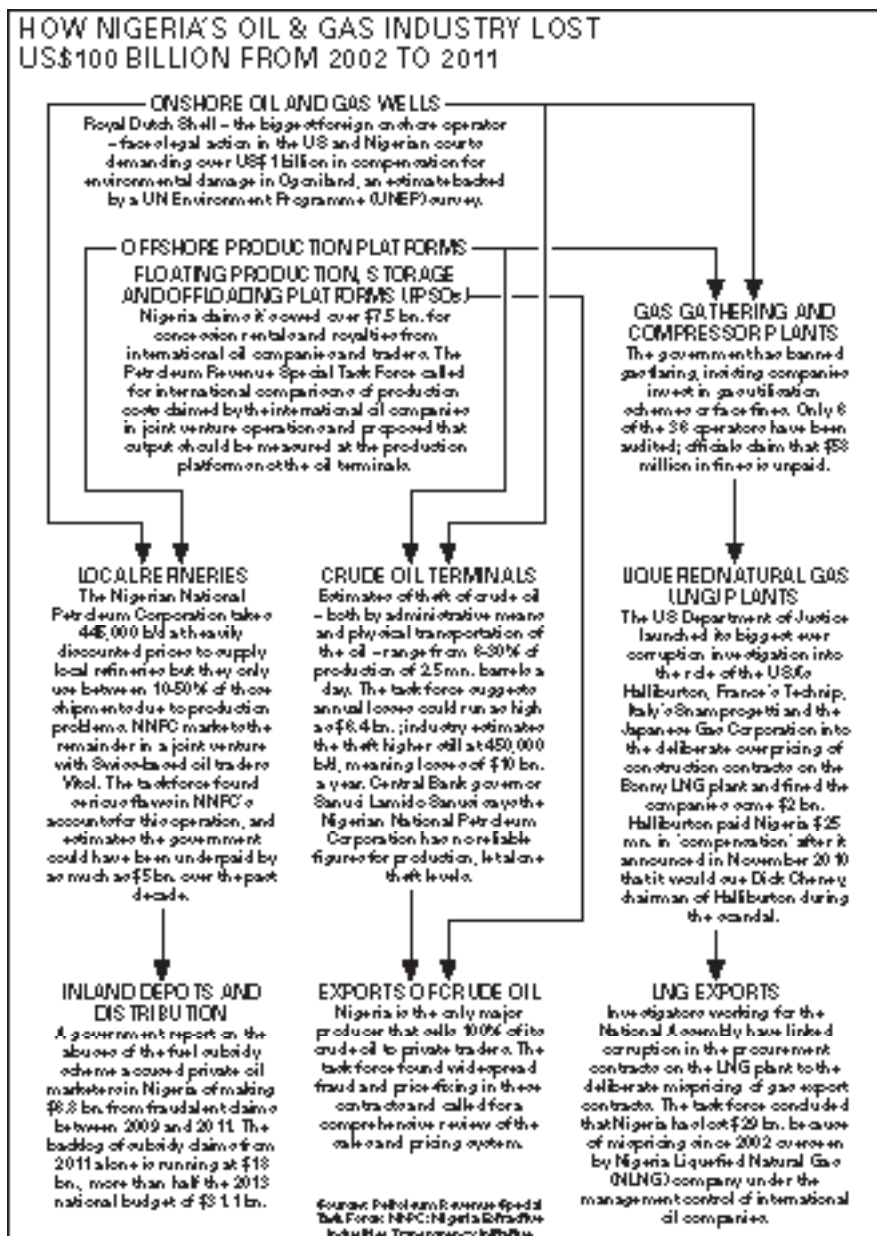
AMMUNITION FOR THE ACN

A growing battle looms between the Assembly and Allison-Madueke over oil industry reform and the report gives activists in the Action Congress of Nigeria (ACN) and the Congress for Progressive Change the ammunition they need to attack the government for its record on corruption. In the wake of mass protests against government plans to cut fuel subsidies, Allison-Madueke in February commissioned the former anti-corruption czar, **Nuhu Ribadu**, to lead the Task Force. Her reform-minded colleagues Okonjo-Iweala and Sanusi had long been pointing out the crippling effects on the economy wrought by grand corruption.

To those who say Allison-Madueke is uninterested in stemming oil and gas industry corruption, it seemed a curious choice. Ribadu has the reputation of a firebrand on corruption and enjoys confronting the establishment. He also ran unsuccessfully for President against Jonathan, Allison-Madueke's close ally, in the April 2011 election on the ACN ticket. Ribadu says his campaign was undermined by a back-room deal between Jonathan and the ACN eminence grise, **Bola Tinubu**.

To some, Ribadu's appointment to head a probe into oil corruption a year later smacked of cooption. Yet the thoroughness of the 178-page report and its damning conclusions against Nigerian officials and foreign oil companies suggests that Ribadu has tried hard to prove them wrong. Despite some pressure from government, he put together a credible team, which included a veteran banker and reform enthusiast, **Abba Kyari**, and civil rights campaigner and lawyer **Olisa Agbakoba**. These, however, were balanced by more establishment figures, such as veteran civil servant **Stephen Oronsaye**. Ribadu also drew on his experience as Chairman of the Economic and Financial Crimes Commission and some of his colleagues there, as well as expert advice from organisations such as the Facility for Oil Sector Transparency (financed by Britain's Department for International Development) and KPMG accountants, who have audited the NNPC.

Yet much of the oil and gas industry – both state and privately owned – declined to cooperate with the Task Force. They refused to supply vital production and revenue data or even the terms of the



gas and oil contracts signed between government and private companies.

Using circuitous routes and some resourceful consultants, the Task Force produced a more comprehensive account of the historic and continuing revenue losses that Nigeria suffers through grand corruption and mismanagement of its oil sector. Insiders say that Allison-Madueke's attitude to the Force was at best ambivalent. Its members spent several weeks trying to persuade her to have substantial discussions with them about the investigations after they started work on 28 February. They were given just 60 working days to complete their investigation.

The final report was sent to Allison-Madueke in early September. After Reuters obtained a copy, she told its reporters that 'there will be some areas where the government...may have a slightly different opinion.' We hear that Oronsaye had told Ribadu that the report could not be submitted to government in its present form. Then the government said it would be formally handed to President Jonathan on 2 November.

Insiders say Allison-Madueke has shown little interest in the report's findings or recommendations. 'She is a petroleum minister who is just not interested in reforming the oil industry or even feigning an interest in it,' one said. Senior NNPC officials say the government will try to bury the report fast.

Although the team tried to concentrate on historic cases of corruption and well established fraudulent systems, some abuses it has investigated concern Allison-Madueke's own tenure as Petroleum Minister. The most obvious of these were the missing \$321mn. that should have accrued from the signature bonuses paid to the government in 2008-11. There is also the matter of the unofficial licences awarded to third-party traders, three of which have been awarded since Allison-Madueke took over as Minister. She insists these are controlled by the President, not the Petroleum Minister.

ALLISON-MADUEKE UNMOVED

According to officials in Abuja, Allison-Madueke has not shown even a 'cosmetic enthusiasm' for the oil industry reforms which the Task Force recommends to staunch the government's massive losses to corruption. Nor does she seem moved by the Finance Ministry's attempts to track oil and gas revenue more effectively and stop the leakages.

If Jonathan and his Oil Minister see no need for an urgent response to the Task Force report, its preface holds yet more grave warnings for Nigeria's economic managers. It tracks the decline of investment in the country's oil and gas industry, its diminishing returns alongside

the promise of new operators elsewhere in Africa (see Table) and suggests that Nigeria will struggle to maintain its current production level of 2.7 mn. bpd.

Many of these problems, the report argues, are due to endemic corruption and mismanagement in the domestic industry which allowed private operators to hike up their claimed production

costs while under-paying tax and royalties. There is also the growing threat to Nigeria's export markets in North America, Asia and Europe posed by intensive prospecting for shale gas. On present production trends, the USA, which currently buys about 20% of its oil and gas from West Africa, will be entirely self-sufficient by 2020. ●

SHELL AND THE DELTA LITIGATIONS

The next hearing of the case of the 11,000 people of Bodo versus the **Anglo-Dutch** oil company Shell in the High Court is scheduled for 5 November, when a judge will hear arguments about the proper location for the suit concerning the environmental despoliation of the Niger Delta. The **British** firm Leigh Day and Company first brought a claim for compensation for pollution against the oil major's Nigerian affiliate, Shell Petroleum Development Corporation Limited, on behalf of the people of Bodo in Ogoni several years ago (AC Vol 52 No 17). In August 2011, Leigh Day announced that Shell had accepted liability, but talks and negotiations over payments are still ongoing.

Shell alone faces four court cases in different jurisdictions. Now that the international courts are involved, the consequences for extractive enterprises could be immense. These cases are likely to affect the future of class-action compensation claims across Africa and around the world.

After failing to reach agreement with Shell, Leigh Day filed papers in the High Court in March. Legal arguments and pre-trial briefings have been ongoing ever since, although it is still uncertain whether a full trial will result. Shell now argues that the Bodo case should be heard in Nigeria. At the last hearing, the oil company had called for the case to be thrown out on the grounds that the Bodo 'community' had no recognisable legal status. Shell and the other oil companies blame the Delta communities for stealing oil from pipelines and causing oil spills. The local people justify their actions by saying that the military, security services, police, local chiefs and state governors are all part of a wide network of oil and gas theft.

Leigh Day expects the case to go to a full trial but other Delta-watchers are sceptical. They expect Shell to settle at the eleventh hour, rather than face a long-drawn-out examination of its record. Nor are Shell's directors likely to wish to revisit one of their worst public relations disasters of the last 20 years: the public associates the company with the Nigerian military's execution in 1995 of **Ken Saro-Wiwa** (AC Vol 46 No 23) and eight other Ogoni activists. Leigh Day, based in London, will not be drawn on the amount of compensation it is seeking for Bodo but a press report in March estimated the cost of a clean-up and compensation package at more than £250 mn.

Law firms are tight-lipped about the other suits they are quietly assembling behind the scenes. A massive settlement in favour of the Bodo people could open the floodgates for claims against oil companies. Yet Bodo is just one small part of the problem Shell faces in managing its reputation in Nigeria. A United Nations Environment Programme (UNEP) report, which President **Goodluck Jonathan's** government endorsed, has set the cost of cleaning up in Ogoni at about \$1 billion, with Shell expected to chip in. Ogoni is one example of Delta pollution but environmentalists say that it is not the worst case.

Shell will also have to answer a case brought in the Federal High Court in Port Harcourt by the people of Kegbera Dere, Ogoni, where the company's critical manifold infrastructure is located. Lawyers are claiming compensation of 121 bn. naira (\$767 mn.) for the April 2009 fire on Shell's Bomu-Bonny Trans-Niger pipeline and a related oil spill. The law suit also asks Shell to implement the nine point clean-up operation called for in the UNEP report.

Another case is one brought by Friends of the Earth in the **Netherlands** on behalf of four fishermen from the three Delta communities of Goi, Ikot Ada Udo and Oruma. The hearing began on 11 October, and a ruling is expected within three months. Friends of the Earth is claiming compensation for loss of livelihood due to pollution and is demanding a clean-up. Shell will not want a precedent set that allows law suits to be brought against it by Nigerians in the Netherlands or anywhere else within the European Union.

The fourth case against Shell, which **Esther Kiobel** brought in the **United States**, may turn out to be an own goal for activists and compensation lawyers, if it changes the interpretation of US law that has been a cornerstone of internationally dispersed class-action suits. The suit claims that Shell aided and abetted the Nigerian government in a repressive campaign in the Ogoni region in the 1990s. The case reached the US Supreme Court on 1 October and the Court could decide to restrict the scope of the 1789 US Alien Tort Statute and rule that the proper forum for settling the case is not the USA. ●

CONGO-KINSHASA/RWANDA/UGANDA

Uganda accused

A new UN report accuses both Uganda and Rwanda are running the M23 rebellion: foreign support for Kampala could soon be suspended

The United Nations Group of Experts on eastern Congo-Kinshasa has indicted the Ugandan government as co-sponsor of the *Mouvement du 23 mars* (M23) rebellion in Kivu alongside Rwanda (AC Vol 53 No 21). Kampala has threatened to pull out of regional operations against **Joseph Kony** and the Lord's Resistance Army and to withdraw from the African Union Mission in **Somalia** if the charges are not retracted.

The Experts' draft report caused a storm in June, when leaks indicated compelling evidence of Rwandan support for the rebellion (AC Vol 53 No 14). However, the recently leaked final report, which *Africa Confidential* has obtained, goes further, saying that Rwanda commands and controls M23, supported by deployments in Congo of the Uganda People's Defence Forces (UPDF). Both Kampala and Kigali have reacted furiously, claiming there is no evidence. The report also states that UPDF officials sent weapons and troops to reinforce M23 fighters during operations to seize key towns in Rutshuru territory, in Congo-Kinshasa's North Kivu Province.

The Experts report that the UPDF shelled the Congolese border town of Bunagana to support an M23 and Rwanda Defence Force (RDF) joint attack on its defenders, the *Forces armées de la république démocratique du Congo* (FARDC), Congo's national army. Bunagana fell to M23 after a long battle in which a UN peacekeeper was killed. The Experts say the UPDF 'sent a unit of 100-150 soldiers to fight alongside M23 and RDF troops' in the battle.

The Experts also say that the nominal M23 leader, **Sultani Makenga**, 'procured weapons from UPDF officers', returning from visits to the Ugandan border town of Kisoro 'with 12.7 mm. machine guns which they received free of charge' (AC Vol 53 No 13). They also say the UPDF deployed 600 troops in Busanza, Congo, to prepare for the attacks on Rutshuru. Here, they say, Ugandan soldiers formed a mixed brigade with RDF troops, totalling 2,000 men and outnumbering the entire strength of M23, which the report puts at 1,250. The recruitment of fighters for M23 is also under way in Uganda, they add.

The UN Experts name the key UPDF figures as the Second Division Commander, Brigadier **Patrick Kankiriho**, and Major **Charles Mukasa**, the 63rd Battalion Commander at Kisoro (AC Vol 50 No 19). Kankiriho 'has overseen military support

to M23' while Mukasa is charged with coordinating local support. The report says that support comes from the top and M23 rebels meet weekly with President **Yoweri Kaguta Museveni's** brother and military advisor, Maj. Gen. **Caleb Akandwanaho**, better known as **Salim Saleh**. An M23 delegation led by its political coordinator, **Jean-Marie Runiga Lugerero**, spent months in Kampala, the Experts report, adding that 'the rebel group's political branch' has been permitted 'to operate from within Kampala and boost its external relations'.

The report says that **Jean-Bosco Ntaganda**, former leader of the *Congrès national pour la défense du peuple*, coordinates UPDF support for M23 and that he 'undertook clandestine travel to Kampala in June 2012', violating a UN travel ban (he is wanted by the International Criminal Court). The Experts' sources told them that 'Ntaganda also purchased a house in Kampala for his family, violating the assets freeze'. Underlining the depth of Rwandan control of M23, the report says that Rwanda's General **James Kabarebe** personally imposed Runiga on M23 as its political coordinator and 'unilaterally appointed the members of the M23 government'.

KAMPALA AND KIGALI WANT PROOF

The chief point of contention between the two governments and the Experts is proof. Rwanda and Uganda protest that there is no concrete evidence because the experts' sources are anonymous, presumably to protect them. The Experts have, however, described the type of source they have relied on. They include: current and former soldiers of the FARDC, RDF, UPDF and M23; diplomats, border officials, local leaders, civilian eyewitnesses and members of the Congolese, Rwandan and Ugandan governments.

One source citation for the charge that the UPDF had operated alongside M23 within Congo read, 'three UPDF intelligence officers, two Kampala-based diplomats as well as Ugandan and Congolese politicians'. The Experts quoted a communication with lawyers acting for Rwanda which, they said, 'also cited support for M23 from Ugandan territory'.

The claim that M23 obtained weapons from UPDF free of charge came from a former M23 fighter who had accompanied Makenga to Kisoro to

pick up guns. Confirmation of the UPDF shelling Bunagana came from former 'RDF officers, border officials, FARDC officers, and former M23 soldiers'. Bosco Ntaganda's purchase of a house in Kampala was sourced to 'UPDF officer, a former RDF officer, a former and current M23 officer, three armed group members based in Kampala, and one Kampala-based diplomat.'

While agreeing that M23 is under Kigali's control, some observers think the Experts overplayed their hand in the controversies with Rwanda and Uganda. Yet donor countries, with the partial exception of **Britain**, believe the charges and have suspended payments to Rwanda. This includes the **United States**, which was initially reluctant to accept the allegations. Uganda may fear similar action: foreign aid covers about 25% of Uganda's budget in 2012/2013.

Museveni currently chairs the International Conference on the Great Lakes Region, which is tasked with finding a peaceful solution to the M23 crisis and is supposed to be putting together a neutral force to police the Kivu provinces. Rwanda's and Uganda's efforts to discredit the report include personal attacks on its authors, in particular the head of the Group, **Steven Hege**. Kigali consistently attempts to portray him as sympathetic to the *génocidaires* of the *Forces démocratiques de libération du Rwanda*.

Uganda's Minister for Foreign Affairs, **Asuman Kiyingi**, said Kampala had been 'stabbed in the back' by the UN. 'We are reviewing our engagement in Somalia until these malicious allegations are withdrawn,' he told the BBC. Meanwhile, M23 continues to hold key towns in Rutshuru. On 17 October, reports emerged of M23 soldiers fighting alongside the 'Mandevu' group, led by 'Lieutenant Colonel' **Gaston Mugasa** aka **Mandevu**, in Masisi, near the town of Kilolirwe. The FARDC repelled the attack but it may herald new unrest in North Kivu, following an unofficial three-month ceasefire.

After the failure of the Ugandan-brokered negotiations between M23 and Kinshasa, the rebels are again threatening to march on Goma, the provincial capital. If that happens, the fighting on the ground might begin to reflect the ferocity of the political squabbling in New York.

Back in Kinshasa, President **Joseph Kabila** is at odds with his Prime Minister, **Augustin Matata Ponyo Mapon**. After the PM protested on 22 October about Rwanda – a country which 'supports the destabilisation of our nation' – being voted on to the UN Security Council, President Kabila ordered him home. Matata had been visiting **Germany** at the time and an official there said that he looked stressed. One of Kabila's staff remarked that Premier Matata had 'said quite enough'. ●

ZIMBABWE

Three men in a boat

The triumvirate of Mugabe, Tsvangirai and Mutambara officially holds the key to the constitutional referendum. It faces major challenges

President **Robert Mugabe** opened the final Stakeholders' Conference on the draft constitution on 22 October (AC Vol 53 No 20). When the audience dispersed three days later, nobody seemed clear on what substantive changes had been agreed, let alone what would happen next. In his opening address, President Mugabe urged the 2,000 participants to ensure that the draft reflected the people's views, garnered in the initial outreach programme. However, whatever they found, the final decision would be taken later by the three principals: himself, Prime Minister **Morgan Tsvangirai** and Deputy Prime Minister **Arthur Mutambara**, he declared.

At that point, Professor **Welshman Ncube** and his faction, the Movement for Democratic Change-Ncube, stormed out in protest. Although Ncube had ousted Mutambara as leader of the MDC-M splinter group, Mugabe continues to accord him preferential treatment, in defiance of the Southern African Development Community's decision in Maputo in August to treat Ncube as a principal. The MDC-Ncube limited its boycott to the opening session and attended the 18 committees on different themes. Lacking a party or any other constituency, Mutambara is something of a wild card in the triumvirate. The fact that he is believed to fancy his chances as Principal of the prestigious University of Zimbabwe when the post becomes vacant in mid-2013 only heightens the caution with which he is viewed.

Prime Minister Tsvangirai had initially seemed to be in accord with Mugabe but he then backtracked under pressure from his own party heavyweights. The Finance Minister, **Tendai Biti**, who is MDC-Tsvangirai Secretary General, **Douglas Mwonozora**, the Co-Chairman of the Constitution Parliamentary Select Committee (Copac); and **Eric Matinenga**, the Minister of Constitutional Affairs, all came out forcefully in favour of Parliament having the last say before the referendum.

Tsvangirai has become even more indecisive as the revelations about his chaotic love life have weakened his authority (AC Vol 53 No 19). It will not be strengthened by reports that another paternity suit is in the legal pipeline. Against this, his new bride, **Elizabeth**

Macheka, is showing more political nous than her spouse, with prison visits and food parcels for MDC detainees. She is also engineering a purge of her previous rivals in his office: **Ian** and **Theresa Makone** are notable casualties.

In the past, Mugabe might have managed this sleight of hand but he is now seen as too much of a lame duck, even in his own Zimbabwe African National Union-Patriotic Front, to pull it off. Senior party members are concerned about the future. This is highlighted by the unseemly jockeying to succeed the ailing Vice-President, **John Nkomo**. Not even ZANU-PF hardliners want the next president to enjoy the same sweeping, imperial powers as Mugabe.

In the event, the Conference committees confirmed that the Copac draft indeed captured the spirit of the submissions which parties and public had made. The 266 proposed changes that the ZANU-PF Politburo had laboured over in long night sessions were simply ignored, although they may resurface in the triumvirate. The only drama came on the second day, when a former rugby international, fitness fanatic and empowerment activist, **Temba Mliswa**, grabbed and ran off with a Copac video camera (AC Vol 51 No 15).

CHINAMASA'S BLASPHEMY

What did emerge was that many of the provisions which the ZANU-PF spin doctor, **Jonathan Moyo**, had inveighed against as having been smuggled in by Western imperialists through their MDC surrogates had in fact been initiated by the ZANU-PF negotiators, **Patrick Chinamasa** and **Nicholas Goche**. This led to activists outside the Conference campaigning against Chinamasa as a sell-out until the ZANU-PF Secretary for Administration, **Didymus Mutasa**, reprimanded them for speaking without authorisation. Chinamasa was in more serious trouble for musing in a BBC interview that the military would step in to protect the revolution if ZANU-PF lost the coming elections. His offence was not in favouring such unconstitutional action but in implying there was any possibility of ZANU-PF ever losing an election.

Apart from the opening ceremony, both Mugabe and Tsvangirai managed to be abroad for the rest of the Conference proceedings. Mugabe went to an energy

conference in the **United Arab Emirates** en route, it was widely believed, to one of his periodical medical tune-ups in **Singapore**. Tsvangirai was in **Botswana** checking out water projects. When the triumvirate reassembles, a number of scenarios could develop.

For Mugabe, Mutambara is too useful to be sidelined at this stage, so he will stay on, regardless of Ncube's objections. Mugabe is unlikely to accept the Copac rebuff and so may reintroduce ZANU-PF's proposed amendments. Tsvangirai would find it hard to acquiesce without jeopardising the support of his own heavyweights. In such a stalemate, a referendum would be impossible, in which case Mugabe could simply call elections; he is set on March. SADC may protest but with **South African** President **Jacob Zuma** absorbed by his domestic political problems until late December, it would be strictly for show.

Alternatively, Mugabe could – uncharacteristically – forget the alterations and Parliament would rubber stamp the Copac draft, which would quite quickly pass on to the referendum stage. Although November was pencilled in, there have already been serious slippages. In view of the December holidays, a referendum would be possible only in or after January. Thereafter, both the MDCs will insist on the other requirements of the electoral roadmap, which would be almost impossible to implement by the end of March, producing yet another stalemate on dates.

Mugabe will turn 89 in late February and every week that passes now adds to his lack of credibility as a candidate. At this stage, the Copac draft includes a provision that presidential candidates must stand on a ticket with a senior deputy, who would automatically take over if the president became indisposed, plus a junior. This idea is apparently Chinamasa's brain child, it has now emerged. ZANU-PF's annual Consultative Conference takes place in mid-December and with an election only a few months off, the party cadres are unlikely to leave the choice of running mates to Mugabe's sole discretion. The bullet will have to be bitten and the long-avoided nomination of a successor addressed; the danger is a factional explosion. Compounding the problem is the question mark over the health of Vice-President Nkomo. Other fireworks could ignite from the disquiet that may result among ZANU-PF activists if they feel they have been outfoxed.

Both the MDC parties will have similar problems but not of the same magnitude. For now, the leadership of Zimbabwe is a triumvirate, of whom one is unlikely to serve a full elected term, one is effectively on probation and a third seems to have mislaid his party. ●

ANGOLA

Sovereign wonga fund

The glitzy launch of the Sovereign Wealth Fund has bedazzled the international financial world, although many of the details are unclear

Amid much fanfare, Luanda formally launched its US\$5 billion *Fundo Soberano de Angola* on 17 October. The Fsdea was formed from the *Fundo Petrolifero* set up by the government early last year to accumulate oil revenue for strategic investment (AC Vol 53 No 19). Yet, for all its stylish website and flashy offices, financial analysts remain puzzled about its management, investment policies and legal status.

The Fsdea had been linked to a £220 million (US\$356 mn.) office complex in London's Savile Row. Although since mid-August Britain's *Property Week* had twice linked the Fund to the purchase without denials, the Fsdea has since told *Africa Confidential* it is not involved in the joint venture that made the purchase, Plaza Global Estate Management. Since it has not been formally established, Fsdea is not permitted to make any acquisitions.

Most sovereign wealth funds (SWFs) are set up to invest in their countries' national infrastructure and social capital. The Fsdea's literature says that it will invest in a 'wide range of asset classes,' so an investment such as 23 Savile Row would not be ruled out. Suspensions, however, are widespread that the Fund may be part of the shadowy network for the enrichment of Angola's privileged elite, for which the country's oil sector is notorious (AC Vol 53 No 15). 'The activities of the Fsdea will be guided by the core principles of accountability and transparency,' promises the Fund. Yet its money is currently being handled by Quantum Global Wealth Management, a Swiss private equity fund with close links to an Fsdea manager.

FAMILY AND FRIENDS

One of Quantum's top managers, Swiss-Angolan **Jean-Claude Bastos de Morais**, is a friend and business partner of 34-year-old **José Filomeno de Sousa dos Santos**, aka 'Zenu', who is on the Fsdea's three-man Board; his father is President **José Eduardo dos Santos**. Unlike his half-sisters **Isabel dos Santos** and **Welwitschea dos Santos 'Tchizé'**, who have vast business portfolios, Zenu has maintained a low profile and the Fsdea is his first formal public role.

Zenu co-owns Banco Kwanza Invest with De Morais, but he is selling his shares so as to avoid any appearance of a conflict of interest with his new role. He

has already resigned from the leadership of BKI. De Morais is described in BKI's literature as its 'founder' and 'visionary'. Its website says that De Morais works with it and Quantum but says they 'do not work directly together'. A former Chairman of the German *Bundesbank*, **Ernst Welteke**, is Chairman of BKI and registered in Switzerland as Quantum's owner. BKI's Chief Executive Officer, **Marcel Kruse**, has also worked closely with De Morais in a few enterprises in Switzerland.

Foreign journalists were specially flown in for the launch and they asked Zenu about his suitability for the Fsdea Board. He replied that he was his own man and owed his appointment to his qualifications and experience in the private sector, not to nepotism. Zenu has a Master's degree in information management and finance from London's Westminster University and has worked at Glencore, AAA Seguros (the company that insures the state oil giant, Sonangol) and BKI.

De Morais chairs the Advisory Board of the Quantum Global of fund management companies, which manage large assets for governments and exceptionally wealthy individuals, having over \$8 bn. in funds under management. The Fsdea has appointed one of these, Quantum Global Investment Management, as external advisor to 'cover the immediate liquidity management needs of the Fund'.

On 20 October, Quantum announced that it had won a contract to manage a \$3 bn. short-term liquidity investment portfolio for a SWF but it was not confirmed that this contract was with Fsdea. The appointment of Quantum and the well-known relationship of De Morais with Zenu in BKI have prompted comments in Luanda about the secretive financial networks of top government officials and their families. Quantum is no newcomer to Angola's national finances and the central bank, the *Banco Nacional de Angola*, reported in 2010 that Quantum Wealth managed 133 bn. kwanza (\$1.3 bn.) of its funds in 2009 and Kw.199 bn. (about \$2 bn.) in 2010.

De Morais, who hails from Cabinda but grew up in Switzerland, was present at the Fund's launch but was not part of the formal proceedings. The Fsdea insists that the management of its funds will be offered to tender once formal legal structures and investment policies

have been confirmed. Its image as a new departure from old ways of Angolan wealth creation has not convinced everyone. 'How can we have the son of the President suddenly in this position? If you want to set up a fund in a transparent way to respect the constitution, it has to go to the Parliament. This company in Switzerland is making money out of Angola but how was that company chosen to manage our money?' a former government minister told *Africa Confidential*.

A SOCIAL CHARTER

The Fund is aiming high. It wants to promote 'the economic and social development of Angola and generate wealth for the country's future generations,' and promises to publish a 'Social Charter' soon. 'We will support existing government social programmes, partner with leading international development agencies and create independent Fsdea programmes, which will reach out directly to communities across Angola,' declared Board Chairman **Armando Manuel**.

The only economic sectors specifically mentioned as potential investment targets, in Angola and regionally, were infrastructure and hospitality. The importance of an Angolan hotel school was mentioned. AAA, which used to employ Zenu, is planning to build a string of hotels in Angola, we hear. Manuel, President Dos Santos's Secretary for Economic Affairs, is Zenu's nominal boss.

The third Board member is **Augusto Miguel Évora Gonçalves**, who is 34 and was previously with Standard Bank. He is also a nephew of a former Economy Minister, **Manuel Nunes Júnior**. As Gonçalves is so young and Manuel so busy with the national economy, Zenu is expected to be de facto boss. This has upset those who believe there are plenty of equally qualified people who could have done the job without attracting accusations of cronyism or nepotism.

Politically, Zenu's appointment is seen as a test of character which, if he passes, could qualify him to be groomed for the presidential succession. Vice-President **Manuel Vicente**'s star has been dimming rapidly since the *Movimento Popular de Libertação de Angola*'s 31 August election victory, we understand.

In the past, Sonangol has acted as the de facto sovereign wealth fund and over the years, it has amassed a diverse portfolio of banks and other assets, particularly in Portugal, the former colonial power. The Fsdea may turn out to be a competitor.

The leader of the opposition *União Nacional para a Independência Total de Angola*, Brigadier (Retired) **Isaías Samakuva**, reacted to the Fund by telling reporters, 'I don't think Angola

is in a position to be creating an SWF. We won't know how the money is being spent because of the lack of transparency we have in this country and the sorts of

people who have been chosen to manage the fund.'

One respected local economist said he was most concerned about the

apparent lack of transparency: 'We can only hope the independent auditing is done thoroughly and that the results are published'. ●

SÃO TOMÉ E PRÍNCIPE

Opposition shakes Trovoada

Anti-government protestors demonstrate against the Prime Minister's manipulation of national television

The biggest challenge yet to the government of Prime Minister **Patrice Trovoada** saw the three opposition parties band together in a major demonstration on 19 October with 'Save Democracy' as the official slogan. The parties say the government is clamping down on the opposition and threatening democracy. They also accuse Trovoada of corruption and of influencing media chiefs. The opposition seems to be aiming to weaken Trovoada's government and his *Ação Democrática Independente* (ADI) party, while trying to avoid accusations of sabotage (AC Vol 52 No 17).

Protest organisers from the three opposition parties – the *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* (MLSTP-PSD), *Partido da Convergência Democrática* (PCD) and *Movimento Democrático das Forças da Mudança* – also asserted that Trovoada, in office since August 2010, would sell state property as if it were his own and then spend half of the year outside the country travelling in private jets, while the local hospital suffered from a severe lack of essential drugs. Before the rally, the ADI warned that the protest would scare away tourists and put off foreign investors.

