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BLUE LINES

As shock-waves spread after the murderous attack on staff at the Paris weekly Charlie Hebdo on 7 January, African security officials are weighing the implications for their own countries. Given the global coverage earned by the attacks in Paris and on the Westgate Mall in Kenya in September 2013, some Islamists see such armed assault as a means to bludgeon opponents, divide communities and step up recruitment. Even in remote areas of north-east Nigeria, the repeated attacks by Boko Haram on schools – with a far higher death toll than the 141 children killed in December's jihadist attack on the military school in Peshawar, Pakistan – has won the group the notoriety it sought. Some, like the Emir of Kano, Sanusi Lamido Sanusi, are bold enough to speak out against the Islamists, while others have been cowed. Some of Africa's foremost intellectuals have fallen in these battles. Libyan human rights lawyer Salwa Bughaigis, who campaigned against Colonel Moammar el Gaddafi's brutal secularist regime and then against Islamist repression, was murdered in Benghazi in June. At the start of this cycle of confrontation, the left-wing Algerian intellectual Salah Chouaki was shot dead in September 1994 after a succession of threats from the Groupe islamique armé. That was in the early stages of the war between Algeria's security state and its Islamist opponents. An unrelenting opponent of Islamism but a doughty defender of religious freedom for all, Chouaki wrote: 'The best way to defend Islam is to put it out of the reach of all political manipulation'.

SPECIAL PREVIEW EDITION

Africa in 2015

Tougher politics and tighter money are in prospect as governments will depend more on national resources – we look at the year ahead

After a decade of progress, Africa's path to economic self-reliance and political pluralism is now strewn with obstacles. In many countries, reformers have stabilised economies and whittled down government debts but the political price of those measures will be much higher in 2015. Governments will have fewer fat surpluses with which to placate restive towns and cities.

As favourable economic tides start to ebb, such as Asia's commodity spending spree, the search for investment capital under more unfriendly market conditions will intensify. Last year, African states including Ghana, Kenya, Nigeria and Rwanda – raised some US\$10 billion by floating sovereign bonds at relatively cheap interest rates. Already those interest rates are rising.

This will pressure economic managers to be more effective and imaginative, and its politicians to end their cold war with the continent's embryonic capitalist class. 'Most African governments would rather cut a deal with a multinational, stuffed with concessions, than work with companies by their own nationals... they fear successful businesses will use their economic power in politics,' the owner of a string of thriving African companies told *Africa Confidential*. 'But the truth is that most business people want to be Harry Oppenheimer, not Nelson Mandela. They want government to get out of their way so they can make money.'

One test case this year will be Nigerian magnate Aliko Dangote's bold plan to build a \$9 bn. oil refinery and petrochemical plant in the south of his country. The project, in which Dangote is investing \$3 bn. of his own cash and raising \$6 bn. abroad, was initially welcomed in Abuja but now

top officials favour a rival Saudi Arabian project. Insiders talk about political fear of the Dangote empire.

Despite a panoply of civic organisations energetically campaigning, the links between better governance and economic revival will remain much disputed. Many of the fastest growing countries, such as Angola, Equatorial Guinea, Ethiopia and Nigeria, score badly on international governance indexes. Civic activists' most impressive achievements have been in education and health care provision, not justice and human rights.

Foreign-financed civil society organisations that stray from those areas will come under growing legal and political pressure. Local activists are spending more time working with sympathetic politicians to improve public services. Due to be launched this month, an African Union-backed report by South Africa's ex-President Thabo Mbeki, which shows how tax fraud, trade mispricing and political corruption cost treasuries some \$50 bn. a year, should concentrate minds as finance gets tighter.

As many African governments drift and in some cases, gallop, towards more authoritarian rule, some officials justify such moves by pointing to Asia's economic successes under harsh regimes. However, the smallholder farmer revolutions seen in China and India are yet to take off in most of Africa. Nigeria's Agriculture Minister, Akinwumi Adesina, a candidate for the presidency of the African Development Bank this year, has said that once farming is seen as a business rather than an aid project, Africa will be able to build a developmental base, whatever the turbulence outside. ●

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KENYA

Economy up, security down

With strains appearing in the Jubilee Coalition, the opposition will exploit the government's political and security problems

The grisly image of the decomposing and mutilated body of **Meshack Yebei**, a witness in Deputy President **William Ruto's** case at the International Criminal Court will keep this issue at the top of the political agenda in 2015. It will remind the public that the causes of the political violence after the 2007 elections, on which all the Kenyan ICC cases are based, are far from resolved. Yebei, a vehement and public critic of Ruto, was found on 3 January. Ruto and his supporters have denied any involvement and have called for a thorough police investigation.

Although the ICC withdrew its charges of crimes against humanity against President **Uhuru Kenyatta** on 5 December, Prosecutor **Fatou Bensouda** has made it clear she will continue with the other two Kenya cases, against Ruto and radio talk-show host **Joshua arap Sang**. After hearing the charges against him would be dropped, Kenyatta crowed: 'One down, two to go!' The two remaining cases affect members of Ruto's United Republican Party, the mainly-Kalenjin wing of the governing Jubilee Coalition. Taking the cue from Kenyatta, his mainly-Kikuyu Party of National Unity wing of the Coalition downplayed celebrations so that the President's supporters did not seem indifferent to Ruto's and Sang's position.

However, the opposition Coalition for Reform and Democracy (CORD) believes the dismissal of Kenyatta's case will lead to a rupture in the Coalition, with Ruto's Kalenjin supporters accusing Kikuyu leaders of taking care of their own but neglecting Ruto and Sang. Attorney General **Githu Muigai**, who worked so hard for Kenyatta at the ICC, is Kikuyu. CORD and its leader, former Prime Minister **Raila Odinga**, could gain considerable Kalenjin support after a split between Jubilee's two wings. Some insiders claim that Kenyatta's allies are already lining up **Gideon Moi**, another Kalenjin leader and son of former President **Daniel arap Moi**, in case Ruto is convicted. The Ruto and Sang cases are likely to run at the Hague until at least April (AC Vol 55 No 25).

Meanwhile CORD's best hope will be to chip away at the Kalenjin edge of Jubilee. That partly explains its energetic support for a referendum to raise statutory central government funding to the 47 newly formed county governments from 15% to 45%. Such calls win backing from Kalenjin, historically strong supporters of

federalism or 'majimbo', devolving power to the counties and weakening the strong centre controlled by Kenyatta. In turn, Kenyatta's allies oppose it, fearing it would weaken them politically.

CORD will target **Isaac Kiprono Ruto**, the Bomet County Governor, as its key Kalenjin partner in the referendum campaign (AC Vol 49 No 20). A Kalenjin and nominally in Jubilee, he supports the 45% formula and chairs the Governors' conference. As in the 2005 constitutional referendum which President **Mwai Kibaki's** government lost, Odinga and CORD want to use the vote as a test of its popularity before the 2017 elections. It reckons it will win votes on a populist slogan calling for 'more money to the grassroots'. Fighting back, Jubilee will throw more money at the governors, worsening already serious budgetary pressures.

Accordingly, the public sector deficit will be wider than the 7% of gross domestic product of the Treasury forecast. Spending by the new county governments in their first year of operation was high and poorly monitored: much went on salaries and foreign trips of dubious utility. Corruption in procurement beats even central government's record. The Ethics and Anti-Corruption Commission will battle against vested interests at all levels of government. Transferring the powers of procurement and staff recruitment from permanent secretaries to ministers (cabinet secretaries) this year could worsen corruption.

Security at home and in the region will also dominate politics. Kenyatta's hurried assent into law of the Security Act in December, with its drastic provisions restricting the number and movement of refugees and according greatly increased police powers, prompted fistfights in Parliament between Jubilee and CORD. The government's first task this year is to appeal against a High Court decision suspending some of the Act's provisions as unconstitutional (AC Vol 55 No 24).

Although the African Union forces have scored some important wins in **Somalia**, *Al Haraka al Shabaab al Mujahideen* will continue to launch attacks along the poorly guarded border with Somalia, the coast and in the slums of Mombasa and Nairobi. Armed with tougher anti-terrorism laws, the government crackdown could miss the target again and instead foment division and dissent. CORD is trying to

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win support from the growing number of Muslims complaining of harassment.

Despite a plethora of political problems, the economy is proving remarkably resilient. The fall in global energy prices will cut inflation and fuel costs to households and industries, boosting economic growth. Security worries will cut tourist revenue again and export commodities could come under further price pressure. Falling world tea prices will also cut into revenue. Tea is Kenya's top commodity export but a decline in earnings could be mitigated by improved coffee receipts.

Given the overall lacklustre export earnings expected in 2015 and the rise in demand for investment imports, pressure will continue on the Kenya shilling, already at its lowest in US dollar terms in December. The Central Bank of Kenya, with support from the International Monetary Fund, is expected to intervene soon to stabilise the shilling.

Yet the International Monetary Fund predicts gross domestic product growth of 6.9% this year; the government forecasts 7%. Driving this is the surge in public investment in roads and railways, housing, power generation, trade, telecommunications, services and agriculture. Elaborate and expensive road and rail projects are aimed at maintaining Kenya's position as the region's economic and commercial hub. Despite competition from **Uganda**, and now from **Ethiopia**, Kenya is still the preferred base of operations for most international companies. Although it was one of the last countries in the region to strike oil in commercial quantities, most international oil companies have their regional headquarters in Nairobi.

Kenya's own capitalist class is growing in size and ambition, with substantial investments in **Congo-Kinshasa**, **Rwanda**, **South Sudan**, **Tanzania** and **Uganda**. Kenyan companies want to boost the country's reputation as a centre for information technology. More multinationals are expected to open Africa headquarters in Nairobi in 2015. MasterCard International will open its first research laboratory in Africa in Nairobi, which will also host the AU's African Institute for Remittances. ●

EGYPT

El Sisi consolidates

The President will try to firm up his power through the election of a compliant Parliament and a probable economic upturn

The much delayed parliamentary elections are likely to go ahead during February and March, over three rounds, although the timetable could slip further. The single-chamber Parliament will have 540 elected seats; 420 for individual candidates in specific constituencies and 120 for lists drawn up by parties or individuals. President **Abdel Fatah Khalil el Sisi** will appoint a further 27 members. The basic election law was issued shortly before he took office in June 2014 but the process has been held up by the need to redraw the electoral map to comply with the new constitution's requirement of fair representation.

The law governing new electoral districts was finally approved in December, paving the way for election dates to be set. The bias towards individual candidates is likely to result in a Parliament dominated by figures wielding influence in their home areas, especially through privileged access to the state and the security establishment. A handful of blocs competing in their profession of loyalty to President El Sisi will emerge as the parliamentary majority.

Efforts by veteran politicians such as **Amr Moussa** and **Kamal el Ganzouri** to create a single loyalist bloc will be undermined by personal rivalries (AC Vol 53 No 8). There will be mild opposition from parties such as the Egyptian Social Democratic Party and the *Hizb el Dostour* party (Constitution Party) founded by **Mohamed Mostafa el Baradei** (AC Vol 54 No 20). The main Islamist representation will comprise members of the *Nour* party, a Salafist group that broadly supports the Sisi regime. Turnout is likely to be low, given the disaffection of supporters of the banned Muslim Brotherhood and the disillusionment of civil society activists. The polls will make little difference to the government, as few if any of the cabinet are likely to stand: the constitution doesn't

allow members of parliament to serve as ministers. Parliament will have 15 days to review decrees passed while there was no legislature. This is likely to be a formality.

The authorities will continue to face dissent and violent opposition from multiple sources. Supporters of ousted President **Mohamed Mursi** and the Muslim Brotherhood will seek to keep their cause alive by staging protests but they are unlikely to be big enough to trouble the government. The regime will continue to tighten restrictions on civil activists, with enhanced powers following a new law on non-governmental organisations. The media will remain broadly pro-regime.

The security forces will continue to wage an intense counter-insurgency against the jihadists in northern Sinai, who in late 2014 pledged allegiance to **Ibrahim ibn Awad al Samarraï** aka **Abu Bakr al Baghdadi**, 'Caliph' of the Islamic State, based in **Iraq** and **Syria**. The army will seek to contain IS within northern Sinai and, ultimately, to wipe it out. The campaign could provoke a backlash from local residents, including those forcibly displaced from Rafah to create a buffer zone on the southern border with the Gaza Strip. The armed forces will continue to support anti-Islamist factions in **Libya**.

THE ECONOMY

Economic performance will improve in 2015 but Egypt may still have to seek support from the International Monetary Fund; Arab aid will taper off, partly as a result of the impact of lower oil prices on Gulf finances. Real gross domestic product growth will be about 4%, underpinned by the strong recovery in manufacturing indicated in official data since early 2014. Construction is also likely to show relatively strong growth as efforts to court Gulf investment in housing and infrastructure start to pay off (AC Vol 55

No 15). In March, the government intends to stage an investment conference to showcase opportunities in the new Suez Canal development zone, as well as in the Red Sea area around Safaga and along the Mediterranean coast. Lower world oil prices will benefit Egypt since, as a net importer, its energy subsidies bill will decrease. The government pushed up fuel prices in mid-2014 but that still left most products more than 50% subsidised.

The budget deficit in the fiscal year ending in June 2015 will be above 10% of GDP and foreign exchange reserves will be sufficient to cover only about ten weeks of imports. The central bank will come under pressure to devalue the pound after the gap between the official and black market rates widened in the second half of 2014. The government has sought to persuade international banks to resume investment in Egyptian securities, which would increase capital inflows and reduce the burden on local banks of financing the deficit. However, foreign banks are likely to seek the reassurance of an IMF programme before committing to renewed investment.

Investment in oil and gas is picking up as the government has improved the terms for exploration and development – and started to pay back the billions of dollars it owes international oil companies for their sales of natural gas. However, the backlog was still about US\$5 billion at the end of 2014. Oil output should remain stable at about 720,000 barrels per day and natural gas output may rise slightly for the first time in three years, after falling from 61 bn. cubic metres in 2011 to about 50 bn. cu. metres in 2014.

The extra output will come from projects brought on stream during 2014 by companies including **Britain's** BG Group, **Italy's** ENI, **Germany's** RWE Dea and **Dana Gas of Sharjah, United Arab Emirates**. Egypt is likely to commence imports of liquefied natural gas in 2015 via a floating terminal supplied by **Norwegian-based** Høegh LNG, according to a five-year time charter party contract signed in Cairo in November. Work should ramp up on BP's West Nile Delta project, adding 10 bn. cu. metres to Egypt's annual gas production when complete, but the final details of the contract still need to be worked out. ●

MALI

IBK on the back foot

Peace talks with Tuareg rebels and the President's dented reputation both need their credibility restored

Deadlock in the peace talks with Tuareg rebels promises continued instability and paralysed development for

northern Mali this year – unless **Algerian** mediators step up the pressure for compromise. That is the verdict of most

observers on a peace process where both sides seem entrenched and the mediators are unwilling to use their influence to forge a compromise (AC Vol 55 No 21).

The implications for security, development and inter-communal reconciliation are grim. Lack of progress in the talks perpetuates the unstable and lawless conditions in northern Mali that favour jihadist terrorism. Supplied regularly from southern **Libya** – an ungoverned militant safe haven – Islamist

radicals marked the turn of the year with lethal attacks against **French**, government and United Nations' troops. Despite a brief flurry of rumours, Paris has played down any suggestion that it might intervene in Libya to hit the root of the problem. It is unlikely to do so except as part of an internationally agreed initiative. That is more likely to be prompted by worsening conflict between the rivals in Tripoli and Benghazi than by any events to the south.

Late last year, France claimed a major success by killing **Abdel Rahmane Ould el Amar** (aka **Ahmed el Tilemsi**), a former military commander of the *Mouvement pour l'unicité et le jihad en Afrique de l'ouest* (MUJAO) who merged his followers with those of **Mokhtar Belmokhtar's** *Mua'qoon Biddam* to form *Al Mourabitoun*. France knows, though, that lasting security can come only from lasting agreement and that the international military effort can take the stabilisation only so far.

At the last round of talks in November, the *Mouvement national de libération de l'Azawad*, the *Haut conseil pour l'unité de l'Azawad* (HCUA) and the *Mouvement arabe de l'Azawad* continued to press for a federal solution in which the northern regions of Timbuktu, Gao and Kidal would form a new Azawad entity with a broad degree of self-rule. In Kidal, where the Malian army was chased out in May, the MNLA issues supporters with new identity cards in the name of Azawad.

The government is offering limited devolution of power as part of a wider national process of decentralisation but it is not prepared to accept the creation of a semi-independent Azawad that is a state in all but name. This position is unlikely to change as the year progresses because the ethnically diverse northern population largely supports continued national unity. Support for the MNLA and HCUA is strong in Kidal but even in other

parts of what would be Azawad, including Timbuktu, Gao, Ansongo or even Ménaka, popular support is limited. The Imghad branch of the Tuareg, for example, fear an autonomous Azawad would simply entrench the socio-political dominance of the Ifoghas nobility.

The government will be hoping that the 27 December installation of the moderate parliamentarian **Intalla Ag Attaher** as *Aménokal* – traditional ruler of the Kidal Tuareg – in succession to his father, who died on 18 December, will improve the prospects for progress in the peace talks. The new *Aménokal* has stayed outside the MNLA, although one of his brothers, **Alghabass Ag Intalla**, leads the HCUA.

Back in Bamako, Prime Minister **Moussa Mara** has plans to divide Mali into 23 or 24 regions, based on traditional communities and under directly elected governments. The *cercles*, administrative 'circles' inherited from the colonial era, would be scrapped. Mara hopes to rebuild support for the Malian state among the population of the far north by gradually restoring basic services. This has already begun in Tessalit but Kidal, which remains tense, poses the greatest challenge.

SECURITY CHALLENGE

On the military front, the government is still far from able to assume full control of security in the north. MNLA and HCUA fighters tolerate the presence of French and UN troops in towns they control but show no sign of allowing the Malian army back in. While this does little credit to Bamako's attempts to reform and retrain its army, France's stock sank to a new low in December after the release of French hostage **Serge Lazarevic**, in exchange for several jihadists. It demonstrated France's sway over the Bamako government and caused anger locally and internationally

because Paris continues to deny making concessions to the jihadists, while everyone can see that it does.

While the north dominates the news, Mara faces ample pressure on other fronts, not least recurrent rumours that President **Ibrahim Boubacar Keita** might soon drop him. Much as the President would like to remove Mara from the limelight, it would be a risky move: IBK's standing is much reduced since the embarrassing suspension of support by the International Monetary Fund for several months last year due to irregularities in the procurement of a US\$40 million presidential jet and a \$200 mn. loan guarantee for a company supplying the army. The European Union and France followed the IMF's lead but by December, the aid was back on stream, but only after Bamako had been forced to submit to a forensic audit by the *Bureau du vérificateur général*. It discovered that the plane's purchase, however inappropriate, was at a fair price but the military supply deal was riddled with abuses.

Local media covered the saga with enthusiasm, which has hurt IBK badly and narrowed his already small room for manoeuvre. It could deter him – which may not be a bad thing – from reshuffling the government, where Finance Minister **Bouaré Fily Sissoko** has done an effective job of rebuilding relations with the IMF and overseeing procurement reform.

The trial of former military junta chief **Amadou Haya Sanogo** and colleagues on charges of torturing and murdering mutinous soldiers will probably go ahead this year, presenting IBK with another unwelcome political challenge. He gave full backing to the investigating judge who has led the probe and ordered the men's arrests but much more of the same will be needed to carry the case to trial and handle any efforts by the populist Sanogo to use the dock as a political platform. ●

CONGO-KINSHASA

Hell no, he won't go

Kabila's determination to stay in power regardless of the legalities poses major risks – but the economy is looking up

Speculation is rising that the probable postponement of local elections due in June and October is part of a plan by President **Joseph Kabila** to put off next year's presidential election. He aims to prolong his presidency for as long as possible and other options to hold on to power are proving unworkable. The electoral commission, the *Commission électorale nationale indépendante* (CENI), blames insufficient funds and the failure to fix constituency boundaries. Organising

the local polls is already way behind schedule, say civil society sources.