The organisers said that despite torrential rainfall, about 5,000 protestors had marched from the football field in the Riboque neighbourhood of São Tomé to the Presidential Palace, where on behalf of the opposition parties the MLSTP-PSD leader, **Jorge Amado**, handed a petition to President **Manuel Pinto da Costa**.

Premier Patrice Trovoada, son of former President **Miguel Trovoada**, downplayed the protests, saying that he had seen only 300 protestors on television (AC Vol 52 No 8). He had held a cabinet meeting in Príncipe on the day of the protest and declared that in fact, the people did not think democracy was in danger. 'The majority of the people do not want instability; they do not want the dismissal of this government,' he claimed.

Later, local journalists revealed that the TV reporter assigned to cover the demonstration, **Genisvaldo Nascimento**, had been banished from the newsroom

of the state-owned *Televisão Santomense* (TVS) by its Director, **Óscar Medeiros**. His sin was to refuse to alter the coverage and label the rally a failure. Medeiros is also the local correspondent of the Lisbon-based radio RDP África. On 23 October, TVS staff wrote to Government Secretary **Afonso Varela** demanding the dismissal of Medeiros, who is considered close to Trovoada. The letter accused Medeiros of censorship, of making unfounded accusations of sabotage and of punishing staff who refused to include in their reports the 'political' content he demanded.

TROVOADA, TAIPEI AND TBILISI

Political tension between all the opposition parties and Trovoada's minority government, which holds only 26 of the 55 seats in the National Assembly, has increased lately. On 8 October, **Américo Barros**, speaking on behalf of the MLSTP-PSD group of 21 members of parliament, accused Trovoada of being involved in murky deals. This, said the communiqué he read out, involved top-secret offshore operations carried out by **Taiwanese** vessels in sight of São Tomé harbour. He went on to allege that the Prime Minister had signed a bilateral agreement with **Georgia** involving financial rewards, without consulting his government.

Trovoada brushed this off as mud-slinging but he also filed a criminal complaint against the MLSTP-PSD and Barros, who is not only party Vice-President but also Director of Markets and Liquidity Management at the *Banco Central*. Trovoada argued that a Central Bank director was a civil servant and could not therefore act as a politician and publicly insult and defame the Prime Minister. Trovoada is reported to have tried to get Barros sacked from the Bank. Local reports said that the Bank's Deputy Governor, **Álvaro João Santiago**, had asked its lawyers to sack Barros. Santiago is a member of the ADI Executive Committee. The lawyers apparently decided that firing Barros would be illegal.

Trovoada persisted with his attempts to remove Barros, convening the Bank's administrative board to fire him, the

reports added. Yet the other board members, **Edite Diogo Afonso Soares** and **Maria de Fátima Leite de Sousa Almeida Simão**, refused. Unabashed, Trovoada then tried to force Barros to choose between his job and his political activities, which also failed.

Maritime officials then threw some light on the shipping affair by denying the MLSTP-PSD accusations and stating that the four Taiwanese ships belonged to the Today Makes Tomorrow (formerly Taiwan Marine Transport) shipping company, which had carried out normal transshipment activities since June. It turned out that the MLSTP-PSD leader, Amado, had been the first to hold talks with TMT when he was Ambassador in Taipei.

Suspicion of untoward arrangements with the company centred on reports that it owed the port authority, the *Empresa Nacional de Administração dos Portos* taxes of about US\$300,000, even though the company was charged only about 40% of the usual harbour tax rate. The opposition offensive did not let up.

The MLSTP-PSD and PCD have accused the government of a lack of transparency in the offshore transshipment operations agreement. They also accused the Attorney General, **Roberto Raposo**, of putting himself at the service of the government. On 12 October, Raposo came out with a statement in favour of revising the penal code to increase the sentence for defamation. Raposo subpoenaed Barros for interrogation but he twice ignored the summons.

On 17 October, the Public Prosecutor's office issued an arrest warrant for Barros but on the same day, during the opening of Parliament, Barros took the place of an MLSTP-PSD MP, **Manuel da Cruz Marçal Lima**, which guaranteed him parliamentary immunity. Amado, the MLSTP-PSD leader, who had also accused Trovoada of being involved in secret government deals, was sworn in as an MP, which gave him the same protection.

After the October demonstration, the MLSTP-PSD declared that its aim was not to get rid of the government but only to defend democracy by struggling against the government's intimidation and persecution of opponents. The opposition does not want to look destructive yet it clearly hopes to shorten the government's term of office. It looks increasingly unlikely that this government will become the first since the democratic transition of 1991 to complete a four-year term. ●

SOMALIA

Not yet spring in Mogadishu

Disputes over politics and money, especially income from Kismayo and Mogadishu ports, threaten the new President's new order

Political rivals, warlords and some regional officials are already testing the mettle of President **Hassan Sheikh Mohamud**, just over a month after his election. Relatively untarnished by the cut-throat world of Somali politics, the former civil activist and World Bank consultant was regarded hopefully by some diplomats as the herald of a 'Somali Spring'. His victory marked the end of three years of rule by **Sharif Sheikh Ahmed**, whose Transitional Federal Government (TFG) was characterised by chronic corruption and whose security services were vulnerable to infiltration by *Al Haraka al Shabaab al Mujahideen* (AC Vol 53 No 19).

While *Al Shabaab* claimed credit for the suicide bomb blast at the Al Jazeera hotel as Hassan Sheikh gave his first press conference on 12 September, one security source in Mogadishu hinted that Sheikh Sharif's release of dozens of *Shabaab* fighters from custody before and after Ramadan had been aimed at disrupting his successor. The Ramadan amnesties are a long tradition and always carry risk.

President Hassan may well have trouble gaining control of key state assets such as Mogadishu port, which generates millions of dollars in revenue every month. Earlier this year, outgoing Prime Minister **Abdiweli Mohamed Ali**, from the Darod/Majerteen, installed his former classmate **Abdullahi Ali Nur** (Hawiye/Abgal/Waisle) as new port manager. This could be a blow to Abgal/Warsengeli interests, which were served by **Hassan Ali Moallin** (recently dismissed as port manager over allegations of embezzlement). Abgal/Warsengeli business interests, including former port manager **Abdi Jinow Alasaw**, former Islamic Courts backer **Abukar Omar Adani** and **Abdulkadir Nur Eno** are now in discussion with the **Turkish** government to redevelop El Maan port, just north of Mogadishu.

The United Nations Political Office in Somalia (UNPOS) under Special Representative **Augustine Mahiga** has publicly warned that some business interests close to the *Ala Sheikh*, of which Sharif Sheikh is a member, show signs of being 'spoilers' of peace. Prominent among the *Ala Sheikh* are **Hassan Moalim** (Hawiye/Murosade), whose brother **Hussein Moalim** is a senior director at the National Security Agency. So is former Prime Minister **Mohamed Abdullah**

Mohamed 'Farmajo' (Darod/Marehan). Yet Hassan Sheikh is unlikely to change the NSA set-up too quickly, says one Villa Somalia insider. 'He does not want to rattle any cages'.

Disputes over the management of Kismayo port, recently wrested from *Al Shabaab* by the **Kenya** Defence Forces and their Ras Kamboni allies, are also proving a major test for Hassan's government and for his personal authority. At issue are the millions of dollars' worth of charcoal stockpiled at the port by Darod/Ogadeni businessmen. Currently, the UN Security Council bans trade in charcoal as much because of environmental devastation as because its sale profits *Al Shabaab*-affiliated businessmen. It is also illegal under Somali law. Yet KDF Brigadier **Anthony Ngere** has publicly advocated allowing the export of the charcoal stockpiled at the port, to the chagrin of some Western diplomats, who fear the proceeds will flow back to *Al Shabaab*.

Diplomats say pressure to allow the export comes principally from two Kenyan Somali politicians, Defence Minister **Mohamed Yusuf Haji** and **Farah Maalim Mohamed**, the Deputy Speaker of Parliament, from Prime Minister **Raila Odinga** Odinga's Orange Democratic Movement. The thinking in Nairobi, some believe, is that the sales could benefit Ogadeni business people close to the Ras Kamboni militia leader, **Ahmed Mohamed Isiaan 'Madobe'** (Darod/Ogadeni).

KDF and Ras Kamboni Brigade leaders, other militia and clan and business people spent the *Eid* holiday in Mogadishu, trying to push Hassan Sheikh into approving the exports. On 27 October, his office issued a statement saying Kismayo port would be open only for humanitarian deliveries and the charcoal would be going nowhere. 'This is going to cause a real problem between Mogadishu and the Jubaland initiative pushed by Kenya,' says one businessman who operates in Kismayo. We understand, however, that Kenya and Ras Kamboni are permitting charcoal exports out of the port anyway, in defiance of Hassan and posing a challenge to his determination to keep Kismayo as an integral part of Somalia (AC Vol 53 No 20).

The African Mission in Somalia and Hassan Sheikh can ill afford a falling out over the charcoal issue, but if the President does not make an issue of it, he could be perceived as weak. If the

President finds consolidating his grip on politics and security difficult, the task of bringing order to the public finances will be positively Herculean.

The last regime left the Central Bank coffers empty and Hassan Sheikh now has the delicate task of appointing a cabinet that can control public spending and account for revenue. His Chief of Staff, **Kamal Dahir Hassan Gutale**, who previously worked for prime ministers Farmajo and Abdiweli, is a nephew of pirate leader **Mohamed Abdi Hassan 'Afweyne'** and the son of an Islamic radical (AC Vol 49 No 15). He may have helped to influence the choice of former agronomist **Abdi Farah Shirdon Said** (Darod/Marehan) as Prime Minister. Abdi Farah's wife, **Asha Haji Elmi**, is a Hawiye/Habr Gidir/ Suleiman, from the same clan as Kamal.

Having no control of state assets, President Hassan has nonetheless commissioned an interim budget loosely based on revenue projections for 2011. Key to the drafting of the budget is **Abdisalam Omar**, advisor to the Finance Ministry and the focal point for the government for Somalia's PricewaterhouseCoopers account for foreign donations. The interim budget for the last quarter of 2012 is in deficit by about US\$17 million, much of which may have to be plugged by external aid. Already, Hassan Sheikh is said to be relying on money flown in from **Qatar** by **Fahad Yasin Haji Dahir**, who has worked at *Al Jazeera* television and is a relative of **Farah Abdiqadir**, a powerful businessman close to Hassan Sheikh, and has just been appointed Minister for Education, Higher Education and Culture.

Hassan Sheikh has told diplomats he is amenable to a system of joint financial management, where donors would co-sign on important expenditure in the absence of structural controls between the ministries concerned, the Finance Ministry and the Central Bank. This would be similar to the Governance and Economic Management Assistance Programme used in **Liberia** (AC Vol 48 No 6). However, as the political and economic squabbles gather pace, those around Hassan Sheikh appear to be counselling him to adopt a softer approach on fiscal management and apply the less stringent option of periodic audits. If the African Union's lack of enthusiasm for an arms embargo continues and the government gives in to pressure to go easy on corruption, a Somali Spring may take some time to set in.

As AC went to press, new appointments to the cabinet came in: Deputy Prime Minister and Minister for Foreign Affairs, **Fowziya Zaaxi Adan**; Defence Minister, **Muse Hassan Abdulle**; Interior and National Security, **Abdikarim Hussein Guled**; and Planning, Agriculture, Settlement and Ports, Professor **Ahmed Mohamed Wehliye Haji**. ●

MALI

Soldiers get ready

As Europe steps up offers of military training and equipment, and Algeria agrees to help, preparations intensify for Bamako's march northwards

This week, teams of West African, African Union and United Nations military planners descended on Bamako to get an agreement from President Dioncounda Traoré's government on a strategy to wrest control of northern Mali from the jihadists (AC Vol 53 No 20). Over the next week, the teams also have to shape a plan that will allow Mali's national army, still under the influence of the mercurial Captain **Amadou Sanogo**, to play a major role in the operation.

The momentum began with Traoré's request to the UN Security Council on 18 September for a Chapter Seven mandate for an operation to eject the rebel forces occupying northern Mali. French President **François Hollande** and Foreign Minister **Laurent Fabius** have assiduously backed Traoré. That produced a UNSC resolution on 12 October which called on the parties to produce the detailed intervention plan now being discussed in Bamako. Germany will also take part and has even offered to send its own military trainers. Foreign Minister **Guido Westerwelle** flew in on 1 November to discuss coordination with the military planning teams.

Signs of diplomatic support from **Algeria**, which has the biggest army

and economy in the region and shares a 2,000-kilometre border with Mali, have helped the evolving plan. Algiers has been highly critical of interventions in **Iraq**, **Afghanistan** and **Libya** by the **United States** but its Minister for Maghreb and African Affairs, **Abdelkader Messahel**, concedes that military action in northern Mali may be necessary to tackle 'drugtraffickers' and 'terrorists'.

Algeria's importance has led to intense wooing. Fabius was the first to call on President **Abdelaziz Bouteflika**, followed by US Secretary of State **Hillary Clinton**, who arrived in Algiers for top level talks on 29 October. Algeria appears to be moving from a position described by diplomats as 'benign neutrality' to offering help on logistics and intelligence.

Publicly, European Union officials are also cautious about direct involvement. Hollande insists that no French soldiers will fight in northern Mali but says they might have a training role. When pressed, he was more ambiguous about the role of French special forces. Islamist groups in Mali are holding four French hostages.

The EU plan would bring 200 instructors and a protection force to help restructure and retrain Mali's army

before any military operation. Seen as a fiery protector of national sovereignty, the putchist Sanogo has, however, attended military training courses in the USA. Some diplomats talk of EU trainers acting as mentors, which would mean involvement in every area – except combat.

On 1 November, Mali's Defence Minister, Colonel **Yamoussa Camara**, told *Africa Confidential* that his officials were working with France to assess how to restore the national army, including with better equipment and specialised anti-terrorism training. He said the Songhai militia in the north was formed by local people reacting to the lack of security there. Although the militia had no formal training, it could be absorbed into army ranks once the offensive was underway. So far, Mali was disappointed with the cooperation from Algiers, Camara said. A *Conseil des états-majeurs* and the *Comités des états-majeurs conjoints* (Staff Council and Joint Staff Committees) had been set up in Tamanrasset but with little result. He spoke of a lack of political will.

Given that the leader of the main Islamist group in the north, *Al Qaida* in the Islamic Maghreb, is Algerian and that AQIM gets its supplies from that side of the border, Mali had expected Algeria to be far more proactive. Camara argues that if Algeria were to reinforce its border controls, AQIM's supply lines would come under pressure. Algeria has played a key role in mediating between the government and the north in previous rebellions. Indeed, Bouteflika's early diplomatic training was in building political networks in the Sahel. ●

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POINTERS

South Sudan

JUBA JITTERS

■ Security is still being tightened after coup rumours, along with discontent triggered by the 27 September agreements with **Sudan**. The arrest of a senior Sudan People's Liberation Army officer, Major General **Simon Gatwech Duel**, a Lou Nuer from Urur County, on 11 October prompted talk of a foiled coup. Gatwech is accused of links to **David Yauyau's** Khartoum-backed militia in Jonglei State, which recently used artillery against the SPLA.

In a speech at SPLA headquarters at Bilpam on 16 October, President **Salva Kiir Mayardit** felt the need to tell his troops that the international community would not recognise a government that had taken power by force. However, a source close to the SPLA says there was no plot, only anger about dismissals and relocation of troops after budget cuts caused by the loss of most government revenue after January's suspension of oil production.

If there was a plot, said an SPLA source, it was foiled at a very early stage. Military Intelligence has been busy, trying to ascertain the source of the rumours. Officers swept across Jonglei, then moved to Malakal, interrogating and arresting suspects. Many soldiers, including some MI officers, are detained or under house arrest, we hear. Many politicians were called in by Salva Kiir or their state governors and warned. Those too powerful to accept a warning were put under surveillance.

Meanwhile, people from Abyei who have taken refuge in South Sudan protested that their referendum still seemed no nearer (AC Vol 53 No 21). Residents of South Sudan's border areas, especially Northern Bahr el Ghazal, complained that Juba had given away too much to Khartoum. Agitators, often from other areas or from abroad, make particularly venomous attacks on the negotiators, especially Sudan People's Liberation Movement Secretary General **Pa'gan Amum Okiech** and Information Minister **Barnaba Marial Benjamin Bil**. Yet many friendly governments have criticised Juba for taking a tough line with Khartoum.

Guinea Bissau

WAS IT A COUP?

■ A small, apparently unorganised, armed group attacked Bra air force base near Bissau on 21 October and troops killed six men. The transitional government promptly (but without evidence) denounced **Portugal** and former Prime Minister **Carlos Gomes Júnior** as masterminds of what they called a failed attempt at a counter-coup. Since their

own 12 April coup, government and army have repeatedly accused Gomes and his allies of plotting (AC Vol 53 No 20). On 22 October, soldiers invaded a meeting at the headquarters of Gomes's *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC), which opposed April's coup. They kidnapped and severely tortured **lancuba Indjai** of the *Partido da Solidariedade e Trabalho* and **Silvestre Alves**, head of the *Movimento Democrático Guineense*.

The transitional government and the army commander, **António Indjai**, are isolated but recognised by the Economic Community of West African States. International aid is frozen. Many Guineans see them as illegitimate, incompetent and corrupt. Relations with Ecomog have cooled and the government may hope that a coup attempt could win sympathy. Troops from the Ecomog Mission in Guinea Bissau (Ecomog) have no clear duties and are poorly housed and supplied. Bissau's own soldiers complain that their conditions have worsened since April's coup, for which they blame their officers, we hear.

The coup-makers do not control the transitional government but it relies on army support. The army commanders are split. The government identified Captain **Pansau N'Tchama** as leader of the Bra raid. Like many soldiers, he is from the Balanta, who are far from united. He once had good relations with António Indjai and Gomes but later accused Indjai of ordering the killing of President **João Bernardo Vieira** in 2009. Yet no one can explain why he should attempt a suicidal attack on one of the best equipped and well manned bases.

The leader of the *Partido de Renovação Social*, **Kumba Yalá**, which dominates the transitional government, is said to be close to Indjai and other army and government officials. The Bissau rumour mill says he could have staged the raid to substantiate accusations against Gomes and so weaken the PAIGC and other opposition. Soldiers' mistreatment of opposition members exposes Ecomog's impotence and the army's claims not to interfere politically.

Ethiopia

ADDIS ON A CAUTION

■ A packed court in Addis Ababa saw 29 protestors face charges of 'terrorist acts' on 29 October. Ethiopian law defines 'terrorism' as including serious damage to property and the disruption of public services. Those found guilty face a minimum 15 years' imprisonment or death. The defendants all pleaded 'not guilty'. One, **Habiba Mohammed**, is married to former Civil Service Minister **Junedin Sado**, who was suspended from the Oromo People's Democratic Organisation, part of the ruling Ethiopian People's Revolutionary Democratic Front, in early October. She is also accused of using money from the **Saudi Arabian Embassy** to fund terror

groups and pay for protests.

The protestors accuse the government of promoting a version of Islam, *Al Ahbash*, imported from **Lebanon** and complain that it manipulated the 7 October elections to the Ethiopian Islamic Affairs Supreme Council. For the first time, these were held in local government offices rather than mosques. The government says such allegations are fabricated by extremists, but it is worried about the influence of Salafists from **Somalia**, **Sudan** and Saudi Arabia. Some critics say the authorities' heavy-handedness risks fuelling the very radicalisation they wish to avoid.

Muslims make up some 34% of the population. At least four people died in Asasa, Oromia Region, in April when protestors attacked a police station where an imam was detained. On 21 October, three Muslims and a policeman died in clashes in Gerba in Amhara. In July, hundreds were injured and arrested – including some of those on trial this week – in disturbances around the Awalia mosque compound (AC Vol 53 No 16). Since then, some of the protestors have taken to waving yellow placards, as a warning to government.

Equatorial Guinea

BIENVENIDO A MALABO

■ President **Teodoro Obiang Nguema** will host a summit for the 80 member states of the Africa, Caribbean and Pacific group in Malabo on 13-14 December. **Herman van Rompuy**, President of the European Council, the ACP's key multilateral negotiating partner, is loath to endorse Obiang's regime publicly and so he is sending Development Commissioner **Andris Piebalgs** as his representative.

Hosting the summit is still a diplomatic victory for Obiang, whose regime has one of the worst reputations for human rights abuses and grand corruption. Indeed, his own son **Teodorín Nguema** faces trial, albeit *in absentia*, under **France's** laws which prohibit the purchase of assets with stolen money. Prosecutors say Teodorín's purchase of a mansion in Paris's 16th *arrondissement* clearly violates the law; they issued a warrant for his arrest in July. This follows investigations by French-based non-governmental organisations Sherpa and Transparency International (France). Teodorín's lawyers claim he has legal immunity since his appointment in May as Second Vice-President and are contesting the seizure of his building, worth about 150 million euros (US\$194 mn.).

Malabo has launched a case against France in the International Court of Justice for 'interfering in the internal affairs of Equatorial Guineans' and called for an immediate end to the case in Paris. In Brussels, on 24 October, ACP Secretary General **Mohammed Ibn Chambas** described how good governance, democracy and human rights were gaining ground in the organisation.

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BLUE LINES

No one could accuse West Africa of rushing into a war in northern Mali. It is eight months since the putsch by dissident soldiers in Bamako against President Amadou Toumani Touré and the subsequent takeover of the north by jihadist militias. It was not until 11 November that the Economic Community of West African States met in Abuja and finally agreed to send in troops: 3,300 from Nigeria, Niger, Senegal and Burkina Faso. They will fight beside the 5,000 Malian soldiers who will lead the campaign to reconquer the three northern provinces: Timbuktu, Gao and Kidal. France, Britain and Germany are offering 200 military trainers and air support. Neighbouring Algeria and Mauritania won't join the campaign but have promised not to obstruct it and may help with logistics.

The military plan has been accepted by Ecowas and the Peace and Security Council of the African Union. This week, the Chairwoman of the AU Commission, Nkosazana Dlamini-Zuma, is in Paris meeting top officials at the same time as Niger's President, Mahamadou Issoufou, who has already toured Europe to alert governments to the growing security threats in the Sahel. Next stop is the United Nations Security Council, which asked to see the detailed plan by 26 November. It is also expected to back it unanimously and offer finance. France wants the soldiers to move as soon as possible, Britain and the United States argue for better if lengthier preparation. Military action is unlikely before January at the earliest.

GHANA

Mahama ahead by a hair

Oil, gas, gold, education and health dominate a landmark election in which the main contenders may again be fewer than just 50,000 votes apart

It has been Ghana's longest-ever campaign and electors are being offered a real choice of policies and people but still the two major parties are running neck-and-neck ahead of presidential and parliamentary elections on 7 December. The centre-left National Democratic Congress under President **John Dramani Mahama** has maintained a slight lead, according to local and international pollsters. Yet the NDC is fighting off criticism that it has not maximised the economic potential of new oil and gas production and that it remains hamstrung by corruption and chronically inefficient public services.

Unfortunately for the governing party, two symbols of those complaints have dominated the all-important FM radio talk shows in recent weeks. Firstly, the frequent power cuts, caused partly by shortages of spares and a crisis at the Tema Oil Refinery, are a constant reminder of the shortcomings of state companies and services, especially since bills have risen sharply over the past four years. Secondly, the claim that the much-delayed gas processing plant being built at Atuabo by **China's Sinopec** is grossly overpriced raises more doubts about the NDC's record in the oil and gas sector (*Africa-Asia Confidential*, Vol 6 No 1, November 2012).

The claims, detailed by the Civil Society Platform on Oil and Gas and based on information gleaned from the Ghana National Petroleum Corporation, target the Managing Director of the Ghana National Gas Company, former NDC minister **George Sipa-Adjah Yankey**. They accuse him of incompetence or worse. The GNGC Chairman, former Finance Minister **Kwesi Botchwey**, sprang to Yankey's defence,

insisting the Board had fully investigated the claims and dismissed them. Civil society lobbyists such as **Steve Manteaw** are now trying to get full disclosure of the contracts between Sinopec and the GNGC. Put together with opposition claims that China's Huawei secured tax exemptions in return for political contributions, Chinese companies are having a bad election in Ghana. Such is the country's raucous but pluralist politics.

No slouches in the counter-attack, the NDC accuses the opposition New Patriotic Party and its presidential candidate, **Nana Addo Dankwa Akufo-Addo** of being puppets of multinationals such as the **United States'** agricultural company Monsanto. NDC critics claim the NPP's agricultural expansion policies are based on imposing Monsanto's genetically modified seed varieties on local farmers. More widely, they paint the centre-right NPP as the party of 'bosses in suits' who have little understanding of or interest in the lives of the urban or rural poor.

ANTI-CORRUPTION ATTACK

Akufo-Addo's oratorical style was developed in the Inns of Court at London's Middle Temple and he has honed an effective anti-corruption attack on Mahama and party. 'Which is more important,' he asks, 'free limousines for the ministers or free secondary education for your children?' His pledge to provide universal free education has come under attack for the lack of credible costing but many are persuaded by the argument: if smaller economies such as **Kenya** and **Uganda** can afford to offer free secondary education, why not Ghana?

Beyond the serious national debate about

SIERRA LEONE	3	ALGERIA	4	SOUTH SUDAN	5	SOMALIA	6	SOUTH AFRICA	8
Koroma in front		No spring in the step		Juba runs out of patience		Keeping it in the family		TANZANIA/MALAWI	9
Elections should crown the peace but worries about vote-buying and violence persist.		As succession looms, popular discontent remains widespread but unfocused.		The ruling party cracks down as negotiations with Khartoum continue to frustrate.		The new prime minister and cabinet are drawn from the President's inner circle.		AFRICA/MINING/OIL	10
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policies, there is also the vital matter of local political patronage. The tone has become venomous at the grassroots level, with party foot soldiers fighting constituency-by-constituency. After four particularly violent by-elections over the past three years, partisan loyalties could yet spin out of control, especially if the results look close. President Mahama told *Africa Confidential*, just after his inauguration in August, that the main election issues were not financial and strategic: 'It's about Ghana and Ghanaians. Ghanaians think beyond bricks and mortar... What kind of leader they have is just as important. Issues like corruption, rule of law and justice are just as important.'

Akufo-Addo insists that the new oil wealth is raising the temperature. 'If we in Ghana are able to have an election that is free and fair, and devoid of incident, it will be a huge statement about our future.' In a paper on the effects of oil revenue on Ghana's democracy, Professors **Emmanuel Gyimah-Boadi** and **Kwasi Prempeh** deplore how arguments are 'turned into

an occasion for political grandstanding and gamesmanship'. They argue that the receipt and centralised management of billions of dollars in oil and gas receipts will reinforce the 'winner takes all' nature of the political system.

The party that emerges victorious, assuming it both wins the presidency and controls Parliament, will take almost absolute control of the state. The victors can allocate tens of thousands of jobs, consultancies, directorships, civil service posts and building contracts. This distribution of spoils is how both parties recruit campaign workers and raise finance. Loyalty and campaign muscle come in return for payments and access to patronage. That has skewed the parties' focus towards short-term issues which bring lucrative contracts to party supporters.

A FRAYING CONSENSUS

The cross-party consensus of the five multi-party elections since 1992 is fraying, following the Electoral Commission's decision to disqualify three presidential aspirants, including the former First Lady, **Nana Konadu Agyeman Rawlings**. Her fledgling National Democratic Party was likely to take votes from the NDC. Both she and her husband, ex-President **Jerry John Rawlings**, distrust the current leadership of the party he founded, the NDC.

Still wildly popular in his Volta Region redoubt and in the cities, Flight Lieutenant (Retired) Rawlings and his wife no longer carry sway in the NDC hierarchy. After intense negotiations he, but so far not she, has been persuaded back into the NDC

fold to campaign for Mahama. He will carry less political weight than in 2008, when his energetic appearances may have given the NDC victory over the NPP, by just 40,000 votes. Since he took over from the late **John Evans Atta Mills** in July, the diplomatic Mahama has brought a measure of unity back into NDC affairs.

As in 2000 and 2008, votes in four swing regions may decide the outcome: Greater Accra, Brong-Ahafo, Central and Western. In Western Region, massive amounts are being spent on infrastructure development, particularly in oil and gas. The NPP's share of the Western vote has dropped steadily: 61% in 2000, 57% in 2004, 52% in 2008. NPP strategists hope their promises to allow the oil-producing Region a special share of new export revenue (as in **Nigeria's** Niger Delta) may help the party to win back its support.

The NDC's Vice Presidential candidate and former Governor of the Bank of Ghana, **Paa Kwesi Bekoe Amissah-Arthur**, is a Fante from Cape Coast, the Central regional capital; his wife, **Matilda Amissah-Arthur**, is an Nzema from Western Region. Mahama's wife, **Lordina Mahama**, is from Brong-Ahafo. Akufo-Addo may be helped by the fact that his wife **Rebecca Akufo-Addo** is from Greater Accra; his running mate, a former central bank Deputy Governor, **Mahamudu Bawumia**, is from the north, as is Mahama. Both have worked hard in the three northern regions and have made ethnic appeals, as has NDC General Secretary **Johnson Asiedu Nketia** (aka General **Mosquito**).

Despite doubts about quality and funding, Akufo-Addo's promise of free secondary education is helping his campaign. The NDC has failed to keep its promise of a one-time premium for membership of the national health insurance scheme, which some think in danger of collapse, especially in the NPP's Ashanti regional stronghold. The opposition has promised to make health insurance free for all under-18s.

The Electoral Commission Chairman, **Kwadwo Afari-Gyan**, is supervising his last election before retirement, having guided the process through five polls. In a worrying sign three weeks before voting, opposition activists claim the Commission is biased towards the NDC and argue that the 2010 local elections were badly botched. Opposition officials complain that the new biometric electoral register is not available for verification. Electronic voting machines will be used for the first time and any technical glitches are likely to bring cries of foul play from the losers. Having forced through legislation creating 45 new constituencies just three months before polling, the NDC has a public relations battle to win over allegations of electoral skulduggery. ●

CONTRIBUTIONS GRATEFULLY RECEIVED

Foreign campaign contributions are illegal in Ghana but are not properly tracked because the main anti-corruption agency, the Commission of Human Rights and Administrative Justice, lacks the capacity. So both the governing National Democratic Congress (NDC) and opposition New Patriotic Party (NPP) benefit from rich foreigners.

Among the most important companies in Ghana are the mobile telephone operators. **South Africa's** MTN is regarded as close to the governing NDC and particularly to former Education Minister and Attorney General **Betty Mould-Iddrisu**. **Britain's** Vodafone, which negotiated the purchase of its remarkably cheap licence with former President **John Agyekum Kufuor**, is seen as close to the NPP.

Campaign contributions are said to be flooding in from **Nigeria**. Companies such as United Bank for Africa and Zenith Bank have made political friends in Accra as have telecommunications companies such as Glo, owned by **Michael Adenuga**, a close business associate of ex-President **Ibrahim Babangida**. Adenuga moved to Ghana in 2007 with encouragement from the Kufuor government. Then **Nuhu Ribadu**, Chairman of Nigeria's Economic and Financial Crimes Commission, was pursuing Adenuga as part of a wider investigation. For several months, Ribadu froze Adenuga's assets in Nigeria; Adenuga is now close to the NPP and financed sporting events, such as football's Cup of Nations in January 2008.

Nigeria's Rivers State Governor, **Rotimi Amaechi**, has strong business ties in Ghana and is said to support the NDC. The former Chief Executive of the United Bank for Africa, **Tony Elumelu**, is said to be a close ally of the NPP's Kufuor. **Bola Ahmed Tinubu**, former Lagos State Governor, is close enough to President **John Mahama** to have invited him as guest of honour to his star-studded 60th birthday party in Lagos in April. ●

SIERRA LEONE

Koroma in front

The elections should crown peace in the country but worries about vote-buying and violence persist

Ahead of the 17 November elections, the country is starkly split between the two main parties, the governing All People's Congress and the Sierra Leone People's Party. These are the third elections since the end of the brutal civil war that left 75,000 people dead and Sierra Leoneans have seen both APC and SLPP governments in the last ten years. Paid for by a multi-donor 'basket fund' run by the United Nations Development Programme, the elections – parliamentary, local and presidential – come in the wake of countless aid projects. Donors see President **Ernest Bai Koroma** as a safe pair of hands, despite evidence of corruption in his APC. His running mate, Vice-President **Samuel Sam-Sumana**, is especially controversial (AC Vol 53 No 17). Among internationals, suspicion still surrounds the SLPP candidate, Brigadier (Retired) **Julius Maada Bio**, a leader of the military junta, the National Provisional Ruling Council (NPRC), of 1992-96.

Open debate, as opposed to acrimonious propaganda, is elusive. Two presidential debates were organised then abandoned. Bio was willing but then Koroma pulled out and **Charles Margai** of the People's Movement for Democratic Change withdrew because he wanted the debate to be about Koroma's record (AC Vol 48 No 21). The organisers then decided to cancel the whole thing.

The National Electoral Commission says it has registered 2,692,635 electors, in 9,492 polling stations. Sources in rural areas report growing trepidation, particularly in SLPP strongholds in the south and east, where APC officials are said to be trying to buy votes. The NEC was criticised for attempts to raise entry fees (AC Vol 53 No 20). This was seen by some as evidence that the NEC Commissioner, former nun and NPRC minister **Christiana Thorpe**, was 'doing the APC's bidding'. In the 2007 elections, she invalidated 169,054 votes from 477 polling stations, which many believe lost the elections for the SLPP.

Despite peace and some security, the ethnic split in the electorate is still very firm, between the APC-supporting north and the SLPP-supporting south and east. In a bid to cool passions, three media outlets were recently suspended for using inflammatory language. The APC has organised the defection of key SLPP figures and has been campaigning in the

SLPP-supporting Pujehun and Kailahun districts (AC Vol 53 No 20).

The APC is also accused of funding proxy parties, such as the Revolutionary United Front Party (RUF) and the United Democratic Movement of **Mohamed Bangura**, to unsettle the SLPP in its Mende heartland (AC Vol 53 No 10). Bangura has now withdrawn from the poll and expressed his unbounded admiration for Koroma, who is widely known as 'Di Pa' (the father). This reinforces the impression that Bangura was never a genuine candidate (AC Vol 53 No 4).

Accusations that the APC plays dirty may be politically motivated but they cast shadows over the party. What most worries the international community, however, is not that Koroma will lose – they seem confident he will not – but in the event that he does, he will attempt to cling to power, sparking violence. According to one report, the UN Integrated Peacebuilding Office in Sierra Leone offered the President US\$1 million to walk away peacefully in the face of defeat. While this may seem improbable, it illustrates the anxiety with which the donor community views the possibility of electoral violence.

'Sierra Leone will not be allowed to fail. There are too many reputations at stake and too much face to lose,' said one official from a donor country. The APC has awarded a contract to a consultant, **Fiona Gilmore**, a 'country brand capital development' specialist who has acted for countries such as **Bahrain** and **Lebanon** to recast their images abroad. Another foreign official admitted in September, 'Donors have no real strategy for dealing with the SLPP if they win in November and they are scared their hard work will

be undone if their champion [Koroma] is not around.' If it were up to investors and the international community, Koroma would enjoy a massive landslide. Yet the result is likely to be close. If no candidate wins more than 55% of the vote, a run-off will take place on 8 December. It could be highly charged.

Others with stakes in Koroma's victory include **British** ex-Premier **Tony Blair**, whose Africa Governance Initiative has run a programme in government ministries (AC Vol 53 No 12). Mining companies have invested much in the APC, and Sierra Rutile Limited and **Frank Timis** and his African Minerals Ltd. barely conceal their enthusiasm. **Nigeria's** ex-President **Olusegun Obasanjo** is also a fan, joining Koroma in the Northern Province capital, Kabala, to endorse him. The SLPP accuse Obasanjo of trying to obtain favours for an oil firm to which they say he has links.

Pre-election violence has been far less than feared earlier this year. Nonetheless, the local Reuters news agency stringer, **Simon Akam**, was dragged from his taxi motorbike and robbed during an APC rally in central Freetown last month. An APC propaganda outlet, *Newstime Africa*, had previously attacked him for supposed bias and published his photograph. There have been violent clashes between APC and SLPP supporters in Bo, Kenema, Kono and Makeni. Kono – a 'swing' district and home to VP Sam-Sumana – has seen violence in the past and is regarded as a flashpoint. Freetown residents are said to be moving relatives into the city from rural Kailahun and Pujehun in case of violence there between SLPP and APC supporters.

In 2002, the then President, **Ahmad Tejan Kabbah** declared that 'war *don don*' (the war is over) and 2007's relatively peaceful polls indicated great progress. The stakes are much higher this time, with mineral wealth starting to flow, massive agricultural potential and growth in gross domestic product set to reach over 51% this year. The government's finances and governance structures, set up by external donors, give the country an increasing number of cards to play. ●

SESAY AND THE CITY

The youth of Freetown helped to swing victory for **Ernest Bai Koroma** in 2007, runs the conventional wisdom. Overwhelming support in the capital was decisive in convincing even the defeated Sierra Leone People's Party leadership that it was futile to protest at the result. Now, however, young people in Freetown are probably evenly split between Bai Koroma and **Julius Maada Bio**. Bio had strong support there when he was in charge of the National Provisional Ruling Council and that could work for him.

Bio's running mate, **Kadi Sesay**, is popular among women, especially in Freetown, and appeals in parts of the north in a way that the SLPP's previous vice-presidential candidate, **Momodu Koroma**, never could. Working in President Koroma's favour is the fact that electoral registration grew in the north, in strongholds of the governing All People's Congress; the east, the SLPP's stronghold, saw a decline in registration of 72,355 compared to 2007. That has attracted some suspicious comment. ●

ALGERIA

No spring in the step

Popular discontent remains widespread but unfocused. The looming presidential succession may sharpen choices and increase tension

Many Algerians feel that 50 years of independence have left them with little worth celebrating. Yet while dozens of protests about housing, job shortages and other grievances take place every day, there is scant appetite for revolutionary change. Television images of chaos in **Libya** and **Syria** may discourage an 'Arab Spring'. The political elite around President **Abdelaziz Bouteflika** and the military-security establishment certainly hope so. Popular frustration is intense and promises of gradual reform on the one hand and robust policing on the other may not be able to contain it. For now, though, politics remain an elite affair.

Bouteflika said his 'generation has had its day' after elections last May (AC Vol 53 No 11). All the same, the rumour mill suggests that, despite ill health and 'fatigue', he may not stand down in 2014 as planned. His new Prime Minister, **Abdelmalek Sellal**, has made his ministers work harder and has initiated new projects but popular confidence is low (AC Vol 45 No 6). The turnout for local elections on 29 November is expected to be low and the dominant *Front de libération nationale* (FLN) is expected to win decisively.

APRÈS BOUTEF

Some politicians are trying to make a mark before the *après Boutef*. Public Works Minister **Amar Ghoul** has left **Bougerra Soltani's** sinking 'moderate Islamist' *Mouvement de la société pour la paix* to create his own *Tajamouâ Amal el Djazair* (Algerian Hope Alliance). The high turnout at TAJ's founding congress in September suggests that the talented but controversial minister, who stayed on in government even after the MSP had left it, has more momentum than any of the other 30-odd parties that have sought official recognition. TAJ mixes Islamist and nationalist imagery with technocratic talk. It 'is not a party of opportunists', Minister Ghoul says.

Most Algerians ignore domestic politics, while the ruling elite jockey for position and seeks to reposition the country as a bigger player on the international stage. This is what lies behind the government's decision to contribute US\$5 billion to the International Monetary Fund's Euro-crisis recapitalisation, alongside **Brunei's** \$300 million and **Saudi Arabia's** \$15 bn. IMF Managing Director **Christine Lagarde** welcomed 'their willingness to support

the cooperative effort...in the spirit of multilateralism'. Algiers had previously turned down IMF approaches for funds, Finance Ministry officials told *Africa Confidential*. Although the unexpected decision may be a responsible response to Europe's debt crisis, Finance Minister **Karim Djoudi** – himself born in **France** – gave it a more traditional spin, saying the share purchase would allow Algeria 'to occupy a more important position' in the Fund, more in tune with 'its economic weight and financial power'.

From the security services' long-standing projection across the Sahel – coming under intense pressure in **Mali** – to Bouteflika's toying with French President **François Hollande** over the timing and content of his 'historic' visit to Algiers, now due in December, Algeria sees itself as a muscular player on the world stage. Boutef first honed this image as Foreign Minister in the 1970s and has promoted it since becoming President in 1998. Some \$200 bn. in foreign exchange reserves, most held by the central bank, the *Banque d'Algérie* (BdA), in **United States** Treasury bills, helps to bolster this image.

The public generally appreciated Bouteflika's efforts in his first two terms to restore national self-confidence. A welter of *grands projets* has seen the East-West Highway built at last, dramatically improving links between the big northern cities. Much-needed public transport facilities are coming to Algiers and other towns, with prestige projects such as the Boutef 'legacies': the capital's grand mosque and a new opera house. Housing is being built, including several new towns, which were planned in the statist 1970s but are only now seeing progress.

For many Algerians, it is all too little and too late. The huge build-up of cash reserves also reflects the economy's lack of absorptive capacity. Too many projects never leave the drawing board. Many of those that do are subject to inquests into their cost and administration. Drivers love the East-West Highway but when they stop for a coffee break, they find their newspapers full of claims about commission payments, delivered to officials by **Canadian**, **Chinese** and **French** contractors. Ghoul's name often appears in these dispatches, many leaked by military intelligence, the *Département du renseignement et de la sécurité* (DRS) and other agencies (AC Vol 52 No 19).

While Lagarde praised Algiers' multilateral spirit, IMF data shows that economic growth remains below expectations – an estimated 2.6% in 2012, with 3.4% projected for 2013, well below the 5% forecast in the 2013 budget. That is not enough to create the jobs and pay rises which Algerians need. Meanwhile, inflation is likely to reach 8.4% by the end of the year. Djoudi and BdA Governor **Mohammed Laksaci** have been publicly bickering over who is to blame.

Unemployment remains a challenge. Foreign investment is low even in the oil sector, where projects are resuming after the 2010-11 Sonatrach corruption scandal, which saw the imprisonment of the national energy company's head, **Mohamed Meziane**. The hydrocarbons law is being revised but the rule giving Sonatrach a minimum 51% stake in each venture survives and international oil companies see it as a deterrent. Major gas projects are going ahead, thanks to a decision to build the GR5 pipeline from fields in the south-west of the north to the Hassi R'mel gas hub between Laghouat and Ghardaia. This will help to ensure Algeria has enough gas to export after 2017 but slow decision-making and the dominant role of a cautious Sonatrach mean progress is sluggish.

DAMAGED GOODS

Rents from oil and gas give the elites at the top of the state plenty to fight over but that's not all that divides them. There is intense speculation over the future of the veteran DRS Director, Major General **Mohamed 'Tewfik' Medienne**, whose mastery of Sahel geopolitics is being severely tested by the Mali crisis (AC Vol 52 No 12). His eventual retirement is a matter for careful negotiation with Bouteflika and the military elite, who are anxious to ensure that the top brass are not pursued for past abuses, as happened to one of the architects of the 1992 coup, Maj. Gen. **Khaled Nezzar**. The security establishment is consolidating.

The head of counter-intelligence, the *Direction de la sécurité intérieure*, Gen. **Athmane 'Bachir' Tartag**, was appointed in late 2011. He may fill the gap left by the death in 2007 of Medienne's most powerful number two in the DRS, Gen. **Smaïn Lamari**. Military defectors say Tartag is a hardliner who was promoted to snuff out protest.

Among the politicians, FLN Secretary General **Abdelaziz Belkhadem** emerged from May's elections with renewed vigour but his combination of quasi-Islamist and machine politician is not popular. Nor is former Prime Minister **Ahmed Ouyahia** the darling of the people, but he is likely to use his *Rassemblement national démocratique* – the second party of government – as his launch pad for a

presidential bid. Speculation that the President has not given up on efforts to get his businessman brother **Said Bouteflika** elected in his place, as their late mother reportedly wanted, returns from time to time (AC Vol 52 No 19).

Most interest centres on the speculation that **Boutef** may stand again, even though age and infirmity cause him to cut short meetings and cancel visits. The fact that he may even consider continuing in office is stark evidence of the establishment's

inability to square the circle of keeping power within the current ruling class while appealing to a new generation. A political vacuum threatens danger, even while services and infrastructure continue to improve. ●

SOUTH SUDAN

Juba runs out of patience

The governing party cracks down on critics at home as its negotiations with Khartoum continue to frustrate

The prospect of oil exports resuming in the next few weeks and the economic boost that brings should have cheered President **Salva Kiir Mayardit**'s government. However, long-term improvements in security and the economy are being blocked by the Khartoum regime's hard-line position. Attempts by Juba's negotiators to resolve these issues are leading nowhere, reinforcing its frustration.

This shows up in the growing authoritarianism of the Sudan People's Liberation Movement (SPLM) government. It lashes out at the United Nations, foreign governments and aid agencies. On 4 November, it expelled **Sandra Beidas**, a human rights investigator attached to the UN Mission in South Sudan (UNMISS). This was in response to a report accusing the Sudan People's Liberation Army (SPLA) of human rights abuses during the civilian disarmament campaign in Jonglei State (AC Vol 53 No 22). The August report described the torture, rape, killing and abduction of civilians.

The United States Department of State protested and the usually sympathetic UN Secretary General's Special Representative in South Sudan, **Hilde Johnson**, pointed out that the expulsion violated South Sudan's legal obligations under the UN Charter and Status of Forces Agreement. Several senior UN officials said her response should have been more robust. The Director of Information at the Foreign Affairs Ministry, **Wol Mayar Arie**c (previously third man in Juba's Mission in Britain), said the government was right to expel Beidas as she had acted outside her human rights mandate.

The incident makes UNMISS look weak for not defending its junior officials. Back in August 2011, police beat up and hospitalised the head of UN Human Rights, **Benedict Sannoh**, a **Liberian**. He had refused to allow them to search his hotel room and private papers. The UN Human Rights Commission warned that failure to hold those responsible to account would send a 'chilling message to all those working in the defence of human rights' in

the country. No charges were brought.

There is a growing rift between international non-governmental organisations (INGOs) and the local authorities, amid increasing resentment of foreigners (AC Vol 53 No 17). Some ministers and senior officials want their new nation to assert its independence more stridently. Others maintain it still needs substantial foreign goodwill. 'We have to end this culture of dependency that has been growing ever since Operation Lifeline Sudan began airdropping food during the war,' a cabinet source told *Africa Confidential*. That operation was 20 years ago. The Labour Ministry is speeding up training and indigenisation schemes. A vocational training centre opened in Juba last month but employers complain of a lack of work ethic which, after nearly half a century of war and the absence of a modern economy, has had little chance to develop.

The South Sudan Legislative Assembly is debating legislation which restricts the ability of aid agencies and international charities to hire foreigners; it reflects the growing xenophobia but also the difficulty many Southerners have in finding jobs. The proposed law also fails to consider the shortage of qualified local staff for many jobs and assumes that foreign governments and INGOs will continue to finance projects even if they have little scrutiny over operations.

STALINIST TENDENCIES

Those who know the SPLM complain about the survival of 'Stalinist' tendencies. Small criticism prompts big crackdowns. The draft media laws contain tough new restrictions. The SSLA Deputy Speaker, **Aleu Ayieny Aleu**, shocked a 6 November round-table discussion on this draft law when he attacked the 'irresponsibility' of the media. He saw little role for it as a check on Parliament or government. With **Telar Deng Ring** and **Lam Akol Ajawin**, Aleu was investigated by the SPLM in 2007. He was reinstated in 2009. He has a reputation for being argumentative.

Since August, the importation of **Kenyan** and **Ugandan** newspapers has

stopped, despite assurances to the contrary from Information Minister **Barnaba Marial Benjamin**. Officials at Juba airport have been seizing copies of all regional papers after Kenya's *The Nation* published cartoons lampooning Salva Kiir. All this is undermining diplomatic support for Juba in its continuing stand-off with Khartoum. In turn, this increases resentment of foreigners and hardens Juba's position. The government accuses the international community of bias and of failing to give it credit for its initially flexible negotiating position with Khartoum.

Juba's anger with Khartoum has increased after the National Congress Party regime rejected last month's six-week ultimatum by the African Union Peace and Security Council to resolve the Abyei referendum dispute. The NCP has also refused to renew August's tripartite agreement on humanitarian access to opposition-controlled areas of South Kordofan and Blue Nile. The agreement lapsed after three months, before any aid had been delivered.

This month, Sudanese President **Omer Hassan Ahmed el Beshir** cancelled his first ever meeting in Juba since Independence. Instead, he went to **Saudi Arabia** for emergency surgery on a suspected throat tumour, which his regime called 'minor surgery'. In his place went his close ally and fellow indictee of the International Criminal Court, Defence Minister **Abdel Rahim Mohamed Hussein**.

Juba has most to lose from the impasse but despite its efforts to reach agreement on the unresolved issues from 2005's Comprehensive Peace Agreement, little of substance was agreed. There has been no progress on border demarcation or the withdrawal of all forces from the proposed demilitarised buffer zone along the border. Khartoum insists that the Sudanese rebel forces of SPLA-North be disarmed before normalising relations.

However, that is not in Juba's gift: SPLA-North has its own independent structure and programme. Moreover, as the SPLA-N and its Darfur and other allies in the Sudan Revolutionary Front now control at least half of the Sudanese side of the border, any attempt by Juba or Khartoum to demilitarise it would mean little. Again, Juba complains of international double standards and argues that it is paying the price of failed CPA implementation – the international failure to democratise Sudan, as the CPA promised. ●

Hassan Sheikh keeps it in the family

After a long delay the new President, Hassan Sheikh Mohamud, finally appointed a prime minister and a cabinet, all of them drawn from a tight circle of family, friends and his most trusted political allies. He risked appearing elitist and non-inclusive because he wanted to be sure of his team. He is signalling that this government is here to stay and in no mood for compromise on sovereignty. Kenya and its allies in Kismayo are providing him with an early test of his resolve and credibility.

In the two months that it took President Hassan Sheikh Mohamud to appoint the Premier and other ministers, he has attracted growing criticism for his aloof style. The diplomats and international organisations that greeted his election in August so enthusiastically now face a far more nationally assertive government. The message from the presidency, we are told, is that diplomats in Nairobi must understand that Hassan Sheikh's team is in charge, is here to stay and will no longer compromise Somalia's sovereignty by horse-trading with regional states and the United Nations. Aside from more robust negotiating tactics, it is too early to assess what this might mean in practice.

Some detect a nostalgia among Hassan Sheikh's people for the state apparatus of the late President Mohamed Siad Barre's day. Yet there are no signs that they have agreed on sweeping strategic changes or even coordinated practical plans. Their unremarkable initial declaration was that ministries should be efficient and staffed by competent people.

The ruling group has set up commissions at Villa Somalia to plan the restructuring of key ministries: the idea is to establish long-term administrative structures rather than allow the ministries to respond in an ad hoc fashion to the demands of the minister of the day. Given the pace of ministerial reshuffles, sackings and resignations in Mogadishu, this is an important point. Yet by mid-November, there are few details about the outcome of the work of the commissions. When choosing his cabinet, Hassan Sheikh consulted with a fairly narrow band of family and trusted associates.

To local and regional critics, the ruling group responds with an assertion of Somali sovereignty, which has been largely in abeyance during the past two decades of bloody chaos. This will concentrate the minds of officials such as Tanzania's Ambassador Augustine Mahiga, who runs the UN Political Office on Somalia, and staff at the UN Development Programme. An international development consultant for many years, Hassan is proving adept at setting donors against each other. We hear he has drawn into this game the new European Union Ambassador, Michele Cervone d'Urso, and the British Ambassador, Matt Baugh.

Another brake on the pace of change in Mogadishu is the attempts to devolve power under the new constitution. Hassan Sheikh is obliged to work by the new rules that limit his powers and install a federal system with which both he and his followers disagree. *Damul Jadiid* ('new blood'), the Islamist group that most of his entourage belongs to, supports regional autonomy rather than a federal system. The constitution expects the prime minister and president to work side by side, which is not what Hassan Sheikh has in mind, according to those close to him. He had to interview many candidates for the premiership to find one who shared his view and would work under him, rather

than as an equal alongside. He also had to convey the sense that competition for the job was open and that clan allegiance would play an important part in his decision.

The Puntland President, Abdirahman Mohamud Farole, tried to impose a nominee from his territory. The presidential circle thought this arrogant. So, Farole may have spoiled the chances of several good candidates from his own Majerteen people. A former Premier, Mohamed Abdullah Mohamed 'Farmajo', was once considered a possibility but he tried to force the President's hand and was then rejected. The eventual choice of Abdi Farah Shirdon 'Said' (Darod/Marehan/Rer Dalal) follows a pattern. It respects the unwritten rule that if the President is Hawiye, the Prime Minister must be Darod. To appoint a Marehan from the Central Region was also a signal to the Marehan community in Kismayo that Mogadishu cares about their status, regardless of which clan the Kenyan Defence Forces (KDF) back (see Box).

THE NEW PRIME MINISTER

Said is described by his friends as a traditional old Somali, who was religiously tolerant and chewed *qat* before he went into politics. This choice calmed fears in Nairobi about possible domination of the government by the *Damul Jadiid* faction of *Al Islah*, which used to be part of the Islamic Courts Union (ICU). Said also made his name as a non-governmental organisation leader working mostly in Abudwaaq (Central Region) and was a member of Hassan Sheikh's Peace and Development Party before setting up his own party in 2011.

When that venture did not succeed, he came back to Hassan Sheikh's party. Said's involvement in politics hitherto has been minimal. Although his clan could have made him a senior bureaucrat and a big businessman under Siad Barre's rule, Said's political ambitions seem to have been dormant. His new-found political enthusiasm in the last two years seems to come from his wife, who has her own ambitions. Asha Haji Elmi (Hawiye/Habr Gidir/Saleban) is seen by diplomats and aid workers in Mogadishu and Nairobi as the political mind behind the man. Well regarded by foreigners, she is more controversial among Somalis.

She was a member of Siad's Somali Socialist Revolutionary Party until the civil war in 1991, when she switched to Ali Mahdi Mohamed's faction of the United Somali Congress and joined its Central Committee. She has been a member of parliament since 2000 and at times has supported various Presidents and even the ICU. She is believed to have persuaded a number of MPs to support Hassan Sheikh for president and has close friends in his entourage. The decisive element in Said's suitability for the premiership was his willingness to work under Hassan Sheikh's orders. They also have much in common politically.

After Said's appointment, the selection of ten ministers took another month. One knowledgeable source said the eventual choices give the impression of members of the presidential entourage appointing their friends without much consideration for skills and expertise. The Prime Minister seems to have nominated three ministers: Fowziya Yusuf Haji Adan (Isaaq/Habr Yunis), who is Deputy Prime Minister and Minister of Foreign Affairs; Colonel Abdullahi Il Moge Hersi (Darod/Ogaden/Mohamed Zubeir/Rer Abdulle), as Minister of Information, Posts and Telecommunications; and Mahamud Hassan Suleiman (Darod/Majerteen/Omar Mohamud), Minister of Finance and Planning. The Speaker of Parliament, Mohamed Sheikh

Osman Aden 'Jawari', successfully pushed for his close friend, **Abdihakim Mohamed Haji Fiqi** (Rahenweyn/Dabare), to stay at Defence. Hassan Sheikh and his entourage chose the other six ministers. The friendship and kinship ties go further. Fowziya is a close friend of Asha Haji Elmi and her nomination is good for women's representation. She was a prominent figure in Hargeisa, Somaliland, having been a diplomat before 1991, a manager at Hargeisa University and head of Raad TV before she tried to set up her own political party.

Her nomination has greatly displeased the government in Somaliland, though. They see her shift in allegiance as a betrayal and say it is due to her Hawiye connections. She is the widow of General **Abukar Liban Aftooje** (Hawiye/Habr Gidir/Saad). The new Minister of Natural Resources, **Abdirisak Omar Mohamed** (Hawiye/Hawadle/Ibrahim Ise), also has close connections, being a member of the same Hawadle sub-clan as Hassan Sheikh's mother. Finance Minister Mahamud Hassan, a banker in **Saudi Arabia** for over two decades, is a very close friend and business associate of the Prime Minister. There are other examples of how small the pool from which ministers were plucked was.

CLAN AFFAIRS

Clan politics also play a role, beyond a loose respect for the cumbersome 4.5 formula. This is a template for distributing jobs in a fixed ratio, stipulating that in each set of appointments, the four major clans get one post each and the minor clans get the equivalent of half of a post. The appointment of Information Minister Abdullahi Il Moge has attracted criticism from those watching clan politics. His Mohamed Zubeir sub-clan, Rer Abdulle, is stronger than the Rer Isaaq, the sub-clan of **Ahmed Mohamed Islaan 'Madobe'**, the Ras Kamboni leader who is currently challenging Mogadishu's authority, with Kenyan support. By appointing him, the new President appears to be preparing himself for possible confrontation in Lower Juba. The move could divide the Ogaden clan and weaken the support for Abdullahi's two rivals in the area: Madobe and **Mohamed Abdi Mohamed 'Gandhi'** (Ogaden/Talamoge).

The strength of *Damul Jadiid* in the presidential entourage has made the group a rallying point for many Salafists and other Islamists. *Damul Jadiid* itself is well represented in the cabinet. It includes the Justice and Religious Affairs Minister, **Abdullahi Abyan Nur** (Dir/Bimal), who was in Farmajo's cabinet, and the Interior and National Security Minister, **Abdikarim Hussein Guled** (Hawiye/Habr Gidir/Saad), who worked with Islamic charities in the 1990s and is a founding member of the private university, the Somali Institute of Management and Administration (SIMAD), led by Hassan Sheikh. Other members include the Finance Minister, the Public Works and Reconstruction Minister, **Muhyadin Mohamed Kalmoy** (Bantu/Shidle from Jowhar and ex-Ambassador to **Libya**), and the Social Development Minister, **Maryam Qasim** (Gibilad/Barawin), who was a member of the cabinet of **Abdiweli Mohamed Ali Gaas** until October 2012.

The new cabinet got mixed reviews. Diplomats and UN officials were pleased when the appointments were finally made but clan loyalists in Mogadishu were bitterly disappointed and claimed the cabinet was too small and clan representation unacceptably minimal. After much lobbying, Hassan Sheikh finally acted and has agreed, we hear, to appoint a further five ministers. That concession came on 13 November, which helped Hassan Sheikh win an overwhelming majority in the parliamentary vote approving the appointments – 215 votes out of 225. Women MPs had also mobilised their votes in favour because of the prominence of Fowziya Yusuf Haji Adan in the new government.

Some say Hassan Sheikh did not wish to make his government broader and more socially inclusive because he feared appointing ministers whose loyalty he could not be completely sure of in the long run. Problems could emerge if he is trying to engineer a shift from clan politics to party politics. Some clan elders were so unhappy with the small size of the cabinet that they threatened unrest; it remains to be seen if the concession will satisfy them. The African Union Mission in Somalia had hoped that Hassan's election would mark real progress towards political consolidation and security, at least in the capital. For the AU, the main point of concern has now shifted further south, to the port of Kismayo. ●

BREAKING RANKS IN KISMAYO

Kenya's defiance of the Somali government on the ban on charcoal exports from Kismayo threatens the cohesion of the African Union Mission in Somalia. It will also test the mettle of the United Nations Monitoring Group, which has to decide if Kenya has defied the UN Security Council Resolutions and should be sanctioned.

On paper, Kenya is now a fully participating, although late-arriving, member of Amisom and its generals sit alongside those from **Uganda** and **Burundi** (and Mogadishu's own officers) in planning and strategy sessions. So do **Ethiopia's** officers, but they refuse to accept the constraints of joining the AU Mission and instead deploy their forces at will in Somalia.

The position of Kenya, which led the assault that evicted *Al Haraka al Shabaab al Mujahideen* from Kismayo in October, is more complex still. In recent weeks, the Kenya Defence Forces (KDF) in Kismayo have flouted the charcoal export ban and allowed Kenyan companies, such as SIFA, linked to the nephew of the

Deputy Speaker, **Farah Maalim Mohamed** (Ogaden/Awlihan) to profit from such exports (AC Vol 53 No 22).

Kenya is allowing Somali charcoal exports, although President **Hassan Sheikh Mohamud** has expressly forbidden them and most experts believe that businesses linked to *Al Shabaab* will benefit (AC Vol 53 No 23). It seems that the KDF wants to help its Ras Kamboni allies to raise money through charcoal export taxes; Kenyan business people and some KDF officers are also believed to be earning commissions.

Kenya further antagonised Mogadishu when its troops refused to allow a visiting delegation to Kismayo out of the airport on 7 November. The delegation included foreign journalists, Amisom and **Djiboutian** officials and the task force Hassan Sheikh had appointed to look into charcoal exports. Kenya cited 'security concerns', said a Mogadishu source. However, **Ahmed Mohamed Islaan 'Madobe'** (Ogaden/Mohamed Zubeir/Rer Isaaq) made it clear that he was in charge and the visitors were not welcome. He also declared that he

was refusing to obey the government in Mogadishu. Kenya's main backers, **Britain** and the **United States**, will have to make a decision on this. Either they must ignore what is widely seen as predatory behaviour by their ally or make public their concern.

A lack of action on charcoal could undermine Amisom's position. It could also be used by *Al Shabaab* to support its claims that the real aim of Kenya's forces in Somalia is to grab land.

Hassan Sheikh seems short of new ideas about how to handle the conflict in Kismayo. He may also become hostage to his Hawiye clan politics, just as he needs to prove himself as a national leader. If the Kismayo conflict flares again over the distribution of commercial spoils and Madobe's leadership style, that would provide *Al Shabaab* with a golden opportunity to rebuild support in Lower Juba.

● **Correction:** In AC Vol 53 No 22, 'Not Yet Spring in Mogadishu', we referred to the former Mogadishu Port Director as **Hassan Ali Moallin**. This should have read **Sid Ali Moallin Abdulle**. ●

SOUTH AFRICA

Zuma or else

A ruthless re-election campaign is set to win Jacob Zuma another term as ANC leader and national President

There-election of President **Jacob Zuma** as African National Congress (ANC) President is an 'unstoppable tsunami', say his backers, yet many members of his original coalition of trades unionists and radicals now vehemently oppose him. His opponents, Deputy President **Kgalema Motlanthe** and Human Settlements Minister **Tokyo Sexwale**, have failed to build the necessary momentum.

Their best hopes now lie in two directions – proving their claims of mass electoral fraud by Zuma's party supporters and ensuring that on the day enough ANC delegates will vote against him in the secret ballot, freed from the pressures of his campaign. Motlanthe's and Sexwale's campaign has been plagued by intimidation and poor tactics: they have not formed a team to confront Zuma, perhaps for fear of being labelled divisive. The ANC's culture of internal secrecy and hostility to individualism, honed during the years of the apartheid police state, persists.

Zuma's strong opponent, ANC National Treasurer **Mathews Phosa**, warned that 'the danger of contestation becomes personal, disruptive and not in keeping with the strong democratic values of our movement'. Although Sexwale is rich, his and Motlanthe's supporters have lacked resources where they count, at the party branches which control over 90% of the 4,500 delegates to the ANC National Elective Conference, on 16-20 December in Mangaung (formerly Bloemfontein).