The government says it wants to ensure the reliability of the electoral register by conducting a national census first. The opposition fears that the real goal of the exercise, which would be difficult and controversial, is to delay both local and national elections. Having tried various constitutional means of prolonging his time in office, say oppositionists, postponing the elections looks like the least

provocative option for achieving the same end. According to estimates by donors and by opposition leaders, such as former National Assembly Speaker and leader of the *Union pour la nation congolaise*, **Vital Kamerhe**, it would take between one and three years to carry out a full census in a country with such poor infrastructure. CENI's pro-Kabila Chairman, the Roman Catholic priest **Apollinaire Malu Malu**, added to the atmosphere of suspicion last month by refusing to confirm the election dates (AC Vol 55 No 4).

Plans to revise the constitution to allow Kabila to run for a third term – drawn up by the Secretary General of the *Parti du peuple pour la reconstruction et le développement*, Interior Minister **Evariste Boshab** – are meeting rising opposition and may be abandoned in favour of a census. Yet Congolese may see the census

as yet another ploy to put off Kabila's resignation. Everyone believes Kabila is clinging to power by any means, but it is not certain that the opposition can unite to oppose him effectively.

Last year, the main opposition party, **Étienne Tshisekedi wa Mulumba's Union pour la démocratie et le progrès social** was in crisis. In November, 400 party leaders and other members signed a protest statement against the 'hijacking' of the party by Tshisekedi's wife, **Marthe**, and his elder son, **Félix**, a member of parliament, when the 81-year-old leader was confined to hospital in Brussels last August. Relations between the UDPS and other parties have in any case been difficult. Some UDPS members have accused Secretary General **Bruno Mavungu Puati** of forging an alliance with 'pro-Rwandan' Kamerhe.

COOPTING AND CONFRONTING

The opposition *Mouvement de libération du Congo* whose leader, **Jean-Pierre Bemba Gombo**, awaits the verdict in his trial for war crimes before the International Criminal Court, is also in crisis. MLC Secretary General **Thomas Lusaka** was appointed Telecommunications Minister by Prime Minister **Augustin Matata Ponyo Mapon** in December's reshuffle, and two other MLC MPs hold the Industry and Deputy Finance Ministers' jobs. They have been expelled from the party. Many see this as Kabila coopting former opponents. New Budget Minister **Michel Bongongo Ikoli Ndombo** is a close ally of Senate Speaker **Léon Kengo wa Dondo**, who ran against Kabila in the 2011 election. **Olivier Kamitatu Etsu** once opposed a third term for Kabila.

Yet Kabila is planning not only to coopt but to confront. Last September, he appointed his favourite trouble-shooter, Major General **Gabriel Amisi Kumba** (aka **Tango-Four**), a notorious former militia leader, as operational commander of the Western Defence Area, which just happens to include the provinces where Kabila's 2011 presidential vote was lowest (AC Vol 55 No 19). Meanwhile, **Egypt** has been training the 15,000-strong Republican Guard in crowd control since mid-2014. The new Defence Minister appointed

in December, **Aimé Ngoy Mukena**, is a former Governor of Katanga whom the think-tank International Crisis Group held responsible for sponsoring militias which are creating havoc in North Katanga.

None of this augurs well for relations with the European Union, whose 30 military advisors in its security sector reform mission, Eusec, with the national army, the *Forces armées de la République démocratique du Congo* (FARDC), will leave in June. The government is also calling for the end of the *Mission des Nations Unies pour la stabilisation du Congo* (Monusco) – an unwelcome observer and possible brake on its future freedom of action.

Ever since the UN intervention brigade defeated the Rwandan-backed *Mouvement du 23 mars* rebels in November 2013, Kinshasa has insisted Monusco's mission is over, despite continuing operations against militias in the east. Monusco gave a deadline of 2 January, not honoured as we went to press, for FARDC to attack the mainly Hutu Rwandan exiles of the *Forces démocratiques de libération du Rwanda*. Some FARDC officers are too involved with the FDLR, personally or commercially, to want to act against it, say diplomats. Militias will continue to cause problems elsewhere in Congo-Kinshasa in the coming year, especially in Katanga and along the borders with **Burundi** and **Uganda**. M23 is not necessarily a dead duck: in November its Chairman, **Bertrand Bisimwa**, threatened that M23 could take up arms again after complaining that he and his men had received nothing in return for stopping the war.

THE ECONOMIC FRONT

The Organisation for Economic Cooperation and Development forecast growth of 8.5% and 8.6% in gross domestic product for 2014 and 2015. Mining, and rebuilding roads and energy infrastructure, will drive that growth, as will the agricultural campaign launched in 2012. Inflation should remain below the 4% target. The OECD hopes that improved budget planning and a flexible monetary policy will strengthen the economy but all prospects are prone to disruption by civil unrest or by conflict in the east.

The strength of the mining industry should have knock-on effects on other parts of the economy. According to the Chamber of Mines of the *Fédération des entreprises congolaises*, in the first half of 2014 copper output rose by 7.8% to 492,882 tonnes and was expected to reach close to one million tonnes for the year and much more in the years to come. The Chamber believes that to achieve these results, the Mining Code review, which has been lagging for two years, needs to be completed. It also expects the gold boom to continue. Production jumped from 6 tonnes in 2013 to 16 tonnes in 2014, with large projects by Randgold and Ashanti Goldfields coming on stream in Eastern Province. The FEC agrees with the OECD that poor electricity supply is a major obstacle to increasing production.

The Chamber of Mines also says that greater transparency in the *Société nationale d'électricité* and respect for supply contracts are necessary conditions for any further investment in the energy sector. While waiting for more power generation at home, Congo-K will have no choice but to increase imports from **Zambia**, which have been increasing since 2011.

Business people are also waiting for the passing of the oil law, under debate in Parliament for nearly two years. That would trigger important developments such as the award of oil exploration permits in the Central Basin and the Lake Tanganyika Basin, and of gas concessions around Lake Kivu. Finally, the government has announced that construction of the 4,800-megawatt Inga 3 hydropower dam on the Congo River will start in October.

Enormous difficulties, however, remain. Professionals in the sector are not sure that the **Chinese** consortium Three Gorges-Sinohydro or its **Spanish** rival, *Actividades de Construcción y Servicios-Eurofinsa*, will be ready by then. Technical studies financed by the World Bank and African Development Bank have to be finished before building can begin. The **South African** Department of Energy told Parliament in Cape Town in November that the financial targets for Inga 3 would be met only in 2016. ●

SOUTH AFRICA

Turbulence trending

Zuma faces a serious challenge from Ramaphosa and ANC internal battles could weaken efforts to tackle urgent economic problems

The coming year will be dominated by the struggle within the African National Congress between President **Jacob Zuma** and his supporters and those

seeking to replace him with the Deputy President, **Cyril Ramaphosa**. This will affect the municipal elections next year and the ANC's internal elections the year

after. The energies of some of the most important ministers and officials will as ever be diverted from state business to factional struggle.

The Gauteng Province ANC, which includes the financial capital, Johannesburg, and the administrative capital, Pretoria, will lead the fight for Ramaphosa to replace Zuma. The manoeuvring eerily recalls Zuma's own ousting of **Thabo Mbeki** from the ANC presidency in 2007 (AC Vol 48 No 25). The overt aim of Ramaphosa's champions

is to give the party a more voter-friendly face in time to fend off heavy opposition challenges in the municipal elections. They fear the ANC could lose control of the key governments of Johannesburg, Pretoria and Ekurheleni Metropolitan (formerly Germiston), because of Zuma's across-the-board unpopularity in most parts of the black urban population. The pro-Ramaphosa campaign is led by Gauteng ANC Premier **David Makhura** and Gauteng Provincial Chairman **Paul Mashatile** (AC Vol 55 No 20). Zuma himself wants either his former wife, African Union Commission Chairperson **Nkosazana Dlamini-Zuma**, or Parliament Speaker **Baleka Mbete** to succeed him.

The Ramaphosa-Zuma conflict moves to the ANC Youth League Conference in April. Zuma postponed that meeting from November 2014 because he feared the strength of the pro-Ramaphosa faction. Already, anti-Zuma delegates are being mobilised to help Ramaphosa's cause. It's a further echo of the Zuma-Mbeki contest, where the ANCYL was a key battleground.

The succession battle's impact, especially on local government business, will be severe. ANC branch meetings nominate candidates for local elections. Now, the party has adopted a new practice whereby candidates, even at a local level, join slates linked to the ANC presidential candidate. Being on a losing slate means not being selected as an official ANC candidate and that means losing income, patronage and government contracts. Since the ANC cadres have no alternative means of support, they must concentrate on internal party politics to protect their livelihoods. The impact on the already disastrous 'service delivery' situation, a major vote-loser for the ANC, is easy to imagine.

THE CAUSE OF LABOUR

The possible break-up of the Congress of South African Trade Unions, which is allied to the ANC, will play out during the year. Cosatu's largest affiliate, the National Union of Metalworkers of South Africa and nine others which oppose Zuma and the ANC's policy direction plan to form a new trades union federation and a new political party if they cannot reverse NUMSA's expulsion (AC Vol 55 No 24). Cosatu's pro-Zuma faction is led by federation President **Sidumo Dlamini** and the anti-Zuma group by General Secretary **Zwelinzima Vavi**. The dispute also concerns the challenge from the Association of Mineworkers and Construction Union (AMCU), which has won major concessions for its members while Cosatu is accused of being in league with the bosses. Setting up a rival to Cosatu will probably wait for the legal challenges within the federation over NUMSA's expulsion to play out. Whether

another labour federation emerges or not, the political strand represented by NUMSA and its allies will almost certainly form a new political party. NUMSA has said the United Front will be formed in April and contest municipal elections in 2016.

The ANC takes such challenges, as well as those from Youth League ex-President Julius Malema and his Economic Freedom Fighters, extremely seriously and the possibility of violence cannot be ruled out. There are already signs that the government has been using parts of the state security apparatus to undermine NUMSA and this is likely to increase. Vavi has accused 'rogue elements' in the intelligence services of 'trying to destabilise' Cosatu. If the battle for labour moves outside Cosatu and NUMSA forms another federation, the destabilising effects on the labour market could be severe as each side fights for the allegiance of workers. Also at stake are Cosatu's vast resources, from offices, funds and cars to investment companies and union shareholdings in private companies.

The scene therefore seems set for protracted strikes as the economy struggles, with workers resisting company retrenchment on the one hand and rival unionists competing for members on the other. Whatever happens, the ANC's ability to obtain industrial peace by pleading with its union allies to put the country and the economy first will disappear. A new NUMSA union federation, like the AMCU, will be deaf to such entreaties and Cosatu will have to emulate them in order to compete.

THE FISCAL CHALLENGE

Against this turbulent political background, this would not seem to be a good year to implement some of the biggest economic policy shifts since Zuma became President in 2009. The government will announce its plans to privatise or commercialise key state-owned enterprises to raise revenue for them. The power utility Eskom, South African Airways (SAA) and the telecommunications company, Telkom, are in particular need of investment.

This is especially ironic since Zuma's challenge to Mbeki accused him of wanting to privatise state corporations. The government portrays the privatisation moves as the sale of 'non-strategic' state assets. The name will change little and even pro-Zuma Cosatu leaders will be compelled to oppose privatisation, since the rest of the labour movement, NUMSA, AMCU and the EFF will be fiercely opposed. If the government gives in to the unions, it is left with the problem of making up for the disastrous under-investment in state-owned enterprises (SOEs). Zuma handed this poisoned chalice to Ramaphosa last December. The government has announced various measures to help turn

around the SOEs but has left ineffectual political appointees in key positions. That does not signal serious intent to carry out deep reform.

The state sector will, however, begin large-scale redundancies in the public sector. A freeze on new appointments there is due to come in and the Development Bank of Southern Africa, Telkom, Eskom, Transnet, Denel and SAA have all started reducing their workforces. One concern is that they will use the savings for short-term purposes and fail to invest in the skills base that these industries need. Equally worrying is whether the government will stick to its course of 'rationalisation'. Last year, Post Office casual workers went on strike for three months to become permanent staff and the government gave in. It remains to be seen whether it has the political will to withstand union opposition to wide-scale retrenchment in the public sector.

REVENUE

The tax base is in decline because of high unemployment and revenue is under pressure from the many demands on public funds. At the same time, the private sector is slowing investment because of fears about government economic policy and political instability. Since policy paralysis may well accompany the fracturing of the Triple Alliance of ANC, South African Communist Party and Cosatu, the economic situation is likely to deteriorate.

Some selling of non-core or non-strategic assets is less controversial than others. According to Treasury sources, if the government is going to bring down the budget deficit from 4.1% of gross domestic product this financial year to 2.5% over the next three years, it must sell large shareholdings. Trades unions oppose its objective of reducing the budget deficit to 2.5% of GDP over the next three years. The government is likely to sell all or part of its 13.9% stake, worth 26 billion rand (US\$2.2 bn.) in the mobile telephone company Vodacom Group, *Africa Confidential* understands.

It is also likely to sell part of its 40% stake in Telkom. Furthermore, we understand, the government has asked the state-owned Industrial Development Corporation to dispose of selected shares in publicly-traded companies and for the proceeds to be used to prop up ailing key SOEs. The government is also likely to sell a stake in the national airline, SAA, possibly to Etihad Airways, national carrier of the **United Arab Emirates**.

STRONG HEADWINDS

The economy will face tough times in 2015. International markets and commodity prices such as those for metals are weak and unlikely to improve this year. It is

unlikely that South Africa will be able to unlock domestic structural constraints, including labour market instability, regular strikes, infrastructure shortfalls, transport and energy problems, and poor education and training. Last October, the Treasury set out a five-year economic framework that pledged tax rises, a freeze

on new public sector jobs and ensuring that financial support for state firms would not widen the budget deficit.

Growth will remain sluggish in 2015. Last February, the Treasury forecast growth for the 2014/2015 financial year at 2.7% but then reduced that to 1.4%. It is unlikely that growth will improve

soon, since policy paralysis will continue. The rand, which last year hit six-year lows against the US dollar, is expected to remain under pressure. Unemployment will remain high. Tax revenue will remain under pressure and the government is unlikely to reduce its fiscal or current account deficits. ●

MOZAMBIQUE

New faces, old issues

Good will and hopefulness greet Nyusi. But a still-disgruntled Renamo clouds the picture, as do corruption fears

After he takes office on 15 January and Parliament reconvenes, President **Filipe Nyusi** is expected to bring many new and younger faces to cabinet as his predecessor **Armando Guebuza's** allies move on. Now that the dust has settled on the controversial general elections, Nyusi's first steps have been to try to unify the governing *Frente de Libertação de Moçambique* (AC Vol 55 No 22). He still has some influential opponents in Frelimo, though, including **Graça Machel**, widow of Founding President **Samora Machel** and later, of **South African** President **Nelson Mandela**. Even **Lúisa Dias Diogo**, his biggest rival for the presidential nomination and a former Prime Minister, has pledged her backing, as has ex-President **Joaquim Chissano**.

In the coming year, the Chissano faction will probably regain the influence it lost during Guebuza's tenure. Overall, the early signs are that Nyusi is gaining respect for statesmanlike behaviour and that he could well turn out a far stronger leader than many had believed. Guebuza might remain party President for another two years, which could provoke a power struggle. Pressure has been strong from party and friends for him to resign.

Tension persists with the main opposition party, the *Resistência Nacional Moçambicana*, as its leader, **Afonso Dhlakama**, continues his vain campaign to gain a role in government. He remains determined that what he calls his election victory should be acknowledged and says Nyusi's win should be invalidated on the grounds of massive fraud. Many had warned that this could be an enduring legacy of the messy election. He has now ordered his MPs to boycott Parliament until they get a stake in government.

Although Dhlakama promised not to restart the mini-insurgency that he led in the run-up to the vote, he has no intention of disarming and so relinquishing the one bargaining chip he still holds. Renamo's position is a major challenge because the

ever-present threat of renewed violence is a deterrent to foreign investors. At this critical time for investment decisions, Frelimo is desperate to preserve peace, even if the political cost is high. There have been rumours in Maputo that interested parties, particularly from **Italy** and its major oil company **ENI**, have been talking to Renamo to see what they can do to help maintain the fragile peace.

A rise in kidnapping, including that of the high-profile businessman and **United States**-designated drugs baron **Mohammed Bashir Suleiman**, marked a difficult beginning to Nyusi's first term (AC Vol 55 No 23). Powerful generals of Makonde ethnicity want a crackdown on organised crime, especially kidnapping, and the government is likely to tackle the problem more seriously this year. Nyusi's fellow Makonde and others from the largely neglected north are likely to rise in influence considerably.

LOW CREDIT

The high borrowing rate is causing growing concern and criticism and the credit ratings agency **Moody's** recently gave the economy a vote of low confidence. Mozambique continues to spend money it has not yet earned, a risky strategy as delays in gas production stretch ever further into the future. Under Nyusi, stricter management is expected.

Donor governments, whose opinions cut little ice in Frelimo circles in recent years, will continue to criticise Maputo for borrowing money for non-essential projects instead of crucial infrastructure. The rationale for these projects is the attendant large commissions for members of the ruling elite, critics say, not any developmental economic logic. The notorious *Empresa Moçambicana de Atum* (Ematum) fisheries and gunboats deal is widely rumoured to have funnelled hundreds of millions of dollars into the pockets of individuals close to the top of party and state. The affair led several angry donors to end direct budget support

(AC Vol 55 No 13). The perception of massive corruption and greed in Frelimo dented its vote during the polls and Nyusi will want to dispel that by distancing himself from any notion of continuity with Guebuza's presidency.

Regardless of the corruption or of infrastructural bottlenecks, the draw of vast reserves of natural resources has kept foreign investment flowing. Low world prices and poor infrastructure will continue to eat into coal profits; those factors drove out **Rio Tinto** last October. Overall, however, mining is still an attractive prospect and interest will keep growing in heavy sands, precious stones and other minerals.

Despite rumours that **Brazil's** **Vale** was considering selling its coal interests, it now seems likely to try to weather the storm thanks to the upgraded railway and development at **Nacala** port. Meanwhile, investors with an appetite for risk are keen to buy up the assets of companies that pull out. For those with the means to play the waiting game, these deals could prove lucrative.

With the **Petroleum Law** finally approved and the Decree Law setting out the special terms for **Areas 1 and 4**, the final part of the legislation to be completed is the regulations. These have been drafted and should come into force shortly. So far, they appear to do little to modify the impact of the controversial parts of the **Petroleum Law**. The 25% of output reserved for local consumption remains. Oil companies are unhappy and it could store up problems for the future.

Nyusi is conscious of the need to keep his promise that ordinary Mozambicans will benefit from the resource boom and the local content requirement, however unrealistic, has an important political role (AC Vol 55 No 25). The new bidding round has opened for oil and gas concessions, and results will be announced this year. The government is still deciding on the deadlines. Expect the entry of some major multinationals into Mozambique's gas sector, such as **Shell**.

The government's handling of the hydrocarbons laws through decrees not scrutinised by Parliament has raised concern that some of the Frelimo elite will make a habit of secretively rushing through legislation without public discussion. Nyusi is believed to want this practice to stop. ●

ETHIOPIA

Not a popularity contest

The EPRDF won't allow the recovering opposition to test its electoral support and will tightly manage the coming elections

The most certain outcome in 2015 will be a sweeping electoral victory for the governing Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) and another five years in office for Prime Minister **Hailemariam Desalegn**. Ethiopian soldiers and diplomats will continue to contain various local and regional conflicts without resolving them and the new five-year economic strategy will carry on where the last one left off.

The National Electoral Board of Ethiopia has chosen 24 May for national and regional elections. Campaigning is to begin on 14 February but the final results are not expected until late June. EPRDF leaders have little to worry about. Advances in development have won them support in many parts of the country and the first-past-the-post electoral system favours a strong incumbent. More than six million EPRDF members and party cells in every village help turn out the vote where it matters most, in the rural constituencies that account for the majority of parliamentary seats and where opposition structures are weak to non-existent.

The EPRDF won't leave anything to chance, though. Critical journalists were arrested on trumped-up charges all through 2014, sending a clear message to the independent media. The more vocal among the opposition parties have seen their leaders arrested or report harassment of their activists. And, as the crackdown on protestors in Oromia showed last year, the security forces leave no doubt as to where their loyalties lie when the pressure is on (AC Vol 55 No 10).

The opposition is unlikely to fare as poorly as in 2010. After the EPRDF's shock at the size of the opposition vote in the 2005 elections, it restricted the opposition so severely that its share of seats in the House of Peoples' Representatives plummeted from 174 to just one. Even without repression, though, the opposition would still lack strength. It has no strong leaders and has fragmented further. Unity for Democracy and Justice (UDJ), a party that retains a considerable following in Addis Ababa, has split from the Forum for Democratic Dialogue in Ethiopia (Medrek), the main opposition platform in the 2010 federal elections, and will fight separately this year (AC Vol 51 No 10).

Additional competition for the opposition vote has arisen in the form of a second coalition of nine smaller parties,

led by *Semayawi* (Blue), a new national movement whose public demonstrations in Addis Ababa have won it a reputation for a more confrontational form of opposition politics (AC Vol 54 No 18). Both *Semayawi* and the UDJ can hope to win a few seats in urban constituencies, assuming that they don't boycott the elections, as they have in the past, while ethnically-based parties may carry a seat or two in Oromia and the Southern Region. However, the re-emergence of a sizeable opposition bloc in Parliament, let alone an actual challenge to EPRDF dominance, is very unlikely.

RESHUFFLES

A cabinet reshuffle will follow the elections. Up for grabs is the Finance and Economic Development portfolio. **Sufian Ahmed**, the veteran economist who has held the top job in Amist Kilo for the past 20 years, has a good chance of succeeding **Donald Kaberuka**, whose second term at the helm of the African Development Bank ends in September (AC Vol 55 No 11). There are also plans to create a new Ministry of Construction and Infrastructure to better coordinate the huge public investment in this area. Party structures, too, will see some renewal.

A National Congress, the highest body in the EPRDF's organisational hierarchy, initially scheduled for last November was postponed until after polling. No official explanation has been given but the deferral is meant to curb any jockeying for positions that would call into question the image of cohesion the EPRDF wishes to project in the elections. There is no question that Hailemariam will be confirmed as EPRDF Chairman. In the lower ranks of the party leadership, older leaders will continue to make way for younger ones, taking into account the electoral performance of individual party officials.

REGIONAL HEAVYWEIGHT

Armed conflict is likely to remain a constant companion of politics in the coming year, without leading to major disruption at national level. Ethiopia will maintain its high-profile involvement in regional conflicts, through mediation or direct military involvement. Former Foreign Minister **Seyoum Mesfin** is expected to remain the regional Inter-Governmental Authority on Development's chief mediator in **South Sudan**. Addis Ababa has a strong interest in ending the civil war there, both

because it plans to export electricity from the Grand Ethiopian Renaissance Dam (GERD) to the two Sudans and because the conflict further adds to the destabilisation of Gambella Province. According to figures from the United Nations Office for the Coordination of Humanitarian Affairs, about 250,000 refugees, most of them from the cross-border Nuer group, have already fled to Ethiopia's westernmost state. That number is likely to rise to more than 350,000 during the first months of 2015, as fighting has resumed with the end of the rainy season.

In **Somalia**, the integration of previously separate Ethiopian troops into the African Union Mission in Somalia eased financial pressure on the military but left the command structure largely intact. No major policy changes are foreseen at this stage and Ethiopian troops will continue to be deployed primarily in the areas of Bay, Bakool and Gedo, which adjoin Ethiopia's Somali Regional State. The Islamist militia *Al Haraka al Shabaab al Mujahideen* will keep Ethiopia on its target list but is likely to focus attacks on northern **Kenya**, where it now finds it easier to operate (AC Vol 55 No 24).

The cold war with **Eritrea** seems unlikely to thaw and only major unrest within the Asmara regime could change this (AC Vol 54 No 17). Ethiopia will balance tensions at the current level: state and party media will be allowed to stoke up feeling against **Issayas Aferworki** and low-key support for the Eritrean opposition in Ethiopia will hold. At the same time, the current stalemate is more beneficial for the EPRDF government than a resumption of conflict and Ethiopia is unlikely to make a first move.

In the peripheral regions, conflicts between ethnic communities will continue to simmer and occasionally warrant intervention by federal troops. In the north-east, the quarrel between Afar and Issa (Somali) peoples is still unresolved. In the west and south-west, tension between settlers, many of them illegal, from the major ethnic groups, and communities such as the Mejenger, Sheka and Suri, will continue to deteriorate unless central government takes decisive action to protect indigenous groups. In Gambella, the further influx of Nuer from South Sudan will aggravate the conflict between local Anuak, Nuer and Highland settlers.

In the economic arena, overall growth will remain strong, with forecasts at 8-9% of gross domestic product. Both agricultural output and private investment are on the rise. After a bad harvest in **Brazil**, high world market prices for Arabica coffee will boost export earnings. Private investment is growing in manufacturing, including the production of machinery and other capital goods.

Still, public investment remains the

backbone of Ethiopia's development and several major projects are slated for at least partial completion in 2015: several of ten new sugar factories in the south are scheduled to start production and export. The US\$1.6 billion railway between Addis and **Djibouti** is scheduled to open, as is a new road connecting northern Kenya to the Ethiopian border town of Moyale. Optimists even expect the GERD to start producing energy from two of its total 16 turbines by the end of the year.

Further delays in any of these projects would not be surprising, though. Many of the ambitious goals of the five-year Growth and Transformation Plan, which ends in September, will have to be implemented during the next planning period. Dubbed 'GTP II', the new economic strategy paper will be presented for discussion in mid-2015 and cover the years 2015-2020.

Few details about the new strategy have emerged from the National Planning Commission headed by the veteran **Mekonnen Manyazewal** (AC Vol 51 No

21). Its basic thrust is expected to be the same as in the previous plan: massive public investment in physical infrastructure and basic services, coupled with the aggressive promotion of foreign investment in light manufacturing. More concrete objectives have been communicated only for the power sector, where a new \$20 bn. investment package is projected to double the reach of the national grid to a quasi-universal 99%, while building at least ten additional power plants.

While private-public partnerships in electricity generation will be promoted, liberalisation of the telecommunication and financial sectors is not in the offing during GTP II: these will remain out of bounds to foreign investors until mobile telephone coverage and the banking network have been extended across the country, said a recent statement by the Minister of Information and Communication Technology, **Debretsion Gebremichael** (AC Vol 54 No 22).

As with the GTP, challenges to

implementing the next development strategy will be mostly financial. Lack of funding or complications in mobilising funds have slowed down many projects and these problems are unlikely to go away. Ethiopia's current account deficit remains uncomfortably high, as do inflationary pressures, and the growing burden of servicing the sovereign debt has been exacerbated by the recent issue of an inaugural \$1 bn. Eurobond.

Extractive industries will continue to be a sideshow in the economy. In contrast to other Rift Valley states, no commercially viable oil reserves have yet been found. Nevertheless, exploration will carry on: London-based Tullow Oil, which has been unsuccessfully prospecting in the south since 2010, had its exploration licence extended in October. It has been joined in the Afar Region by **Russia's** GPB Global Resources, a Gazprom subsidiary, and by **Chinese** energy giant GCL Poly Energy Holdings Limited in the Ogaden. ●

TANZANIA

CCM faces apathy

Elections dominate the calendar, as will the groundwork for the LNG project, whose economics are now less certain

The party in power since the advent of multi-party democracy in 1995, *Chama cha Mapinduzi* (CCM), is virtually certain to win the presidential election in October or November. That does not mean that the contest won't be characterised by controversy and conflict. The race for the presidential nomination has been under way for some years because President **Jakaya Kikwete** is in his final term.

The current front-runner is former Prime Minister **Edward Lowassa**. Although he resigned the premiership over the Richmond power scandal in February 2008, he has kept his high position and influence in the CCM, and has not been prosecuted (AC Vol 49 No 4). Lowassa's determination to obtain the top job has been clear for over a year, although rising star **January Makamba** may have a chance if the party grandees want youth on their side (AC Vol 52 No 9). Prime Minister **Mizengo Pinda**, although he has not resigned, was implicated in the scandal over Independent Power Tanzania Limited (IPTL), which has dented his hopes of challenging Lowassa for the candidacy (AC Vol 55 No 4). It has also opened up the field to other contenders, the most ambitious being Foreign Affairs Minister **Bernard Membe**.

The opposition parties have promised

to run a single, unity candidate against the CCM in both presidential and parliamentary polls. He (almost certainly) is likely to come from the largest mainland opposition party, *Chama cha Demokrasia na Maendeleo*, probably either Chadema Secretary General **Wilbrod Peter Slaa Lorri** or Chairman **Freeman Aikaeli Mbowe**. Either will find it nearly impossible to dislodge the CCM candidate.

There are no serious ideological or even policy divisions between the main candidates and parties. Some fear that Lowassa's assumption of power, with his background, his wealth and his wealthy backers, will see a worsening of political corruption. The IPTL scandal illustrated how deeply rooted corruption is throughout state institutions. That is something Chadema could not, in all probability, change.

Makamba likes to remind people that most Tanzanians alive today were born in the past twenty years. That is something to bear in mind in this year's polls. Will young people with a vote bother to use it? Trends suggest not: voter turnout has been in steep decline, from a high of 84% in 2000 to just 42% in 2010. Either way, if the incoming President – who is likely to rule until 2025 – does not put in place measures to increase youth employment and gear the economy for a demographic

dividend of increased productivity, the country's future is grim.

The immediate test for the new government will be to ensure that the liquefied natural gas project in the south goes ahead. The lead potential investors, Statoil and BG, are holding back on a final decision until after the vote. Decision-making under Kikwete has been painfully slow and suffered further from the fact that the IPTL scandal was centred on the Energy and Minerals Ministry. The complex Host Government Agreement for the LNG project, covering everything from work permits to tax exemptions, could well take a long time to implement. Also, gas and oil market trends are denting its very viability. Tanzania's gas is costly to extract and will be entering a much more competitive market. Deep sea wells, spread far apart, are expensive to develop and carry a relatively high unit cost. This can be offset if buyers can be offered stable supply. Recent attempts to renegotiate production sharing agreements, delays in legislation and efforts to increase state control could delay the 'gas economy' dream for some considerable time.

The incentives to get on with it are strong. Development aid is falling, as donors move away from budget support, mostly suspended last year over IPTL. Only **China** and the **United States** still show enthusiasm, though few doubt that a proxy geopolitical contest is also in play. Decreasing levels of aid will further increase the budget deficit and send government to the market for debt-financing. Election years can strain the budget. In October, Kikwete signed infrastructure and investment deals with China worth US\$1.7 billion. ●

ALGERIA

The long goodbye

There is unease in Algiers where the focus on the President's health is obscuring long-term political and economic reform

Algerians worry about their future in a world where oil, which with natural gas still accounts for over 95% of exports, is trading at below US\$55 per barrel. It is a world which also contains one big neighbour, **Libya**, in political meltdown. Yet despite budget cuts and security concerns, the news from Algiers will continue to be dominated by 77-year-old President **Abdelaziz Bouteflika's** repeated hospitalisations and reported illness (AC Vol 55 No 12). In December, the **French** rumour-mill went into overdrive about his apparent arrival at the Val de Grâce hospital in Paris; it turned out that the VIP invalid was the President's lawyer brother, **Abdelghani Bouteflika**.

Although apparently at death's door, it's impossible to tell how long 'Boutef' and the faction that supports him will cling to power. Sober and usually well-informed sources in Algiers suggest that while infirm, he is far from senile, is taking decisions and has made clear to insiders that he intends to continue to do so.

The local press will continue to recycle talk of constitutional revisions – including the appointment of a vice-president – and a possible mid-term retirement that might allow a regime-approved civilian politician to take office, such as Presidential Office Director **Ahmed Ouyahia**, Prime Minister **Abdelmalek Sellal**, reformist ex-Premier **Mouloud Hamrouche** or regular presidential candidate **Ali Benflis**. Ouyahia is coordinating the reform process. Sellal has been working on his image, with trips around Algeria and abroad. In mid-December, he went to London, where **British** Prime Minister **David Cameron** has been an Algeria-booster ever since the January 2013 attack on the In Amenas gas plant (AC Vol 54 No 2).

Much depends on key *décideurs*, the top power-brokers and decision-makers in *le pouvoir*, the 'powers that be' who have for long moulded Algerian politics. They are led by the military intelligence chief, the head of the *Département du renseignement et de la sécurité* (DRS), Lieutenant General **Mohammed Lamine 'Tewfik' Mediennie**, whose long-anticipated retirement will also preoccupy Algiers-watchers (AC Vol 55 No 19). In passing the baton to a new generation, the key issue for the Bouteflika clan, as much as for the DRS and other ranks of *le pouvoir*, is immunity from potential corruption proceedings and other score-

settling by their successors. Boutef has another precedent in mind, *Africa Confidential* understands, that of an Algerian leader who functioned through sickness to die in office. This is his mentor, **Houari Boumedienne**, whose memory many Algerians still revere, possibly more now than when the military dictator died in December 1978.

Other *décideurs* are also reflecting on Boumedienne's demise. The *zaim* (charismatic leader) was replaced by the most senior officer, the Commander of the *Oran wilaya* (military region), Colonel **Chadli Bendjedid**, rather than by the more talented security chief, Col. **Abdallah Khalef**, who was better known by his *nom de guerre*, **Kasdi Merbah**, and was assassinated in 1993. Another candidate would have been Boumedienne's long-serving but then still young Minister of Foreign Affairs, one Abdelaziz Bouteflika. Word has it that unless the current ruling group can put a credible succession in place, the officer corps will look to their own ranks, having replaced the ageing, compromise Chief of Staff and Deputy Defence Minister, Lt. Gen. **Ahmed Gaïd Salah** (75 this month), with a younger candidate to lead a reinvigorated military. While official Algeria and its friends still talk of a commitment to pluralist politics and civilian presidents, some officers are impressed by the career of officer-turned-President **Abdel Fatah el Sisi** in **Egypt**.

The army has, by most accounts, improved its performance since In Amenas, which underlined the extent to which the DRS and military had lost control in regions they regard as their fief, the Algerian Sahara and neighbours **Mali** and **Niger**. With refugees and arms flooding across the Libyan border, pressure remains high. Algiers will seek to reinforce ties and security cooperation with **Tunisia's** new President **Béji Caïd Essebsi**, the candidate favoured by Bouteflika and the DRS (AC Vol 55 No 23). Yet relations are likely to remain frosty with **Morocco**, especially as oil drilling starts off the disputed Western Sahara (AC Vol 55 Nos 3 & 6). This is despite Western allies' efforts to stabilise links between the two Maghreb heavyweights, which France, Britain and the **United States** see as bulwarks against radicalism in a region now claimed by Islamic State (AC Vol 55 No 21). The European Union carries

little weight in Algiers, which has all but rejected the association agreement that Brussels proposed. Nevertheless, it will be a major supporter of Algeria in 2015, since the **Ukraine** crisis has highlighted Europe's dependency on imports of **Russian** gas. Algeria's state utility Sonatrach has been a stable supplier of natural gas to EU markets for four decades.

A glitzy Algerian investment conference in London on 10 December, matched by initiatives from Paris (where President **François Hollande** has been overt in his enthusiasm for 'fellow Socialist' Algiers) and other Western capitals, show how keen business is to get a slice of the country's \$200 billion hard currency reserves, as well as its conventional and non-conventional (shale) hydrocarbon potential. Appetites are further whetted by a new multi-billion five-year development plan that started on 1 January.

However, domestic business is still highly constrained by rigid policies, bureaucracy and an under-performing banking sector. Even leading private sector figures such as billionaire **Isaad Rebrab** are stymied by red tape and political bickering. Rebrab has taken to investing in distressed European assets instead of building his planned petrochemical complex. Ongoing corruption allegations in major projects, such as the hugely expensive East-West Highway, point to endemic high-level corruption in what is still a rentier state. Gulf Cooperation Council investors are making a big return, encouraged by Bouteflika. Among those deeply involved in property and other deals with the sheikhs is unpopular presidential brother **Saïd Bouteflika** (AC Vol 55 No 2).

The oil price will dominate 2015. Algeria was among the big net losers from the decision in November by the Organisation of Petroleum Exporting Countries to maintain a 30-million-barrel-per-day production ceiling, allowing prices to continue their downward trajectory. Behind closed doors in Vienna, angry words were heard between Energy and Mines Minister **Youcef Yousfi** and his **Saudi Arabian** counterpart, **Ali al Naimi**, the main advocate of letting prices drift downwards. The Algerian state budget depends on a price of \$100 a barrel and Sonatrach's sales have suffered from the loss of US markets: Algerian and **Nigerian** light crude exports have been most affected by the US shale-oil revolution.

While the political class bickers, plummeting oil prices may prove the biggest driver for regime change. To cite another precedent: the impact of the global oil price crash in 1986 was finally felt by the political class in 1988-89, when internal turmoil led to the rise of the now banned Islamist party, the *Front islamique du salut*. ●

BURKINA FASO

Watching the dust settle

Filling the vacuum left by Compaoré's long presidency will dominate the year ahead: the mass movement that ousted him will be on high alert

Dismantling the political and economic system built around ex-President **Blaise Compaoré** is political, military and economic. Politically, the transition is about preparing the way for new presidential and legislative elections, planned for November. An experienced diplomat, **Michel Kafando**, 72, leads the transition as Interim President and Minister of Foreign Affairs while Lieutenant Colonel **Yacouba Isaac Zida**, 49, formerly number two in the presidential guard, the *Régiment de sécurité présidentielle* (RSP), is Premier and Defence Minister. As members of the interim government, they are disqualified from standing in the polls, which is why most of the extra-parliamentary opposition declined to take part in the caretaker government.

The National Assembly has been replaced by a *Conseil national de transition* led by the journalist **Chérif Moumina Sy**, Editor in Chief of the weekly *Bendré*, which strongly opposed Compaoré's plans to remain in power (AC Vol 54 No 24).

More political parties could well arise from the citizens' movement that chased out Compaoré. None has yet been established formally but any newcomer will have to run to overtake the other established

parties. Among those, the *Congrès pour la démocratie et le progrès*, Compaoré's former election-winning machine, will be a factor, albeit much diminished. The CDP will have to be accommodated in any new democratic settlement, notwithstanding demands in the media for it to be banned. That, however, would leave former heavyweights such as ex-Prime Minister, **Luc-Adolphe Tiao**, party Executive Secretary **Assimi Kouanda** or former Foreign Minister **Djibril Yipènè Bassolé** and many others resentful and politically homeless (AC Vol 55 No 13). **Zéphirin Diabré**, leader of the *Union pour le progrès et le changement* (UPC) is likely to play an important role in any future political configuration (AC Vol 51 No 24).

Diabré has done fairly well at distancing himself from the old power structures of which he was once part. He is yet to declare his intentions but is busy rallying the party faithful. The performance of the *Mouvement du peuple pour le progrès* (MPP) of former CDP bigwigs **Roch Marie Christian Kaboré**, **Salif Diallo** and Ouagadougou ex-Mayor **Simon Compaoré** will be watched with keen interest (AC Vol 55 No 3). Although they had prominent roles in the opposition

to Compaoré, there is still doubt as to whether they have put enough clear blue water between themselves and the old-guard. Like the UPC, the MPP is busy building up its party structures nationwide but it will have to be wary of soaking up too many former CDP stalwarts. The leader of the *Union pour la renaissance-Parti sankariste*, **Stanislas Bénéwendé Sankara** may try his luck in November but his appeal is seen as too narrow.

ARMY WITHIN THE ARMY

After Compaoré's removal, the focus of conflict has shifted to his support structure, which was essentially military. There will be no place for the much despised RSP, whose key man was the recently sacked Special Chief of Staff, Brigadier General **Gilbert Diendéré**, Zida's one-time boss. So far, Zida's presence as a de facto subordinate to President Kafando has not been problematic but that could change.