Allegations of fraud have flooded into

the ANC's Johannesburg headquarters. The main claims are that Zuma benefits from fake members and branches, that those perceived to oppose his re-election have been mysteriously disqualified, and that membership of pro-Zuma branches has been bumped up. Gauteng and Eastern Cape provinces, which are both opposed to Zuma, have complained to ANC Secretary General **Gwede Mantashe** that some of their branches have not been 'recognised' by his office, which is in charge of branch audits. ANC Eastern Cape Spokesman **Mlibo Qoboshiyane** has laid a formal complaint about defects in the audit process. Mantashe is Zuma's strongest ally in Eastern Cape and the opposition has wooed him without success.

The Western Cape ANC Regional Secretary, **Songezo Mjongile**, says Gugulethu branch members were deliberately misinformed about the location of meetings by the branch secretary, who backs Zuma; local members overwhelmingly support Motlanthe. Mjongile says 'thugs' have been brought in to 'intimidate' members; the party intends to bring in security guards. The Chairman of the *Umkhonto we Sizwe* Military Veterans' Association, **Kebby Maphatsoe**, has threatened Motlanthe with political oblivion if he continues to campaign. He says that he and other Zuma-backers will support **Cyril Ramaphosa** for Deputy President. Some ask why only those provinces that support Zuma have seen a sharp growth in membership. His

home province, KwaZulu-Natal, has seen membership jump by 86,000 to 331,820 in a year. Membership applications usually take six to 18 months; in KZN, they were taking 30 days flat. In the Eastern Cape, the ANC's second-largest province and an anti-Zuma stronghold, membership fell by 38,000 over the same period.

Public rows have broken out among local party officials. In pro-Zuma Mpumalanga, we hear that all the branches increased by exactly 100 members in May before a routine audit. Mantashe has been unable to explain such variations. In Port Elizabeth and Sekhukhune in Limpopo, local leaders came to blows. Last month, a member was shot dead and two anti-Zuma local leaders were wounded in KZN. Zuma was embarrassed two weeks ago when the ANC branch in his home town of Nkandla, where he is building a mansion, took ten hours to nominate him because they couldn't reach a quorum; mini-buses were sent out to collect voters.

In rural areas, Zuma has targeted traditional leaders, who are often also ANC councillors. He has outraged human rights activists by backing a law which entrenches the power of chiefs over women, other villagers and resources in rural areas. His supporters portray Motlanthe and his camp as the 'black elite', the clever and educated middle class. The powerful KZN provincial organisation has annoyed pro-Zuma officials by seeming to pack the National Executive Committee with candidates from their own region.

Motlanthe won an early symbolic vote by securing nomination in Boksburg, where Mantashe is an active pro-Zuma member. Motlanthe won 90 votes to Zuma's seven and said he would not accept a deal not to contest the ANC presidency nor would he oppose Zuma. Motlanthe's camp says it will focus on individual branches to show that he has grassroots support. He wants a democratic mandate to show a 'clear break' between himself and Zuma. He wants members to express their will freely. The ANC Youth League has rallied around but he is cautious of getting too close to ANCYL and its firebrand former leader, **Julius Malema**.

Anti-Zuma activists have launched a website, www.forcesofchange.co.za, and a Twitter account, @ChangeANC. The website runs a lengthy critique of Zuma's presidency, accusing him and his family of grand corruption. It calls for the election of Motlanthe as party President, Phosa as Deputy President, Sports Minister **Fikile Mbalula** as Secretary General, Deputy SG **Thandi Modise** as Chair and Sexwale as Treasurer. The website improbably argues that unless Zuma is ousted, the ANC may lose the 2014 national elections. Everyone in Motlanthe's camp denies being involved, as does the ANCYL. Perhaps the National Intelligence Agency is on the trail. ●

HOW THE BRANCHES VOTED

Of the 4,500 voting delegates who will decide the African National Congress presidential election at the party conference, 4,103 (91.2%) will come from ANC branches, each of which has at least one vote (with two or three for large city branches). Branch delegates and provincial executive members vote as individuals, not in blocs. The ballot is secret, which encourages factions opposing President **Jacob Zuma**. At branch level, voting for delegates to the elective conference is by a show of hands, exposing members to possible intimidation. Many delegates from the branches will remember that they depend on the party's current leaders for retaining government jobs and tenders. Those supporting losers may later forfeit government jobs and executive positions in the private sector.

The voting delegate the branch sends to the conference is often the branch secretary or chairperson, who may also be a mayor, local councillor, senior civil servant or prominent businessperson doing business with the government. Voting often hinges on which faction offers most patronage. To make it easier to manipulate votes, branch secretaries keep membership records, not the ANC's national office. Inconvenient records can disappear. Branch secretaries can bring fake members to the meeting; in the Eastern Cape, the ANC's second biggest base, it is alleged that pro-Zuma branch secretaries have thousands of votes in Zuma's favour. ●

TANZANIA/MALAWI

Oil and gas prospects fuel lake row

The two sides will return to the table to settle an old dispute

Malawi and Tanzania will return to the negotiating table on 15-17 November to seek a diplomatic resolution to their dispute over the border in the lake that divides their two countries. In July, Malawi announced it was prospecting for oil and gas in Lake Malawi, which Tanzanians call Lake Nyasa, rekindling a decades-old dispute over its ownership.

Both parties will enter the talks determined to stand their ground, yet reluctant to allow the diplomatic stand-off to escalate. Tanzania's President **Jakaya Kikwete** is content, we hear, to let Foreign Affairs Minister **Bernard Membe** take the lead on the issue – along with the flak. Membe is keen to resolve matters quickly to win kudos and further his presidential ambitions. President **Joyce Banda**, though, has much to lose: Malawi is desperately short of revenue and with the next elections due in 2014, she has a short time in which to make her mark.

Tensions had been rising since October 2011, after the late Malawian President **Bingu wa Mutharika** awarded **British** oil company **Surestream Petroleum** licences to conduct oil exploration in the lake. **Sankara**, **Ophir**, **SacOil**, **Tullow** and **Lonrho** had also submitted bids, according to reports by Malawian media. Under the 1890 Heligoland Treaty, an **Anglo-German** agreement that placed the border along the eastern shoreline, Malawi has rights to the whole of the northern waters (see Map). Tanzania, however, regards the colonial border as illegitimate and opposes Malawi's unilateral decision to award the licences and draw the exploration blocks right up to the Tanzanian shore.

Talks this October broke down amidst anger over a new map issued by Tanzania's Ministry of Lands, Housing and Human Resettlement, showing the border along the middle of the lake. President **Banda** also objected to the alleged intimidation of Malawian fishermen by Tanzanian security forces; she has threatened to take the border case to the International Court of Justice (ICJ).

The late President **Hastings Kamuzu Banda**, Malawi's first President, made the most of the dispute, claiming not only sovereignty over the entire lake, but even provinces on the Tanzanian side, citing cultural and ethnic ties. In 1968, the countries nearly went to war over the issue. Since then there have only been

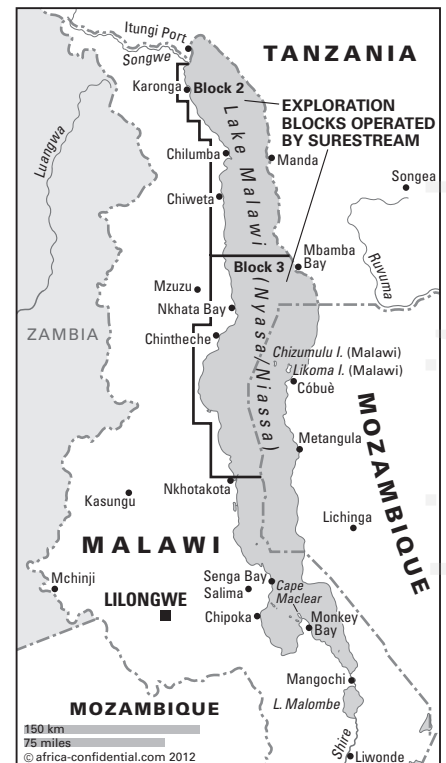
sporadic, low-level disputes, mostly over fishing. In an area where inhabitants of all three countries traditionally share both family ties and the resources of the lake, some point out that there is far more at stake than oil. Thousands of Malawians live in Tanzania, and vice versa. The two countries have a longstanding, active trading relationship.

At the Southern African Development Conference (SADC) summit in Maputo in August, President **Banda** and Tanzanian President **Kikwete** had rejected claims that the row could lead to conflict. Tanzania has denied deploying military vessels, although a military source says that two of its police boats are actively patrolling the area that Tanzania regards as its rightful border. The Tanzanian army battalion which guards the southern borders is said to be on alert in Mbeya, on the northern tip of the lake, where the two countries share a land border.

COLONIAL LEGACY

Both parties want independent mediation. Malawi's Minister for Foreign Affairs, **Ephrem Mganda Chiume**, supports mediation by the ICJ while his opposite number, **Bernard Membe**, has called for SADC or the African Union to mediate. Sources close to the talks say they are preparing for the next round later this week, when they will try to agree on a mediator. Ahead of that, Lilongwe's negotiating team is due to report this week to Parliament. Malawi is hiring British lawyers to support its case, we hear. Tanzania believes that international law is already on its side, particularly since the other major lakes in the region – Lake Victoria in the North and Lake Tanganyika in the West – are divided equally between the countries that they border.

Malawi counters that the 1982 United Nations Convention on the Law of the Sea cannot overrule a demarcation established during the European division of Africa. Following Germany's loss of Tanganyika, as the Tanzanian mainland was known, the shoreline became less relevant as a legal demarcation because both Tanganyika and Nyasaland (now Malawi) were under the same colonial ruler, Britain. Maps printed in the decades that followed show the border variously at the shores on the Tanzanian side and through the mid-line of the lake. When, much later, Britain and Portugal split the southern part of the lake



down the middle between Nyasaland and Mozambique, the anomalous nature of the border further north became obvious.

All three countries have been carrying out studies to explore the lake's potential for natural resources. The lake lies along the Great Rift Valley where, further north in **Burundi** and on the Great Lakes, major oil finds have already been made. There are persistent rumours in the region that Mozambique may be about to award its first licences in its quarter of the lake.

Meanwhile, Surestream continues with the early phases of exploration. Though Membe has publicly urged the company to postpone its activities, Surestream says it sees no reason to change its programme, because it is years away from any possible drilling. It adds that the current activities relate to the environmental and social impact assessments, which it anticipates completing by mid-2013.

Should Tanzania's claim be successful, Surestream would have to renegotiate to continue its activities in the part of Block 2 lying in the disputed area. There is no guarantee Surestream would retain the whole block. Two foreign oil companies are said to be encouraging Tanzania to take a tough stand, promising a large share in the profits should they be granted licences by the government.

The current impasse will not take Surestream completely by surprise: a source in the company told *Africa Confidential* that it had taken advice about the risks of the border dispute but still considered the licences worth bidding for, since they also cover a significant area of undisputed territory. ●

Dodging Dodd-Frank

Lobbyists failed to dilute the strong disclosure requirements that are now law in the USA but the transparency battle still rages in Europe

The American Petroleum Institute, a major oil industry association, and other pro-business groups are challenging the Dodd-Frank Wall Street Reform and Consumer Protection Act. Major oil companies continue to work to prevent similar rules in Europe. The oil associations launched a lawsuit on 10 October in the United States against the Securities and Exchange Commission (SEC). They aim to defeat the requirement that companies disclose in full, project-by-project and country-by-country, details of all their payments to local, regional and central governments, including charges, taxes and royalties (see Box).

In Europe, where the debate over transparency rules has been less reported, the companies seemed to be making headway for a time, say sources familiar with the European Union process for amending its Transparency and Accounting Directives (AC Vol 53 No 5). In October 2011, the European Commission intended its proposed amendments to align with Dodd-Frank Section 1504 but with key differences. These included allowing reporting exemptions where local laws

forbid such disclosure. On the plus side for transparency lobbyists, the Commission also included the timber industry and large privately-owned companies, neither covered by Dodd-Frank.

British and French politicians have consistently backed strong transparency rules. French President **François Hollande** supports full disclosure, as did **Nicolas Sarkozy**. Referring to Dodd-Frank, British Prime Minister **David Cameron** said in November, 'I want Europe to do the same.' Deputy Premier **Nick Clegg** had earlier spoken, alongside the then Business Secretary, **Jo Swinson**, in favour of EU transparency standards to match US law.

In May, the EU Council of Ministers put forward amendments to the Commission's proposals largely based on an industry position in a document by Rio Tinto, which frequently boasts of its transparency. This baulked at project-level disclosure and favoured country-level aggregation. This dismayed campaigners working in the Publish What You Pay coalition, which includes Global Witness, Oxfam and the Revenue Watch Institute. Yet when the SEC's stringent, 236-page rules came out

in August, the European picture changed. The Council had to revisit its position. The lack of a requirement for project-level reporting no longer made sense if the EU was to maintain a level playing field for corporations globally, an idea held dear in Brussels.

In September, the European Parliament's Legal Affairs Committee came out strongly in favour of project-by-project reporting and set a threshold of 80,000 euros (US\$101,750) for payment disclosure. This mirrored the \$100,000 threshold under Dodd-Frank. In a move that delighted campaigners, the Council announced on 26 October that it had abandoned its opposition to project-level reporting. The Council, Commission and European Parliament now have to hammer out the final shape of the directives. The process is called 'trialogue'. They are expected to have reached a conclusion by the end of November. The Parliament and Council then sign off the final proposals. The final bones of contention involve exemptions and the definition of 'project'. Campaigners characterise the provision on the exemptions as a 'dictator's charter', saying it would encourage unaccountable governments to pass laws forbidding disclosure with the sole aim of qualifying for the EU reporting exemption.

The British and French are remaining true to their public support for rules like Dodd-Frank in Europe, say sources close to the process. The **Netherlands**, we hear, faithfully reflect the position of oil company **Royal Dutch Shell**, which has been in the vanguard of the resistance in the USA and Europe. Shell Chairman **Peter Voser** has used the voluntary Extractive Industries Transparency Initiative to attack Dodd-Frank. **Germany** remains sceptical about full disclosure, we understand.

The trialogue, which began on 7 November, had been due to resume on 14 November but was postponed to allow talks to reach consensus. Implementation of the agreed formula could take place as early as 11 December, at the Council's Competitiveness Council meeting. The Parliament's plenary session to vote on the directives could take place in mid-January.

For all the controversy, Dodd-Frank is now in force and some US companies will make detailed reports on their payments starting in 2014. Campaigners anticipate a bonanza of financial information that could be used to improve taxation regimes in developing countries. While the oil, gas and mining companies have made the loudest objections to the new Law and to coming European laws, developing countries may have the most embarrassing questions to answer once information is public. Low taxation and negligible royalties could attract criticism and accusations of corruption. ●

OPACITY FOR ALL

In August, the United States Securities and Exchange Commission published its 236-page guide to the operation of Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which governs transparency for extractive companies and other matters. The American Petroleum Institute (API) and other pro-business lobbies, including the National Foreign Trade Centre and the US Chamber of Commerce, launched a law suit against the SEC in mid-October. They submitted copious objections to the SEC while the bill and the later guidelines were under consideration and their law suit is based on identical principles. They want no project-level disclosure because, they claim, developing countries would choose **Russian** and **Chinese** companies with no transparency obligations in preference to US firms. They also want an exemption in the case of foreign laws which prohibit disclosure, though the SEC has not been persuaded by any of the alleged prohibitions which the API has cited.

The suit also claims that the SEC failed properly to consider the financial costs to companies of compliance, an area where previous litigants have had some success against the SEC. The US Court of Appeals for the District of Columbia Circuit will hear the case with final briefs to be filed at the end of January and hearings soon after. The API went to court to obtain a stay of the SEC rules while the suit is heard but this was rejected on 8 November. One industry objection is that companies are already working with the Extractive Industries Transparency Initiative and that should be enough. Campaigners object, as do EITI leaders, that it is complementary, not an alternative, to legislative measures such as Dodd-Frank or the EU directive. Adherence to EITI is voluntary and few countries are formally compliant. Some, like **Britain**, encourage developing countries to join but are yet to join themselves (AC Vol 52 No 19). **Norway** is a member and the US has committed to joining. There are few sanctions on non-compliance with EITI, though. Some countries have spent years inching towards compliance with no urgency and little increase in transparency (AC Vol 52 No 6). ●

ZIMBABWE

ZANU-PF's gem of a campaign

Everyone is asking where Mugabe's party is finding the money for its fleet of new vehicles and its pre-election largesse

A spending splash by the Zimbabwe African National Union-Patriotic Front is attracting increasing suspicion that the funds come from illegally diverted diamond sales. ZANU-PF will hold its annual conference, the last before next year's elections, on 4-9 December in Gweru, Midlands, in a just-completed, purpose-built conference centre costing US\$6.5 million. Coupled with reports that President **Robert Mugabe's** party was paying \$15 mn. for 1,000 vehicles for electioneering, this provoked the other parties into questioning the source of the money. At the same time, Mines Minister **Obert Mpofu** (self-proclaimed monarch of Matebeleland) was bolstering his claims to high office with regular weekend ZANU-PF rallies in drought-prone provinces, at which up to 50 tonnes of maize are distributed to the faithful. Meanwhile, from party headquarters in Harare, Mugabe has been doling out the first of the agricultural inputs targeted at 800,000 rural households.

Douglas Mwonzora, the Spokesman for Premier **Morgan Tsvangirai's** faction of the Movement for Democratic Change, challenged ZANU-PF to reveal the source of the funds or stand accused

of pilfering earnings from the diamond fields. Education Minister **David Coltart**, from **Welshman Ncube's** MDC faction, echoed that sentiment, pointing out that his Ministry's budget was a mere \$8 mn. ZANU-PF's affable Spokesman, **Rugare Gumbo**, stonewalled, saying the funds came from well-wishers, particularly from the beneficiaries of ZANU-PF's land reform and indigenisation schemes. The fact that the indigenisation handouts are still to be finalised was glossed over.

Finance Minister **Tendai Biti** presents his budget on 15 November amidst reports that diamond revenue is just \$150 mn. against a projected \$600 mn. Economic growth will fall again to about 4%, less than half of that expected. **Goodwills Masimirembwa**, the Zimbabwe Mineral Development Corporation Chairman, blamed foreign sanctions for depressed gem demand, claiming the mines were operating at below half of their capacity.

Zimbabwean diamonds have never been of much interest to the upper end of the market, which is in any case in recession. The stones tend to be low carat and low quality but there are an awful lot of them. Indian industry reports that they make up almost a quarter of the lower end

of the market. Indian sources claim that **Seurat**, India's gem hub, would handle 12 mn. carats from Zimbabwe in 2012, with a retail finished value of \$1.2 billion. If their true value per carat were only half of the \$100 per carat that Zimbabweans talk about, that should be reflected in the bilateral trade figures. It is not and official figures show trade of under \$200 mn. each way. Ambassador **Jeitendra K. Tripathi** recently put India's imports at less than \$150 mn. Its imports of Zimbabwean stones appear to come by an indirect route, probably through the Middle East illicit networks. In the unlikely event that all the proceeds return to Zimbabwe, the web of intermediaries is raking off benefits to the detriment of both countries.

Human Rights Watch points to joint army control of the Anjin diamond mining company with **Chinese** interests as a possible source of ZANU-PF's new funds (AC Vol 53 No 1). However, MDC-T has to tread carefully, as it too seems to have a hidden source of generous well-wishers. Eyebrows were raised at Tsvangirai settling out of court a maintenance claim for a reputed \$300,000 by his penultimate wife, **Locardia Karimatsenga Tembo** (AC Vol 53 No 19). Her lawyer, **Jonathan Samkange**, an aspiring ZANU-PF parliamentary candidate, emphasises that the figure is a maintenance – not a dissolution – settlement. Speculation is rife that on a salary of \$2,000 and having declared very modest assets, Tsvangirai will rely on well-wishers. His visit to Europe with his new wife is variously described as a honeymoon and an effort to mobilise the Zimbabwean diaspora. ●

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POINTERS

South Africa

UNDIPLOMATIC CORPUS

■ A furious row has erupted in cabinet between the Minister of International Relations and Cooperation, **Maite Nkoana-Mashabane**, and her counterpart at National Planning, **Trevor Manuel**. His recently released national development plan, Vision 2030, attacks the country's foreign policy. So far, President **Jacob Zuma** has met both and, characteristically, agreed with both, we hear. Nkoana-Mashabane has set up a special team, including academics **Adam Habib** of the University of Johannesburg and **Somadoda Fikeni**, the former Council Chairman of **Walter Sisulu** University, to devise a new foreign policy in response to the Development Plan's criticism.

In Zuma's cabinet, the 'centrists', Manuel and Finance Minister **Pravin Gordhan**, are battling for control of economic policy with the 'leftists', **Ebrahim Patel** and **Rob Davies**. Nkoana-Mashabane is lobbying Manuel's opponents for support. Chapter Seven of Manuel's plan, 'Positioning South Africa in the World', claims that current foreign policy has not accounted for shifts in power from West to East, of the world's regional groupings, of threats to security and to natural resources. South Africa, the report says, has declined in power and influence and lost much moral authority since 1994. It is 'overstretching itself diplomatically', with more than 150 embassies, consulates and offices around the world. Where it does have influence, it said, the diplomatic missions are not the cause.

In southern Africa, the report says, the country is perceived as a 'bully, a self-interested hegemon that acts in bad faith among neighbouring countries'. At current growth rates, by 2030 **Angola** or **Nigeria** could overtake South Africa as Africa's largest economy. It says business people and civil society should be more involved in foreign policy and all international agreements should be reviewed to see if they are in the national interest. That is not what diplomats want to hear.

Liberia

WHAT PRICE THE UNITY PARTY

■ The member of parliament and former Speaker **Edwin Melvin Snowe** has renewed the offensive against **Robert Alvin Sirleaf**, Chairman of the National Oil Company of Liberia, and President **Ellen Johnson-Sirleaf**'s claimed nepotism (AC Vol 53 No 8). At the end of October, Snowe repeated the accusations that Robert ran Nocal in his own interest; that he had a **United States** passport as well as a Liberian one, which is illegal in Liberia; and that he spent excessively on a trip to the USA.

Sirleaf responded by showing the press his Liberian passport with its US visa stamps and explained that he was entitled to travel expenses when meeting Nocal's potential business partners. He also said he drew no salary. Snowe was a confidant of former President **Charles Taylor** (convicted of war crimes) and is his ex-son-in-law; he bid unsuccessfully to become campaign coordinator for the governing Unity Party (UP) in last year's elections.

Snowe's attack may have less to do with corruption than ambition, *Africa Confidential* understands. Snowe, UP Chairman **Varney K. Sherman** and Speaker **J. Alex Tyler** held a strategy meeting at Accra's Holiday Inn, where the attack on Robert Sirleaf was planned, an intelligence source says. **Ghanaian** security apparently put the meeting under surveillance. Sherman is reported to want the UP presidential nomination in 2016, an ambition Robert Sirleaf is believed to share. Sherman's way would be eased if Sirleaf were out of the way.

Sherman, however, has problems of his own, having admitted on Liberian TV on 12 November that he had taken US\$30,000 from **Danish** investigative journalist **Mads Brügger**, whose film 'The Ambassador' has caused huge embarrassment in Liberia. Sherman denies that the money from Brügger was a donation to the UP or a bribe, and said that he was hired in his professional capacity as a lawyer.

Sudan/Britain/China

SANCTIONS BYPASS

■ **China** has quietly joined countries implementing sanctions against Khartoum, we hear. This may not reduce Beijing's substantial arms exports to Khartoum but it is making life difficult for business people, Sudanese and others. They rely on the international banks, which have to obey **United States** sanctions to operate globally. One response from the National Congress Party (NCP) regime is to call international meetings that blur the lines between aid and investment.

One such is due on 27 November at London's Millennium Hotel in Kensington. The 'Sudan DDR Partners Support Summit' is organised by the government's 'Sudan Demobilisation, Demilitarisation and Reintegration Commission' and claims **United Nations**' support. The invitation implies wider international support yet states, 'This event is restricted to carefully chosen organisations and individuals that we see as potential facilitators' in promoting DDR in Sudan and **South Sudan**. Details are supplied only after the aspiring attendee has tried to register.

Chairman is DDR Commissioner **Sulaf el Din Salih Mohamed Tahir**, an inner core NCP man. In the 1990s, he headed **Muessessa Muwafag el Kheiriya** (Muwafag or Blessed Relief, later **United**

States terrorist-listed, AC Vol 53 No 6) and is an associate of **Saudi Arabia's Yassin Abdullah Kadi** who chaired Muwafag's Board of Trustees. The USA has not lifted its terrorist designation of Kadi, although the relentless efforts of his London lawyers, Carter-Ruck, persuaded the European Union and United Nations to take him off their terrorist lists.

Also speaking is Khartoum's Foreign Minister **Ali Ahmed Kurti** who, as founder of the People's Defence Force militias, knows about DDR. Britain's Foreign and Commonwealth Office was 'not supporting' the meeting, an official told AC, 'and we have not supported DDR for a good while'. The rebranded Department of Trade and Industry told us, 'There's definitely no involvement from UKTI.'

The NCP regime held a similar meeting, 'Sudan-Europe: Perspectives for Cooperation for Peace and Development', in Vienna in late October. Several EU governments were involved, including **Austria, Bulgaria, Czech Republic** and **Hungary**, plus **South Sudan**. 'People were talking about the embargo and trying to find a way around it,' said one Sudanese present. Yet Khartoum failed to win hearts or wallets, said several Sudanese sources.

Congo-Kinshasa

EXPERT OPINIONS

■ The controversy over the United Nations' report on the conflict in eastern Congo-Kinshasa continued this week as the UN Security Council debated it yet again. The **United States** is against formal publication of the report by the Group of Experts and **Britain** in favour, sources in New York told *Africa Confidential*. The report named **Uganda** as co-sponsor of Congo's *Mouvement du 23 mars*, throwing fuel on the fire caused by the Experts' earlier accusation that **Rwanda** directed the M23 rebels (AC Vol 53 No 22). Uganda has since put on a show of outrage, threatening to pull its troops out of **Somalia** if the allegations are not withdrawn.

The USA is using this to keep the troublesome report on the sidelines, sources said, and does not take Kampala's threats seriously. During the Security Council discussions, **China** and **Russia** were said to be indifferent and **France**, silent. The discussions followed the 12 November report by the Chairman of the Congo Sanctions Committee, **Azerbaijani** Ambassador **Agshin Mehdiyev**. The only matter of substance agreed at the meeting was to add one of M23's joint leaders, **Sultani Makenga**, to the UN travel ban and asset freeze list. The Experts' mandate expires on 30 November but it will be renewed. The UNSC is anxious to appoint the successors to the current group, which includes **Steve Hege**, target of the worst of Kigali's invective. They want all new appointees in place before Rwanda takes its seat on the Council in the New Year.

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BLUE LINES

Around 100,000 demonstrators in Cairo's Tahrir Square on 27 November demanded that President Mursi withdraw the decree that granted him sweeping powers, marking a rare moment of unity for Egypt's liberals and leftists. Many called for Mursi not just to rescind his 'constitutional declaration' – but to step down. Protestors attacked the party offices of his Muslim Brothers in Alexandria and Mansoura and police officers declined to intervene. Hundreds of people were injured in clashes between Brotherhood supporters and opponents in Mahalla and Port Said.

Secular leaders such as Mohamed el Baradei, ex-head of the International Atomic Energy Agency, and Amr Moussa, ex-Secretary General of the Arab League, lambast Mursi's government for its narrow Islamist agenda. The Muslim Brothers promised a show of force in Cairo on 1 December.

This confrontation marks a critical point for Egypt's and the region's post-revolutionary regimes. At the core of the protests is the attempt by Mursi and the Brothers to write a new constitution without reference to any other viewpoints. Most non-Islamist representatives resigned from the Assembly and joined legal moves to dissolve it. Yet Mursi's decree effectively blocks the courts from doing that. Now his supporters in the Assembly plan to release their draft constitution which Mursi could put to a referendum within weeks. With control of the state machinery, he could push through what is likely to be a strongly Islamist if deftly worded constitution.

CONGO-KINSHASA

Kabila looks into the abyss

After the eastern rebels trounce the national army and opposition movements step up the pressure, the President is fighting for his political life

The seizure of Goma by the *Mouvement du 23 Mars* rebels on 20 November has dangerously weakened the regime of President **Joseph Kabila Kabange**. Backed by **Rwanda** and **Uganda**, M23's brutal campaign in eastern Congo threatens Kinshasa both by exposing the government's inability to protect the public and by forming opportunistic alliances with other oppositionists. On 28 November, at least some M23 commanders were responding to international pressure to withdraw from Goma but they were tying this to negotiating conditions. Some commanders said they were prepared to pull their troops back to 30 kilometres outside Goma but continued to maintain a threatening posture. There are also credible reports that M23 forces have stolen over US\$50 million from the city's branch of the *Banque centrale du Congo*.

However M23 plays the negotiations, there seems little prospect of Kabila recovering his political authority in the east or indeed, anywhere else in the country. This is his first major crisis since the death of his political and business advisor **Augustin Katumba Mwanke** (AC Vol 53 No 11). No official has been able to match Katumba's ability to cajole, coopt and sometimes crush Kabila's political opponents. Instead, Kabila is under siege from politicians within his camp and from oppositionists furious at Congo's inability to defend its own territory.

Some are nationalists genuinely angry about the state of the government and army but others are provincial and Territorial Administration officials (running customs and tax departments) exploiting the crisis to boost their local income and power-base.

This will further weaken Kinshasa's grip on the state and political developments.

Kabila is caught between the nationalists' angry demands and groups with which M23 has built alliances. These include militias such as the *Forces de résistance patriotiques en Ituri* under '**Cobra**' **Matata Banaloki**, and General **Kakule Sikule 'Lafontaine'** who ran a local 'community defence' militia, the *Patriotes résistants congolais* (Pareco, AC Vol 51 No 2 & Vol 53 No 9). These militias could reinforce M23's push southwards and westwards, and back its attempts to establish local administrations.

'IF NOT KABILA, THEN WHO?'

M23's rapid progress towards Bukavu in this week was undoubtedly helped by other opposition groups. What they all have in common, beyond distrust of the government, is far less clear. This latest breakdown in government control will probably provoke more instability and political in-fighting. When people in Kinshasa ask, 'If not Kabila, then who?' a long pause usually follows. Partisans of the *Union pour la démocratie et le progrès social* argue that their presidential candidate, **Etienne Tshisekedi wa Mulumba**, was the real winner of last November's election and should take over.

Yet there's no sign that Tshisekedi could win over the inchoate military and he has so far failed to capitalise on his rival's political woes. The last time he tried to exploit a rebellion in the east, the consequences were fairly disastrous for him. Even Kabila's former ally **Vital Kamerhe**, who won strong support from Western governments, has failed to make himself heard.

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European diplomats have for some time pressured Kabila to take action against Amisi, we hear. Amisi has been 'running his own empire' inside Congo-K, said one source. He is a former commander with the *Rassemblement congolais pour la démocratie-Goma* (RCD-Goma), the last group to take Goma. He has close ties

to the Kigali regime. Lieutenant Gen. **François Olenga Tete** has assumed Amisi's duties during his suspension and has immediately begun attempting to instil some order among the unruly troops that have retreated to Minova in South Kivu (AC Vol 44 No 24). Reports emerged from Minova of army soldiers looting, shooting and raping. Since Olenga arrived, at least two soldiers have apparently been shot

for indiscipline. He acknowledged that he had had 'traitors' shot and was trying to rally the troops.