The RSP has long been an army within an army, with better training, equipment, pay and perks that were long resented by the regulars. The challenge now is to create a unified military force but no one knows whether the RSP will accept being dismantled and integrated into the rest of the army. After unquestioned dominance since Independence in 1960, the army will find it hard to subordinate itself to politicians. There is high potential for conflict. An end-of-year spat over bonuses between the RSP and Kafando was a bad omen. International partners, especially **France** and the **United States**, which have been boosting Burkina Faso's position as a backstop for US and French

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counter-Islamist activities in the Sahara and Sahel, could help out by using their influence with the military to encourage reform.

The third part of the conundrum is the dismantling of the economic empire built by Compaoré's clan, a monster that straddled the entire economy, from state bodies such as customs and the electricity utility, through commercial enterprises and the services industry to agriculture, construction, gold mines and plunder from donor funds. Some clan members, such as various state utility directors, have been sacked. Others, such as **Alizet 'Gando' Ouédraogo**, clan matriarch and mother-in-law of the younger ex-presidential brother, **François Compaoré**, are in exile. Dismantling her empire alone will be a complicated process. There are many clan members with long lists of assets and it will be in the courts, rather than on the streets, that the battles over who owns what – and who gets what – are fought.

Gold overtook cotton as the main export in 2013. **Canada** is the lead investor in gold but there are also **British, Dutch** and **US** undertakings. Their fortunes have varied since the revolution: the Dutch-owned Bissa Mine was ransacked by local people who believed it was run for the benefit of François Compaoré. By contrast, Britain's Avocet claims that, in spite of December's strike at its Inata mine, operations will continue (AC Vol 54 No 14). Gold-extracting companies may re-assess their presence in the face of demands for greater transparency post-Compaoré. Inexplicably, Burkina Faso was admitted to the Extractive Industries Transparency Initiative even though the national coordinator worked out of the Prime Minister's office.

So far, the country has managed its political transition adroitly, thanks partly to the vigilance of the mostly young citizens' movement that checks any new appointee's past links with the deposed President and his clan. The immediate issues are whether Kafando and Zida can keep their working relationship going, whether the military can live with civilian rule and how the elections are run. Beyond that, people will be looking forward to a renewed, more transparent economy, in which they have a real stake.

Compaoré's extradition from his new home in **Morocco** may be unlikely but it has already caused disruption. Zida tried to demand it as a political gambit while Kafando told the world it was not a priority. Citizens will, however, demand a reckoning for the assassination of Sankara, **Norbert Zongo**, Judge **Salifou Nébié** and others. The International Criminal Court may well be among those seeking justice there and also for the regional fires on to which Compaoré poured fuel, in **Côte d'Ivoire** and **Liberia** to name but two. ●

ZIMBABWE

The year of leaving dangerously

Mugabe may be relinquishing full control of the state – but not the party

With Vice-President **Emmerson Mnangagwa** reportedly assuming some of the duties of the head of state, it looks as though the transition of power from President **Robert Mugabe** could at last be under way. Mnangagwa has decisively supplanted former Vice-President **Joice Mujuru** as heir apparent but it came at a cost of giving Mugabe almost full power over the Zimbabwe African National Union-Patriotic Front machine. This power could be turned just as easily on the new Dauphin, should he step out of line (AC Vol 55 No 25).

Mnangagwa's own followers include top securocrats and his Co-Vice-President, **Phelekezela Mphoko**. Among his civilian supporters, there is a certain disappointment, in particular for **Oppah Muchinguri, Jonathan Moyo, Saviour Kasukuwere** and **Patrick Zhuwao** at their relatively meagre appointments. A separate faction to counter-balance Mnangagwa could be forming around Mugabe's own relatives, led by **Ignatius Chombo**, 74, who has been elevated to the fourth spot on the Praesidium with Mugabe and the two vice-presidents. Its growth will to some extent depend on how active a role the President's wife, **Grace Marufu Mugabe**, intends to play: it's believed that the cabinet seat for Women's Affairs has been earmarked for her.

Only a rump of the faction loyal to Joice Mujuru remains at the higher levels of party and state. Her camp had become disorganised and complacent. Its members could not believe that the fabrications and allegations of assassinations, foreign plots or witchcraft would be taken seriously. They failed to rally around their colleagues who first came under attack, notably **Gideon Gono** and former party Spokesman **Rugare Gumbo**.

As the purge gathered momentum, inertia prevailed as key provincial ZANU-PF leadership posts fell with almost military precision. The provincial foot-soldiers here were the Women's League (increasingly loyal to Grace Mugabe) and the rather young war veterans' groups formed under the auspices of **Chris Mutsvangwa**, who has been rewarded with the newly created Veterans ministerial portfolio (AC Vol 55 No 9). **Jabulani Sibanda**, leader of a slightly older veterans' grouping, was arrested in November for insulting the First Family by referring to a 'bedroom coup'. Mujuru is unlikely herself to make

a formal break with ZANU-PF but with over 100 parliamentarians and a dozen ministers demoted or relegated to the backbenches, Parliament itself could become a centre of intra-party rivalry. Yet the opposition parties have been equally fractious and inert, and some form of Unity Government Mark II, as advocated by Zimbabwe's friends, is improbable.

LAND REFORM

Mnangagwa is reputed to understand business and the workings of a modern economy. Mugabe himself is caught in a time warp of now-dated analysis. Yet the signs are that land reform rules are being eased. The economy is slipping into deflationary mode and the official growth targets for gross domestic product have been revised down towards 3%, about half of the rate of comparable economies and even of the targets of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset, AC Vol 55 No 4). Utilisation of industrial capacity has sunk below one-third and closures and job losses have accelerated. Having failed to benefit from the decade-long commodity boom, Zimbabwe is now affected by the weak global prices for primary commodities.

The setback was largely self-inflicted as fast-track agricultural reforms were implemented with inadequate planning, little expertise and scarce capital investment. With the onset of the rains, only a small deficit is now expected in maize output. Tobacco is only now starting to recover in volume but, in general, it is of lower quality. Long-standing smallholder success in cotton is suffering from low prices and the exchange rate. Low international metal prices, including for platinum and diamonds, have depressed exploration and expansion, and **India's** Essar Group's US\$750 mn. investment to refurbish the iron and steel works remains stalled.

Linking to the US dollar provided a short-term solution to hyperinflation but is now proving costly in its inability to adjust the exchange rate to reflect the weakness of the major trading partner, **South Africa**, adding to pressure on the balance of payments. As Western economies move to positive interest rates, the attractions of short-term lending to countries such as Zimbabwe will fade and the domestic liquidity crunch will get worse. ●

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BLUE LINES

The Ebola epidemic in West Africa came as a bolt from the blue, an apparently natural disaster. And yet, as we approach the anniversary of the first diagnoses deep in the bush of Guinea, new facts are emerging about how opportunistic politics and bad governance – locally and internationally – made the crisis far worse. This is particularly true in Sierra Leone.

The once narrow gap between Monrovia's handling of the crisis and Freetown's is now a chasm. Liberia's new cases are dwindling into single figures, while Sierra Leone's continue at an alarming rate. Many more now link the persistence of Ebola to Freetown's disorganisation, lack of capacity and corruption. As our feature on page 8 makes clear, the evidence cannot be ignored. The health ministry is one of the most corrupt: ghost-workers stalk its corridors and ambulance crews and nurses have to strike to get paid. More of Sierra Leone's brave health-workers have died than in any other affected country.

The government presents statistics that underestimate the crisis. Public education about the disease, even in the worst affected areas, is appalling. But politicians have received millions to help them sensitise their constituents. When Liberia accepted that cremation of the dead was vital, Sierra Leone demurred. The main Freetown cemetery is now unable to cope and turning into a health hazard.

Both Liberia and Sierra Leone's recent past has been marked by rebellions, civil war and chronic underdevelopment. So that does not explain why Sierra Leone's situation is so dire.

NIGERIA IN 2015

Elections face new risks

With three weeks to go until voting day, almost half the electorate still lack voters' cards and could be disenfranchised

New doubts about the timing of the presidential and governorship elections, currently due on 14 and 21 February respectively, will complicate national security. Because some 30 million out of the 68 million registered voters are yet to receive their biometric Permanent Voting Cards, there is a compelling case to postpone the elections, according to National Security Advisor Colonel **Sambo Dasuki**.

With almost half the electorate disenfranchised – the Independent National Electoral Commission stipulates that no one will be allowed to vote without their biometric cards – Dasuki told London's Chatham House think-tank that the competing political parties will have to find a way out of the crisis. Under present constitutional arrangements, the elections could be postponed for three months but the INEC makes the final decision. Presumably it would have to guarantee that it could deliver the remaining 30 mn. cards.

More difficult still would be getting the two parties – President **Goodluck Jonathan**'s governing People's Democratic Party (PDP) and presidential challenger **Muhammadu Buhari**'s opposition All Progressives Congress – to agree on a postponement and put their combined pressure on the INEC. However, such is the level of mistrust between the two parties, getting that cooperation could prove difficult. On the face of it, neither side benefits from an election in which half the electorate is disenfranchised. But should INEC suggest dropping the requirement for biometric cards, the opposition is likely to cry foul, arguing that the governing PDP would be in a better position with control of

the security apparatus to push fake voters through the polling stations. This last minute problem adds to the economic and security threats: the halving of world prices for oil, still the dominant export, intensifying attacks by *Boko Haram* Islamist insurgents and a new wave of restiveness in the Niger Delta. The coming elections are set to be the most closely fought since Independence in 1960. There is no ideological chasm between the two parties competing in the general elections: both are broadly centrist and pro-market, although the APC pushes more welfarist policies in the states that it controls. An undulating stream of defectors moves in each direction.

END OF THE ELITE'S PACTS

This is the first time an opposition party, with a diverse national support base, has taken on an incumbent party: it is the end of a long period of elite pacts in national politics. The most obvious sign was the defection of five PDP state governors two years ago. Now, of the 36 states, the APC has 14 governors and the PDP 21, with another under its influence. The governors' defections were followed by a high profile row between Jonathan and Central Bank Governor **Sanusi Lamido Sanusi** over his claim that some US\$20 billion of oil revenue had not been paid into the national accounts. Jonathan's subsequent suspension of Sanusi backfired: Sanusi was appointed Emir of Kano last year, despite Abuja's opposition (AC Vol 55 No 13).

Corporate barons are more taciturn than their political counterparts but the absence of businessmen such as **Aliko Dangote** and **Femi Otedola** at PDP fundraisers sends its

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own message. No such reticence from the military old guard. Just over a year ago, General **Olusegun Obasanjo** wrote a highly critical letter to Jonathan urging him not to stand for another term.

More remarkable still is Gen. **Ibrahim Babangida's** endorsement of Major Gen. Buhari's candidacy. Both were military leaders in the 1980s but fell out badly after Babangida organised a palace coup against Buhari and seized power in August 1985. All that is behind them, they insist.

Closer to home for Jonathan are the ructions in his political homeland in the Delta. It was **Rotimi Amaechi**, Governor

of Rivers State, who spearheaded the defection of other PDP governors two years ago. He is now the APC leader in the Delta but still Governor of the second richest state. Next door in Bayelsa, Governor **Henry Seriake Dickson**, still nominally in the PDP, has been locked in a very public row with **Patience Jonathan**, the highly interventionist presidential wife. However bad all that looks for Jonathan, his position is strengthened by historical and logistical realities. No incumbent party has ever lost power at the centre in elections, although a couple have in coups d'état.

The opposition also has to field enough monitors to protect its vote at the count. Set against that are the PDP's impressive national reach, organisation and resources, and a well-honed electoral machine. It will back that up with a far bigger election war chest than the opposition, thanks to 15 years of power at the centre.

A key advantage for Jonathan and the PDP is their control of the national security apparatus. Central government deploys its own security chiefs to all states – opposition or pro-government – and Jonathan has announced that

300,000 security officers will be on the streets during voting.

Three states in the north-east – Adamawa, Borno and Yobe – are wracked by insurgents and under emergency rule. Far less reported is the communal violence in the Middle Belt and a growing tide of lawlessness across the north, against which police are making little headway. Alarms are again ringing in the Delta amid credible reports of substantial arms deliveries to militant groups. Human rights activists fear a return to the political violence of the 2000s or worse.

Most analysts reckon Jonathan will win comfortably in the south-south and south-east and Buhari will take the north-west and north-east. That leaves the Middle Belt and south-west, with the most registered electors, as the key battlegrounds. The main prize will be the commercial capital, Lagos, an opposition bastion. In 2011, Lagos and most of the south-west voted for the opposition in governorship elections but backed Jonathan for the presidency. Much will depend on whether Jonathan and the PDP can repeat that trick across the south-west. ●

CÔTE D'IVOIRE IN 2015

Ouattara's risky allies

The President faces greater danger from his friends than from a demoralised opposition that is stubbornly loyal to his predecessor

The main opposition *Front populaire ivoirien* appears unable to accept that it must replace its leader, ex-President **Laurent Gbagbo**, to contest the elections in October. The International Criminal Court is not about to release Gbagbo, who awaits trial for crimes against humanity. Yet his former Prime Minister and party leader, **Pascal Affi N'Guessan**, cannot unite the FPI. As a result it is veering, amidst intrigue and acrimony, towards a split between the two men's followers.

Even if the FPI manages to stay together, it may well opt for another election boycott and with it, increasing political irrelevance. Many commentators bemoan the impact of its intransigence on Ivorian democracy because the FPI represents important sections of society and holds sway in large parts of the centre and west, as well as strongholds in the economic capital, Abidjan.

President **Alassane Dramane Ouattara** won the 2010 election as the candidate for the alliance between his own *Rassemblement des républicains* (RDR) and the former single party, the *Parti démocratique de la Côte d'Ivoire*, still led by the octogenarian **Henri Konan Bédié**

(AC Vol 55 No 2). However, the PDCI is also facing a break-up, over two issues: whether or not to field its own candidate and a struggle between the generations.

Konan Bédié backs ADO's candidacy but **Kouadio Konan Bertin**, the focal point of the party's younger generation, has declared his intention to stand (AC Vol 54 No 8). Similar moves have been made by ex-Premier **Charles Konan Banny**, 72, after his stint as head of the failed truth and reconciliation body, the *Commission dialogue, vérité et réconciliation*, and by **Amara Essy**, 70, former Chairman of the African Union Commission. Essy presents himself as heir to the late **Félix Houphouët-Boigny**, founder of party and state. The planters' association within the PDCI, a key constituency of rich cocoa-growers in the tradition of Houphouët-Boigny, has endorsed Essy.

None of this is likely to derail Ouattara's re-election, be it outright or over two rounds. The RDR is united behind him and appears to be content to see the Internal Affairs and Security Minister and rising political star **Hamed Bakayoko** pushed to the fore. Bakayoko is well on his way to becoming Ouattara's successor, once his

second term has expired. ADO faces far more serious problems with the military.

In view of the dramatic 2010-11 events that followed the last presidential contest, this election will be closely monitored by West Africa, the AU, the United Nations and others in a bid to reduce the risk of election fraud and avoid damaging claims that it has taken place. Since vast numbers in the pro-Gbagbo and pro-Ouattara camps are in no mind to pursue national reconciliation, a tightly-run and closely-monitored election is a necessity.

INTERNAL-EXTERNAL CONFLICT

Volatility in the western region continues, largely a legacy of the Gbagbo presidency and the wars in neighbouring Liberia. The region remains awash with arms and gangs operate with or without political affiliation. Their numbers have diminished but they still cause trouble (AC Vol 55 No 25). The alliance of convenience between Ouattara and the man who helped to secure the military side of his political victory during the 2010-11 post-election crisis is coming to an end: Ouattara needs to put more distance between himself and former rebel leader **Guillaume Soro**, now President of the National Assembly. One reason is political. Relations between Soro and Ouattara's anointed successor in the RDR, Bakayoko, are execrable. The other reason is electoral. The continued presence of some of Soro's old Zone Commanders, who took their racketeering ways to Abidjan after their military victory in April 2011, has become a liability.

The national army, the *Forces*

républicaines de Côte d'Ivoire (FRCI), which emerged from the rebel forces, is in dire need of root-and-branch reform. This includes getting rid of the Zone Commanders, (com-zones) which can't be done without upsetting Soro. So far, Ouattara has tried a softly-softly approach, sending several (including the notorious Lieutenant Colonel **Issiaka Ouattara**, known as 'Wattao') to training courses in **Morocco** and **China**. The allegiance of large swathes of the army to the President is thin, especially given the slow pace of integration of former rebels into the FRCI and the explosive issue of back pay and, in the case of demobilisation, severance packages. This may involve up to 8,500 regular and irregular troops, and an uncertain sum of money. The government says it has already paid part of the US\$38 million it needs to solve the issue while diplomats maintain the real figure is more than twice as high and Ivorian newspapers cling to the figure of \$95 mn.

Everything came to a head in November 2014, when thousands of soldiers took to the streets in Abidjan, the former rebel stronghold of Bouaké (where **Hervé Touré** alias 'Vetcho' is a commander) and

elsewhere (AC Vol 54 No 10). They were paid to return to barracks. This raises the twin spectre of repeated mutinies by a divided and potentially disloyal military and irregular troops sowing insecurity wherever they are. Ouattara can well do without these in an election year.

Côte d'Ivoire has bounced back since the post-electoral crisis ended, posting annual growth rates of 8-9%, mostly driven by commercial agriculture and services, including transport. Abidjan is West Africa's busiest port after Lagos and services a vast hinterland, including **Burkina Faso** and **Mali**.

Transparency International noted Côte d'Ivoire as one of most improved countries in its annual Corruption Perception Index, where it now ranks 115 out of 175, up 21 places on the previous year. The World Bank's annual *Doing Business* report named the country as one of the top reformers in 2014, praising its one-stop investment centre, the *Centre de promotion des investissements en Côte d'Ivoire*. In spite of possible instability in an election year, the economy is expected to continue to do well. There is heavy investment in infrastructure.

The Ivorian economy differs from most in the region in that its main sources of revenue is commercial agriculture: cocoa, coffee, cotton and tropical fruit. Cocoa and cotton are reaching record production and the world's largest cocoa-grower is increasingly processing its produce at home. The **British**-based International Cocoa Organisation says it will overtake the **Netherlands** as the world's largest cocoa processing country this year, though most of this is in foreign-owned factories. There is some small-scale mining, for example by Randgold.

Much-needed redistribution of that new wealth is a potentially divisive issue but one that Ouattara, a committed free-marketeer, will be unwilling to address. The uneven handling of the post-election political violence is also problematic. Eighty-one Gbagbo-loyalists are on trial in Abidjan and the ICC holds Gbagbo himself but the perpetrators of the single worst post-election crime, the massacre of at least 800 people in the volatile western town of Duékoué in March 2011 by anti-Gbagbo rebels, remain at large (AC Vol 55 No 7). This has already done deep damage to the credibility of the judiciary. ●

SOMALIA IN 2015

The federation tango

The President's new cabinet will face the same intractable issues as the last. Lack of international patience is another problem

Last month, President **Hassan Sheikh Mohamud** survived a political crisis and finally sacked Prime Minister **Abdiweli Sheikh Ahmed Mohamed**, enabling him to appoint a new cabinet (a report on the new cabinet follows in our next issue). Yet this victory has not changed the political process. As a result, developments in 2015 will be driven, as in 2014, by progress or the lack of it on three important but equally intractable fronts.

- Establishing new federal entities to prepare for elections in 2016 or 2017.
- Building a federal central state with a new constitution, which must pass crucial laws on political parties and counter-terrorism and set the procedures for the elections (unlikely before 2017).
- Attacking the jihadist insurgency that has been weakened but not defeated.

Elections cannot take place unless federal areas are set up to replace the 18 regions of the former Somali state. Jubaland was established in August 2013 through an agreement in Addis Ababa between the **Kenyan**-backed Ras Kamboni Brigade and its leader **Ahmed Mohamed Isaan 'Madobe'** and Mogadishu. The

interim constitution required public participation in the process. There was none but it went ahead anyway because donors wanted some 'progress' to announce at the Brussels Conference of September 2013 (AC Vol 54 No 19).