Kabila has not grasped the severity of the crisis unfolding in the east. His circle of advisors tends only to give him good news and there is, we understand, a belief that removing M23 from Goma will solve all the government's problems. This could prove to be dangerously deluded. ●

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SIERRA LEONE

Clouds over Koroma's victory

Claims of electoral fraud and threats of militant protest by the opposition shadow the start of the President's second term

President **Ernest Bai Koroma** avoided a potentially contentious second-round in the presidential poll by defeating **Julius Maada Bio** outright on 17 November. It was announced on 23 November that President Koroma had won 58.7% of the vote. Bio polled just 37.4% in a contest that many had expected to be closer. The Sierra Leone People's Party took 40% of parliamentary seats and nine of the 19 local councils. However, on 28 November, the SLPP ordered its members of parliament and councils to observe a boycott until the the party's concerns on the conduct of the poll were met.

Maada Bio's SLPP failed to improve on its 2007 performance. Kono, the swing district which has traditionally voted SLPP at national level, will be a keenly felt loss. In 2007, SLPP presidential candidate **Solomon Berewa** polled 57% in Kono to Koroma's 35%. Five years on, the situation reversed: 58% for Koroma to Bio's 37%. This may reflect recent investment in infrastructure, employment and free health care.

Concerted attempts by the governing All People's Congress (APC) to court voters in SLPP areas appear to have worked. They included engineering the defection of key former SLPP figures **Thomas Nyuma** and **Robin Farley** (AC Vol 53 No 10). In Kailahun, Koroma's share of the vote rose to 22.6% from just over 5% five years earlier. Election monitors gave the event a clean bill of health but there was concern about the APC blurring the boundaries between government and party expenditure and using state resources for campaigning purposes. Scrutineers included nearly 300 international observers and over 9,000 local ones, all of whom had free rein to visit polling stations in the four regions.

Two days after the polls closed, the European Union Chief Observer, **Richard**

Howitt, a British Labour Party member of the European Parliament, described election day as 'well-conducted' and 'peaceful'. Similar sentiments were aired by the African Union, the Economic Community of West African States, the Commonwealth Secretariat and the Carter Center from the **United States**, whose delegation was led by **Zambian** former President **Rupiah Banda**.

At parliamentary and local levels, the SLPP was thought to have lost a number of important seats in the east, including one on Kailahun District Council and one held by prominent member of parliament **Musa Tamba Sam** on Kailahun's border with **Liberia**, according to indicative results. Although it had been announced that results would be declared on 25 November, the head of the National Electoral Commission (NEC), **Christiana Thorpe**, decided to delay, possibly because of mounting tension over the SLPP's claims of electoral malpractice. They were eventually released on 28 November.

Some election monitors share SLPP concern about fraud. It took place but not on a large enough scale to affect the final result, said one. It might, another speculated, have helped Koroma to avoid a run-off, which would have taken place if he had polled less than 55%. One seasoned commentator told AC that while he believed that Koroma could poll 90% in APC strongholds, the figure of 20% in SLPP areas invited suspicion.

The observer missions did not go as far as calling the elections free and fair. There was slow vote-counting and some failures to deliver required materials but mainly, observers said, they were worried that the APC used its control of government to help to tip the scales in its favour. The APC was said to have politicised the elections for twelve parliamentary seats reserved

for paramount chiefs, particularly in Kono, and the EU mission claimed that 61% of the Sierra Leone Broadcasting Corporation's coverage was of the APC.

The SLPP has stopped short of rejecting the results but it has claimed there was multiple voting, voting by persons not on the register and ballot-stuffing in Freetown, Kono, Bombali and Tonkolili. It also said SLPP party agents did not receive equal treatment from NEC staff at polling stations. Hard evidence is lacking, however. On 21 November, Thorpe urged the party to come forward to substantiate the allegations but nothing followed. The SLPP has circulated a video apparently showing NEC officials ensuring electors cast their votes for the APC. Its authenticity is unknown.

Violence has been largely avoided, albeit narrowly at times. One source close to Bio said he would 'rather lose his life than lose face'. As provisional results began to emerge, some SLPP activists spoke of setting fire to the NEC building, we hear. There were reports of clashes between party supporters and of curfews imposed in Kambia, Kissi and Kailahun but police denied them all. The worry now is that SLPP leaders may encourage young supporters to take to the streets. APC-leaning media outlets have 'leaked' e-mails sent by SLPP members resident in the USA which urge supporters to emulate the 'Kenya model' of post-election violence. Senior academics in Freetown have described the e-mails as genuine.

On 25 November, tension rose in the SLPP Mende heartland when a number of ballot boxes which had not been delivered to the Southern Region's Regional Tallying Centre were discovered in Bo, sparking anger and suspicion among SLPP supporters. In Kenema, party supporters clashed with police. Tear gas was used and guns fired, AC was told.

One success was the high turnout of 87.3% for an electorate of 2.6 million. Only 4.7% of votes cast were spoiled. The NEC's 70,000 staff were congratulated for their professionalism and efficiency. Restrictions on vehicle movements and a campaign timetable to avoid clashes between supporters helped to reduce tension. ●

NIGERIA

Boko Haram looks to Mali

As the army steps up its crackdown, the Islamist militia's leaders are strengthening their ties with northern Mali

The bombing of a church in Kaduna State on 25 November and attacks on a police station in Abuja on the following day seemed designed, at least in part, to show that the *Boko Haram* militia can keep up the pressure despite the army's scorched earth policy against it. Senior Nigerian security officials insist that scores of top *Boko Haram* commanders have fled to **Mali** and **Somalia** since mid-September after crackdowns in northern Nigeria. Such claims of success have to be balanced against the government's continuing lack of political strategy in dealing with the militia and it winning back some credibility in the north-east. Government soldiers and police, in many cases, are feared as much as *Boko Haram*.

In recent weeks, the military said it has killed dozens of sect members and arrested hundreds more, including top commanders. Many security sources in the region confirm that at least some senior *Boko Haram* figures have travelled to northern Mali. That would partly explain Nigeria's enthusiasm for sending its troops there as soon as possible to join the United Nations-backed intervention (AC Vol 53 No 22).

Our sources insist on anonymity. 'All the top commanders of the *Boko Haram* sect have fled the country...they have moved to northern Mali and Somalia to join Islamists with whom they have had close alliance for some time now,' claimed one. Another official said: 'What we now have are foot soldiers that have been left to their fate with depleted arsenal and lean purse.' Some fugitives were arrested in September by agents from neighbouring **Niger** in the border town of Kwanni.

Nigerian intelligence has recruited informants from *Boko Haram*, some of them now in northern Mali, where they have joined up with militants from *Al Qaida* in the Islamic Maghreb (AQIM). The rebels' grand design is to earn enough to hold on to northern Mali and continue expansion in the region. They hope first to take over **Mauritania** with its fish and mineral resources, its five million people and divided army.

Next in line is **Niger** with its uranium and new-found oil. Northern Nigeria, with its huge population and arable land, is a prize which, the Islamists think, could be conquered by an army of *Boko Haram* fighters. *Boko Haram* drew its initial inspiration from **Afghanistan** and called

itself the Nigerian Taliban, with **Mullah Mohammed Omar** as its spiritual guide. After its brief armed insurrection in Maiduguri in June 2009, 30 members were captured in neighbouring Adamawa State and taken back to Maiduguri. Under interrogation, ten claimed to have been trained in Afghanistan to make bombs.

Links with foreign Islamist groups were strengthened after the sect's crushing defeat in 2009 by Nigerian forces. Survivors fled through **Chad** and **Niger** to **Somalia**, **Algeria** and **Afghanistan**, where they joined Islamist cells and received training. One such was **Mamman Nur**, mastermind of the bombing on 26 August 2011 of a United Nations building in Abuja. Nur had escaped to **Somalia** and joined *Al Haraka al Shabaab al Mujahideen*, returning to Nigeria a year later. A *Boko Haram* source told *Africa Confidential* that one fugitive member from Adamawa fled to Afghanistan, was trained in bomb-making by *Al Qaida* and then wrote a bomber's instruction manual.

NIGERIA'S REGIONAL STRATEGY

On 5 November, President **Goodluck Jonathan's** National Security Advisor, retired Colonel **Sambo Dasuki**, warned that *Boko Haram* had growing ties with other African extremist groups (AC Vol 53 No 14). Government circles had previously believed the group to be domestic. 'Of immediate concern to us today is the increasing cooperation between the *Boko Haram* group in Nigeria and established terror groups operating in the Sahel,' Dasuki told a conference on regional security in Abuja. He argued that 'the fight against terrorism is not a one-man, one-agency, one-nation or one-region fight.'

Some diplomats remain sceptical about the extent of *Boko Haram's* international links, arguing that some Nigerian official assessments are a self-serving way of raising money for the security services. Many Nigerian experts say *Boko Haram* has several different factions, only one of which has substantial links to *Al Qaida*. Yet these links have galvanised Nigeria's determination to strike against jihadists in northern Mali.

On 2 November, Jonathan told the **German** Foreign Minister, **Guido Westerwelle**, that 'we must take action to root out the *Al Qaida*, drug traffickers, kidnappers and other criminal elements who are turning northern Mali into a

home for terrorists'. On 15 November, the Chief of Defence Staff, Vice-Admiral **Ola Sa'ad Ibrahim**, said Nigeria had agreed to send about a battalion to Mali, as its contribution to 3,300 regional troops intended to fight the Islamists.

Jonathan visited **Niger** on 18 October: the countries share a 920-kilometre border. They agreed to form defence pacts and joint border patrols to fight *Boko Haram* and other terrorist groups. Nigeria wants to chase AQIM out of northern Mali, to prevent it from providing sanctuary, funding, training and support for *Boko Haram*.

THE LOCAL CRACKDOWN

A more optimistic security source claimed: 'We have arrested a number of top *Boko Haram* commanders and killed some others in shootouts in the ongoing operation, forcing sect leaders to flee the country... We are confident we will end the *Boko Haram* menace in coming months'. Those killed included **Abubakar Adam Kamar** (aka **Abu Yasir**), from the group's north-eastern birthplace and stronghold of Maiduguri, who was killed in Kano in August.

The killing was not then made public in order to keep operations secret, said a source. Another top commander, **Abubakar Yola** (alias **Abu Jihad**), was killed in a shootout in Mubi, where 156 Islamists were rounded up. **Kamar**, **Abubakar Shekau** (aka **Abu Mohammed**) and **Khalid Barnawi** (aka **Abu Hafsat**) were in June designated global terrorists by the **United States**, claiming they had close links to *Al Qaida*.

On 22 September, Nigerian troops slapped round-the-clock curfews on three cities in the north-east, killing 36 suspected Islamists including a top commander and arresting more than 200 others, an army source said. On 18-19 November, troops gunned down 35 Islamists in Damaturu, capital of Yobe State, where the group has carried out deadly attacks. The Islamists fought hard to protect senior leaders, said to have included Shekau. Three all-terrain vehicles, seven laptop computers, Kalashnikov assault rifles, rocket-propelled grenades and explosives were recovered, and one of Shekau's wives was 'rescued' from the hideout with her newborn baby and three-year-old daughter, according to security sources.

There are reports that Shekau was shot in the thigh; certainly nothing has been heard of him since. Some security sources in Yobe, *Boko Haram's* second stronghold, believe Shekau may have died or is now under deep cover abroad. However, Nigeria is still offering a 500 million naira (US\$3.17 mn.) reward for information leading to his capture, dead or alive.

The killing or capture of top commanders has damaged *Boko Haram*'s decision-making council or *Shura*, because new members appointed by Shekau have brought in divergent views. This may also slow the militia's operations.

On 17 September outside Kano, soldiers shot dead a *Boko Haram* spokesman who used the alias **Abu Qaqa**, along with a senior commander, **Isa Abuja**. A source close to *Boko Haram* says that Abu Qaqa and Abuja 'were the sect's most important figures'. *Boko Haram*'s flow of press statements ceased, though the group claimed Abu Qaqa was still alive.

Security sources claim to have exploited schisms in the militia. The Shekau and Barnawi factions quarrel because the latter favours starting a dialogue and regards deadly attacks as a misinterpretation of Islam. The Shekau faction called their rivals traitors and attacked them, killing six commanders and their spiritual leader, **Awwal Gombe**.

Soon after he became Security Advisor in June, Dasuki spoke on the telephone to Shekau, who asked for time to consult the *Shura* but found no agreement. He got back to Dasuki and told him that, in the absence of such agreement, he could not negotiate. Later, the Barnawi faction started a dialogue with the government and took reprisals against members of the Shekau faction. The Shekau faction has repeatedly ruled out talks with the government, although some purported members claiming to be its spokesmen insist that negotiations are ongoing. Some pro-dialogue members were killed on Shekau's orders and others may now work as informers for state intelligence.

The authorities claim, and the Shekau group denies, that the government was engaged in back-door talks with *Boko Haram*. In fact, says a security source, negotiations have progressed between the government and the Barnawi group, 'which has provided us with very vital information that has helped us in the current operation'. Information from aggrieved members led to a sweeping offensive in Maiduguri on 15 November. Scores of Islamists were killed, including **Ibn Saleh Ibrahim**, a commander in charge in north-western and north-eastern Nigeria.

Army officials say Ibn Saleh had masterminded the murder of Major General (Retired) **Muhammadu ('Mamman') Shuwa**, a leading military figure of the civil war, in Maiduguri on 2 November. The Barnawi faction is believed to have been involved in the kidnapping for ransom last year in Birnin Kebbi of **British** and **Italian** construction engineers. Both engineers were killed in a botched rescue attempt by the army.

Although *Boko Haram* has extended its operations across to the north-west,

including Kaduna and Kano, and down to the Middle Belt states, such as Plateau and Taraba, its national base is still in the far north-east, bordering **Cameroon** and Chad.

The continuing blight of its violence has prompted many powerful people to seek direct arrangements with the militants, rather than rely on the government's military force. Business people who have no ideological sympathy with *Boko Haram* have cut clandestine – essentially protection – deals. Others, including some politicians, use the militia to eliminate their rivals (see Box).

COMMERCIAL IMPERATIVES

The direct and indirect links between *Boko Haram* and northern politicians and business people in the north-east, particularly in Borno and Yobe states, are also driven by commercial imperatives. The prospect of oil discoveries in the region means that some militants and business people think about a 'Niger Delta'

of the north-east. That means they would cooperate to control resources and provide security guarantees in exchange for substantial payoffs. Yet that would solve none of the socioeconomic problems – unemployment and lack of infrastructure – that encourage local recruits. Perhaps most importantly, it doesn't address the appeal of the militia's Islamist campaign against corrupt government and business.

Since discoveries were made on the Cameroonian, Chadian and Nigerian sides of the Chad Basin, the federal government has increased its commitment to the search for oil, especially in the Basin. A seismic operation involving a subsidiary of the **Chinese National Petroleum Corporation (CNPC)** has made progress around Kukawa in Borno State, 128 km. from Maiduguri. Yet some among the region's political elite, expecting substantial oil discoveries, hope to use *Boko Haram* as a bargaining chip for a greater share of the hoped-for oil wealth. ●

HOW POLITICIANS HELP INSURGENTS

The federal government has played politics with the *Boko Haram* insurgency, using it to silence opposition from northern politicians who claim that President **Goodluck Jonathan** has broken the rotation of power between north and south. Many in the north feel that it is its turn to rule and that the government, led by the south, chooses not to combat the violence because the north is at the receiving end.

In 2003, **Ali Modu Sherriff**, then a Senator, decided to run for governor of Borno State under the banner of his All Nigeria People's Party (ANPP). He struck a deal with the leader of *Boko Haram*, the late **Mohammed Yusuf**, for political support in return for demands that included the release of **Abubakar Adam Kamar**, then in gaol for armed robbery. *Boko Haram* supported Sherriff, who became Governor, had Kamar released and continued to channel money to the sect through his former Commissioner for Religious Affairs, Alhaji **Buji Foi**.

Sherriff later realised that his links to *Boko Haram* could harm his political future. When *Boko Haram* declared its armed insurgency in June 2009, he declared Buji Foi wanted for funding the sect. Buji Foi was arrested in his farmhouse and shot as soon as he arrived at police headquarters in Maiduguri. Two days later, Mohammed Yusuf was captured alive by troops, handed over to police and also killed at police headquarters. Sherriff was generally suspected of ordering the killing (AC Vol 53 No 16).

On 3 November 2011 the State Security Service arrested **Ali Sanda Umar Konduga**, who spoke to the media on behalf of *Boko Haram* using the alias **Usman al Zawahiri**. He confessed that he was employed by **Mohamed Ali Ndume**, a Senator for the governing People's Democratic Party (PDP) from Borno. Konduga said Ndume had recruited him to threaten his political adversaries. On 4 November 2012, the SSS summoned Ndume for alleged sponsorship of *Boko Haram* and charged him with terrorism along with Konduga. Konduga entered a plea bargain, was sentenced to three years in gaol and transferred to SSS custody. Ndume pleaded not guilty, has been on bail and still faces trial.

On 20 October, the army task force arrested **Shuaibu Mohammed Bama**, a top *Boko Haram* commander, in the Maiduguri home of **Ahmad Zanna**, a PDP Senator from Borno. Bama turned out to be Zanna's nephew. Zanna insisted that the suspect had been arrested not in his home but in that of Sherriff, the arch-adversary he had defeated at the senate election in April 2011. A flood of media recriminations followed. No charges have been filed against Zanna or his nephew, who is still in SSS custody.

In Borno State, the governing ANPP has accused PDP politicians of sponsoring *Boko Haram* for political gain. Almost all political killings in Borno since June 2010, when *Boko Haram* started its targeted killings, have been of ANPP members, including **Ali Awana Ngala**, its National Vice-Chairman shot dead in his home a month before the 2011 general elections. The ANPP candidate for Borno governor, **Modu Fannami Gubio**, was shot dead along with five others outside his family house in Maiduguri in January 2011. *Boko Haram* claimed responsibility. ●

The new gold rush

Khartoum's new gold mining operations may alleviate its worsening foreign exchange crisis but they will increase financial instability in the medium term. As the world gold price moves steadily upward, old workings are coming back to life. In Sudan, gold has been mined since the time of the Pharaohs, who shifted from silver and set the first international gold standard.

Sudan's economy is in a bad way since it lost 75% of its oil revenue in its quarrel with **South Sudan**. This week, it refused to implement September's agreement to get oil flowing again. As economic conditions decline further – annualised inflation was over 45% last month – and rumours spread that President **Omer Hassan Ahmed el Beshir** is fatally ill, fissures are opening up in the regime (see Pointer).

October's International Monetary Fund report forecast a decline in gross domestic product of 11.2% this year, after it fell by 4.5% in 2011. The ruling National Congress Party (NCP) must diversify or die. Mining holds great promise. The country shares with **Egypt**, **Eritrea**, **Ethiopia** and **Saudi Arabia** the gold-rich Arabian-Nubian Shield (ANS), which has seen substantial new investment in recent years (see Map). Not long before South Sudan's Independence in July 2011, the then Minerals Minister, **Abdel Bagi Jeilani Ahmed**, said Sudan intended to double 2010's gold production of 26.31 tonnes within two years. His successor **Kamal Abdel Latif Abdel Rahim** has called loudly for more foreign investment and formalisation of the sector.

Behind the scenes, we understand, the veteran National Islamic Front international banker and former Finance Minister, **Abdel Rahim Mahmoud Hamdi** (AC Vol 42 No 20), is driving closer cooperation among the Minerals and Finance ministries and the Central Bank of Sudan (CBOS, formerly Bank of Sudan). State governors have a big hand; **Mohamed Tahir Eila** is reportedly heavily involved in developments in his Red Sea State. The NCP has been playing catch-up in a gold rush that has largely escaped its control.

Artisanal miners never ceased operating and made small fortunes after 2009, when alluvial discoveries in the Wadi Gagaba

encouraged some 100,000 people to migrate to the northern Nubian Desert, where Gagaba forms a dry river valley 200 kilometres long and 3 km. wide. World gold prices rose from about US\$1,000 per ounce in 2010 to \$1,600/oz. in 2012. The number of traditional miners rose to over 250,000 countrywide, causing a shortage of agricultural labour in some parts.

Production figures are vague. In 2009, the research group Thomson Reuters GFMS (formerly Gold Fields Mineral Services) said Sudan produced only four tonnes of gold a year, against world production of 2,739 tonnes in 2010. Several **Canadian** and European analysts privately ridiculed **Abdel Bagi Jeilani's** comments of October 2011, suggesting 70 tonnes of annual gold production. Yet it is clear that Sudan's gold supply is substantially larger than previously understood – and growing.

Figures from the **United Arab Emirates** Ministry of Foreign Trade on 7 October said Sudan had exported gold worth \$1.976 billion to the UAE in 2011 (around 37.3 tonnes at \$1,500/oz), making it the second supplier by value after **Switzerland** to the region's dominant gold hub and nearly doubling 2010's total gold revenue of \$1.03 bn. On 30 October, Central Bank Governor **Mohamed Kheir el Zubeir** announced that 63 tonnes of gold had been exported since January. Up to 90% of revenue previously went untraced. It is now being recovered by the promotion of institutional (foreign) investment, the enforcement of licensing rules under the Mineral Resources and Mining Development Act 2007, a newly completed refinery for the whole region and the direct purchase of artisanal production by the CBOS.

KHARTOUM COURTS ARAB MONEY

Minister **Kamal** has just returned from **China**, where he attended a mining conference, met investors and signed a three-year bilateral education and technology cooperation agreement. At last year's conference, his predecessor had promised to give Chinese mining companies priority in investment. However, no country yet dominates the expansion of industrial mining.

A senior European diplomat privately highlighted mining investment as a potential means of engagement with Sudan's ostracised government. 'The gap the West leaves is only being filled by others'. Yet with **United States'** sanctions (imposed in 1997) renewed again on 2 November, Western business involvement remains slight. Since the sale in August for \$493 million of **Canada's** La Mancha Resources to **Egypt's** **Naguib Onsi Sawiris**, Guernsey-registered Toro Gold is perhaps the sole major Western company still present, investing \$1.5 mn. in exploration last year. Khartoum hosted a largely Western-oriented mining conference in Port Sudan in October 2011 that was twinned with its Eritrean equivalent. No such conference took place this year, probably due to a lack of Western interest. As Sudan courts Arab money, the Twelfth Arab Mining Resources Conference was held in Khartoum on 27-29 November.

Since he bought La Mancha, Sawiris owns 40% of the Ariab Mining Company, which runs Hassai mine (see Box). The government holds 56%, with 4% for a **French** firm which first worked the mine. It has produced 71.5 tonnes since 1991 and new investment could double revenue. **Morocco's** Managem, which also works in **Gabon**, said in June that it had identified reserves of 66 tonnes in its Block 15 Wadi Gagaba licence and would start producing in December. A Sudanese consultant told



Africa Confidential that Managem expected to produce 10 tonnes of gold a year within four years. **Indian, Jordanian, Turkish** and **Qatari** exploration projects have also been highlighted.

Ascom Precious Metals, majority-owned by Egypt's Citadel Capital, possesses what it calls a 'very promising' 3,000 square km. concession in Blue Nile State, where traditional miners have worked. The NCP knows its promotion of foreign investment is doomed if it doesn't confront the artisanal miners. Two people were injured in River Nile State on 10 November after police broke up a protest by traditional miners angry at being removed from a newly assigned mining area. This month, Field Marshal Omer formed a special police unit, attached to the Mining Ministry, to clamp down on informal activities.

BELL LEFT BANGING ON THE DOOR

Sudanese companies have been drawn to the boom. Rida Mining produces at a small mine in River Nile State, near the Egyptian border; its Chairman is **Ali Mohamed el Hassan Abarsi**. **Anis George Hagggar's** powerful Hagggar Group considered purchasing La Mancha after it sold its tobacco cash cow in July 2011 to **Japan Tobacco** for \$450 mn. A well resourced and lucrative service industry has sprung up. In the remote Wadi Gagaba, AC was told, they can fix cars and supply water, metal detectors or other tools. The giant and well-connected DAL Group (named after founder **Daoud Abdel Latif** and chaired by his son **Usama**) has for decades owned the Caterpillar franchise, among others. Competitors, such as **South Africa's Bell Equipment**, are left banging on the door.

Mining sector growth can also fuel dialogue among neighbours. Eritrea has entered the gold big league, with relaxed mining legislation. Canada's **Nevsun Resources** alone produced 10.7 tonnes there in 2011. At a mining congress in Asmara on 2 October, Eritrean Energy and Mines Minister **Ahmed Haj Ali** signed a memorandum of understanding on joint border exploration with Sudan's **Kamal Abdel Latif**. A 2,000 metre-deep marine deposit in the Red Sea between Sudan and Saudi Arabia, known as **Atlantis II Deep**, is rich in copper and zinc potential, and **Germany's Kiel Institute for the World Economy** estimates early-stage gross revenue at up to \$8.2 bn. Funding

permitting, it will be exploited by 2014. A joint Saudi-Sudanese commission established in 1974 will be the prime regulator.

Mining companies tend to follow each other and some seek to operate across the ANS. London-listed **Centamin** – which operates the huge **Sukari** gold mine in Egypt and has been mired in a recent court battle – bought Ethiopia-focused **Sheba Exploration** for £7.48 mn. (\$11.99 mn.) in 2011. **Ascom** and **Managem** have concessions in Sudan and Ethiopia. In South Sudan, investors await a long-promised mining bill.

An **Italian-built** and-supervised gold and silver refinery opened in Khartoum North on 19 September. Its Director, **Mohamed el Hassan Osman el Zubeir**, said it would offer its services to **Chad**, Ethiopia and Eritrea, among others. With a reported refining capacity of over 365 tonnes a year, there is no way Sudan alone could fill it. Several sources in Sudan and elsewhere believe that new gold is more likely to head directly to Dubai or Switzerland than through Khartoum. Unrefined gold contains impurities, such as silver, that buyers do not usually pay for; refining Sudanese gold to 99.99% pure would maximise revenue to the Central Bank.

First, though, the refinery must procure enough domestic gold. Institutional miners have sold directly to the international market, paying the government a 7% royalty and 15% corporate tax, plus any government share in a joint venture. The CBOS, hungry for foreign exchange, now often pays international prices, plus a top-up to ensure that artisanal product is not smuggled out. This stems contraband but boosts inflation. The CBOS has printed money to pay traders at the black market rate of 6 Sudanese pounds to the dollar, when the official rate is LS4.4 to the dollar.

The IMF recommends more austerity measures, which the NCP will be obliged to pursue by stealth – on 19 November, the Finance Ministry increased tax and fees on sugar. All this comes despite Sudan being on track to reach an estimated 70-75 tonnes of gold output by the end of this year, becoming third African producer (after South Africa with 190 tonnes and **Ghana** with 100 tonnes) and creating gross revenue of at least \$3.5 bn. With the regime acting also as trader, 'both the government and the trade will be corrupted', a former CBOS official told us. ●

EGYPTIANS RETURN IN SEARCH OF GOLD

Last August, Egyptian billionaire **Naguib Onsi Sawiris**, 58, bought La Mancha Resources, owner of 40% of Sudan's **Ariab Mining Company**. **Naguib** is a Coptic Christian and telecommunications captain of his huge **Orascom** empire with his younger brothers **Samih** (property) and **Nassef** (construction and fertilisers). He is not known for his mining expertise.

Yet **Sawiris** has long identified and developed undervalued assets, going where the West fears to tread. In late 2008, he opened the first 3G telephone service in **North Korea** and was active in **Algeria** and **Iraq**. He likes to conduct business personally, at a high political level, we hear, and avoided Egyptian diplomatic links in his Sudan venture. He was careful not to appear close to the regime of President **Mohamed Hosni Mubarak**, from which he had nevertheless benefitted. His satellite channels, O-TV and On-Tv, promoted political discussion

and included presenters critical of the then ruling National Democratic Party. After the January Revolution, he co-founded the liberal **Free Egyptians Party**.

In Europe, **Sawiris** has recently been linked to a major new bid for **Telecom Italia** and also built up a stake in **Telekom Austria** Group, their countries' largest providers. He cashed about US\$6 billion from selling most of **Orascom Telecom** to **Russia's VimpelCom** in a deal concluded this year. In February, he sold his remaining stake in the Egyptian operator **Mobinil** for \$1.95 bn., some of which will go into developing **Hassai** from a gold into a copper mine.

After 2006, the **French** nuclear giant **Areva** held 63% of La Mancha. By early 2011, it knew that substantial further investment – \$187 mn. according to a study – was required to rejuvenate **Hassai**. When it failed to persuade Khartoum to yield some of its 56% share, La Mancha arranged

an analyst site visit in November 2011 to introduce **Hassai** to the world (La Mancha's 'jewel in the crown', said **British** broker **Collins Stewart**.)

The stock price shot up from 2.60 **Canadian** dollars (US\$2.62) in November to C\$4.00 in March. Despite the general malaise in mining stocks, **Sawiris** bid C\$3.50 per share last July through his **Luxembourg** investment vehicle, **Weather Investments SARL**. Despite a 40% premium on the trading price, industry sources tell us that he has picked-up a relative bargain. Production at **Hassai** declined to 2.23 tonnes in 2011. With a new processing system, La Mancha estimates production will more than double, to 5.02 tonnes. After the gold is exhausted, **Hassai's** underlying copper reserves are estimated at 365,800 tonnes. Minerals will boost the Sudan government's coffers and reward those investors who dare to take the political risk. ●

TANZANIA

New strains on the Union

Islamist-inspired violence is accelerating, alongside growing separatist sentiment as a crucial deal on oil exploration is reached

Riots, killings and crackdowns have shaken Zanzibar for most of 2012, as Islamist forces mobilise growing support. At the same time, an agreement for Zanzibar to manage its own oil resources is encouraging separatists in the mainstream Civic United Front (CUF, see Box). The islands have witnessed several major riots this year, the most recent on 17 and 18 October. At least two people died, including a police officer stabbed to death, amid massive damage to buildings, including the arson of several churches.

The riots were triggered by the disappearance for three days of Sheikh **Farid Hadi Ahmed**, leader of the Islamist *Jumuiya ya Uamsho na Mihadhara ya Kiislamu Zanzibar* (Association for the Awakening and Propagation of Islam in Zanzibar), which has strong **Saudi Arabian** links. Farid resurfaced on 19 October, claiming to have been abducted by masked men calling themselves police officers. Police Commissioner **Mussa Ali Mussa** denied the claim, saying police had searched for Farid after he disappeared. He then accused Farid of staging the abduction so as to provoke the riots.

Seven *Uamsho* leaders, including Farid, are now on trial for 'incitement', destroying property and endangering 'national security'. The other men charged, says the local press, are **Mselem Ali Mselem**, **Mussa Juma Issa**, **Suleiman Juma Suleiman**, **Azan Khalid Hamdani**, **Hassan Bakari Suleiman** and **Khamis Ali Suleiman**. All are on bail and their next court appearance is set for 4 December.

Uamsho leaders have kept tension high via a series of political manoeuvres. After Farid was arrested in late May, for example, riots immediately followed. When the *MV Skagit* ferry capsized on 19 July, killing 146 people, *Uamsho* quickly organised a public prayer meeting, which led to rioting and clashes with the police.

The conventional local wisdom is that after the CUF joined the governing *Chama cha Mapinduzi* (CCM) to form a Government of National Unity for Zanzibar after the 2010 general elections, *Uamsho* rushed into the political territory abandoned by the CUF. Under the coalition deal, the veteran CUF leader, **Seif Shariff Hamad**, is one of two vice-presidents under Zanzibar President **Ali Mohamed Shein** of the CCM. The CUF had long struggled for a taste of real power and to many, the coalition looked like the ageing Seif Shariff's last chance. Yet some sceptics believe that *Uamsho* may be controlled by or in secret alliance with CUF leaders who want to take advantage of political instability without ultimate responsibility.