Founding the South West State, which includes Bay, Bakool and Lower Shabelle, and electing its President, **Sharif Hassan Sheikh Adan**, in November was a second victory for supporters of federalism at home and abroad. Once again, though, national politicians hijacked the process and the popular consultation was reduced to a meeting of elders hand-picked by wealthy local politicians. In both these new entities, democratic activity is limited to voting for a president and a cabinet with only the glimpse of a regional parliament further down the line. Districts and administrative regions are not getting much attention; resources are being used mostly in the new capitals. To many, the federalism at work here looks much more like a network of clan-based fiefdoms.

North of Mogadishu, creating federalist entities will be as difficult as last year. Puntland's boundaries are affected by the

idea promoted in the constitution that North Mudug should merge with South Mudug in an attempt to build a federal entity. If resistance in Puntland prevents the merger, the Abgal clan in Galgaduud will demand the same treatment. They could split and join Middle Shabelle. The **Rahenweyn** in Middle Juba could do the same in South West State.

Puntland Premier, former national Premier, **Abdiweli Mohamed Ali 'Gaas'**, will spend most of the year arguing with Mogadishu to keep Puntland intact, an internationally supported aim. The situation won't be easy to resolve because **Ethiopia** – unlike Kenya – has good relations with Mogadishu and sides with it on the issue. It suits many parties to put off that which cannot be agreed right away – likely a major theme of 2015. To the north, the status of Somaliland, including Khatuma State, is also encouraging many in the south not to rush. No one knows for sure what may happen there, especially if the creeping political crisis gets worse.

MOGADISHU FIGHTS ITS CORNER

Despite all the new commitments, the new cabinet is little better than its predecessor. Hassan Sheikh and his allies, including **Damul Jadiid** (New Blood), the Islamist group that provides the intellectual and ideological flavour of his regime, seem unable to change the rules of the patronage game. Rewards for favours and personal allegiances continue as the main rationale for selecting ministers: competence and professionalism are low on the list.

The President will always find it hard to assemble a working government since his choices are also limited by the 4.5 rule, which allocates parliamentary seats according to clan allegiance. International officials, especially the United Nations' Special Representative of the Secretary General, **Nicholas Kay**, are often seen as unduly influencing matters. Kay and European Union Special Envoy **Alex Rondos** have been accused of helping to trigger the crisis between Hassan Sheikh and Abdiweli Sheikh and of misreading the overall situation (AC Vol 55 No 5). Some fear the same mistake could be repeated in the selection of the next cabinet.

If Hassan Sheikh has been slow to act, some believe him correct in saying the international community has failed to grasp important constitutional issues and is unrealistic about holding elections on time. The gap in understanding is due partly to Western disappointment at the lack of 'delivery', a key word for diplomats working on Somalia. Another problem is the increasing polarisation among Arab and Muslim governments evident in Mogadishu. **Saudi Arabia** and the **United Arab Emirates** do their best to corner and weaken Muslim Brotherhood factions, including *Damul Jadiid*, even at the risk

of strengthening Wahhabi politicians and entrepreneurs (AC Vol 55 No 8).

This mistrust has an impact on the work of the cabinet and provides another argument for putting off changing Parliament. The later the elections, the longer the members of parliament keep their mandate. Many MPs are aware that they would not be re-elected if the elders' selection were changed into a more democratic process. The government faces a daunting task with no nationality code, no census and no peace in the country. There are foreign troops that are not always neutral, an Islamist insurgency, a Parliament that urgently needs a radical overhaul and no clear vision from the political elite for a future Somalia.

SHABAAB – WEAK AND NOT WEAK

The internal reconciliation process undertaken by the new leader of *Al Haraka al Shabaab al Mujahideen*, **Ahmed Omar Diriye 'Abu Obeida'**, aka **Mahad Omar Abdikarim**, went nowhere and his failure to reintegrate key cadres in the movement proves that his leadership is not accepted by some of the old guard. *Al Shabaab* may face a challenge on the ground but it is not merely surviving (AC Vol 55 No 19).

While in some areas its activities are

less prominent than last year, *Al Shabaab* seems to be focusing on Jubaland because that is Abu Obeida's homeland and because the cost of intervening is increasingly high for Kenya (despite the business deals made by some of its politicians and officers in Kismayo). *Al Shabaab's* most recent mass killings took place just over the border, begging the question as to why Kenya's troops can operate as deep in Somalia as Kismayo and still not better protect their own borders against incursion.

In 2015, *Al Shabaab* will continue destabilising Kenya and fostering the birth of a jihadist movement there. Major attacks are likely and Kenyan security may be the best recruiting sergeant for the Islamists as extra-judicial killings rise when Kenya reacts violently to attacks. President **Uhuru Kenyatta's** Western allies have so far done little to moderate this (AC Vol 55 No 24). *Al Shabaab* faces more difficulty in recruiting new fighters but countering this trend is the global advertisement of the Islamic State in the Levant/**Iraq** and **Syria**. Many in *Al Shabaab* support IS, which is also attempting to build an Islamic State. It also helps the faction of *Al Shabaab* that sees its cause as part of a global war, while greater success eludes them at home. ●

SOUTH SUDAN IN 2015

Long tunnel, glimmer of light

A step has been taken to end the fighting and towards a lasting political agreement. Weak oil prices put more pressure on the government

A tentative step forward has been made with a political reunification deal signed in Arusha on 21 January between President **Salva Kiir Mayardit** and his sacked Deputy **Riek Machar Teny Dhurgon**, whose forces have been at war since December 2013, and **Deng Alor Kuol** for the former detainees (AC Vol 55 No 9). Presiding over the ceremony were **Tanzania's** President **Jakaya Kikwete** and **Kenya's** **Uhuru Kenyatta**, two regional leaders seen as having stronger links with Riek than their regional counterparts, such as **Uganda's** **Yoweri Museveni**.

Kikwete's initiative, which has the backing of some Western governments, is meant to underpin the more detailed negotiations under the auspices of the Inter-Governmental Authority on Development (IGAD) about a ceasefire, demilitarisation and power-sharing. As soon as the accord was signed, a photograph showing Kikwete and Kenyatta beaming, Riek looking upbeat and Salva looking dour. There is a long way to go.

Sources at the meeting said the idea was for the leaders to endorse publicly

the need for the reunification of the Sudan People's Liberation Movement/Army (SPLM/A). As a rhetorical gesture, neither side would have a problem with that but in practical terms, it will add little to the efforts to mediate a peace accord. It could help the two leaders who are at war, which might explain their presence in Arusha. There are signs that both of them are losing control of fighters in the rival forces. Worse still, the two-sided conflict could be developing into a multi-sided fight, especially with some forces formerly behind Riek breaking away and establishing their fiefdoms.

This will further complicate power-sharing negotiations and perhaps reinforce the view of those who demand the retirement – temporary or permanent – of both Riek and Salva to remove a key sticking point. That will not happen as long as the IGAD member states stick to their current position, which holds Salva as the legitimately elected leader and Riek as the impulsive putschist.

According to the Interim National Constitution, President Salva's term

ends on 9 July after four years in power. South Sudan has never conducted general elections before and there is little prospect of any this year, though Juba insists they will go ahead. Before the National Election Commission can compile an electoral register, there has to be a national census, according to the constitution. The pre-Independence census of 2008 said the population was 8,260,490 but this figure is disputed, with some claiming it was manipulated for political reasons. The most recent estimate was just under 12 million people. About a fifth of the population has been chased from their homes. Even if the government in Juba holds elections unilaterally, it would need outside logistical and financial support. That's inconceivable without a political settlement.

The key question this year is whether the conflict can be resolved or whether the country's ethnic fissures will deepen and countries in the region be dragged in further. Despite coming from the largest ethnic group, the Dinka, Salva has lost the support of many cadres within the SPLA, for political, military and ethnic reasons. He is dependent on military backing from a large contingent of Ugandan troops. Also helping are fighters from the northern side of the border with **Sudan**, who combine their fight against Khartoum with a battle against Riek, seen as Khartoum's ally. The Sudanese opposition contingent has prevented Salva's forces from being

overrun at key points in Upper Nile and Unity states, where the oil-fields are.

Riek Machar's SPLA-in-Opposition is largely comprised of Nuer members of the armed forces, thanks to the SPLA's absorption of pro-Khartoum militias from 2006. The Nuer youth militia known as the White Army also fights for Riek, though observers disagree about his degree of control. Although political support for the opposition extends far beyond Riek's Nuer people – and several senior Nuer politicians back Salva – the conflict is widely seen as ethnically based, not least because an overwhelmingly rural society is largely ethnically organised. However, the fundamental causes are political: the failure by all sides to establish an effective government and corral the various militias into a disciplined national army.

Continued fighting between the two factions could deepen the involvement of Khartoum, which has a long tradition of arming Riek and other militias. There are reports of Khartoum supporting the SPLA-IO, partly to weaken those Sudanese opposition forces supporting Salva, as a counterweight to Uganda's operations

and simply to destabilise South Sudan. A flood of statements from Khartoum since fighting began in December 2013 are full of innuendo about the mistake of South Sudan gaining independence.

More Sudanese involvement in South Sudan would undermine peacemaking efforts by Kenya and Ethiopia under IGAD – yet Sudan is officially involved in those efforts, too. If there is no imminent breakthrough, IGAD may pass the baton to the African Union and the United Nations.

Relations with Sudan over the unfinished business of the Comprehensive Peace Agreement of 2005, including border demarcation, disputed areas, the future of Abyei and allegations of Juba's continuing support for the Sudanese armed opposition north of the border will be pushed on to the back burner.

Negotiations on a transitional government were stalled over the sharing of executive powers between President (Salva) and Prime Minister (Riek). Salva's negotiators want an executive presidency with a symbolic premiership; Riek's side wants the opposite (AC Vol 55 No 18). Threats of prosecution by the International

Criminal Court against those responsible for crimes against humanity have lost force after the dropping of the Kenyatta case and the suspension of preparations for the trial of Sudan's President **Omer Hassan Ahmed el Beshir** for genocide, war crimes and crimes against humanity.

OIL PRICE WOE

The halving of world oil prices will devastate the economy. Aside from the price crash, the war had cut production from 350,000 barrels per day at Independence to 160,000 bpd from the still contested Upper Nile State. There will be much less cash for patronage and for aspiring kleptocrats to fight over: that could undermine Salva's support base.

Tension between the government, and aid agencies and peacekeepers of the UN Mission in South Sudan will escalate because Salva's supporters see claims of neutrality as, effectively, aid to the insurgents. South Sudan is to receive over \$1.8 billion in humanitarian aid from the UN's annual Consolidated Appeal Process, some 10% of the world total. It will be hard to disburse. ●

SUDAN IN 2015

More presidential powers

As the regime clamps down further, effectively sabotaging its own National Dialogue, a united opposition looks to the future

This year the National Congress Party (NCP) government faces a more united and effective opposition and a free-falling oil price which will more than halve export earnings. On top of that it will have to deal with growing hostility from Arab governments, such as **Saudi Arabia** and the **United Arab Emirates**, which object to its backing for the Muslim Brotherhood and other Islamist organisations.

The NCP has responded by putting more power in the hands of President **Omer Hassan Ahmed el Beshir** through constitutional amendments announced on 4 January. Meanwhile, two NCP-allied parties have pulled out of the regime's National Dialogue. The government is detaining opposition leaders and threatening to dissolve the powerful National Umma Party.

The Khartoum regime wants elections at any price, financial or political, said a Sudanese analyst. Parliamentary and presidential polls are scheduled for April. Despite promising to retire, Field Marshal Omer is seeking an unconstitutional third term (although he has in fact been in power since 1989). The **United States'**

Carter Center was the only international body to endorse the 2005 elections as credible. This year's elections will have still lower credibility.

The opposition National Consensus Forces alliance repeated this week that it would boycott the elections, like its Sudan Revolutionary Front allies in the Sudan Call. The Umma Party will also boycott, its leader **El Sadig el Mahdi** assured *Africa Confidential* last October (AC Vol 55 No 25). That ends the government's National Dialogue, observers agree.

Two NCP breakaways have just left the National Dialogue: serial dissident **Ghazi Salah el Din el Atabani's** Reform Now Movement and the Just Peace Forum of presidential uncle **El Tayeb Mustafa** (AC Vol 55 No 23). Another faction, **Hassan el Turabi's** Popular Congress Party, was still on board as AC went to press but the NCP's veteran guru was brandishing his legal credentials to complain about the constitutional amendments.

Since the National Islamic Front's 1989 coup, the regime has used the law to serve its political ends but its latest amendments could backfire. They allow the President to hire and fire all

(theoretically elected) state governors, plus judges and top army, police and security brass. In clear breach also of the 2005 Comprehensive Peace Agreement, the National Intelligence and Security Service becomes a regular (armed) force. This legitimises the controversial Rapid Support Forces (recycled *Janjaweed*, AC Vol 55 No 13). More trouble could ensue: there were riots on 20 January in Nyala, South Darfur, after an RSF soldier shot dead a civilian.

PULLING TOGETHER

On the parliamentary committee awarding Omer more power are leaders who earlier had ring-fenced his powers, such as **Ali Osman Mohamed Taha**, **Nafi'e Ali Nafi'e** and **Ahmed Ibrahim el Tahir**. This could be a sign of the NCP trying to pull together. Ali Osman defended the changes in the overwhelmingly NCP Parliament saying they would give the security services 'space' and 'freedom to operate'.

Committee Chairwoman was **Badriya Suleiman**, a force behind the late President **Ja'afar Nimeiri's** 1983 September Laws, which launched a version of *Sharia*. One trigger for Nimeiri's overthrow in the 1985 Uprising was the execution of elderly liberal Islamic thinker **Mahmoud Mohamed Taha**. In another omen for human rights, the regime this week banned the 30th anniversary commemoration of his death. NCF leader **Farouk Abu Eissa** and rights lawyer **Amin Mekki Medani** remain in detention.

The economy faces growing pressures. The International Monetary Fund says Sudan earned some US\$80 billion (55% of the official budget) from oil in 2000-10: since **South Sudan's** Independence in 2011, it has lost 75% of its oil export income. Sudan failed to use oil revenue to diversify the economy or increase social expenditure, which all fuels political discontent. The World Bank says that by the end of 2013, the external debt stood at \$45.1 bn. in nominal terms, about 85% of it in arrears, with a poverty rate of 46.5%.

A recent study shows Sudanese depend on remittances from abroad for 80% of their income). In February 2014, some Saudi Arabian, UAE and Western banks stopped transactions with

Sudanese banks, while **Qatar** remains the main supporter, providing \$1 bn. last year (AC Vol 55 No 8). Regional pressure on Khartoum is increasing.

Libya's eastern-based government in Tobruk has again accused Khartoum of arming Islamist militias. A Sudan-flagged military cargo aircraft operates regularly at Tripoli's Mitiga International Airport, we hear. This week's report by the arms monitoring consultancy Conflict Armament Research, which documents Sudanese military supplies to *Séléka* rebels in **Central African Republic**, will prompt further questions.

This could change the policy of those Western governments which have sat on the sidelines. Since **Princeton Lyman's** tenure as US Special Envoy,

Washington had championed the NCP's National Dialogue as worth supporting. If that has collapsed, Western governments presumably will rethink. They have long complained that the opposition was too divided to take seriously: now it has united.

The United Nations Security Council and the African Union last year also endorsed the National Dialogue: another rethink is on the cards. Khartoum's expulsion last month of UN Development Programme Country Director **Yvonne Helle** and Resident Coordinator **Ali al Za'tari**, and threats against the UN-AU Mission in Darfur, may concentrate minds. After a long hiatus, some governments are starting to talk more seriously with the opposition. ●

AFRICA/ENERGY 2015

Planning puts power first

By 2040, nearly one billion people in Sub-Saharan Africa could have access to electricity, compared to 290 million today, a report says

Increasing access to energy will 'turbo-charge' growth on the continent, the International Energy Agency says in its latest, long-range report, *Africa Energy Outlook*. It anticipates that by 2040, African electricity generation capacity will have quadrupled and that around two-thirds of Africans will have access to electricity, compared with less than one-third today. The IEA predicts strong growth amongst smaller oil producers, a further reorientation of exports from Europe towards Asia and a vast boom in natural gas production. Analysts told *Africa Confidential* that they expect the current global oil price trough to be temporary and that the report's analysis

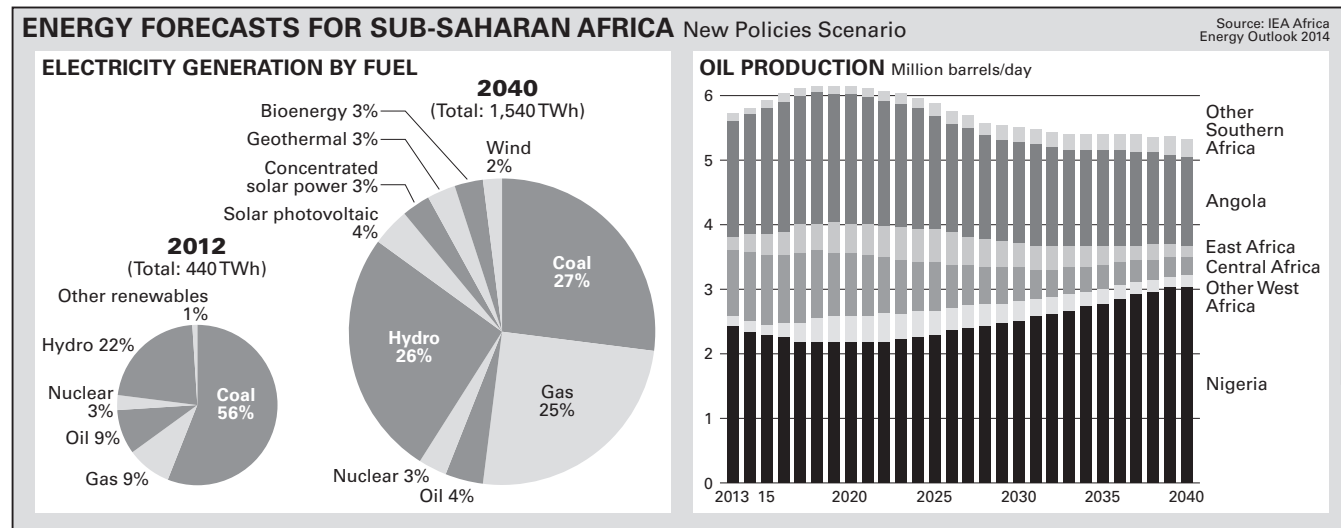
will hold. The implications of hydraulic fracturing (fracking) in **China**, however, will be a concern for some countries.

The authors recommend that investment be refocused from export projects, which consumed two-thirds of investment until 2012, towards access to energy in Africa the itself. One dollar invested in electricity supply can generate US\$15 of demand, they claim. By 2040, nearly one billion people in Sub-Saharan Africa are projected to gain access to electricity, compared to 290 million today. However, anticipated population growth means that 530 million people will remain without electricity, warns the report.

Generating capacity is expected to quadruple from 90 gigawatts in 2012 to 385 GW in 2040, if annual investment of \$46 bn. is mobilised. The IEA expects the power mix to diversify, particularly into coal in **South Africa** and hydropower in all regions. Gas consumption will grow in **Mozambique, Nigeria** and **Tanzania**, while geothermal energy will become more important in East Africa.

The share of renewables will more than double to 44% between 2012 and 2040 and reach 170GW (from 20GW), the report says. The contribution of solar power should increase considerably, especially in **Nigeria** and **South Africa**, where it should account for more than half of the additional generation capacity from renewable sources. South Africa will also generate more wind power, which is also expected to expand in **Namibia**.

In East Africa, by 2040 hydropower will be the most important source of renewable energy, boosted by the Grand **Ethiopian** Renaissance Dam and two others which will have a collective capacity of 9.4GW (AC Vol 55 No 7). Second-most



important will be geothermal energy, which **Kenya** has started to develop with the Olkaria power plant, funded by the European Investment Bank.