Those who see *Uamsho* as a stalking horse for the CUF point out that CUF leaders have not publicly condemned any of *Uamsho*'s actions. Its rhetoric makes less reference to religious or moral matters than typical Salafists and, like more modern Islamists, focuses on the political. Speeches by *Uamsho* leaders in their Darajani stronghold, amid the East European-built tower blocks close to the tourist attraction of Stone Town, and also on YouTube, dwell mainly on worldly, overtly political issues

such as youth unemployment, which some estimate at 85%, and high prices. There is a belief that the CUF is using *Uamsho* to build a commanding electoral force for the 2015 polls. One CCM leader in the Zanzibar coalition, **Amani Karume**, son of the island's founding President, **Abeid Karume**, was heckled during the party's mid-November conference with shouts of '*Uamsho*!' He strongly denies any connection with the group.

Uamsho has been under scrutiny since its foundation as a non-governmental organisation in 2001. Among the cables released in September 2011 by WikiLeaks were analyses by **United States** State Department officers of *Uamsho*'s cloaking of politics in the language of Islam. '*Uamsho* bills itself as a non-partisan, non-political association of religious scholars, but in practice it pronounces almost exclusively on political issues, seeking out an 'Islamic' reading of current events', ran a 2008 telegram. The group had been blamed for carrying out bomb attacks on bars in 2004 but that was followed by a period of reconciliation with the authorities. *Uamsho* was responsible for the bombings, a diplomatic source said, but stopped when it won the political attention it desired.

Uamsho's NGO status has allowed it to avoid the persecution that would have been its lot as a formal political party. Its core activists originally came to Unguja from Pemba, the CUF stronghold, and established themselves in Darajani, often in alliance with *Answar Sunna* members, who take direction from clerics in Saudi Arabia. In 2001, the government created an office for the *Mufti* of Zanzibar, giving him legal authority – and *Uamsho* an opening for confrontation with government.

The Islamists insisted on convening for the *Eid* and other festivals on days decreed by the Saudi *Mufti*, not the Zanzibari *Mufti*. Their gatherings were therefore illegal and the violence as the security forces dispersed them attracted wide publicity, drawing discontented youths to *Uamsho*'s banner. In early November, the *Mufti*'s Secretary, Sheikh **Fadhil Suleiman Soraga**, who had attacked *Uamsho* violence and intimidation as un-Islamic, was badly injured when an assailant threw acid in his face. *Uamsho* leaders also cultivate foreign diplomats and journalists to gain a wider audience.

Mbuyuni Mosque is one of those influenced by *Uamsho* and is believed to have financial links to Gulf elites and wealthy **Omanis**, many of whom are nostalgic for their pre-revolutionary influence on the islands. *Uamsho* is becoming increasingly militant, says **Benson Bana**, a senior advisor to President **Jakaya Kikwete**. 'I believe there are external actors behind *Uamsho* and its leaders. But I also believe that those groups have supporters internally and these may include local politicians...Time will tell.' ●

LICENCE TO SECEDE

Zanzibar's President **Ali Mohamed Shein** and national President **Jakaya Kikwete** reached 'agreement in principle' on 25 October that Zanzibar could manage its own oil and gas industry, said **Mohamed Aboud Mohamed**, Zanzibar's Minister in Charge of Union Affairs. The little-noticed agreement has the potential to unravel a union of nearly half a century between mainland Tanzania and Zanzibar. The independence so long desired by Zanzibar's largest political party, the Civic United Front, has always been seen as a pipe dream in the absence of significant economic resources. Oil could change that. Yet until the latest announcement, the two sides could never agree on how to share revenue.

Royal **Dutch** Shell was granted oil exploration licences for four blocks (9, 10, 11 and 12; see Map, AC Vol 53 No 18) on the eastern side of the island group in 2002 but work was suspended over Zanzibari objections to the involvement of the mainland-based Tanzania Petroleum Development Corporation. The area is believed to be geologically promising and Shell unsuccessfully tried to broker an agreement to permit exploration to resume last year, says an industry source. Other offshore areas off Tanzania have yielded big natural gas finds. Some observers have expressed surprise at the agreement because the Union is a core element of the ideology of the governing *Chama cha Mapinduzi*. ●

NAMIBIA

SWAPO picks a new leader

Three hats are in the ring for the SWAPO vice-presidency: the winner will almost certainly become the next head of state

In a three-horse race for the vice-presidency of the SWAPO party, **Jerry Ekanjjo**, the Minister of Regional and Local Government, has emerged out of left field. The final decision in the faction-ridden, bitterly contested battle will come at the party conference on 29 November to 3 December. The winner will be SWAPO's candidate in the November 2014 presidential election, which SWAPO is sure to win. President **Hifikepunye Pohamba** will remain party President – the post is not up for election at the congress – and step down as head of state at the end of his second five-year term in March 2015.

The positions of Secretary General and Deputy Secretary General are also up for election and two candidates for the party vice-presidency, national Vice-President and Minister of Trade and Industry **Hage Geingob**, 72, and Ekanjjo, who is 66, have lined up nominees. Whichever candidate's allies succeed will possess a strong command of the party. The Justice Minister and current SWAPO Secretary General, **Pendukeni Iivula-Ithana**, who at 61 is the youngest candidate, has no allies standing for the other posts, placing her in a weaker position.

AVOIDING DIVISION

To avoid a repetition of 2004's divisive contest for the presidential candidacy, the SWAPO Central Committee ruled last year that only three candidates would be allowed to stand for each post and that the winner of the party vice-presidency would become the party's presidential candidate in 2014 (AC Vol 45 No 12). After Geingob's and Iivula-Ithana's nominations were approved in early October, Prime Minister **Nahas Angula** was widely expected to take up the third slot but Pohamba told him to let Geingob have a clear run. Ekanjjo's nomination came later.

Geingob may be marginally the favourite because Pohamba wants him as his successor and he is also backed by a majority of the cabinet. This may not be enough, however. Geingob is from the minority Damara community and, if elected, would be Namibia's first non-Oshivambo head of state. At first, he sought to capitalise on this, especially since the Minister of Youth, National Service, Sport and Culture, **Kazenambo Kazenambo** (a Herero), had expressed a desire for a non-northern SWAPO president to underline the party's diversity.

However, this strategy threatened to alienate congress delegates and Geingob has buried it. Most SWAPO members are from the north and without some northern support, Geingob, who many within the party view as arrogant and too pro-business, will fall short. He is the continuity candidate and would maintain the government's policy of attracting foreign direct investment. This more than doubled over five years to US\$900 million in 2011, mostly for mining projects.

On the other hand, the increasingly influential SWAPO Youth League (which allows members up to the age of 40) detests Geingob. The League accuses Geingob and Angula of watering down provisions for black economic empowerment in the ownership of local and foreign private business. Under the New Equitable Economic Empowerment Framework (NEEEF) law tabled in Parliament at the end of 2011 but not yet enacted, BEE enterprises or historically disadvantaged Namibians (HDNs: in practice, all black and non-mixed race nationals) will have to purchase equity stakes on commercial terms, rather than getting them for free as the SYL wants.

Iivula-Ithana is a formidable politician, widely known as SWAPO's Iron Lady. If Ekanjjo were not in the race, she would be well placed to defeat Geingob. She has the endorsement of the SWAPO Women's Council but lacks heavyweight cabinet allies. The once-powerful Omusati party faction of northern leaders which she headed also appears to have lost influence under Pohamba, who has sought to reduce internal factionalism, with some success (AC Vol 53 No 2). Iivula-Ithana has no dealings with foreign investors in her current job and while less pro-business than Geingob, she would not be likely to significantly alter current policy.

Ekanjjo's candidacy has thrown the race wide open. Both he and Iivula-Ithana are northerners and could hand victory to Geingob if they split the northern vote. However, local political observers believe the contest is increasingly between Geingob and Ekanjjo, with Iivula-Ithana likely to come in third. Much depends on whether it is decided in the first round. It goes to a second round if no candidate receives more than 50% of the vote, although the Central Committee has yet to announce the voting rules.

Ekanjjo, who was Home Affairs

Minister in 1995-2005 and is SWAPO Information and Mobilisation Secretary, was nominated by the SYL Secretary, **Tjitunga Elijah Ngurare**. If he were to become the next president, he is likely to be sympathetic to the SYL's policies. That includes faster land redistribution and more state intervention in the mining sector. A former Robben Island political prisoner, Ekanjjo has been preparing to run for the top job since Founding President **Sam Nujoma** persuaded him not to contest the vice-presidency against Geingob in 2007 to preserve party unity. He campaigns as a man of the people and foreign investors would not be pleased if he won.

NUJOMA NOMINEE

Ekanjjo's trump card would be to win Nujoma's endorsement. Nujoma remains a powerful influence within the party and is hero-worshipped by both Ekanjjo and the SYL. Already dignified by the status of Namibia's Founding Father, Nujoma was recently granted the first permanent membership of both SWAPO and its Central Committee. The former President has said nothing publicly about which candidate he prefers and has not contradicted Geingob's claim that he shares Pohamba's endorsement of him. 'If he [Nujoma] has a preferred candidate in mind, he will see to it that the person will walk out victorious,' the head of the University of Namibia Political Science Department, **Victor Tonchi**, said, recently.

Many SWAPO-watchers believe Nujoma will throw his weight behind Ekanjjo, if for no other reason than to secure Namibia's presidency for his eldest son, **Utoni**, in 2020. Nujoma Junior has been an unimpressive Minister of Foreign Affairs but is contesting the SWAPO secretary generalship with SYL endorsement, which many see as a first step to realising his father's ambitions to found a dynasty.

In this scenario, Ekanjjo would serve only one five-year term and then step down in 2020, when he would be 74, in favour of Utoni, who would then be 68. Ekanjjo has nominated Utoni for the secretary generalship, while he nominated Iivula-Ithana for vice-president. His opponent, the outgoing Deputy Secretary General and Minister of Safety and Security, **Nangolo Mbumba**, is in the Geingob camp. Utoni in turn nominated the Education Minister, **Abraham Iyambo**, for deputy secretary general; his opponent is the Omaheke regional Governor, **Laura McLeod-Katjirua**, a Herero and another Geingob supporter.

As for the outcome of the conference, the balance of probability, observers agree, is that Iivula-Ithana will be eliminated in the first round. She may then transfer her support to Ekanjjo, who would then prevail over Geingob. ●

SOMALIA

Floating arsenals in legal fog

Indian Ocean piracy is down, thanks to naval patrols, armed guards and 'panic rooms', but the law governing ship protection is murky

The hijacking of merchant ships off the coast of Somalia has decreased dramatically in the last year. Yet the private military security companies whose armed guards are largely credited with this turnaround still find themselves legally adrift. PMSCs are governed by the laws of the country – or its territorial waters – that they are in. Carrying arms into a country can be construed as arms smuggling, using weapons without licence, a breach of an arms embargo (especially in Somalia's case) and other offences. Some countries that permit ships to enter port with armed guards may not allow them to leave with their weapons.

To sidestep this problem, 'floating armouries' are being used to store weapons for PMSCs. Ships about to sail into port leave the guards' weapons with the floating armouries and pick them up again as they leave territorial waters. This practice 'avoids the bureaucracy of local ports and saves incurring port costs. It also allows owners to avoid lost time in deviating to ports to collect guards,' maritime lawyer and former Royal Marine **Stephen Askins**, a veteran of several hijacking negotiations, told *Africa Confidential*.

The highest-profile operator of this service is **Sri Lanka**-based Avant Garde Maritime Services. Sri Lanka is ideally placed geographically, being on the edge of the high-risk area. A wide variety of companies use AGMS's floating armouries, its Chairman, Major **Nissanka Senadhipathi**, told us. Avant Garde provides what its website calls 'infrastructure facilities for international maritime security services'. Its partner is government-owned Rakna Arakshaka Lanka Limited. Senadhipathi said there were 'thousands of weapons' on his company's ships – small arms, ammunition, body armour and night-vision goggles. AGMS charges US\$25 a day to store the weapons and ammunition, with 800 to 1,000 movements on and off the armouries each month.

There are 20 armouries off the coast of Port Suez, on the Red Sea; Fujairah, **United Arab Emirates**, in the Arabian Gulf; and Mombasa, Zanzibar, Dar es Salaam, **Mauritius**, **Seychelles**, Gujarat, and Galle, Sri Lanka, we hear. Many governments are understandably not happy with the idea of ships loaded with guns lying just offshore, especially in the

narrow, tense and strategic Gulf.

On 15 October the UAE Coastguard detained the *Sinbad*, a dual **Mongolian** and Sri Lankan-flagged floating armoury belonging to AGMS after it strayed into UAE waters. The ship was detained for a week and its government-owned status was crucial to obtaining its eventual release. In Fujairah in late November, the authorities issued a Marine Notice banning all crew changes and bunkering outside port limits. This means that Avant Garde cannot use the port when sending out relief crews to the armouries.

Piracy in the Red Sea and Indian Ocean has dropped significantly. An International Maritime Bureau statement late this month said that in the first nine months of 2012, there had been 70 attacks off the coast of Somalia, compared with 199 for the corresponding period in 2011. The IMB says only nine vessels are currently being held by pirates. There have been only five marine hijackings this year, a significant reduction on past years, says **Leslie Edwards** of kidnap specialists Compass Risk Management.

PANIC ROOM THWARTS PIRATES

A spokesperson for the European Union Naval Force (EU Navfor) said that while the 'reduction in piracy is due to a number of factors', PMSCs have 'without doubt' had a considerable effect. Premiums for hijacking insurance are lower if the vessel carries armed guards, an industry source said. 'Safe rooms' or 'panic rooms' have also played a major role. When pirates threaten, the crew locks itself inside an armoured, well-supplied room with control of engines and navigation to which the pirates cannot gain access. The pirates eventually have to leave empty-handed. Edwards said that a panic room had thwarted pirates on at least one case he had worked on.

The United Nations International Maritime Organisation's **Djibouti** Code of Conduct is one effort to harmonise the legislation of littoral states in regard to many legal issues on piracy. However, it is patchily observed and confusion over the legal status of PMSCs remains in many areas (AC Vol 53 No 2). There is also the matter of what to do with captured pirates, which is not straightforward either. If Somalia's situation stabilises, the question will arise of trying pirates in Somalia. Till then, the government seems

happy to let others look after the piracy problem. Opening a debate on piracy at the UN Security Council on 19 November, UN Secretary General **Ban Ki-moon** said that for offshore Somalia, the 'challenges remain significant'.

British-licensed PMSCs are not allowed to use floating armouries and need an Open General Trade Control Licence for the transfer of weapons between third-party countries and approved armouries. That is extremely hard to obtain. Floating armouries are not approved. The chief executive of one PMSC claimed to AC that the company operates within the law and was approved by the British Foreign and Commonwealth Office. He would not be drawn, though, on whether or not the company used floating armouries. Piracy was 'basically dead', he added. The Sri Lankan and British governments are in talks on the issue and London is considering approving the Sri Lankan set-up. If it does not, Askins says, it could 'impact the ability to provide enough armed guards. At a time when the incidence of piracy is so low some may think that is not critical but most are warning against complacency.' Piracy of course continues in the Gulf of Guinea (AC Vol 52 No 21).

'It would surprise me if there was formal complicity in these arrangements. More like a blind eye being turned. And, anyway, what could the British Foreign Office do about it? The relevant laws are the local ones and there is a danger of overestimating their influence and engagement in these matters', a British former official told AC. Meanwhile an FCO spokesperson said, 'The issue of floating armouries is complex and is being considered across government. We are continuing discussions with interested parties, including the Sri Lankan authorities. We are determined to find a solution that allows British PSCs [PMSCs] to compete for contracts in a fair and transparent manner that respects legitimate security considerations'. AGMS's Senadhipathi claimed there was no problem because his company had the same legal status as the Sri Lankan navy.

Before floating armouries came along, security companies illegally bought guns in **Yemen** and dumped them at sea when past the danger zone and about to dock. There are also several examples of Russian warships effectively being chartered out to provide a private security service. Whether Moscow has given permission for this is unclear.

Sources in the industry hope for more progress towards regularising the position of PMSCs and instituting a comprehensive legal environment that helps to fight piracy. They fear that the momentum could slow with the fall-off in attacks and that progress may be lost, allowing pirates to resume their lucrative trade. ●

INTERNATIONAL CRIMINAL COURT

ICC tries more with less

More crimes are coming into its remit but the ICC's budget is falling

The Prosecutor of the International Criminal Court, **Fatou Bensouda**, will soon decide whether to begin a formal inquiry into human rights abuses by jihadists in the Sahel. In July, the ICC launched a preliminary inquiry into the activities of **Mali's Ansar Eddine** and its allies, the *Mouvement pour l'unicité et le jihad en Afrique de l'ouest* (MUJAO).

Cases where the government's ability to prosecute crimes is weak or absent are what the Court was founded to pursue. Its responsibilities are growing yet its budget is shrinking. At a late November meeting, the 121 member states allocated 112 million euros (US\$144.64 mn.) for 2013, E6.4 mn. below the E118.4 mn. which the Court had requested and only E3.2 mn. above the 2012 budget. The ICC's financial backers, led by **Germany**, wanted zero growth in the budget to reflect austerity measures elsewhere.

The ICC suspects multiple atrocities by the Mali rebels: summary executions, rape, massacres, recruitment of child soldiers and destruction of state property (including schools and hospitals) and of ancient religious sites in Timbuktu, Gao and Kidal regions – all in the name of the jihadists' version of Islam. The ICC findings followed an August visit to Bamako.

The ICC is also making preliminary inquiries in **Nigeria**, where the *Boko Haram* sect is accused of more than 1,000 murders between mid-2009 and 2012 (see Feature). The ICC initiated the inquiry after Bensouda, who qualified in Nigeria, appealed in vain last July for the government to investigate and prosecute. The ICC has also opened an inquiry in **Guinea**, where Bensouda has often travelled, like her predecessor, **Luis Moreno Ocampo**, in a quest for justice for the perpetrators of the massacre of 150 demonstrators in Conakry stadium in September 2009 (AC Vol 50 No 20).

On 22 November, the Court also published an arrest warrant for **Simone Gbagbo**, wife of former **Ivorian** President **Laurent Gbagbo**; he is in the Hague awaiting trial. She is believed to be under house arrest in the northern Ivorian town of Odienné and has been interrogated by state prosecutors. The government has not yet said whether it will honour the ICC warrant or prosecute her itself. The warrant says she was central to the planning of many human rights abuses.

The Court continues to come under fire for concentrating on Africa. In the ten years since it was set up, it has conducted seven investigations, all in Africa: **Uganda**,

Congo-Kinshasa, **Sudan** (Darfur), **Central African Republic**, **Kenya**, **Libya** and **Côte d'Ivoire**. The ICC points out that investigations are also under way in **Afghanistan**, **Honduras**, **Georgia**, **North Korea** and **Colombia**. They dismiss the complaint that they are anti-African and refuse to accept the African Union line on Sudan's President **Omer Hassan Ahmed el Beshir**: that he is essential to the peace process with South Sudan. The new AU Commission Chairwoman, **Nkosazana Dlamini-Zuma**, reiterated that position in August. The AU's desire to protect Omer is receiving support, we hear, from Kenya. ICC indictee **Uhuru Kenyatta** has formed a 'pact of immunity' with him, say sources in Nairobi. Each will support the others' efforts not to be brought to trial.

On 16 November, the International Criminal Tribunal for Former **Yugoslavia** acquitted **Croatian** former generals **Ante Gotovina** and **Mladen Markac**, on appeal. The ICTY had convicted both of crimes against humanity for their conduct of an offensive against **Serbia**, in particular the 1995 ethnic cleansing of Krajina. United Nations judges ruled there was no 'criminal conspiracy' with the late Croatian President **Franjo Tudjman** to commit war crimes. Some observers worry that **Jean-Pierre Bemba** – on trial at the ICC for atrocities committed by his troops in CAR – may rely on a similar defence. He, however, is accused of direct responsibility for the abuses committed by his troops. Controversy will also attend the cases of **Libyans Seif el Islam el Gaddafi** and **Abdullah el Senoussi**, for whom the ICC has issued arrest warrants. ●

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POINTERS

Sudan

THE PLOT THICKENS

■ The former security boss, Lieutenant General **Salah Abdullah Mohamed 'Gosh'**, a regular interlocutor with **British** and **United States'** spies, was the best known person arrested for coup plotting on 22 November but he wasn't the most important. That was Brigadier Gen. **Mohamed Ibrahim Abdel Jalil ('Wad Ibrahim')**, held with at least twelve others, many of them fellow army officers such as Major Gen. **Adil el Tayeb** from Military Intelligence.

The arrest of Gosh, now a millionaire businessman, was designed to draw attention away from the fact that senior plotters were military, not security, while warning that his knowing where the bodies are buried offers him no protection. It is also a warning from **Nafi'e Ali Nafi'e**, who is close to President **Omer Hassan Ahmed el Beshir**, to **Ali Osman Mohamed Taha**, a presidential aspirant who is close to Gosh.

Wad Ibrahim was one of 700 army officers who last year demanded the removal of the Defence Minister, Gen. **Abdel Rahim Mohamed Hussein**, Field Marshal Omer's close ally and fellow International Criminal Court indictee. This was mainly a military plot but it was not anti-Islamist – quite the reverse. Those implicated belong to the group *El Sa'iahoun*, a Koranic term for those who renounce the pleasures of life in devotion to God. They want to return to the roots, as they see them. Its military devotees are bound together by decades of battle-hardened comradeship in the regime's many wars. They would go in 'guns blazing', said one source, describing them as 'the cream of the Islamist movement'. A former security officer agreed: 'This is within the house.'

Triggers for the plot include the standoff with **South Sudan**, economic collapse, Field Marshal Omer's presumed throat cancer (say medical sources) and the Islamic Movement jamboree the previous week. This cost US\$250,000 and welcomed Islamists such as **Tunisia's Rachid Ghannouchi**, the Muslim Brotherhood Supreme Guide, **Mohamed Badie**, from **Egypt**, and **Khalid Meshaal** from Hamas, who profusely thanked Sudan for its help in Gaza and promised to take revenge on **Israel** for bombing the Yarmouk arms factory (AC Vol 53 No 22). The gathering also saw Omer's clique stave off opposition from *Sa'iahoun* and others wanting a return to ideological purity or at least a change of leader. They include **Ghazi Salah el Din el Atabani**, long a self-proclaimed critic but always at the heart of the party. Until now the regime has skilfully contained splits: this is no longer the case.

South Africa

ZUMA SWEEPS THE BOARDS

■ President **Jacob Zuma** is tightening his grip on state-owned enterprises and purging boards and executives. His advisors say the SOEs often ignore his government's objectives, behave too independently and include too many supporters of ex-President **Thabo Mbeki** or Deputy President **Kgalema Motlanthe**.

In September, the Chairman of the state telecommunications company Telkom, **Lazarus Zim**, suddenly resigned. He had broken with Zuma, we hear, and may have sinned by turning towards Motlanthe. Last month, Communications Minister **Dina Pule**, a close Zuma ally, removed four independent non-executive members of the Telkom board for 'not toeing the line', sources said. Telkom Chief Executive **Nombulelo 'Pinky' Moholi** resigned last week, along with another board member, because government had been 'unduly interfering'. It had rejected a deal in which **South Korean** telecommunications company KT would buy a 20% stake in Telkom for more than 3 billion rand (US\$340 million). Apparently Zuma and his allies want a **Chinese**-led deal.

In late September, South African Airways Chairwoman **Cheryl Carolus** resigned with seven other board members after what they called 'a breakdown in the relationship' with the Public Enterprises Minister, Zuma's ally **Malusi Gigaba**. Zuma's ally **Vuyisile Kona** duly replaced her.

On 20 November, **Paul O'Flaherty**, Financial Director of energy utility Eskom, resigned. The opposition Democratic Alliance is demanding an explanation. At the Development Bank of Southern Africa, **Patrick Dlamini**, another ally of Zuma, was recently appointed Chief Executive after the abrupt departure of **Paul Baloyi**. Yet another key ally, **Mo Shaik**, heads a new DBSA international entity. **Riaz Saloojee**, an African National Congress intelligence official when the party was in exile, is now Chief Executive of Denel, the state-owned arms company. The Industrial Development Corporation is next, we hear.

Zimbabwe

IMPORTS AND EXPORTS

■ Food is short across the country and the rains are late. Zimbabwe used to be the regional breadbasket but now relies on **Zambia**, formerly a maize importer, whose welcome to Zimbabwe's dispossessed white farmers has paid off handsomely. Zimbabwe is delaying handouts of grain in case the bags carry a repetition of earlier subversive messages from exiled whites.

Amidst the hunger, the Zimbabwe African National Union-Patriotic Front holds its annual conference in Gweru next week. The ten provinces have all ritually endorsed President **Robert Mugabe's** candidacy in the elections he still insists will take place in

March. The date remains dubious though. The draft constitution is still not ready for submission to referendum and that cannot now take place before late January.

Nor has ZANU-PF obtained much success abroad. Before its own recent congress and top leadership changes, **Chinese** comrades made some uncomradely comments about the need for leadership renewal and the elimination of corruption to a visiting ZANU-PF delegation. A sliver of light was seen in the invitation from President **Yoweri Museveni**, at the Common Market for East and Southern Africa Summit in Kampala, to the Minister for Small and Medium Enterprises, **Sithembiso Nyoni**, to stay on and advise her **Ugandan** counterpart, Zimbabwe's *Sunday Mail* said.

Another previous export will not be leaving the country. Ten years ago, the Zimbabwe military was propping up the **Kabilas** in **Congo-Kinshasa** and taking heavy casualties, as well as diamonds. The relationship is now frosty: the military has found casualty-free diamonds at home, their equipment is run down, air assets and mobility are depleted and among the top brass, only Army Commander **Phillip Sibanda** has battle experience. Harare is still claiming US\$1 billion to cover the earlier losses, with no answer.

Mozambique

MAKE MINE A MINE

■ Foreign mining companies await clarification of the regulations after a bill goes before Parliament next month. The mining bill will also open the door to direct ownership by companies owned by the elite of the governing *Frente de Libertação de Moçambique*. The US\$11 billion of foreign direct investment in mines and infrastructure is a tempting opportunity for those Frelimo leaders with interests in holding companies and minority shares in joint ventures with foreign companies (AC Vol 52 No 18).

The bill requires 5% of the equity of new mining ventures to be assigned, free of charge, to the state mining company, *Empresa Moçambicana de Exploração Mineira*. Controversially, its provisions allow for at least 10% to be held by the local private sector. The government may demand the sale of a share of the equity on the local stock market, the *Bolsa de Valores de Moçambique*. The less transparent option would be to require direct holdings by local companies, which suggests the murky conglomerates belonging to Frelimo or senior individuals and their relatives.

As it stands, the law says a percentage of all mining companies should be available for local participation on a commercial basis to be defined when contracts are negotiated. The first test case will be **Brazil's** giant Vale and its Moatize coal mine, which is in negotiation with local authorities over the choice of private investors.

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BLUE LINES

Africa has had more political drama and economic change, much of it pointing in a positive direction, than any other continent in 2012. Successful, peaceful elections have strengthened democracy in Ghana and Sierra Leone and consolidated political pluralism in Liberia and Zambia. Having overthrown dictatorships, the people of Egypt, Libya and Tunisia are now trying to negotiate new constitutions, which pits secular liberals against Islamists. The pushback against authoritarianism – secular or theocratic – suggests North Africa's revolutions have deeper roots than many thought.

Just as transformative is the wave of natural resource, agricultural and retail investment, even if some cheerleaders ignore unpalatable side effects. Africa's civic activists stress the need for governments to get higher tax and royalties and negotiate more local processing. Watch Ghana, Mozambique, Tanzania – all learning lessons from other resource-rich economies.

Young Africans are more literate than their parents but more unemployed. Governments must encourage, not fight, the informal sector, the biggest employer in most countries. Investment in education has to rise steeply: almost half the world's children without formal education are in Africa. Those figures, along with the national crises in Congo-Kinshasa, Kenya, Somalia, Sudan and Zimbabwe, show the formidable agenda ahead but African governments and people are better placed than ever to tackle it.

GHANA

The Mahama factor

The NDC candidate turned around the campaign after his predecessor's death; now he has to deliver on his promise of sweeping improvements to governance

It was Ghana's longest, costliest and most acrimonious election campaign. It ended with a grand party for the National Democratic Congress on 9 December and attempts by the opposition New Patriotic Party to persuade the Electoral Commission to delay the announcement of the results. The presidential result will be difficult to challenge. The NDC's **John Dramani Mahama** was reelected President with 50.70% to 47.74% for the NPP's **Nana Addo Dankwa Akufo-Addo**, a margin of 325,863 votes. The best estimates put the cost of the election at over US\$100 million.

Although the first day of voting on 7 December was generally peaceful, tension rose on the following day and then on 9 December, troops surrounded the Electoral Commission (EC) headquarters after NPP supporters had announced they would march on the building. Tempers had cooled by 13 December, with the NPP pledging to accept the Supreme Court's verdict when it presents its legal challenges. We hear NPP tactics are to try to establish that at least 150,000 votes were wrongly allocated to Mahama. If successful, that would force the EC to hold a second round of voting as it would mean that Mahama had not hit the critical 50% mark in the first.

Local and foreign election observers, other competing parties and civic groups judged the elections free and fair, albeit with some technical and organisational deficiencies. The main local group, the Coalition of Domestic Election Observers ran a parallel vote tabulation based on data from its 1,492 observers in all the country's 275 constituencies. CODEO produced results

within 1.35% of the official EC results.

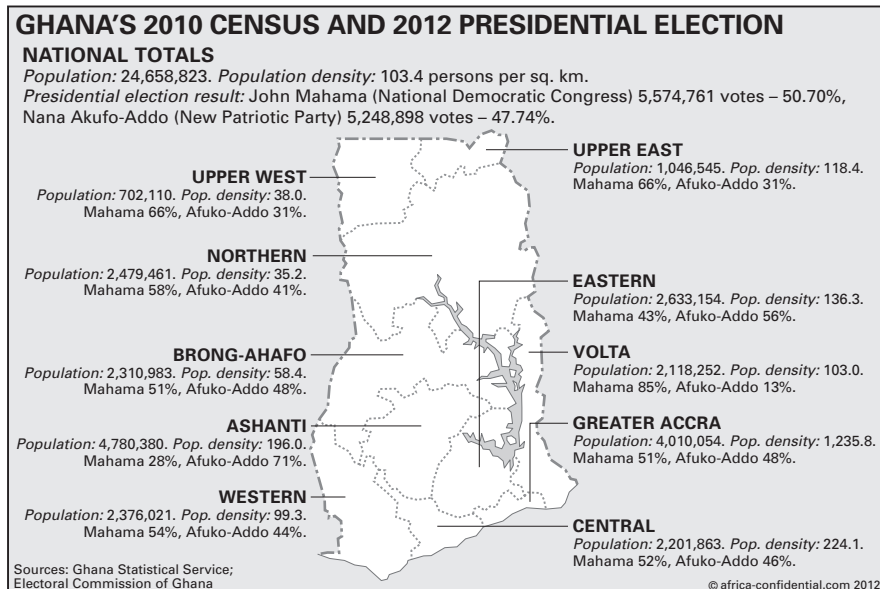
The use of biometric elector identification machines, as the NPP and other opposition parties demanded, limited the possibility of fraud in the electoral register but caused new organisational problems when the machines broke down. In response, the EC extended voting for a second day in at least 10% of the 23,000 polling stations.