Yet it is the Grand Inga Dam on the Congo River (39GW), which the IEA's Chief Economist, **Fatih Birol**, has described as the 'pearl of projects'. But the report considers that the scale, cost and complexities of Grand Inga give rise to uncertainty regarding its development. The IEA forecasts that the 4.8GW of Inga III will reach full output only by the mid 2020s, five years later than the **Congo-Kinshasa** government expects.

The report also warns that even if Sub-Saharan Africa remains a marginal producer of carbon dioxide, accounting for merely 3% of global emissions in 2040, it will suffer disproportionately from the impact of climate change. The IEA considers that the capacity of large hydropower projects might be affected. This could be the case for Inga, owing to the lower levels of Lakes Tanganyika and Kivu, and the reduced flow of the Ubangi river observed during the last decade. The damage could be even greater in the Zambezi Basin, where a 10-15% decrease in rainfall is anticipated.

The demand for biofuel across the continent should grow by 40%, exacerbating the stress on forests. Since the fuel-wood and charcoal businesses operate largely outside the formal economy (up to 80% in Tanzania), policy-makers have few levers to promote a more sustainable industry. Moreover, the large size and unregulated nature of the charcoal business can lead to criminal activity, as in Congo-Kinshasa, where it is a lucrative source of illicit income for the militias, according to the United Nations Environment Programme and Interpol.

One example of promoting sustainability comes from the Bugesera region in **Rwanda**, which was completely stripped of wood in the 1980s, mainly to produce charcoal for Kigali, and which is now covered by eucalyptus trees, making Rwanda one of the few countries that has seen an increase in its forest area in recent years. The higher efficiency of improved biomass stoves can also decrease fuel-wood consumption by half, says the report. Ethiopia proposes to distribute 9 mn. improved stoves this year.

OIL

Sub-Saharan Africa will remain an important oil producer, with output rising from 5.8 mn. barrels per day in 2013 to 6.2 mn. bpd in 2020 but it will decline to 5.3 mn. bpd by 2040. Nigeria's share will increase from 2.5 mn. in 2013 to 3.1 mn. in 2040, while **Angola** will remain the other big producer, although production will start declining from 2 mn. in 2020 to 1.4 mn. in 2040, the forecasts say.

During the period to 2020, growth will be dominated by smaller producers, such as **Ghana**, **South Sudan** and to a lesser extent **Congo-Brazzaville**, **Mauritania** and **Niger**. In the 2020s, Kenya and **Uganda** will emerge as producers but their share will then decrease. Current exporters such as **Cameroon** and **Sudan** will become net importers by 2040 if they want their refineries to keep running, while **Chad**, Congo-Brazzaville, **Equatorial Guinea**, Ghana and South Sudan will see production decrease.

At the same time, crude demand is expected to double to 4 mn. bpd by 2040 and the result will squeeze the region's net contribution to the global oil balance. The **United States** is likely to become a smaller trade partner, continuing the trend observed under the fracking boom, which saw US imports, mainly from Angola and Nigeria, fall by two-thirds to only 0.6 mn. bpd between 2008 and 2013.

Angola will overtake Nigeria as the largest Sub-Saharan conventional oil producer, though by 2023, Nigeria should regain its lead position. Both countries' exports have been hit by the fracking boom in the USA, although the effect may be mitigated by the recent fall in oil prices, which has hit investment in fracking and similar, high-cost technologies.

The IEA projects that Europe will continue to be an important market but that a larger share of African exports will go to **India**, China and East Asia. However, the Paris-based Agency does not account for the impact of fracking in China, the number one importer of African crude. Shale gas has been listed as a priority in China's 2011-15 Five-Year Plan, which sets an ambitious production target of 6.5 billion cubic metres by 2015, rising to 60-100 bcm per year by 2020. As a result of fracking, Chinese imports of gas could be 30-40% lower in 2020, warn the authors of an April 2014 report, 'The Development Implications of the Fracking Revolution', sponsored by **Britain's** Department for International Development. Angola, Congo-Brazzaville and Equatorial Guinea would be the most affected by fracking in China.

GAS BOOM

Another major development is the emergence of Sub-Saharan Africa as a giant producer of natural gas. Output is expected to rise from 58 bcm in 2012 to 240 bcm by 2040, which would make it the fourth-largest producer after the Middle East, China and USA but ahead of Latin America, the Caspian Sea, **Russia** and **Australia**. This new configuration of the global gas market is particularly important for the European Union, which is keen to reduce its dependence on Russia.

Nigeria, the biggest natural gas

producer in Sub-Saharan Africa, is looking forward to a projected increase of production from 41 bcm in 2012 to 85 bcm in 2040. Another giant is awakening on the East Coast: Mozambique's production should rocket from 4 bcm to 60 bcm during the period, while Angola and Tanzania will become sizeable producers, with 20 bcm each against less than 1 bcm in 2012. Besides, development of shale gas in the Karoo Basin of South Africa, which lifted the moratorium on fracking in 2012, is projected to start in the 2020s with output rising steadily to reach 11 bcm by 2040.

LIQUEFIED NATURAL GAS

Sub-Saharan Africa's gas resources will allow it to become a major supplier to world markets, with an estimated amount of 100 bcm to be exported mainly from liquefied natural gas terminals. Significantly, owing to the uncertainties created by the surge of terrorism in North Africa, the report does not even mention the Trans-Saharan Gas Pipeline Project between Nigeria and **Algeria**. Competition will be harsh between European and Asian importers, and domestic African clients were expected to absorb more than half of production by 2040. Nigeria's Gas to Power project is an example of this strategy to prioritise domestic supply.

The scale of these developments raises questions about how quickly production can begin in East Africa, the report points out. Unlike Nigeria, which boasts several LNG terminals, the East Coast lacks infrastructure. Overall, LNG projects in East Africa should benefit from their closer proximity to the Asian markets. The financial challenge is considerable: 'Cost estimates for the first phase of upstream and LNG development in Mozambique [are] well above the country's entire annual GDP', the report notes. Yet, the IEA projects that four LNG trains and a floating LNG facility could be on stream by the end of the 2020s but warns about possible delays in implementation since the region where the LNG facilities are planned is remote, with very limited infrastructure complicating all aspects of the construction phase.

Coal supply is expected to grow by 50% to reach 325 mn. tonnes, including 240 mn. from South Africa and 35 mn. from Mozambique. **Botswana**, **Madagascar** and **Zimbabwe** could become important exporters but there are challenges. One is logistics. For example in Mozambique, infrastructure has proved a bottleneck. The situation is worse for landlocked Botswana and Zimbabwe, whose mines are 1,400 kilometres away from the coast. Furthermore, most Southern African coal has high ash content and would require upgrading to cut transport costs and bring it up to international quality standards. ●

SIERRA LEONE

The politics of Ebola

The government's handling of the epidemic is increasingly compared unfavourably with Guinea and Liberia

In its last report on Ebola, the United Nations World Health Organisation offered Sierra Leone some good news. The incidence of infection appeared to be decreasing, the WHO said, with 184 new confirmed cases reported in the week to 11 January, compared with 228 in the previous week. This still leaves Sierra Leone ahead of **Liberia**, with only seven new cases in the week to 11 January, and **Guinea**, which had 42. In fact, Freetown alone recorded more new cases, 59, than Guinea and Liberia combined.

Overall, the report says that 10,124 people have so far caught Ebola in Sierra Leone, of whom 3,062 are confirmed dead. The figures for Liberia are 8,331 infections and 3,538 deaths; and for Guinea, 2,806 infected cases and 1,814 deaths. Although it was the last of the three worst-affected countries to be struck, Sierra Leone has had the most cases. Sierra Leone's Ministry of Health and Sanitation released different, lower figures on 16 January, putting the total confirmed cases at 7,861 (22% lower than the WHO) and confirmed deaths at 2,742 (10% fewer than the WHO). Yet the figures are better for recovery rates, with 2,127 infected cases surviving and being discharged from treatment centres.

The higher than usual recovery rates were trumpeted by President **Ernest Bai Koroma's** government, even though the Health Ministry has been accused in the past of under-reporting Ebola cases, while the high death and infection rates gave no cause for celebration. In a letter published in the authoritative *New England Journal of Medicine* in December, **United States'** epidemiologist **Kathryn Jacobsen** of George Mason University and other doctors confirmed that 70% of Ebola patients in Sierra Leone were surviving by the end of 2014 in contrast to the 74% who were dying in May and June 2014. Dr. Jacobsen and her colleagues speculated that access to better care and facilities may be increasing the survival rate, a cause for 'cautious optimism'. Tens of millions of dollars in cash, medicine, equipment and other forms of assistance have poured into the country from abroad, mainly **Britain**, since August, when the Ebola outbreak appeared to be out of control (AC Vol 55 No 16).

The recent figures draw attention to the performance of a Ministry which has been particularly incompetent and

riddled with corruption in a public sector notorious for it. Government departments have just been the subject of blistering criticism in the latest report on public finances by Auditor General **Lara Taylor-Pearce**, covering the year 2013, just prior to the Ebola outbreak.

Taylor-Pearce presented the findings of the 333-page report to Parliament just before the New Year. Her equally damning report for 2011 has been largely ignored (AC Vol 54 No 6). The latest report found that the government 'for no good reason' does not include some of its own bank accounts in mandatory Financial Statements to the auditors. In all probability, the government did not submit all revenue collected that year to the state's coffers, the report says. Government bank balances were marred by 'material misstatement' because significant amounts were left out. Bidding for state contracts was 'uncompetitive and unfair', which is a criminal offence. Documentation relating to billions of leones in government procurement were unavailable to the auditors, the report says, suggesting widespread corruption. No one was prosecuted.

The Health Ministry paid Le1.64 billion (US\$390,000) to supposed vendors from a total contract price of Le2.3 bn. for health-workers' uniforms before the contract was signed. This was just one of the categories of medical equipment in short supply when the Ebola outbreak began last May. The Auditor General's report homes in on mismanagement of medicines by Ministry officials and a pattern which 'suggests that not much is well managed in the health sector and worse still, little or nothing is being done to remedy the situation.'

In late 2012, an audit found that about \$1.1 million in grants to the Ministry from the Global Alliance for Vaccinations and Immunisations, which is funded by the **Bill and Melinda Gates** Foundation, had gone missing between 2008 and 2011. The GAVI Alliance suspended a scheduled payment of \$550,000 to the Ministry and a two-year grant of \$5.4 mn. that had been in the pipeline (AC Vol 54 No 2). The Chief Medical Officer, **Kisito Sheku Daoh** and four other Ministry officials, charged by the Anti-Corruption Commission with the theft, were acquitted in October 2013 after the judge dismissed the 'unprofessional'

prosecution. This came not long after the country's worst cholera outbreak in 15 years occurred in September 2012, killing 392 people. The outbreak was stopped only after international intervention: Britain allocated £2 mn. (\$3.04 mn.) and the non-governmental organisation *Médecins sans frontières* ran three clinics to support the chronically under-resourced Health Ministry.

That Ministry had improved little by the time Ebola erupted. Although the haemorrhagic fever started in Guinea and Liberia in March, arriving in Sierra Leone only in May, many doctors and nurses did not have even have the necessary nitrile gloves and rubber boots, which could have been bought from the government budget allocations for health in 2013. Some observers believe that the lack of such basic equipment and proper training largely accounts for the highest death-rate among health workers in the three most-affected countries – 221 by the end of last year, including ten doctors. The country's leading physician, **Victor Willoughby**, died of it in December. That month, workers were still reporting shortages of basic equipment (AC Vol 55 No 25).

CLUTCHING AT STRAWS

Critics focus on Koroma's handling of the overall situation, which has included clutching at straws of good news, they say. He seized on the recent infection rate fall with glee. He first declared Pujehun, a district bordering Liberia, free of Ebola since it had recorded no new cases for 42 days. Then, on the same day that the WHO published its situation report, he predicted that there would be no new infections in the country by the end of March and that Sierra Leone would be declared Ebola-free according to WHO measures by May. He did not mention that in Kenema, a former centre of the virus, which had not reported new cases for weeks, a nurse had died of Ebola-related complications on 14 January. Nor did he comment on expert opinions that Liberia, which is further advanced in fighting the disease, is not expected to be declared free of Ebola until June.

Liberia is doing well enough against Ebola and early this month, a Liberian member of parliament, **Saah Joseph**, who has been running an emergency ambulance service for Ebola victims in his country, deployed a 20-member response team with three ambulances to Sierra Leone to help out.

Koroma's critics say he is more concerned about political posturing than mobilising all resources to contain the virus. One local observer criticised the decision to 'lock down' a high infection area near the international airport at Lungi. This does little for the sick but deals with an image problem where many foreigners are present. In some areas,

health workers, including burial teams, ambulance drivers and nurses, are still going on strike to get paid their danger money. Koroma was also criticised for commenting that ambulances should pick up all sick people and take them to treatment centres for diagnosis. This could have the unintended result of Ebola cases infecting other people in the ambulance. Critical comments were brushed aside.

The Health Ministry's payroll has in recent months grown from 8,000 to 23,000 but even the government has admitted that some of the new intake are ghost workers, i.e. non-existent employees whose salary is being claimed by another employee. Last year, Koroma gave a total of \$2 mn. to MPs (about \$15,000 each) and \$1.2 mn. to traditional rulers (about \$10,000 for each paramount chief) for 'Ebola sensitisation'. Very few used the money for educating their constituents about Ebola and counter-measures. There is no accounting requirement for the sensitisation funds. Koroma even gave Le90 mn. to **Ibrahim Ben Kargbo**, his former Information Minister and now a

senior advisor, for the same purpose. It is not known how the funds were used.

Health workers report that basic education about Ebola and sensitisation as to the measures needed is lacking, even in areas of high infection. Schools remain closed and according to a recent report by an outspoken new think-tank, the Freetown-based Institute for Governance Reform (IGR), teenage pregnancies have risen by 27%, citing government figures. This suggests that the slogan, 'Avoid Bodily Contact' (or ABC), is not getting through. The report also cites estimates that 35% of private sector jobs have been lost since the Ebola outbreak, the result of the closure of the London Mining and African Minerals Limited iron ore mines, as well as contraction in the service sector, as restaurants and hotels go out of business.

The talk in Freetown is that Koroma intends to ask Parliament to add an extra two years to his term, because of all the time 'lost' dealing with Ebola. MPs may have been softened up by the sensitisation funds, Freetown political sources say. Koroma's supporters claim there is a

precedent for such a measure. After he was restored to power in 1998 following a coup which removed him for nine months, Parliament granted President **Ahmad Tejan Kabbah** an extra year in office. Yet Koroma has never been forced to leave State House during the Ebola crisis.

Reports persist that Koroma is contemplating changes to the constitution so as to extend his two terms (AC Vol 55 No 10). In early November, he used his emergency powers to imprison for sedition journalist **David Tam Baryoh**, whose radio show had mentioned the third-term issue and the fate of **Burkina Faso's** ex-President **Blaise Compaoré**, as well as criticising the government's handling of Ebola (AC Vol 55 No 22). On emerging from ten days in Pademba Road maximum security gaol, Baryoh apologised, saying he had acted as an 'agent of Satan' but was now an 'agent of God'. The IGR report called for the postponement of this year's census because of Ebola and because Koroma, it is said, has stacked the census management team with his All People's Congress party loyalists. ●

MADAGASCAR

Hery hangs on

The new President is a prisoner of the past. His predecessors are still immensely influential and want to shape the present

An alliance between former President **Marc Ravalomanana** and the current President, **Hery Rajaonarimampianina**, is gathering momentum as church leaders nudge Madagascar's political leaders down the path of national reconciliation. Ravalomanana's backing may be key to the prospects of the new Prime Minister-designate, Air Force Brigadier General **Jean Ravelonarivo**, 55 (AC Vol 55 No 3). The alliance is drawing strength from the government's successful negotiations with Ravalomanana's son **Tojo** over re-launching the family business, the Tiko Group. Its depots have been closed since they were looted in riots at the time of the 2009 coup that ousted him from power (AC Vol 50 No 6).

Three months ago, Ravalomanana exasperated the government by suddenly quitting his exile in **South Africa** to slip secretly into Madagascar and emerge on the balcony of his Antananarivo home to make a speech questioning Hery's legitimacy as head of state. The authorities responded by putting him under house arrest in the remote northern port of Antsiranana. After a few weeks, Ravalomanana wrote to the President, formally recognising his

legitimacy after all and asking for his freedom. Hery did not respond straight away but a reconciliation meeting of all former leaders organised by the churches on 19 December provided an excuse to bring Ravalomanana back to the capital. He was then allowed home in time for Christmas Eve celebrations. The uninvited clandestine return and subsequent arrest were in fact only hiccups in a rapprochement with Hery that has been developing since early last year. The partnership is a strategic necessity for Hery, who has a fragile political base since falling out with his onetime patron, the head of the *Haute Autorité de la Transition* (HAT) transitional regime from 2009 to 2013, **Andry Rajoelina**, who now sees himself as the government's principal opponent.

After the electoral court, the *Cour spéciale électorale*, ruled that he could not stand, Rajoelina looked around for a tame stand-in to use as a figurehead while he controlled the regime from behind the throne. Hery, his technocratic former Finance Minister and boss of Air Madagascar, appeared to fit the bill.

Yet once he had been elected – thanks to the lavish backing of the Rajoelina campaign machine – Hery defied these

expectations. The new President used his inauguration speech in January 2014 to repudiate partisan loyalties and expound a visionary message of reconciliation, extending an olive branch to Ravalomanana – the man whom Rajoelina had fought so hard to exclude from the political stage.

The former leader of the transition responded by asserting himself through the 147-seat National Assembly, where his *Miaraka amin'ny Prêzidà* Andry Rajoelina (Mapar) electoral alliance became the largest force, albeit short of an absolute majority. Hery countered by reaching out to Ravalomanana's supporters in Parliament. Yet it was not until April, after he had won over enough independents, that he managed to assemble a majority in the legislature and install a prime minister of his own choice.

HERY'S CHOICE FOR PREMIER

Rather than appoint a big hitter, he opted for **Christophe Laurent Roger Kolo**, a political neophyte who had returned only the previous year after three decades in Europe, where he worked as a radiologist. The President may have hoped that the new Premier's lack of political back-story would foster a mood of consensus. Yet Roger Kolo also lacked clout and a strong command of the national language, Malagasy. By December he was widely derided as 'non-existent'. Speculation grew that Hery, under pressure from exasperated donors, was preparing a reshuffle as rumours swirled of ministers threatening to quit en bloc. Kolo tried to revive his fortunes with a New Year's

speech on 9 January, only to suffer the indignity of a visit from pro-government members of parliament asking him to resign. Three days later, he jumped before he could be pushed, on the eve of the second session of church-sponsored reconciliation talks with Ravalomanana, Rajoelina and the elderly ex-Presidents **Didier Ratsiraka** and **Albert Zafy**.

The presidential reconciliation efforts have presented Hery with the chance to relaunch himself as a national unifying figure. Yet he still faces resistance from Mapar in Parliament and his own majority is unstable. The constitution gives the majority political bloc the right to nominate the prime minister and this week, Mapar and its allies claimed they could muster 80 votes in the 151-seat Assembly and therefore had the right to choose Kolo's successor. Hery's camp, however, claims that it can count on the votes of 118 MPs. It was to forestall a Mapar power grab that Hery rushed to nominate Ravelonarivo as Premier late in the evening of 14 January.

Like his predecessors, since coming to power the President has created a personalised political movement, *Hery Vaovaon'i Madagasikara*. HVM lacks a coherent philosophy and seems unable to win reliable parliamentary support, even in alliance with Ravalomanana's supporters, defectors from Mapar and other factions. Hery seems to be hemmed in by the Antananarivo vested interests that are traditionally dominant in a political class that displays little interest in poor, rural Madagascar beyond the picturesque highland capital. There is little sign of any decline in the huge levels of corruption inherited from Rajoelina's HAT regime. Indeed, some abuses – such as the systematic theft of tanker-lorry loads of fuel from the depots of national power company *Jiro sy rano malagasy*

(Jirama) – are on the rise. Despite the hopes briefly raised by his inspirational inauguration speech, Hery has failed to sell his agenda to the public, reverting instead to a low-key technocratic style. Popular support has ebbed away.

They have bitter memories of the decline in development and spectacular levels of venality that characterised the HAT era. Nevertheless, popular disillusionment with Hery represents an opening for Rajoelina, who plans to run for Mayor of Tana in the local polls due in July. To counter this risk, the government is proposing to subdivide the capital into 16 districts, each with its own local mayor and councillors who will have most of the budget and public service responsibilities. The city will still have a directly elected overall mayor but he or she won't have much power. Unsurprisingly, Mapar opposes this reform.

With Rajoelina potentially resurgent, Hery may deepen his rapprochement with Ravalomanana. Many expect the Yoghurt King to stand again for President in 2018 but for now it suits both him and Hery to make common cause (AC Vol 50 No 3). Rajoelina presents a serious political threat to both of them, and he is immensely rich and made several of his inner circle extremely wealthy, too.

Western governments can barely disguise their preference for a strengthened Hery-Ravalomanana alliance. Like many Malagasy, donors have fond memories of Ravalomanana's government, which was economically competent, albeit tinged by arrogance and notorious for the preferential treatment accorded to the Tiko Group. International support is critical to Hery's chances of setting Madagascar back on a course of steady economic growth, in contrast to what many see as the lost years, economically speaking, of the HAT. Government

technocrats only just managed to sustain basic fiscal stability and textile firms were deprived of their privileged access to the **United States'** market. Always a major problem, corruption ballooned. There was a massive upsurge in the illegal cutting of rosewood for export to the Far East, while marine resources were over-fished.

The result of all this is that development went into reverse, with a slump in living standards and employment – and the world's fourth highest official level of chronic malnutrition.

The restoration of constitutionally legitimate democratic government has cleared the way for a restoration of international support. In June, the International Monetary Fund stepped in with an initial programme, which opened the way for the European Union to release 65 million euros (US\$75 mn.) in budget aid at the end of last year, while France agreed a 40 mn.-euro programme and the African Development Bank also announced new assistance. The USA has readmitted Madagascar to the African Growth and Opportunity Act trade regime, thus restoring the textile industry's preferential access to the American consumer market. The IMF has been negotiating a three-year programme, set for approval in May-June, which would complement the government's own new National Development Plan.

Yet, even as this critical economic support has been set up, Hery's standing among international partners has slumped. They were disappointed by his failure to make the case for reform and unwillingness to move decisively against corruption and mismanagement in key organisations like Jirama. Cronyism is alive and seemingly immune from any serious government action. These concerns are enough to pose a threat to the IMF plan and other external funding. ●

UGANDA

Sejusa's mystery return

The former security boss made a deal to come home but things haven't gone smoothly

The maverick former intelligence chief, General **David Sejusa** (aka **Tinyefuza**), found himself at the centre of a siege by armed police this month, despite having returned from exile less than three weeks previously. Before the set-to outside his home, it looked as though Sejusa had struck an amicable deal with his old comrade-in-arms, President **Yoweri Museveni**, to return to the fold (AC Vol 54 No 19).

After broadcasting against the President's government and helping to found Free Uganda, which was dedicated to ending Museveni's 29-year rule, Sejusa returned from exile in **Britain** on 14 December. Before then, he and the government were engaged in weeks of secret talks, involving Museveni, Sejusa's lawyers and security experts, sources in Kampala told *Africa Confidential*. The circumstances and nature of the deal

remain secret, although Sejusa appears to have been granted a retirement pension in exchange for his silence on the political front. The peaceful outcome startled many people and led to accusations that Sejusa had betrayed the opposition. Others speculated that he had never been a real defector and had left the country in order to gather intelligence on the opposition in the diaspora.

Sejusa's break with his old friend first came to light in May 2013, when he wrote a letter, published by the *Daily Monitor*, claiming that Museveni planned to hand over power to his son, Brigadier Gen. **Kainerugaba Muhoozi** (and kill anyone who got in the way in a scheme called the 'Muhoozi project'). Security forces closed down the newspaper, its printing presses and websites, and two FM radio stations, whereupon Sejusa flew to London (AC Vol

54 No 11). Sejusa predicted in the letter that many senior members of the governing inner circle were being targeted for their opposition to the project. One of those he named, Prime Minister **Amama Mbabazi**, has since been removed from office and influence, although the consensus in political circles is that the Muhoozi project has been shelved, for now (AC Vol 55 No 21). He also named former army chief, Gen. **Aronda Nyakairima** as an opponent of the project.

After weeks of talks, Museveni decided to give the General a soft landing, intelligence officials said. Under the deal, he offered not to charge Sejusa with any crime in relation to the wave of criticism of Museveni that he issued from exile. The deal stipulated that his detained supporters would be freed and that he would be allowed to retire from the military, thus freeing him from the military code which forbids criticism of the President. In exchange, Sejusa pledged not to criticise the government in public.

The abrupt shift in Museveni's stance towards Sejusa surprised even his ardent allies in the military and cabinet. Some have said the President was wary of taking a hard line at a time when he was engaged in a damaging power struggle with Mbabazi. Museveni may also have intended to dissuade Sejusa from joining the opposition, part of a strategy to fragment growing dissent in the military and the governing National Resistance Movement (NRM).

When Sejusa booked his British Airways flight back to Uganda, the

Inspector General of Police, **Kale Kayihura**, who had also been kept in the dark about the negotiations, informed Museveni, who told him to leave Sejusa alone, intelligence sources say. The former external intelligence chief's return would later coincide with the NRM's emergency national conference in Kampala, called to seal the fate of Mbabazi (AC Vol 55 No 18).

A HERO'S WELCOME

Museveni kept part of his bargain with Sejusa, sending the Internal security Organisation chief, Brig. **Ronnie Balya**, to the airport to ensure he was not harassed. Sejusa was given an armed escort to his country home in Sembabule, around 200 kilometres west of Kampala, and a hero's welcome from his family and supporters.

The deal looked like going sour, however, when Museveni did not quickly discharge Sejusa from the military. Since the discharge of opposition leader Colonel **Kizza Besigye**, who went on to represent a formidable challenge to Museveni in the civilian opposition, the country's veteran leader has been reluctant to allow controversial officers to retire. This means they remain subject to military discipline and military law (AC Vol 44 No 24).

Sejusa angrily told the press on New Year's Day that he had refused to meet Museveni before being retired, whereupon he was put under house arrest, which rapidly turned into a siege. The stand-off lasted for days but soon Sejusa's resistance appeared to wilt as he was barred from

receiving visitors, including his lawyers. He ran low on food, prompting him to accept another bout of talks with Museveni. The only general from the time of the bush-war still in the military, Gen. **Elly Tumwine**, mediated the talks. On 3 January, an initially reluctant Sejusa agreed to meet Museveni for direct talks.

Sources say that the meeting was generally jovial – out of character for Museveni, who has for years been tough on errant officers. The parties later agreed to expedite Sejusa's retirement, on condition that he desist from attacking the government, which he has so far stuck to.

Museveni's swift change of heart is partly due to his desire to unite the armed forces, which are increasingly frustrated by the fast tracked promotion of Muhoozi, now a one-star general who heads the elite Special Forces Unit. Furthermore, unlike Mbabazi and Besigye, Sejusa is from the Hima branch of the Banyankole ethnic group, as is Museveni.

This is not the first time Sejusa has come back to the fold after falling out with the regime. In 1997, he quarrelled with Museveni and resigned from the army but the Supreme Court blocked his retirement. He apologised and was brought back in 2003. Amid a welter of speculation, opinion is now divided between those who think Sejusa was always with Museveni and has been in charge of spying on the opposition in exile and those who believe Museveni backed down because he feared a confrontation, especially when Sejusa arrived at Entebbe Airport. ●

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POINTERS

Angola

NEW CRISIS, NEW BANKER

■ **José de Lima Massano** has unexpectedly resigned as Governor of the *Banco Nacional de Angola* (BNA, the central bank). The appointment of **José Pedro de Morais**, who was Finance Minister in 2002-2008, in his place has also surprised the financial sector.

Massano, in charge of the Bank since October 2010, had been hit by mounting criticism in the face of the dramatic slump in oil prices and slowed production. Government departments are already under orders to cut spending by half, we hear. Whether he was thought unequal to the massive challenges ahead is not yet clear but a foreign exchange law slashing the amount of US dollars available for auction has caused a crescendo of complaints from companies and wealthy individuals. Massano offered his resignation to President **José Eduardo dos Santos** because he understood concerns were being raised about his performance, a senior financial source in Luanda told *Africa Confidential*. 'It's rare to see a top official resign. Usually *O Chefe* [the boss] decides who stays and who goes,' the source added. 'But it was probably a smart move by Massano to get out now, given the current atmosphere.'

De Morais led the Finance Ministry at a time of massive economic growth and high oil prices, just after the end of the civil war. He was named 'Finance Minister of the Year' by *The Banker* in 2008. But he also oversaw billions of dollars worth of opaque **Chinese** loans to Angola at a time when government economic managers partook in 'one big party of corruption', as one senior banker in Luanda described it.

The new Bank Governor has been out of the political arena in recent years and one executive said he had been spending his time 'enjoying his wealth' and running his multiple businesses, which are said to include consultancies, insurance, banking and property. One theory on his return is that he could do better at selling unpopular monetary policies than Massano and, if not, he could be a future scapegoat.

Malawi

PLUGGING THE GAPS

■ With the resumption of international support for the national budget still a distant prospect, President **Peter Mutharika's** government is having to be inventive in seeking ways of plugging the gap in public finances. The latest injection is a US\$200 million loan from the regional PTA Bank. The new funds, combined with the crash in the international oil price, have led to a

small recovery in the value of the kwacha. The Lilongwe government now says there is now enough foreign exchange to cover three months' worth of imports.

International aid contributors, including the African Development Bank, European Union, World Bank, **Britain, Germany, and Norway**, have cut off \$150 mn. in budget support funds until the massive theft of up to \$50 mn. of public money in the Cashgate crisis, over which 70 officials have been charged, is resolved (AC Vol 54 No 24). Donor funds normally represent about 40% of state spending. The government says that it will repay the PTA loan through local outlets and not in hard currency. PTA Bank has bailed out Malawi before, providing foreign exchange during a major fuel shortage in 2011/12.

Industrial action in the public sector followed the cash crisis. The courts only reopened on 7 January after seven weeks of strikes by support staff demanding more pay. Two of the University of Malawi's four colleges are still closed over pay disputes, and ongoing industrial action is also affecting hospitals and the Anti-Corruption Bureau.

One government official told *Africa Confidential* that the total target for foreign exchange this year was \$500 mn. 'There is an expected loan from **India and China** which could hold up the economy until the next financial year when donors are expected to resume their support,' he said. China provided a \$16 mn. grant last October and discussions are in train with Beijing for a loan of up to \$1 billion. Lilongwe is hopeful of a green light from the IMF soon on a possible loan.

Mozambique

NEW CABINET BROOMS

■ President **Filipe Nyusi's** new government, announced on 17 January, marks the expected break with former President **Armando Guebuza's** legacy and the arrival of a warmer political climate. New Prime Minister **Carlos Agostinho do Rosário**, previously Ambassador to **Indonesia** and **Timor-Leste**, was last a minister under **Joaquim Chissano**.

A central bank governor from that era, **Adriano Afonso Maleiane**, becomes Economy and Finance Minister. Moderation, technical competence and regional balance seem to be the watchwords for a slimmed-down cabinet that merges six portfolios (AC Vol 56 No 1) but some see the choice of **Celso Ismael Correia** as Land and Environment Minister as evidence of Guebuza's lingering influence (AC Vol 52 No 18). Banker and businessman Correia – once known to some as Guebuza's bagman – is, however, believed to have broken with Guebuza. Hard-liners who became unpopular with the public and associated with tough electoral practices, such as **Gabriel Serafim Muthisse** and

Edson Macuácuá, have been shown the door. Mineral Resources and Energy – two portfolios that have now been merged – is held by the respected **Pedro Conceição Couto**, formerly Deputy Finance Minister.

Nyusi's nominations appear to reflect a desire for reconciliation and moderation, based not least on the governing *Frente de Libertação de Moçambique's* disastrous voting decline, from 75% in 2009 to 57% in October's elections, although considerable fraud boosted Frelimo's showing. Party members also expect the climate for debate to thaw after Guebuza's tendency to dictate. That should facilitate an accommodation with the opposition *Resistência Nacional Moçambicana* and its leader **Afonso Dhlakama**.

Western Sahara/Morocco/Britain YOU SAY MOROCCO

■ The British personal injury and negligence law firm Leigh Day is preparing judicial review proceedings against Her Majesty's Revenue and Customs (HMRC) over claims that Morocco is passing off tomatoes grown in Western Sahara as Moroccan (AC Vol 55 No 23). The firm says the British government is illegally failing to check the origin of the tomatoes, as required for them to be classified under European Union trade tariff laws. The Moroccan Agriculture Ministry is lying about the fruits' origin, says the lawyers' client, the Western Sahara Campaign UK (WSCUK; AC Vol 55 No 8).

A letter from Leigh Day to HMRC in December provides evidence that the British Department for Environment, Food and Rural Affairs had told the supermarket Tesco that it recognised that it 'may not be practical or economic' to label tomatoes grown in the Dakhla region of Western Sahara as 'Produce of Western Sahara' if it meant those goods wouldn't qualify for preferential tariff treatment when imported into the EU. Tesco and fellow supermarket Morrisons confirmed to WSCUK that in 2012 and 2011 they had labelled products from Western Sahara as from Morocco in line with EU legislation, according to the Leigh Day letter obtained by *Africa Confidential*. In February, Hertfordshire County Council Trading Standards told WSCUK this was also the case for other British suppliers and said the practice appeared to be driven by EU trade tariff law, which allows goods from Western Sahara to be imported as Moroccan so they can receive preferential trade tariff treatment.

HMRC has failed to set up any proper arrangements to verify the origin of products from Morocco. Leigh Day says HMRC has admitted it has no procedures to identify products of Western Saharan origin that have been designated as Moroccan. This, the firm says, puts it at odds with an EU legal requirement to verify the 'originating status' of products.

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BLUE LINES

The scowl on the face of Nigeria's Foreign Minister Aminu Bashir Wali spoke volumes as he emerged from a meeting at the Sheraton hotel on 29 January. Earlier that day, Nigeria had suffered the indignity of its internal security failings being scrutinised by the African Union's Peace and Security Council at the AU summit.

Two weeks earlier, Ghana's President John Mahama had suggested that the AU consider backing a multilateral force in West Africa to tackle the Islamist insurgents of Boko Haram. Based in north-east Nigeria, Boko Haram was fanning out and slaughtering civilians in neighbouring states. But, if the AU were to set up a multilateral force to help Nigeria fight Boko Haram, Jonathan's detractors would inevitably compare it with the AU force helping Somalia fight *Al Shabaab*. So Nigeria's diplomats at the AU, including Wali, fought to scupper the proposed force.

That will now be just a Lake Chad Basin security initiative between Nigeria, Chad, Cameroon and Niger. However, Chad's military successes against Boko Haram this week have raised fresh doubts about Nigeria's political will to tackle the militia. Some 2,500 Chadian troops crossed into Nigeria and ejected Boko Haram fighters from Gamaru near the Cameroon border. So far, General Muhammadu Buhari, Jonathan's main opponent in this month's election, has resisted publicly reminiscing. Thirty years ago, he was military head of state, having seized power after a weak civilian government had failed to back its military in border skirmishes – with the Chadian army.

AFRICA/ECONOMY

A year of decisions after a decade of growth

As China slows down and the US dollar strengthens, will African governments try to diversify and industrialise their economies?

Africa, with its 1.2 billion people, will again be the continent that achieves the fastest economic growth this year but its monied cheerleaders will have pause for thought as some harsh realities hit home. The six biggest economies – **Algeria, Angola, Egypt, Kenya, Nigeria and South Africa** – all face their own political demons. These range from insurgencies, worsening corruption and youth unemployment to messy successions and national elections.

Asia, with its 4.4 billion people, will grow the second-fastest, slowed by another year of poor growth in **Japan** and sweeping internal adjustments or rebalancing in its biggest economy, **China**. These two developments are related. Increasingly, Africa's economic growth is fuelled by the development of domestic production and consumption, as well as its commodity exports to the hyper-economies of China and **India**.

So the big question for Africa's economic managers is, to what extent can national and regional trade and production make up for Asia's faltering demand for Africa's commodity exports? Behind that calculation is the search for investment to finance Africa's growing need for the power stations, roads, ports and telecommunications to enable it to build on its economic momentum.

Almost every African economy is held back by a lack of electric power (AC Vol 56 No 2). Even the combined power investment plans of the African Development Bank, the World Bank, the China Development Bank, and the **United States** government's Power Africa programme barely meet a quarter of current demand. Africa's requirement for infrastructure finance is reckoned at over

\$90 billion a year, of which about \$25 bn. will be raised internally.

Another global development affecting Africa's economies in 2015 will be the strengthening of the US dollar and higher US interest rates. That will deter some investors from going into Africa because the US market can offer them safer, if less lucrative, investments. Other financiers will look at the slowing demand for minerals and lower oil prices and cut back on investment plans in Africa's natural resources.

More imaginative entrepreneurs, inside and outside Africa, will see the longer-term potential of industries such as renewable energy (especially solar, wind and hydropower), farming, fisheries, fashion and textiles, culture and communications. However, overall, African states will struggle harder to raise investment dollars this year, even from their big trading partners in Asia.

TESTING CHINA

The Sixth Forum on China-Africa Cooperation, the first to be held in South Africa, will be a key test of Beijing's foreign commitments as it tries to boost consumption at home and manage the massive internal migration from China's hinterland to its more prosperous coastal zones.

There is another international marker this year of critical importance to Africa, according to demographers at the United Nations: the working-age population (16-64 years) will reach an historical peak of 66% of global population. New research points to a stagnation and eventual decline of world population in the second half of the 21st century. Expect to see concern about a

SOUTH SUDAN	4	NIGERIA	6	TUNISIA	8	KENYA	10	KENYA	10
US security and Chinese capital		Lots of gunboats, little diplomacy		Doubts over banks sell-off		What the prosecutor saw		CONGO-KINSHASA	12
There's a build-up of arms and fighters in the Upper Nile oil fields amid doubts about the latest ceasefire deal.		High political tensions and a flood of weaponry into the Niger Delta presage trouble in this month's elections.		Privatisation looms for the state's big stake in banking but the public could end up paying the debts of Ben Ali's cronies.		The ICC has now published its brief for the abandoned case against Kenyatta.		EQUATORIAL GUINEA	12
								SIERRA LEONE	12
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population explosion change to worries about a population decline. The question faced by the big developing economies – China, India, **Brazil** and **Indonesia** – is whether can they get rich before they get old. Africa, the world's youngest continent with the highest average birth rate, could reap the demographic dividend – as China did – by using the boom in its working-age population to boost economic production and exports.

New ideas about off-grid electricity and solar power offer more opportunities to leapfrog current constraints on energy. African delegates to the climate change summit in Paris in December are to argue for greater investment in the continent's renewable energy resources. They will also be looking for more serious international finance to mitigate the effects – desertification in some areas and

flooding and extreme weather in others – of global warming.

Both the International Monetary Fund and the World Bank have revised downwards their forecasts for Africa's economic growth this year due to increasing economic and political risks. Internally this includes: the direct effects of the Ebola outbreak on **Guinea**, **Liberia** and **Sierra Leone** and its consequences for the region (although earlier calculations of losses of US\$30 bn. have now been reduced to under \$10 bn.); pressure on government budgets from increased demand for state spending; the conflicts in **South Sudan**, **Sudan** and **Central African Republic** are causing a humanitarian disaster as well as disrupting regional trade, while the *Boko Haram* insurgency in north-east Nigeria is affecting its neighbours, **Chad**, **Cameroon** and **Niger** in the same way.