Because members of parliament had enshrined in law that no ballot should be counted unless the voter's identity had been checked biometrically, the EC had little choice. The NPP seized on President Mahama's suggestion that local electoral officials show some flexibility on verification as an attempt to undermine voting security. The dispute was typical of the rumbling rows between the two main parties, heavily amplified in the partisan local press and news hungry radio stations. While the state-owned dailies, the *Ghanaian Times* and *Daily Graphic*, and the privately owned *Enquirer* generally tilted to the governing NDC, the privately owned *Daily Guide*, *Crusading Guide*, *The Statesman* and *Ghanaian Chronicle* strongly favoured the NPP.

The FM stations were more discreet in their political preferences. The NPP picked a fight with Joy FM, one of the best financed stations which ran its own results service. The party accused Joy of broadcasting false results but it seems the station had also offended the NPP by projecting a convincing victory for the NDC early on 9 December.

A day earlier, the NPP had published its own projections giving it a 5% lead. Late on 8 December, a senior NPP official had called on its supporters to prepare victory

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Soro clouds revival		Shotgun wedding season		Rift risk over gas laws		Captain Sanogo strikes back		TUNISIA	9
The President is determined to raise living standards but what about human rights?		The deadline for electoral alliances has forced some unlikely political bedfellows to tie the knot.		Negotiations over a planned gas plant could pit Anadarko and ENI against the government.		The putschists spend more time shoring up their local power base than promoting the transition.		LIBYA	10
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parties, a move roundly condemned by the non-partisan National Peace Council. Generally, the NDC managed journalists more adeptly than the NPP. Part of that may be due to the media-savvy style of Mahama, a former Communications Minister and author of his own memoirs, *My First Coup d'Etat*. Sales in local bookshops have picked up sharply this week. NDC officials extol the 'likeability'

of Mahama, whose conciliatory political style contrasts sharply with Akufo-Addo's adversarial approach.

Even Mahama's political foes concede that he is a skilful operator. After taking over from the late President **John Evans Atta Mills** in July (AC Vol 53 No 17), Mahama wanted to announce some substantive policy changes without stamping on his predecessor's legacy.

THE DEMOCRACY QUESTION

With a population nudging 25 million and a fast-growing lower-middle-income economy with gold, oil and gas production, **Ghana** can lay claim to running Africa's most important multi-party political system (AC Vol 53 No 23). Its main competitors in that regard are **Senegal** and **Zambia**. Yet has Ghana consolidated democracy? It has held five successive elections, including two in which parties have lost power and accepted the fact peacefully.

Beyond the partisan wrangling over what happened on 7-8 December, many want the challenges from the opposition New Patriotic Party and the incumbent National Democratic Congress to be settled publicly and transparently in the courts. 'Voters as well as the politicians need closure on this,' said an Accra-based civic activist. 'Dealing with it is essential to dampening down the hyper-partisanship of political life in Ghana.'

Ghana's record of dealing with electoral disputes is better than most. In 2004, the situation was reversed: the NDC, then in opposition, challenged the Electoral Commission's announcement that the NPP's President **John Kufuor** had won a second term. The NDC's challenge failed and its mild-mannered presidential candidate, **John Atta Mills**, bided his time until 2008, when he and the NDC won the presidency.

In 2008, though, the electoral tension was higher. **Nana Addo Dankwa Akufo-Addo** of the NPP won just over 49% of the vote in the first round, a few points ahead of his nearest rival, the NDC's Mills, but not enough to avoid a second round. Just a year after an electoral crisis in **Kenya**, there were fears that Ghana could follow a similar path if supporters of either side suspected, let alone proved, foul play by the Electoral Commission. So its Chairman, **Kwadwo Afiari-Gyan**, and his officials worked hard to promote as much scrutiny as possible; they also replaced all election workers found to have ignored the agreed voting procedures in the first round and encouraged civil society efforts to run a parallel voter tabulation scheme.

However, partisan rhetoric grew more inflammatory and tension rose sharply between the second round of voting and the announcement that Mills had won by less than 50,000 votes. Afiari-Gyan benefited from his history of presiding over elections in which both the two main parties had won, even if his forthright manner and aloofness irritates politicians. This time, the margin of almost 340,000 votes was far greater and Afiari-Gyan is about to retire but the democracy question looms larger and the financial stakes are still higher. ●

He decided against a sweeping cabinet reshuffle for fear it would create too many enemies before the polls.

Internal party polling suggested Mahama should try hard to woo the former President and NDC founder, **Jerry John Rawlings**, who had been a trenchant critic of Mills. Mahama was only partly successful: Rawlings didn't campaign for Mahama's opponents or form a new party but his wife **Nana Konadu Agyeman Rawlings** did. Significantly, her efforts to undermine Mahama had little effect on his standing, as did her husband's refusal to give Mahama more than a lukewarm endorsement. A senior NDC supporter told *Africa Confidential* that the election result was testimony to the growing irrelevance of Rawlings in the party.

At 54, Mahama is 15 years younger than his predecessor and is eager to promote a younger generation of MPs and ministers. The idea of generational change appealed to electors, most of whom are under 30. Mahama worked hard to maximise appeal across the regions. A Gonja from Bole in the Northern Region, Mahama has strengthened the NDC base in the north. His wife, **Lordina Mahama**, won her Brong Ahafo region over to the NDC for the first time.

Despite doubts about the vote-winning skills of his technocratic running mate, **Kwesi Amissah-Arthur**, this former Bank of Ghana Governor assiduously courted voters in his Central Region base. The NDC campaign relentlessly targeted the area, worried that the death of President Mills, who was born in Central Region, would cost it votes.

In the end, it won over Mills's widow, **Ernestina Naadu**, who made some highly emotive broadcasts for the party. The wife of Amissah-Arthur, **Matilda**, who is from Western Region, backed a strong local NDC campaign which deposed **Samia Nkrumah**, the daughter of Ghana's Founding President, **Kwame Nkrumah**, from her seat in Nzima.

Against those tactics, the NPP relied heavily on its policy-led campaign, promising free universal secondary education by October 2013. This popular slogan caught the NDC off guard, at least initially. It wavered between claiming that the NPP promise was deeply cynical – there were not enough buildings, trained teachers or funds – and suggesting that it would also implement such a programme but had not chosen to broadcast the fact. The NDC's promises of more state spending at local level and a determined effort to boost jobs for young people proved a useful counter to the NPP's school policy. An election campaign nearly two years long has left both parties exhausted and there will be substantial reshuffles within both, with negotiations over top jobs spilling into the holiday season. ●

CÔTE D'IVOIRE

Soro clouds economic revival

Ouattara's new cabinet of bankers and economists underlines his determination to raise living standards but what about human rights?

President **Alassane Dramane Ouattara's** cabinet reshuffle on 22 November emphasised old loyalties and economic competence, firmly pushing neo-liberal economic buttons. Out from the premiership went consensus man **Jeannot Ahoussou Kouadio** while **Daniel Kablan Duncan**, an old confidant, took his place.

Like the President, Duncan is a banker and economist. Both worked at the International Monetary Fund as well as for the late Founding President, **Félix Houphouët-Boigny**. Houphouët appointed Ouattara Prime Minister in 1990 to help the country to climb out of the economic morass into which the collapse in cocoa prices had plunged it. Ouattara made Duncan his Finance Minister, a job he held until 1993.

Other business and banking figures include the new Minister for Trade and the Promotion of Small- and Medium-Sized Enterprises, **Jean-Louis Billon**, a captain of industry. Billon has a **United States** business background and served as the Chairman of the Board of SIFCA, an agribusiness giant specialising in palm oil, sugar cane and rubber and founded in 1964 as the *Société Immobilière et Financière de la Côte Africaine* (AC Vol 40 No 3). His colleague at the Industry Ministry is another banker and an old presidential acquaintance, **Jean-Claude Brou**. He once worked for the IMF and was the World Bank's Country Manager for **Chad** when Ouattara asked him to join his cabinet.

All the indications are that the official reason given for the reshuffle is in fact the true one: the economy. Ouattara is in a hurry and wants to spend less time on politics and forge full-steam ahead with people he knows and trusts to improve the economy. Paradoxically, the reason to bring in these apolitical technocrats is profoundly political: he needs to provide jobs and alleviate poverty.

Unlike his predecessor **Laurent Gbagbo**, Ouattara has invested heavily in a free market model for the economy, for which he needs confidence in his country and the money that flows from it; neither has been forthcoming. The main reason is that Côte d'Ivoire is still considered unsafe, politically and physically. It remains deeply polarised. The spate of attacks and communal violence earlier this year contributed to an atmosphere

of tension. Newly re-elected President **John Mahama** of **Ghana** is likely to be committed to keeping armed pro-Gbagbo elements off his territory but neighbouring **Liberia** is another matter. Both President **Ellen Johnson-Sirleaf** and the United Nations Mission in Liberia have airily dismissed any suggestion that there is a problem on the long jungle border between the two countries and, even if there is one, it is not big and is being dealt with. These claims do not bear close scrutiny.

Nor is investor confidence boosted by the high incidence of corruption. Transparency International ranked Côte d'Ivoire 130th of 176 in its 2012 Corruption Perception Index, 24 places up from 2011 but still solidly in the red zone. Corruption and perceptions of insecurity and ethnic tension hit Ouattara where it hurts with investors. Yet in order to stand any chance of re-election in 2015, he needs results and for that he must reassure and attract. Hence the heavily-spun message that Côte d'Ivoire is back and open for business.

FANFARE FOR \$8 BILLION PLEDGE

A donors' consultative group meeting in Paris in early December on the 2012-15 development plan forced home that message, with pledges, according to the government, of the equivalent of US\$8 billion. That is trumpeted as a resounding success. The meeting coincided, and was meant to pair with, Ouattara's state visit to **French** President **François Hollande**. In the presence of almost every UN organisation, World Bank Director **Jim Yong Kim**, a plethora of development and commercial banks, Middle East development funds (**Kuwait** and **Qatar** among others) and the IMF, Ouattara outlined the progress made. He mentioned that some \$3 bn. had been invested in 2012 but did not specify where those investments were.

Ouattara is hoping that this wave of optimism will drown out the distant sounds of political and social tensions and make them inaudible to investors. Just one of the problems with the otherwise flawless presentation of a thrusting young country open for business and ready to roll up its sleeves was the appointment of **Gnénéma Mamadou Coulibaly** as Minister of Justice, a post previously held by Ahoussou Kouadio.

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Coulibaly is a close confidant of the former Premier and current Speaker of Parliament, **Guillaume Soro**. The appointment is widely seen as another effort to shield Soro from a possible transfer to the International Criminal Court in the Hague. Described by the pro-Gbagbo press as 'the man who gaoled the Gbagbos', Coulibaly starts his job just when the ICC has demanded that Gbagbo's wife, **Simone**, also be sent to the **Netherlands** (AC Vol 53 No 24).

Soro remains the only politician Ouattara needs to continue to placate, even more than his partner **Henri Konan Bédié** of the *Parti démocratique de Côte d'Ivoire*. Soro is still the controlling force behind the former rebel group the *Forces nouvelles*, which makes up the bulk of the new army, the *Forces républicaines de la Côte d'Ivoire*. Ouattara wants Soro to believe that, for now at least, nothing stands in the way of his very clear presidential ambitions (two Ivorian presidents made it to the top from the position of Speaker).

This is the reason why the enquiry into the worst post-election crime, the March 2011 massacre at Duékoué, is not being pursued: Soro will almost certainly have to take political responsibility for it and thus be put on yet another aeroplane bound for the Hague (AC Vol 53 No 21). The ICC recently declared that all human-rights violations in Côte d'Ivoire since 2002 were in its sights, which may have increased Soro's worries. He has been consulting allies in New York on his options, we hear. Ultimately, Ouattara may not be able to protect him from the Court's attentions.

While Ouattara was seeing President Hollande (whom, unlike his predecessor **Nicolas Sarkozy**, he does not regard as a like-minded friend), international human rights groups were voicing serious concern that investigations into Duékoué and other serious abuses by FRCI troops were not taking place. 'Victor's justice' does nothing to foster a reconciliation process that, for now, remains stuck in the mud, they pointed out. It was not an auspicious counterpoint to a glittery investment conference. ●

KENYA

Shotgun wedding season

The deadline for electoral alliances has forced some unlikely political bedfellows to tie the knot, however reluctantly

With barely three months to go before the general elections, the 4 December deadline on pre-poll deals forced Kenya's promiscuous political class into a flurry of shotgun weddings. Which of the two major coalitions hastily formed during a long night of matchmaking will prevail is impossible to predict: the Coalition for Reform and Democracy (CORD), led by **Raila Odinga**, or the Jubilee Alliance under **Uhuru Muigai Kenyatta** and **William Samoei arap Ruto**.

History was repeating itself. Odinga's pact with his erstwhile bitter rival, current Vice-President **Stephen Kalonzo Musyoka**, recalls the National Alliance Rainbow Coalition (NARC). This union of reform activists and conservative ethnic hawks dislodged former President **Daniel arap Moi's** Kenya African National Union from its 40-year reign. Similarly, the Jubilee Alliance of Kenyatta, Ruto and **Wycliffe Musalia Mudavadi** was a reprise of the conservative grouping fronted by President Moi in 2002.

Then, Kenyatta was the presidential candidate and Mudavadi his running mate, with Ruto providing the Kalenjin muscle in the Rift Valley. Now, Kenyatta and Ruto are the candidates, with Mudavadi in support. A decade ago, these men ran on behalf of the KANU conservatives but today the goal of the Kenyatta-Ruto ticket is only to avoid prosecution for crimes against humanity at the International Criminal Court (AC Vol 53 No 24).

There was nothing but the most basic ethnic calculation in how or why the two coalitions were formed. In the grounds of the Kenyatta International Conference Centre, with barely 24 hours to go before the pact deadline expired, Odinga had trouble convincing his bemused audience that his new union with Musyoka was endowed with any of the reformist zeal that NARC possessed a decade earlier.

Over the past two years, Musyoka, 60, has identified strongly with the 'coalition of the damned', as some call ICC indictees Kenyatta and Ruto. He was at the forefront of an abortive round of shuttle diplomacy designed to persuade the African Union and the United Nations Security Council that the Hague case should be dropped. It is now clear that the only reason why Musyoka agreed to join Odinga's bandwagon was because he had been sidelined by 'UhuRuto' in

the period leading up to 4 December. Odinga's Orange Democratic Movement (ODM) supporters will best remember Musyoka for his perfidious role in the 2007 post-election dispute when, by doing a secret deal with President **Mwai Kibaki**, he bolstered the President's crumbling minority government in return for the post of Vice-President.

ODM RUMP

Times are tough, especially for beleaguered Prime Minister Odinga. While his lead in the opinion polls has held since even before the last elections, his Orange coalition has lost all its key ethnic pointmen, leaving him with little more than the rump of the party. The loss of his senior allies, Ruto and Mudavadi, meant that Odinga had few cards to play against the thickening band of ODM rebels that coalesced around Kenyatta, the Deputy Prime Minister and putative Kikuyu leader.

CORD is thus a desperate marriage of convenience between two increasingly isolated politicians making a late-career stab at retaining power. Its chances of winning next March depend on three critical issues: one, whether it can hold credible presidential primaries without Musyoka bailing out; two, whether the looming revolt among Ruto's Kalenjin people against his pact with Kenyatta materialises, an eventuality that could give Odinga's campaign in the Rift Valley significant traction; and three, whether it is Kenyatta rather than Mudavadi who emerges as the Jubilee Alliance's presidential candidate.

Elsewhere in Nairobi on deadline day, both Kenyatta and Ruto were making frantic attempts to woo Mudavadi, whose perennially divided Luhya ethnic bloc is the second largest after that of Mount Kenya. After Mudavadi failed to show up for two morning meetings (one at Ruto's United Republican Party offices) Kenyatta and Ruto are said to have gone over to Mudavadi's Riverside residence in the late afternoon. There, say sources close to Mudavadi, Kenyatta pledged to support Mudavadi's presidential candidacy on the Jubilee Alliance ticket if Mudavadi could convince the Kikuyu to back him.

While this fits with Mudavadi's own months-long solo campaign to woo the Mount Kenya communities, his hangdog appearance at a press conference late on 3 December gave rise to speculation that

other pressures were exerted to win his support. Since Mudavadi's defection from the ODM in March, he has struggled to get his own presidential campaign going. His new party, the United Democratic Front, is widely held to be a Kibaki project and was even registered by Professor **Nicholas Wanjohi**, Kibaki's personal assistant.

Kibaki's reluctance to openly endorse a successor divided his Mount Kenya bloc, splitting his close advisors between backers of a Kenyatta candidacy and those desiring a non-Kikuyu who could nonetheless protect the Kikuyu elite's interests. It has been said that Kibaki was privately in favour of the non-Kikuyu option, a claim given further credibility when he dispatched Mudavadi on several high-profile missions abroad. The President's rumoured endorsement of Mudavadi, however, raised the hackles of Kenyatta's supporters, and 40 members of parliament threatened not to support his candidature. Part of the problem is that since the 2007-8 post-election crisis, Kenyatta has carved out his own support base within Mount Kenya but outside the President's sphere of influence. In fact, many Kikuyu view Kenyatta in messianic terms because of the role he played in mobilising community support during the crisis. This has given Kenyatta a near-fanatical support base. His National Alliance party is the fastest growing in Kenya, having won a series of recent by-elections and done well in opinion polls.

The Jubilee Alliance will hold its presidential primaries on 18 December. A win for Kenyatta would, however, be a poisoned chalice. The courts have yet to rule on whether he is fit to run and there is widespread international pressure against his and Ruto's standing. A recent veiled warning by AU mediator **Kofi Annan** brought home the threat of international isolation should Kenyatta triumph in March. Yet Kenyatta stands only a slim chance of victory despite his opinion poll numbers. Observers generally agree that the first round of voting is unlikely to produce a clear winner. A second round in which Kenyatta was the Jubilee Alliance candidate would almost certainly result in a decisive Odinga win. Therefore the biggest beneficiary of Kenyatta standing would be Odinga. The situation would be far more complex if, as rumoured, Kenyatta steps down in favour of Mudavadi.

While Odinga has shed his populist, reformist credentials for a business suit and a statesmanlike image, he remains a polarising figure nationally. In a game of ethnic numbers against Mudavadi, he is unlikely to win either the Western Kenya Luhya vote or the Kalenjin vote. In that event, Kenya's fourth president is likely to bear the mien of his predecessors, Kibaki and Moi: a political scion of the conservative elite. ●

MOZAMBIQUE

Rift risk over gas laws

Negotiations over the planned gas plant could put Anadarko and ENI on a collision course with government

Preparations are now well under way for a liquefied natural gas plant to handle Mozambique's massive offshore gas deposits. The *Instituto Nacional de Petróleo* has proposed a bill to modify the Petroleum Law of 2001. The draft law respects existing contracts and is intended to govern regulations for the new LNG plant, as well as the issuing of new exploration and production licences. There is no date yet for a new round of bidding but it will probably take place in the middle of next year. The LNG plant, which is to be built at Palluna, could have as many as ten trains.

Currently, upstream activity from Blocks 1 and 4 will not be affected, we hear. Yet Italy's ENI and Anadarko of the United States fear that the new law could harm their interests in upstream exploration and production because it limits block development to 30 years per concession from the first planning development.

The companies say this is not long enough. Because LNG requires the development of different wells at different stages within the same block, there is a risk that the latter stages might not be in production for a long enough period of time to turn a profit before the lease expires. The companies want the right to renew the production licence after 30 years. Anadarko has begun its development plan but ENI is still in the exploration phase.

The government aims to make sure that companies develop all the areas within their blocks and do not leave uneconomic, unexploited pockets behind. The INP and its advisors believe that revising the length of the exploration and production phase is the best way of achieving this. This is also the thinking

behind the new mining law.

Another concern for the companies is whether the LNG plant would be covered by the 'Megaprojects' law passed in August 2011, under which a maximum of 25% of the equity is reserved for public entities. For oil and gas, this means the *Empresa Nacional de Hidrocarbonetos de*

The INP, headed by **Arsénio Mabote**, is negotiating for the government, and advised by **Bjørn-Erik Leerberg** of Simonsen Advokatfirma, along with **José de Barros** from the INP's legal office. Leerberg, a Norwegian former civil servant, has extensive experience in oil governance and contracts.

The 2011 petroleum law covers three types of contract: reconnaissance and evaluation, exploration and production, and pipelines. The law the INP wants to bring in next year adds a fourth category, the Facility Concession Contract, which would govern the LNG plant. This means the oil companies would have to sign new contracts for downstream projects. The companies are keen to challenge the

FCC's complicated legal structure. Each train, they say, would need separate negotiations and the shareholdings in each train could be different.

Under this regime, the Maputo government would be able to force concessionaires of one train to take gas from a third player, even if that meant modifying the shares in the train itself. Again, the government wants to ensure the maximum utilisation of natural resources rather than the convenience of the oil companies. The bill also imposes a toll structure that the companies wish they had been consulted about. It does not make sense for the LNG to be sold before any market research, they say.

The FCCs would cover only the LNG plant and not all the complementary infrastructure, such as airports, ports, housing and so on – provoking another complaint from the companies.

Northern Mozambique is devoid of industrial infrastructure, which will have to be built from scratch. This means lengthy negotiations between the companies and a plethora of ministries and departments.

The companies fear the consequences of a lack of clarity over prices, fees, taxes and the bottom line for investors. One rough estimate for initial LNG investment is US\$20 billion and the companies say such an expensive project cannot afford uncertainty on this scale. ●



Moçambique (ENH). The actual figure would be up for negotiation. Between 5% and 20% of the equity in the LNG could be reserved for the public. Whether this means that the share would be assigned to public ownership or sold on the Maputo stock exchange is not yet clear. According to a decree of 4 July 2012, 35% of the profit from the megaproject could be retained by the state, although the decree did not specify whether that is before or after tax.

MALI

Captain Sanogo strikes back

The putschists are spending more time shoring up their local power base than promoting the transition and the reunification of the country

The appearance of a shaken Prime Minister **Cheick Modibo Diarra** on state television just before dawn on 11 December proffering apologies to the Malian people along with his resignation marks the return to political pre-eminence of Captain **Amadou Haya Sanogo**. It also means more delays for the international efforts to wrest the three northern regions from the control of jihadists.

Those efforts were already complicated by widening differences among countries and organisations backing intervention (see Box). Since he seized power on 22 March, Sanogo has steadfastly opposed any foreign-backed intervention. All that is required, he insists, is better weaponry and a bigger military budget: it is currently about 12% of the projected national budget of 1.06 trillion CFA francs (US\$2.1 billion).

In recent years, little of the defence budget reached the troops on the ground as much was diverted by the corrupt clique of senior officers – one of the primary reasons for the March putsch against President **Amadou Toumani Touré** (ATT). Weeks beforehand, wives of soldiers killed in the north had launched

protests in Bamako against poor conditions and outdated equipment, demanding that crooked officers were sacked.

Sanogo's revived assertiveness will play well with the troops under his command at the army base at Kati, just south-west of Bamako. Many of his fellow junior officers had been sceptical about his willingness to start negotiations with the Economic Community of West African States (Ecowas) in April which led to the formation of a civilian government under President **Dioncounda Traoré** and Premier Diarra. That led to an uneasy triumvirate taking the reins of power.

President Traoré was a veteran but uncharismatic politician who was willing to steer a transitional regime towards credible elections and the reunification of the country under a government in Bamako. He leads the largest party, the *Alliance pour la démocratie au Mali-Parti pan-africain pour la liberté, la solidarité et la justice* (Adema-PASJ).

Diarra was suspected of using the transition to build his own political base before the elections and was talking to different political and religious groups about alliances after the transition. He

was backed by the *Convergence pour sauver le Mali* (CSM), led by the veteran **Mountaga Tall**.

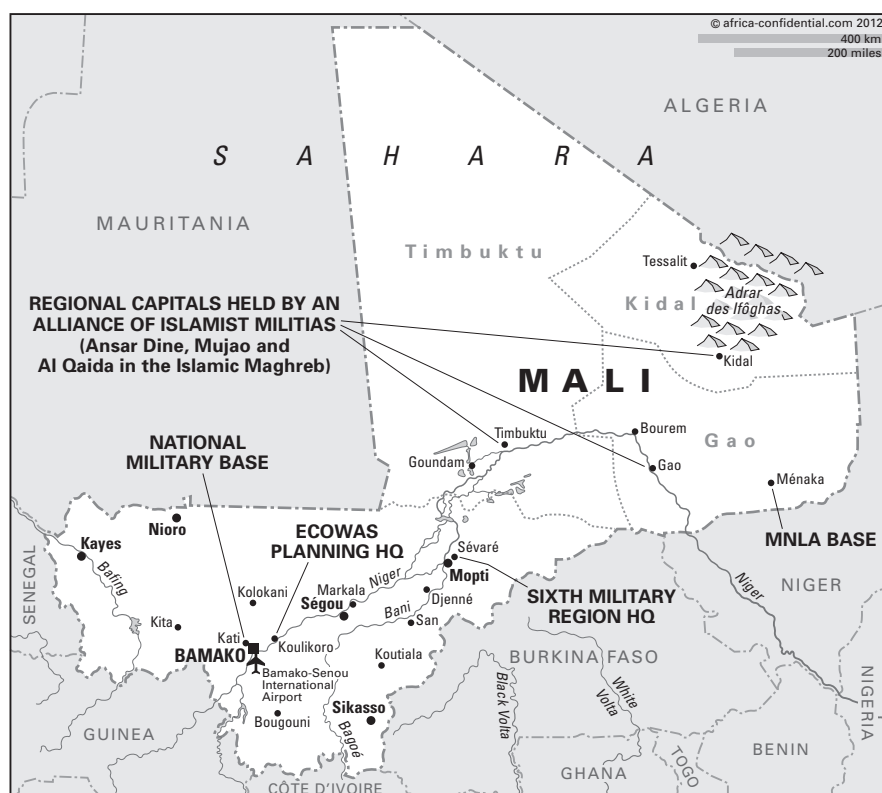
Sanogo, with the backing of the *Coordination des organisations patriotiques du Mali* (Copam), was being urged to push back against Diarra and Traoré. In August, Sanogo was appointed Chairman of the Committee on Security Sector Reform. Since the coup, he has insisted on having the last word on security matters. After his troops clashed with supporters of the ousted ATT in April, Sanogo disbanded the elite Special Forces unit and the 33rd Parachute Commando Regiment, in which Touré had served. As those were the best trained troops, that further weakened the military's offensive capability. The putsch also broke the chain of command, putting Captain Sanogo in charge of thousands of majors, colonels and generals.

That has made for a complicated relationship with the respected Defence Minister, Colonel **Yamoussa Camara**, who, on paper, was the political head of National Defence and Veterans' Affairs. Camara's colleague, the Minister for Malians Abroad and African Integration, **Traoré Rokiatou Guikine**, was at the United Nations Security Council debate on Mali on 10 December and has spent much of the past three months trying to drum up regional support for intervention in the north.

Premier Diarra, too, was a key backer of the intervention and had tried hard to keep the junior officers on side by promising them improved conditions. A combination of suspicion about his foreign lobbying and his local political agenda seems to have prompted Sanogo to move against him. Diarra's position as son-in-law of former military ruler **Moussa Traoré** also raised questions.

Sanogo's Spokesman **Bakary Mariko** accused Diarra of 'acting against the interests of the state' and undermining President Traoré. In turn, that has prompted Western governments to call for sanctions against Mali's military. Such measures would make UN and European Union backing for the northern intervention legally impossible. So in the short term, Sanogo may have got what he wanted.

Civic activists and civilian politicians are increasingly critical of Sanogo and his fellow officers. One activist group in Mopti, the most northerly town controlled by the government, lambasted Sanogo's troops for cowering in their base at Kati, south of Bamako, and failing to confront the jihadists controlling Gao, Timbuktu and Kidal. Following the arrest in Mopti in early November of two Malians carrying **French** passports who were en route to join jihadists in the north, there is concern that the Islamists may already have set up sleeper cells.



On paper, Mopti would be defended by troops from the Sixth Military Region based at Sevaré, although like their counterparts further south, these forces are badly under-equipped. Mopti is also the base for the *Ganda Koy* militia of Songhai fighters displaced from Gao and Timbuktu. Patrolling the streets and jogging around the city in combat fatigues, they have become the most visible face of public security there.

DESTABILISING MILITIAS

Concern is growing that the aggressive promotion of local militias, linked to specific ethnic groups such as the Songhai, could further weaken cohesion in the north. Some militia fighters hold the Touareg almost entirely responsible for the northern crisis. There have been brutal attacks on individual Touareg in Mopti and other towns. Indeed, many of the Touareg fleeing the fighting and en route to Bamako prefer to cross into Mauritania as a safer detour to the south.

At the same time, the Touareg fighters of the *Mouvement national pour la libération de l'Azawad* (MNLA) have officially renounced their separatist ambitions and say they are determined to push out the jihadists of *Ansar Eddine*, the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest* and *Al Qaida* in the Islamic Maghreb.

Security specialists say that such a Touareg militia, perhaps backed by other desert-hardened fighters from **Chad** and **Niger**, would be a far more effective force against MUJAO and AQIM than the mooted Nigerian-dominated force from Ecowas. There are also hopes that **Iyad Ag Ghali**, the mercurial leader of *Ansar Eddine*, could, with the right incentives, be persuaded to sever links with MUJAO and AQIM and join a pro-Bamako coalition in the north.

Displaced northern politicians widely question the commitment of Ag Ghali to political Islam. One reason is that he is known to enjoy Johnnie Walker whisky. They say his failure to secure the leadership of the MNLA encouraged him to take a harder, Islamist line. Yet over the past two decades, he has cultivated links with Salafist and other jihadist groups. He was expelled from **Saudi Arabia**, where he worked in the Malian Embassy, for consorting with 'insurgent groups'.

Most politicians in Bamako rule out any prospect of negotiation with MUJAO and AQIM, because of their foreign leadership. Any strategy to open a serious dialogue with groups such as *Ansar Eddine* would require far more coherence in the government. Traoré's naming of **Django Sissoko**, a former head of the Prime Minister's Office, as successor to Premier Diarra has failed to steady nerves as the status of all those ministers appointed

along with Diarra still seems to be in doubt.

Politicians outside the government, led by former presidential candidate **Ibrahim Boubacar Keïta** (IBK), are pushing urgently for a national conference to map out the transition. They note that the transitional regime's mandate, due to expire in May 2013, already faces a crisis of popular legitimacy, especially if it fails both to organise credible elections and to reconquer the north. The major decision

the government has to take is how to coordinate those two objectives: it would clearly be impossible to organise credible national elections while the northern half of the country remains under jihadist control; running elections solely in the south would be a de facto recognition of the country's partition. Equally, the return of the military to the political centre-stage this week raises doubts about its commitment both to retaking the north and to a democratic transition. ●

RUCTIONS OVER RECONQUEST PLAN

Growing divisions among Mali's politicians and military, as well as among foreign powers, will delay plans for an internationally backed intervention to oust jihadists from the north and may even cause the plan to be abandoned. The significance of these splits emerged this week after an ill-tempered debate at the United Nations Security Council on 10 December when **France** and the **United States** differed openly about the schedule and structure of the intervention.

The forced resignation of Prime Minister **Cheick Modibo Diarra** in the early hours of 11 December exacerbated the already difficult relations between the military, under the control of Captain **Amadou Haya Sanogo**, who led the March coup, and foreign backers of military intervention (AC Vol 53 No 7). There are now several seemingly irreconcilable positions on the government's plans to reconquer the north:

- Sanogo and the *Mouvement national de soutien au comité national pour le redressement de la démocratie et la restauration de l'Etat*: the national army under Sanogo should lead the reconquest and the main role of outsiders should be to supply materiel to the national forces; no foreign soldiers should take on combat roles in Mali.

- United Nations Secretary General **Ban Ki-moon** and the Chairwoman of the African Union Commission, **Nkosazana Dlamini-Zuma**: the priority should be political dialogue between the government and the jihadist and other rebel groups, Ban told the UNSC but conceded that military action might be required as 'a last resort to deal with the most hardline extremist and criminal elements'. Without clear goals and strategy, he added, military intervention 'could hugely worsen an already fragile humanitarian situation and result in severe human rights abuses... a political situation to the crisis remains the best hope for long-term stability in Mali.'

Dlamini-Zuma says force should not be used unless the negotiating track fails conclusively: 'It's never too late to avoid war.' Ban and Dlamini-Zuma would hugely influence the level of finance and logistical support for any intervention force. Ban says the funding for any military operations should come from 'voluntary or bilateral contributions' and not from the UN's main peacekeeping budget.

- The United States Ambassador to the UN, **Susan Rice**, and US Deputy Assistant Secretary of State **Reuben Brigety**: there should be credible elections by April 2013 or at least before a full-scale foreign-backed intervention. Brigety says US assistance to a military-backed government would in any case be prohibited under US law. Rice proposes a 'two-step authorisation' of military force by the Security Council: the first would authorise the deployment of an African force to train the Malian army (that resolution would be out to the Council by mid-January); the second, to be agreed later next year, would authorise international support for offensive operations in northern Mali alongside a long-term stabilisation plan.

- France's Foreign Minister **Laurent Fabius**, Mali's President **Dioncounda Traoré**, **Nigeria's** President **Goodluck Jonathan** and **Côte d'Ivoire's** President **Alassane Dramane Ouattara** (who chairs the Economic Community of West African States) want the Security Council to approve a single resolution endorsing an internationally backed military force before the end of December. Ecowas member states – **Burkina Faso**, **Niger**, **Nigeria** and **Senegal** – would supply troops for a 3,300-strong force. **Germany's** Foreign Minister **Guido Westerwelle** backs plans for 200 military trainers from the European Union to work closely with Ecowas and the Malian army on planning and logistics for the intervention.

- The mainly Tuareg *Mouvement national pour la libération de l'Azawad* has launched its own, so far unsuccessful, counteroffensive from its base in Menaka, near the Nigerian border, against the jihadists. Some Bamako politicians want more support for the MNLA, a separatist group that now advocates national unity, in operations against Islamists.

All these differences militate against any early military deployment in the north. Ban's Special Envoy to the Sahel, the **Italy's** former Prime Minister **Romano Prodi**, suggests that would be unlikely until September or October next year. ●

EGYPT

A country polarised

The President's enforcement of his power over the judiciary paves the way for a new constitution and a dangerously divided country

If the referendum on Egypt's new constitution goes ahead as planned on 15 December and wins a majority, it will mark a political victory for President **Mohamed Mursi** and the Muslim Brotherhood. It would also come at a considerable cost in lives lost and property damaged since his 22 November constitutional declaration paved the way for fast-track approval of the draft constitution. More fundamentally, it has confirmed non-Islamists' belief that the Brotherhood aims to establish a new authoritarian state system and one based on imposing the MB version of *Sharia* (Islamic law) on all aspects of society.

Mursi sparked off the crisis on 22 November with his six-point declaration asserting his powers over the judiciary and over the constitutional process. His camp argued that he had to act to head off plans by elements of the former regime in the judiciary to derail the drafting of a new constitution and thereby further prolong the period of instability.

Some MB supporters claimed the courts were planning to overturn Mursi's 12 August decree whereby he took over executive and interim legislative powers from the Supreme Council of the Armed Forces. He sought to give this assumption of extra powers some popular legitimacy by starting with an article requiring the reopening of the investigation and trial of security officials who had been cleared of responsibility for the death of 800 protestors during the revolution. This failed, however, to blunt the real force of the declaration, which lay in his stipulation that there could be no legal challenge to

any measure he had taken since assuming office on 25 June. He was now empowered, he said, to take whatever action was necessary 'to protect the country and achieve the goals of the revolution'. Critics protest that the revolution of January 2011 was not an Islamist one.

The MB-dominated Constituent Assembly reacted by holding a marathon session to get the constitution approved as soon as possible. This should allow it to be ratified quickly, which would trigger the annulment of his 22 November declaration and enable him to claim that the extraordinary powers he had seized for himself were indeed temporary.

Mass protests against the declaration and constitution followed, culminating in an assault on politically secularist protestors by thousands of Muslim Brothers in which eight people were killed. Islamists detained people on the streets overnight and beat them. On 9 December, Mursi withdrew his declaration but at the same time said that all of its consequences, notably the approval of the constitution and the setting of the date for the referendum, would stand and would be immune from judicial challenge.

The Constituent Assembly included a strong bloc of Muslim Brothers and Salafists but, as **Gehad el Haddad**, 30, one of the most articulate advocates of the Mursi camp, emphasised, they made up 'only' 41 of the 100 'first team' members of the parliament. The Islamist influence became more pronounced after non-Islamists withdrew in protest. El Haddad was head of the Cairo Office of former

United States President **Bill Clinton's** Clinton Climate Initiative and is son of **Essam el Haddad**, a leading member of the Brotherhood's Guidance Bureau.

The proposed constitution includes dozens of articles that open the way for a system based on a narrow interpretation of *Sharia*. The formulation in Article 2 that the 'principles of the Islamic *Sharia* are the principal source of legislation' has been retained from the previous constitution but it is bolstered by two other articles. Article 4 states that scholars of Al Azhar University, the Islamic seat of learning in Cairo, are to be consulted on matters relating to *Sharia*. This introduces a potential political role for the clerical establishment: Al Azhar's senior clerics say they do not want one, but it opens the way for those who do.

The other key article is 219, which provides an explanation for 'the principles of the *Sharia*'. A literal translation gives the following: 'The principles of the *Sharia* comprise its entire evidence, its basic foundations and jurisprudence, its recognised sources in Sunni Islamic schools of law and in general.' What is clear is that it is wide open to interpretation by those in power. This article met the strongest opposition in the Assembly's final sessions, as non-Islamists rejected it while Salafists wanted it incorporated into Article 2.

Other areas of the constitution that have prompted concern among non-Islamists include an explicit reference in Article 10 to the state playing a role in reconciling a woman's duties with her family and her work; qualifying Article 45 on freedom of thought and opinion with Article 44, which prohibits any insult or abuse of 'messengers of religion' or prophets; and the delegation of the right to approve the defence budget to a national defence council, rather than subjecting it to parliamentary oversight.

The 15 December referendum is largely a plebiscite, a vote of confidence in Mursi. The scale of the anti-Mursi demonstrations has shown that the President, who secured 52% of the vote in the second round of the presidential election in June, cannot count on an easy ride. However, the pro-Mursi rally in Cairo on 1 December also showed the ability of the Islamist camp to mobilise its supporters when needed. Given that many opponents may boycott the referendum on principle and that many neutrals may vote for the constitution for the sake of bringing the process to a close, a 'yes' vote seems probable.

Talking of a 'sham draft constitution' on 10 December, oppositionist **Mohamed el Baradei** acknowledged that the opposition was still undecided about a boycott: 'At this stage, we are fighting the referendum with our feet in the street', he told the BBC. The next step will be an election for the lower house of Parliament, to be held within two months. ●

TAX THREAT TO IMF DEAL

The uproar caused by President **Mohamed Mursi's** declaration of full powers on 22 November threatens Egypt's efforts to mobilise funds from the International Monetary Fund and other donors to lay the basis for economic recovery. The IMF has given initial approval for a US\$4.8 billion stand-by credit, which would be part of a \$14.6 bn. package in financial support from a range of donors. The Fund's conditions are not particularly stringent: one is for the government to revise its budget deficit target for the current fiscal year from an unrealistically low 7.6% of gross domestic product.

Now, Egypt has asked the IMF to postpone for a month the 19 December meeting, at which the loan was to be considered. Before that, the IMF had said the deal depended on Egypt standing by its interim agreement and implementing agreed measures. The delay revives earlier worries about the financing arrangement. The government had begun taking the measures but was undermined by Mursi on 10 December when he announced on Facebook that he was withdrawing the tax increases that the official gazette had published on the previous day as having been approved by him. ●

TUNISIA

Wilting jasmine

Two years after Ben Ali's fall, the lack of social and economic progress is fuelling disenchantment with the government

Many of the post-revolution politicians are gaining a reputation for fiddling while parts of Tunisia burn. Riots in late November and early December in Siliana saw over 250 protestors and 72 police injured. This provided a bitter reminder that the problems that triggered the Jasmine Revolution in January 2011 have not been resolved. The economy is stagnant, with several key sectors contracting, and living conditions for many people are getting worse. Daily demonstrations in Tunis underline the growing discontent with the coalition. Led by the Islamist *Hizb Ennahda*, it includes the *Congrès pour la république* (CPR), led by interim President **Moncef Marzouki**, and **Mustapha Ben Jaafar's** *Ettakol/Forum démocratique pour le travail et les libertés*.

There was no surprise then, when the recent award of Britain's Chatham House Prize for the statesperson deemed 'to have made the most significant contribution to the improvement of international relations in the previous year' to Marzouki and *Ennahda* leader **Rachid Ghannouchi** met with derision in Tunis. Following his unguarded remarks about collaboration with Salafist groups, which were secretly videoed and distributed on the internet, Sheikh Ghannouchi's stock is low (AC Vol 53 No 21). Nor is Marzouki winning many plaudits. One government member described him as 'capricious... a man whose thinking remains that of an opponent'.

As the big winner in the October 2011 elections to choose the 217-member *Assemblée nationale constituante*, which will draw up a new constitution, *Ennahda* is enjoying the trappings of power. Months after it was supposed to be ready, no constitution has appeared and critics complain that members of parliament have grown used to big salaries, expense accounts and grace-and-favour housing. 'Interim' ministers focus on consolidating power, and woo electors with unlikely promises. Many lack technical expertise and even a grasp of contemporary issues, having spent so long in gaol under ex-President **Zine el Abidine Ben Ali**.

The troika coalition is losing popularity to its big rival, the former interim Prime Minister **Béji Caïd Essebsi's** *Nidaa Tounus* (Call of Tunisia) movement. This is despite its opponents' claims that it is packed with former members of Ben Ali's *Rassemblement constitutionnel démocratique*. Essebsi is in

his mid-80s and his prestige and authority are key to the rise of *Nidaa Tounus*. Much of the 'RCD front' mud has yet to stick to a politician whose term as interim Premier saw the unveiling of the Jasmine Plan for economic recovery, designed by **Mohamed Nouri Jouini** and **Jalloul Ayed**, and promises kept on establishing democratic institutions (AC Vol 52 No 25). Other *Nidaa Tounus* players are less esteemed. Gafsa-born party Spokesman **Lazhar Akremi** is a leading spin-doctor in an arena where rumour and mud-slinging are important elements of strategy.

SELL-OUT FEARS

Tunisians fear the revolution is being sold out. Corruption has only 'democratised', says **Abderrahmane Ladgham**, the Deputy Premier for Transparency and Fighting Corruption, with new, less easily identifiable networks replacing the kleptocracy centred on the Ben Ali family. Suspicion peaked on 19 November after a little-known Luxembourg-based fund was awarded the 13.8% stake in a major local bank, the *Banque de Tunisie*, that had been held by Ben Ali's detested son-in-law, **Belhassen Trabelsi**, currently seeking political asylum in Canada. The shadowy Royal Luxembourg Soparfi beat off bids from France's *Crédit Mutuel* group, which already holds 20% of the equity, and local businessman **Slim Riahi**.

Bankers and transparency campaigners are also worried by the government forcing out former World Bank official **Mustapha Kamel Nabli**, who had been working to clean up the central bank, the *Banque centrale de Tunisie* (AC Vol 52 No 10). His successor as BCT Governor, **Chedli Ayari**, is seen as 'more pliant than Nabli', a local economist told *Africa Confidential*. With interim Finance Minister **Slim Besbès** failing to impress, many are looking to the BCT for leadership. They are yet to be convinced of the 79-year-old Ayari's independence; he was a minister under the late President **Habib Bourguiba**.

While the immediate challenges are economic – highlighted by the return to prominence of the union federation, the *Union générale tunisienne du travail* (UGTT) – the battleground remains the political issues. At Chatham House to receive their prize on 26 November, Marzouki and Ghannouchi alluded to the historical ideological divide between the Islamist tendency and the 'Republican

tradition' of founding President Bourguiba. The Islamists include *Ennahda* and its fast-rising Salafist rivals, who are widely believed to get substantial funds from Qatar and other Gulf states; the Republicans represent what Marzouki called 'modernity' and 'universal values'. Many *Ennahda* members agree with the Salafists in wanting *Sharia* (Islamic law) to form the basis of the new constitution. Yet Ghannouchi insisted that, in line with Tunisian history, Islam and modernity could be reconciled. Sceptics, including government members, told AC off the record that they don't believe him.

Marzouki says the Constituent Assembly will meet the latest deadline of January-February 2013 for approving the constitution. If so, legislative and presidential elections could be held by 'the preferred electoral date' of June 2013.

Political attitudes constantly shift. An opinion poll published late last month by local research firm *3C Etudes* shows support for the government recovered by 3% in November to 41%, having fallen 12% in the August-October period when *Nidaa* was gathering steam. One reason for this, says the firm's head, **Hichem Guerfali**, was the public's identification with *Ennahda* and its fellow Muslim Brotherhood party, the *Harakat al Muqawama al Islamiya* during November's conflict between Israel and Gaza. Widespread criticism of the government's handling of the Siliana crisis may have curtailed that lift.

The *3C Etudes* poll, which is not unchallenged, puts Essebsi ahead among the presidential candidates at 10.9%, then Marzouki with 7.2%, parliamentary Speaker Ben Jaafar 3.6% and *Ennahda* Prime Minister **Hamadi Jebali** 2.1%. Jebali is popular among the political class but not, apparently, with the public. With both the CPR and *Ettakol* haemorrhaging members in the Assembly and beyond, the poll makes Marzouki and Ben Jaafar more popular than their parties, which face collapse. The major challenges lie elsewhere. Salafist violence was serious before Siliana exploded but few expect these groups to make a serious bid for power. Salafist recruitment remains strong among disaffected and poor youths, but it is not yet a mass movement.

The battle to come could be between *Ennahda* and the UGTT which, under Secretary General **Houcine Abassi**, is mobilising its 500,000-plus members in direct opposition to *Ennahda*. With tempers rising and increasing confrontation on the streets, the Assembly has to forge a constitution acceptable to the majority to allow polls that will put a permanent government in place. If not, the drift will continue, undermining the economy and devaluing a revolution that still promises a better Tunisia, if only its leaders can deliver. ●

LIBYA

Unity under strain

As the forces pulling Libya apart strengthen, the government makes strategic blunders and cannot make progress on the constitution

Having departed from the overly ambitious roadmap set out in 2011's Constitutional Declaration, Libya's elected representatives cannot decide on a replacement and are mired in indecision. The consequence is that federalist parties (those wanting central government to be weak and the provinces to be strong) and Islamists are becoming more influential than the discredited central government. The governing structures cannot so far overcome internal divisions and security threats, which are growing as a result.

The General National Congress elected in July and the government it appointed at the end of October have both lost popular trust. The GNC is now widely regarded as almost as incompetent as its predecessor, the National Transitional Council, although it does at least have democratic legitimacy. Originally, the Congress was to appoint a 60-member convention to draw up the constitution. Yet on the eve of the GNC elections, the NTC decreed that the convention would instead be directly elected. The federalists of Benghazi had demanded this concession because they believed they had a better chance of stronger representation and threatened a damaging boycott if they didn't get their way. Now, however, no direct election has taken place because the GNC could not agree about it, as about many things. The constitutional process is now in limbo and the GNC is engaged in a vague public consultation. The whole process of building new democratic institutions is either bogged down or in flux.

Into the political vacuum have stepped groups working for ideological, local and tribal advantage. One reason why the regional partisans of Cyrenaica (in Arabic, Barqa) are getting stronger is that there has been no economic development or investment in the two years since the region freed itself from Colonel **Moammar el Gaddafi's** rule. Benghazians have demanded concessions such as relocating the headquarters of the Libyan National Oil Corporation to their city but Tripoli has said no. The relocation has now become a *bête noire* and a minimum requirement for placating anti-Tripoli sentiment. The federalists have organised themselves into a group called the Barqa Army, which blockaded the Sidra, Ras Lanuf and Marsa el Brega oil terminals in July.

Islamist militias are trying to stop the Cyrenaican partisans; jihadists are

believed to have been responsible for a failed assassination attempt on the chief of the 'Barqa Supreme Military Council', Brigadier General **Hamid el Hassi** early last month. Observers expect assassinations to continue. More than 15 former Gaddafi-era army officers serving in the post-revolution security forces have been killed in recent months, probably by Islamists. The pattern was set with the murder of Gen. **Abdel Fatah Younis el Obeidi** in July 2011 (AC Vol 52 No 5).

WEAK LEADERS

Neither the Congress Speaker **Mohamed Magarief** nor Prime Minister **Ali Zeidan**, who both come from the historic National Front opposition party, can impose a solution. Zeidan was himself attacked by a militia in Beida on 4 December. While they have good anti-Gaddafi credentials, their party controls only a few seats and they are widely seen as having squandered their political opportunities.

Speaker Magarief and Prime Minister Zeidan won their important jobs only as compromise candidates because neither the liberal National Alliance, led by former Gaddafi technocrat **Mahmoud Jibril**, nor the Muslim Brotherhood-backed Justice and Construction Party was able to secure a majority. 'There are so many groups and committees, it has become confusing. People have stopped paying attention,' one Libyan analyst who has specialised in militias and Islamist groups told *Africa Confidential*. Even within the government, power had been shared out on tribal and militia grounds at departmental level, so that ministers had limited authority in their own departments, said the analyst.

The Defence Minister, **Mohamed Mahmoud el Bargati**, 71, is generally regarded as weak and his position little more than symbolic. The Army Chief of Staff, Major Gen. **Yousef Mangoush**, has also failed to impose his authority. 'He has been compromising with the militias and the Islamists,' commented one well-placed Benghazi observer. In recent clashes between militias from Misurata and those defending the pro-Gaddafi town of Bani Walid, a stronghold of the powerful Warfalla tribe, Mangoush was clearly not in control, he added.

Interior Minister **Ashour Suleiman Shuwail**, 58, a popular figure in Cyrenaica, may have more credibility. He also has enemies. On 4 December, he won an

appeal against his disqualification by the Integrity Commission, which checks the past of all officials for evidence of having collaborated with the Gaddafi regime. The Commission may now appeal.

The militias are not united. 'There is a big division between the Islamic and federalist militias in Benghazi,' one Tripoli-based analyst said. This is most clearly demonstrated by the antagonism between the two *Dara'a Libya* (Libyan Shield) brigades in Benghazi: the Shield supposedly unites militias and puts them under army command (AC Vol 53 No 12).

The Islamist wing of the Benghazi Libyan Shield, led by **Wisam bin Hamid**, openly brags of its ability to force its agenda on Mangoush. The federalist wing, which is three times the size of its Islamist rival, actively works to undermine the Chief of Staff, despite being under his authority.

Independent of the Shield units, the main militias in Benghazi are the 17 February and **Rafallah es Sahati** brigades. Both are ultimately led by a former jihadist, **Fawzi Bu Katif**, who is also said to have a strong influence over the Benghazi Supreme Security Committee (SSC), a semi-official militia grouping linked to the Interior Ministry. Formally, Bu Katif's militias are supposed to have been placed under the control of the official security forces. However, the authority of the colonels placed in nominal command of them appears to be extremely limited.

According to Colonel **Wolfgang Pusztai**, who served as Austria's Military Attaché in Libya from 2008 until August, the SSCs and their regional sub-SSCs are as divided as the Libya Shield units. He describes them as 'quite inhomogeneous bodies' acting as an umbrella for mostly middle- and smaller-sized militias whose orientation varies from 'quite liberal to quite radical Islamist'. A process is supposed to be under way to disband the SSCs by January. Yet it has been delayed because 'the build-up of the police forces is progressing very slowly', Pusztai says.

Another division within the fractured mosaic of Cyrenaican politics is that between the local tribes and 'the Misuratans in Benghazi', descendants of families from Libya's third city who moved there over a century ago. They share the Islamists' distaste for the federalist trend.

According to our Benghazi observer, this grouping includes Bu Katif, Bin Hamid, the Doha-supported cleric **Ali el Salabi** and his younger brother **Ismail el Salabi**, who is also a senior commander in the 17 February brigade (Vol 53 No 15). Its rivals include various groups from the towns of Beida and Dirna, including *Ansar el Sharia* (Supporters of *Sharia*), who have been accused of the murder in September of **United States** Ambassador **John Christopher Stevens**. ●

SUDAN

Sadig calls for regime change

As pressure builds in Khartoum, the grand old man of the Umma Party tries to win back power

The Prime Minister that the National Islamic Front (NIF) overthrew in 1989, **El Sadig el Sideeg el Mahdi**, sees a chance to win back power as conflict deepens at the core of the Khartoum regime (AC Vol 53 No 24). He may have left it too late: other opposition forces are strengthening their positions and growing more militant. El Sadig's National Umma Party is in turmoil and a bid to lead a meeting of the opposition with key international representatives this month or next looks shaky. The bid is led by his daughter **Mariam el Sadig el Mahdi**, who has been in **Switzerland** and **Britain** seeking Sudanese and local support.

She says 'Plan A' would be to bring the ruling National Congress Party (NCP, the rebranded NIF) into talks with the opposition but that the opposition might not accept what looks like El Sadig's old plan for a national conference. 'Plan B' would not involve the NCP directly. 'It's nice to be second best!' observed one opposition official. British interests were told of this initiative before Sudanese parties, *Africa Confidential* understands. Her father was also in England last month, speaking in Oxford. In a joint statement in November, he again signed up with the broad coalition of the unarmed opposition,

the National Consensus Forces (NCF), led by veteran former Communist and ex-Foreign Minister **Farouk Abu Eissa**.

El Sadig also attended a meeting in England on 14 November with **Yasir Saeed Arman**, Secretary General of the Sudan Revolutionary Front; **Ali el Haj Mohamed** of **Hassan Abdullah el Turabi's** Popular Congress Party; and his own cousin, **Nasr el Din el Hadi el Mahdi**, Deputy SG of the SRF and then Co-Deputy SG of the Umma (AC Vol 52 No 21). They agreed a new platform for unarmed and armed opposition and settled some contentious points. El Sadig asked Nasr el Din to sign, then on 16 November sacked him from his Umma post. This left everyone wondering what El Sadig had agreed to. He publicly criticised Nasr el Din, who simply confirmed he was still with the SRF.

The main problem for El Sadig is internal: Umma leaders have lost patience with their dynastic chief's indecision, a characteristic lacking in his great grandfather, **Mohamed Ahmed Abdullah**, the 'Mahdi', who in the 1880s led an initially successful campaign against **Turco-Egyptian** colonialism. Mariam is politically close to her father and even closer to her brother, Colonel **Abdel Rahman el Sadig el Mahdi**, an army

security officer who became a Presidential Assistant last year (AC Vol 53 No 1). Like her father, she has also been outspoken in opposition at times but she was still dismissed as Umma representative to the NCF earlier this year, replaced by **Abdel Jalil el Basher**, who is close to her uncle, long-term Umma maverick **Mubarek Abdullahi el Fadl el Mahdi**. She remains in the Umma Politburo but without portfolio. Many leading Umma members avoided meeting her while in Britain, we hear, and even cold-shouldered El Sadig.

The family's quarrels have plagued the Umma for three generations. Yet the Umma has realised that as Sudan's biggest party, it is bigger than the Mahdi family. Some leaders insist that if the Umma is to campaign for democracy, it must democratise itself. Young members have been vociferous (AC Vol 51 No 21). 'The problem is a lack of leadership,' UK and Ireland Chapter Chairman **Mohamed el Ansari Ali** told AC, 'El Sadig believes in compromise with the regime.' Leading Umma officials (usually discreetly) have declared themselves with Nasr el Din and the SRF, we hear, including SG **Ibrahim el Amin**, from the Gezira. The NCF and SRF are now at an 'advanced stage' of forming a common platform, said a non-Umma opposition source, adding that this leaves the government 'in a real corner'. The NCP's strategy has been to neutralise the opposition by coopting it, or by calling for dialogue, for which it has long tried to use El Sadig as a key interlocutor. While in Oxford, he called for 'regime change': he rejects armed struggle but neglects to explain how that change might occur. ●

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POINTERS

South Africa

ZUMA LEAVES NOTHING TO CHANCE

■ President **Jacob Zuma** has sent 40 hand-picked intelligence operatives to the African National Congress's 16-20 December conference in Mangaung, we hear. They will be on the look-out for anyone intent on disruption but their real mission is to identify and neutralise anyone attempting to swing the vote for ANC Deputy President **Kgalema Motlanthe** as party leader, say ANC sources.

Zuma is anxious to avoid the trap that snared **Thabo Mbeki** at 2007's Polokwane conference. Mbeki seemed to have unbeatable majority support but lost to Zuma in secret ballots. A Zuma confidant, the suspended head of crime intelligence now under investigation for murder, **Richard Mdluli**, is said to be running the operation. The team leader is Major General **Chris Ngcobo**, Zuma's former bodyguard, we have been told. The State Security Agency, under Zuma-ally **Siyabonga Cwele**, will be on hand to weed out trouble-makers. Zuma's strong connections in these circles date back to his time as head of the exiled ANC's counter-intelligence unit.

The Motlanthe group is lobbying former ANC Secretary General **Cyril Ramaphosa** to turn down Zuma's offer of a place on his campaign slate of top six ANC candidates. If he agrees, it will be a major coup for the 'Anyone but Zuma' group. Ramaphosa is said to be seriously considering the idea.

The run-up to Mangaung has been marked by bitter accusations of fraud in choosing delegates. Police Minister **Nathi Mthethwa** is said to have hijacked the North West Province nomination conference and forcibly replaced Motlanthe's supporters with Zuma's. The Free State ANC has already challenged the nomination of pro-Zuma provincial executives; no sooner had the Eastern Cape ANC unexpectedly declared for Zuma than a petition claiming fraud arrived at ANC headquarters.

São Tomé e Príncipe

TROVOADA SACKED

■ Prime Minister **Patrice Trovoada's** government failed to reach the end of its term, as *Africa Confidential* predicted (Vol 53 No 22), and lawyer **Gabriel Costa** of the *União dos Democratas para a Cidadania e Desenvolvimento* (UDD), has taken over. Trovoada's *Ação Democrática Independente* (ADI) minority government had been in continual crisis since coming to office in 2010 and it finally succumbed to a censure motion by the opposition: *Movimento de Libertação de São Tomé e Príncipe-Partido Social Democrata* (MLSTP-PSD, 21 members of parliament),

Partido da Convergência Democrática (PCD, 7 MPs) and *Movimento Democrático das Forças da Mudança* (MDFM, 1 MP).

President **Manuel Pinto da Costa** dismissed the government on 4 December. Trovoada declared that illegitimate and called a mass demonstration on the next day, which saw about 5,000 people on the streets demanding early elections. After asking the ADI for other nominees for premier, the President asked the MLSTP-PSD to form a government.

Costa's UDD split from the ADI, which he had co-founded in 1992, in protest at Trovoada's appointment by his father as party leader in 2001. Though not a member of the MLSTP-PSD, Costa, who was Premier in 2002, will lead its coalition with the PCD and MDFM – the same alliance that carried the censure vote. In opposition, the three parties were nervous of Trovoada's personal popularity. They will hope that their majority, combined with better relations with the President, who led the MLSTP-PSD for many years, will smooth the road ahead.

Namibia

GEINGOB REASSURES

■ The governing South West African People's Organisation party surprised friend and foe alike by electing **Hage Geingob**, 72, as its presidential successor to President **Hifikepunye Pohamba**. Two days later, Pohamba re-appointed Geingob as Prime Minister in a major cabinet reshuffle. With surprising ease, Geingob saw off rivals **Jerry Ekandjo**, Minister of Regional and Local Government, and Justice Minister **Pendukeni livula-lthana** (AC Vol 53 No 24). Pohamba headed off any faction-fighting by rapidly moving 18 ministers, including new faces at Defence, Foreign Affairs, Home Affairs, Justice and Safety and Security.

The new cabinet left most control in the hands of party moderates. None of the more headline candidates made it into SWAPO's top three contested jobs. At first it had looked as though livula-lthana and Ekandjo would combine to defeat Geingob but she had thrown in her lot with Geingob. She was appointed Home Affairs Minister. Ekandjo was totally outmanoeuvred.

Utoni Nujoma, son of the party's founder **Sam Nujoma**, had nominated livula-lthana but switched to Ekandjo's camp. The elder Nujoma's influence is waning; he did not endorse a specific candidate but made a plea for more female representation, which looked like support for livula-lthana. She drew only about 11% of the vote, however, against Ekandjo's 37% and Geingob's 52%. The speed with which Pohamba announced his new government suggested that he may be considering retirement before 2014. He is not well and the party constitution provides for his deputy to serve out the remainder of his

term. In many circles, Geingob's elevation was greeted by a collective sigh of relief. It arrests the drift towards inner-party tribalism and the loud, Youth League-led clamour to nationalise land and business.

Tanzania/Britain

MENGI BEANED IN COURT

■ **Reginald Mengi**, a Tanzanian media tycoon who is a friend and backer of President **Jakaya Kikwete**, has been ordered to pay £1.2 million (US\$1.94 mn.) towards the legal costs of British investor **Sarah Hermitage**, after he lost his libel action against her in London's High Court on 30 November. Justice **David Bean** found Hermitage justified in her published comments about Mengi being complicit in a four-year campaign of intimidation by his younger brother **Benjamin Mengi** to drive Hermitage and her husband **Stewart Middleton** off their farm near Moshi in 2005 and 2006 (AC Vol 48 No 11).

Hermitage began a blog in 2009, after the couple's return to Britain, and accused the billionaire of responsibility for a series of articles attacking her husband in his IPP Resources newspapers. IPP's coverage of the dispute with Benjamin, an influential businessman who just months after selling the lease of Silverdale and Mbono farms took aggressive measures to reclaim it, portrayed Benjamin as a 'patriotic investor' and reported a string of false allegations against Stewart Middleton. Reginald Mengi, who denied having an active role in his media companies, sued for libel.

Justice Bean concluded 'the campaign in the *Guardian* and *Nipashe* [an IPP Kiswahili paper] facilitated Benjamin's corruption of local officials and intimidation of the Middletons and thus helped Benjamin to destroy their investments and grab their property; and that Mr. Mengi, since he either encouraged or knowingly permitted the campaign, was in that sense complicit in Benjamin's corruption and intimidation.' The judge described Hermitage's response to IPP's campaign as 'reasonable, proportionate and relevant' and, given the seriousness of the attack, 'measured, even restrained'.

The judge scorned Reginald Mengi's claims to have a 'hands-off approach' to his publications, noting 'the hollowness of the pretence that the editorial teams at Mr. Mengi's newspapers exercise robust independence at all times'. He cited a 2008 memo in which the *Guardian* Managing Director instructed all editors to seek his approval before publishing 'controversial or any otherwise sensitive stories on President Jakaya Kikwete', calling it 'a momentary glimpse of the truth'.

The verdict received scant coverage in Tanzania and none in British newspapers. On 9 December, Mengi received some solace when Kikwete awarded him the 'Environmental Medal of the First Class'.