The external risks for Africa are a re-emergence of volatility in international financial markets that would hit portfolio investments – such as shares and treasury bills – in South Africa, **Ghana**, Nigeria and **Zambia** among others. However, the biggest international factor would be a worse than expected slowdown in the key markets for African commodity exports – China, India, Brazil and the European Union. So far, metal prices are down by 10% and agricultural commodities by 5%; further price falls would hit countries

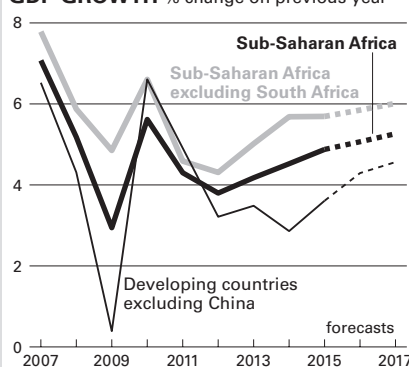
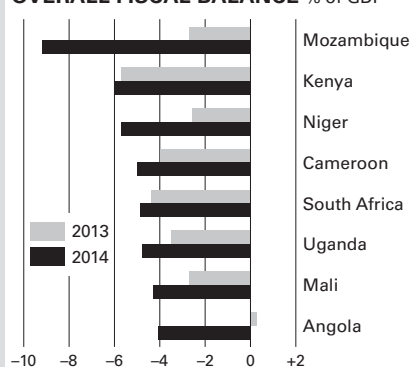
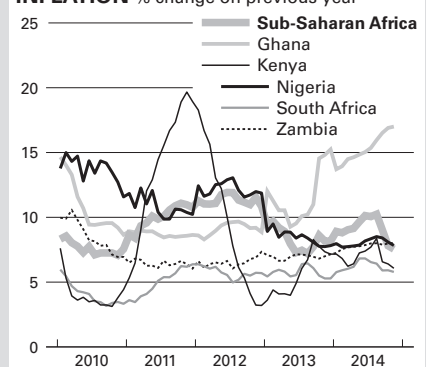
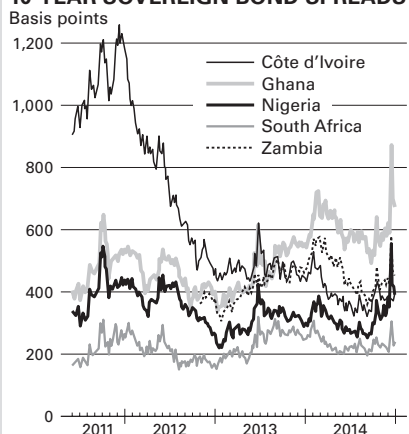
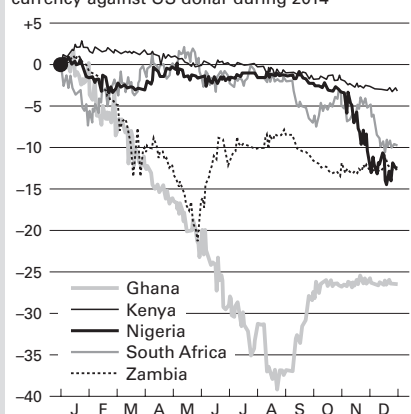
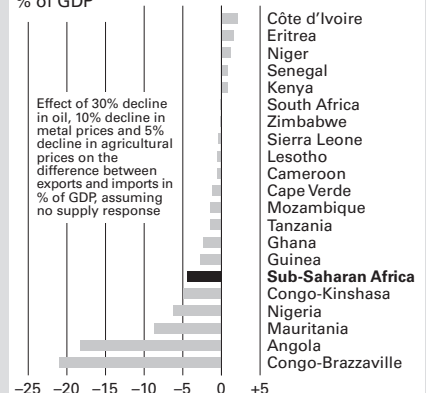
such as **Mauritania**, **Mozambique**, **Niger**, **Tanzania** and **Zambia**.

Such falls are likely to be short term. After the US financial crisis in 2008, Chinese manufacturers cut their commodity imports sharply and then worked through their inventories. Two years later, they came back into the market to stock up again at bargain prices. However, many of China's trade and investment deals in Africa are premised on much longer term arrangements that guarantee resource supplies to China and some predictability for African exporters.

Yet there are some bumps in the road over the next few months. In January, the IMF reduced its 2015 growth projections for gross domestic product for the Eurozone and China, among others, and forecast overall global growth of 3.5%. Its projection for Sub-Saharan Africa fell to 4.9% (AC Vol 56 No 1). This compares unfavourably with the figure of over 5.7% predicted in October in the IMF's Sub-Saharan Africa Regional Economic Outlook. Among key African economies, the IMF has specifically revised downwards South Africa's anaemic growth projections to just over 2% and Nigeria's from over 7% to less than 5%. The World Bank now expects regional growth of 4.6% in 2015, increasing to over 5% by 2017. Ecobank, Africa's biggest regional bank, predicts growth of under 5% (AC Vol 55 No 6).

SUB-SAHARAN AFRICA'S ECONOMIC PERFORMANCE

Sources: World Bank; Bloomberg; J.P. Morgan

GDP GROWTH % change on previous year**OVERALL FISCAL BALANCE** % of GDP**INFLATION** % change on previous year**10-YEAR SOVEREIGN BOND SPREADS****EXCHANGE RATES** % change in local currency against US dollar during 2014**CHANGES IN TRADE BALANCE DUE TO TERMS OF TRADE EFFECTS, 2014-17** % of GDP

The divergent fortunes of Africa's economies raise questions about the underlying growth story – the importance of government fiscal and monetary policy, investor sentiment, growth driven by local production and consumption and vulnerability to external pressures and markets. After last year's GDP rebasing, Nigeria overtook South Africa as Africa's largest economy (AC Vol 55 No 1).

The fall in international oil prices, dipping under \$50 a barrel, again exposed Nigeria's dependence on oil revenue. The government was forced to cut its 2015 federal budget: its budget projections are based on a benchmark oil price, which has been revised down from \$77.5 a barrel in 2014 to \$73 and now to \$65 – but this is still \$10-15 a barrel higher than market realities. Critics of President **Goodluck Jonathan's** governing People's Democratic Party (PDP) and his Finance Minister, **Ngozi Okonjo-Iweala**, have called for the benchmark to be cut further. This comes as the government is reeling from the devaluation of the naira, the rise in interest rates and other monetary tightening. Overall foreign exchange reserves (at just over \$34 billion) and savings in the Excess Crude Account (now just down to \$2 bn. from over \$4 bn. in December) have fallen sharply over the last year.

The war waged by *Boko Haram*, mainly in the north-east, has killed more than 10,000 people over the past three years. Moody's, the ratings agency, recently said that the insurgency was hitting Nigeria's sovereign debt rating and discouraging investors, as well as damaging business confidence. Some investors worry about the Central Bank of Nigeria hindering their efforts to repatriate foreign exchange earnings but confidence in underlying, long-term growth is still strong.

The African Development Bank Country Director, Guinea's former Finance Minister **Ousmane Doré**, argues that Nigeria's growth is increasingly driven by domestic, non-oil factors, reflecting the official AfDB view that the agriculture, services and other non-oil sectors are strong (AC Vol 52 No 24). This view is partially supported by the GDP rebasing or recalculation, which showed a significantly lower oil-sector contribution to GDP – and higher services contribution – than previously. Doré believes that the Finance Ministry and government in general have made great efforts to adjust to the reduction of oil revenue which, despite the home-grown oil theft or illegal bunkering and vandalism losses, is driven by factors largely outside their control.

The Africa Economist at Citi (formerly Citibank), **David Cowan**, also takes a longer-term view. He suggests that Nigeria's ability to devalue its currency, unlike Africa's CFA franc-zone countries, should allow it to absorb the oil-price

shock, with a further devaluation likely after this month's elections. While Cowan, like others, acknowledges the oil-related risks to Nigeria's banking sector, he believes that the low exposure of the banks to exchange rates vastly reduces the likelihood of another banking crisis and that government attempts to reform and invest in the power sector could, if successful, provide significant growth.

THE EBOLA EFFECT

The Ebola-affected economies of Guinea, Liberia and Sierra Leone will experience economic drag. Perhaps West Africa's most disappointing economic story is that of former economic star Ghana, which faces a moment of truth this year. Ghana's ability to raise external finance and pay for its ambitious development plans now depends on agreement on an IMF adjustment programme. Should the cavalry not arrive, its will also face difficulties in the second half of 2015 in rolling over foreign and local debt obligations. The World Bank projects Ghana's 2015 growth at just under the Sub-Saharan average.

In 2014, not only did yields on Ghana's Eurobond rise above levels in other African countries, the cedi also performed poorly against the dollar. Ghana's Finance Minister, **Seth Terkper**, who has grudgingly accepted the criticism of ratings agencies that have downgraded Ghana, has failed to reduce the massive public sector wage bill. Despite the recent progress of the delayed Western Region gas project to fuel power stations, electricity shortages still hold back growth.

A brighter outlook for the main East African economies this year points to their more diversified economies. Oil prices help explain some of this. Late last year, when oil prices were slightly higher, Ecobank projected a cut in GDP growth among 'middle Africa' oil exporters. This contrasts with lower oil prices acting as a 'tax rebate' in oil-importing countries – increasing people's disposable income, helping investors and businesses, and improving importers' fiscal balances. This tallies with the World Bank's belief that importers in developing countries will benefit. Some economists argue that low oil prices could act as a global stimulus.

Even the pressure on Kenya's current account – from major investment projects (such as the Standard Gauge Railway from Nairobi to Mombasa) and the threat of lower tea prices, reduced tourism revenue, and the impact of any drought on Tanzanian agriculture and Kenyan hydroelectric supply – will not detract from East Africa's underlying strengths, according to **Angus Downie** of Ecobank.

The World Bank expects Kenya, **Rwanda** and **Uganda** to grow at 6% or more during 2015, with Tanzanian

growth even exceeding 7%. In addition, Chinese and other Asian demand for East African tourism and for commodities such as coffee should still remain strong.

For oil and gas, despite the lag before commercial production begins, they will still improve the region's longer-term outlook – so long as policymakers learn from Nigeria's past woes and from Ghana's mistakes and delays on its oil and gas.

Further south, Mozambique is set to profit from a future hydrocarbon dividend. Its economy is predicted to grow at around 8% this year, albeit with a heavy current account deficit due to imports for major capital and energy projects. Yet the expectations of the governing *Frente de Libertação de Moçambique* threaten to out-run the revenue, which could be delayed because of infrastructural bottlenecks and poor governance (AC Vol 55 No 25).

In Zambia, concern over a high fiscal deficit echoes that in Ghana. Zambia is also vulnerable to fluctuating or falling metal prices, as are Mozambique and Tanzania. While the advantages of cheaper oil imports should offset lower copper export prices, Zambia's new mining tax regime worries the big mining houses, says Standard Bank's **Stephen Bailey-Smith**.

The IMF, which Zambia approached for finance last year, called on Lusaka in December to review plans to raise mining taxes and address the backlog of value added tax refunds to mining companies. New President **Edgar Lungu**, having won votes on a more populist programme, is struggling with the conflicting demands of the electorate and big business. Zambia should exceed 6% GDP growth this year.

BALANCE

South Africa, the continent's second largest and most advanced economy, will also gain from lower oil prices. Yet projected growth of just over 2% is only a slight increase on 2014, all the more disappointing given the country's regional significance. As David Cowan observes, though, weakness in the rand can assist exports, both within and without Africa. On the downside, as Renaissance Capital's **Thabi Leoka** says, gains from lower oil prices and fuel costs could be counter-balanced by further rises in electricity prices at a time of disruptive load shedding (AC Vol 55 No 25). But businesses have to invest in private power generators and the manufacturing and mining sectors could be hit again by strikes.

After recent political turmoil, some North African economies are turning the corner. While set to grow more slowly than Sub-Saharan countries or Africa as a whole, with expected growth of over 3%, **Egypt** appears to be on an upwards path, as is faster-growing **Morocco**. In both, manufacturing is growing significantly – unlike countries south of the Sahara. ●

SOUTH SUDAN

US security and Chinese capital

There's a build-up of arms and fighters in the Upper Nile oil fields amid doubts about the latest ceasefire deal

An innovative alliance between **United States' security expertise** and **Chinese capital** – in the form of a Hong Kong-registered company called Frontier Services Group (FSG) – is giving critical support, including flying reconnaissance missions, to President **Salva Kiir Mayardit's** government. This comes amid scepticism about a ceasefire deal signed on 2 February with rebels led by sacked Vice-President **Riek Machar Teny Dhurgon**. There is widespread anger at the African Union's decision to block publication indefinitely of an investigation headed by **Nigeria's Olusegun Obasanjo** that found that fighters on both sides were guilty of serious human rights abuses.

'We have an interesting business model,' the FSG Chief Executive Officer, **Gregg H. Smith** told *Africa Confidential*. 'Our organisation is largely American, we have shareholders in Asia, including the Peoples' Republic of China, and we're doing business in Africa.'

A state investment company, CITIC, is the biggest single investor in FSG, with 15% of equity. Formerly known as the China International Trust and Investment Corporation, CITIC describes itself as 'the largest conglomerate in China'. FSG's Chairman is **Erik Prince**, who founded the Blackwater US military company, best known for its operations in **Iraq** after the

US invasion of 2003 (AC Vol 54 No 13). One of FSG's main tasks in South Sudan is to manage the security of staff and equipment in the oil fields in Upper Nile State, the sole area now producing oil following the outbreak of civil war in December 2013 (AC Vol 55 No 1).

Attacks by Commander Riek's forces on oil installations near Bentiu and several pitched battles nearby closed down production in Unity State. That means that production has fallen by over 35%, to 160,000 barrels per day. When added to a 50% cut in the price of oil, the financial implications for the government are critical. 'FSG was brought in to assist the Ministry of Petroleum, to assist them to keep the oil flowing,' FSG's Gregg Smith told us. 'We have a relatively small team up there helping them and observing what's going on at the oil fields, and doing light logistics.'

DWINDLING SUPPORT

The next few months will be high risk. That explains the heavy pressure put on Riek and Salva to reach a political and military agreement by leaders at the African Union summit in Addis Ababa last week. **Uganda**, whose troops are supporting the Juba government on the ground, strongly backed Salva,

reinforced by **Ethiopia** and **Kenya**. On 3 February, Juba and Kampala renewed their military assistance agreement, for the third time and for four months. Apart from clandestine aid from Khartoum, regional support for Riek Machar has dwindled in recent months.

Although Salva and Riek signed yet another accord ending hostilities in Addis Ababa in the early hours of 2 February, they failed to reach agreement on a power-sharing transitional government. Earlier, negotiators for Riek's Sudan People's Liberation Movement/Army-in-Opposition (SPLM/A-IO) had complained that regional leaders at the summit were trying to push them into a poor deal and brandishing the threat of sanctions.

On 3 January, the United Nations Secretary General, **Ban Ki-moon**, unusually and publicly criticised both Salva and Riek for putting their own interests first and failing to agree a power-sharing accord. While the pair's officials prepare for another round of negotiations in Addis Ababa, due to start on 15 February with a fresh deadline for completion of 5 March, there are signs of a build-up of soldiers and arms in Upper Nile.

Fighting in South Sudan over the past year has claimed over 50,000 lives and driven some two million people from their homes. FSG is one of the few foreign security companies still operating. Largely working for the government, often on aid-funded security sector reform projects, most left in December 2013, when the conflict broke out between the official SPLM/A, now sometimes called the SPLM/A-in-Government (IG), and Riek's supporters, many of them defectors from the SPLA, the official armed forces.

FSG's Smith, a former US marine with a



master's degree in business administration, said the combination of economic crisis and further fighting would be disastrous: 'We are as concerned as anyone that once the rainy season ends, that the conflict could ignite again... it's [oil] their [Juba's] only source of revenue.' In its security role in the oil fields, FSG is preparing for any eventuality. That includes rapidly moving oil-field workers out of harm's way and flying reconnaissance missions.

This US-China commercial alliance in FSG is all the more significant because of the high-profile roles of both countries in South Sudan. It was heavyweight US diplomacy that helped to secure the Comprehensive Peace Agreement with President **Omer Hassan Ahmed el Beshir's** regime in **Sudan** in 2005 and that made possible South Sudan's Independence in 2011. Over the last two years, though, relations between Washington and Juba have sharply deteriorated; the US has ended its military training programme with Salva Kiir's government but Washington has rejected growing pressure from human rights groups to impose sanctions on both sides in the current conflict.

Last year, Chinese oil companies were the biggest buyers – some 24 million barrels – of oil from South Sudan. The China National Petroleum Corporation (CNPC) is the largest shareholder in the main oil-producing areas, blocks 1, 2 and 4 in Unity and blocks 3 and 7 in Upper Nile. In 2011, the China North Industries Group Corporation signed a deal with Juba to supply anti-tank missile and rocket propelled grenade launchers, Kalashnikov-type machine rifles and millions of rounds of ammunition. Major arms manufacturer Norinco dispatched three shipments of arms to Juba via Mombasa under the contract but Beijing suspended further consignments last year, deeming them 'inappropriate' as concern mounted about the horrific loss of life in the conflict between Riek's and Salva's forces.

However, China is also sending its first contingent of peacekeeping troops under the United Nations Mission in South Sudan (UNMISS). An infantry battalion of some 700 soldiers is to be mostly deployed in Upper Nile, to protect oil installations and workers there.

As a US company with Chinese and other Asian shareholders, all this puts FSG in a critical position. Smith says there has been no interaction with the incoming Chinese battalion, which is organising its own logistics. He adds that most of FSG's staff are militarily trained and 'used to working in austere environments'. FSG sees the US\$23 million contract it won from the South Sudan government last September as the start of a much bigger role in the country and the region. Smith insists FSG is playing no military role

for Juba. If it were, as US citizens Smith and Prince would have to get approval from Washington. FSG has at least 30 staff, including several pilots working on rotation and based just outside Juba. The company has between 10 and 18 aircraft operating in the country at any one time, flying highly secure logistic missions.

Now the rains are over, civil society activists and diplomats in South Sudan have reported an increase in the movement of military supplies across the country by air. The focus of the rearming is the Paloich oil production facilities in Upper Nile. 'The government has reinforced Paloich to an incredible degree,' says a security expert with an international think-tank. 'So much has gone there in the past six months that I think there are probably more guns there at the moment than in any other single location in Africa.' There have also been sightings of drones (unmanned aerial vehicles) in the skies over Bentiu, capital of Unity State. The Juba government has no air force, just a few helicopters and a presidential jet. Before the war, it had eleven transport helicopters but has been shopping for attack helicopters.

Some specialist aviation companies fly cargo on Ilyushins and Fokkers from Juba to government-held areas of Unity and Upper Nile. The aeroplanes take off at night, we hear, to make it harder for the opposition to shoot them down.

THREATS FROM GATDET

On 26 August, a **Russian** Mi-8 helicopter operated by UNMISS was downed near Bentiu, with evidence suggesting that it was shot down. On 17 August, General **Peter Gatdet Yaka**, who commands opposition forces in Unity, threatened to shoot down any UNMISS aircraft, claiming it was transporting government troops (AC Vol 55 No 14).

Suggestions that FSG's role in South Sudan is similar to that of Prince's Blackwater – under contract from the US government – in Iraq are vehemently rejected by Smith: 'Our business is purely about logistics not security contracts; we don't have the licences to do that. Our interest is aviation.' FSG is now building an aviation hub in Kenya and has a network of affiliate and associate companies.

Prince's chequered history in the private military business has sparked great interest in FSG's operations in South Sudan's war zones. His Blackwater company grew from a \$6 mn. outfit to a billion dollar business after winning US government contracts in Iraq and **Afghanistan**. Blackwater guards were accused but later exonerated in the US courts of killing 14 Iraqi civilians in 2007. The company was also accused of tax evasion and breaking arms embargoes to several states. The firm changed its name to Xe Services and he resigned

as Chief Executive in 2009 (AC Vol 52 No 9). According to a US government investigation, Xe Services/Blackwater had breached export regulations on companies seeking training contracts, including unauthorised proposals to train soldiers in South Sudan prior to the country's Independence. The breaches also included the company shipping weapons and equipment to its personnel in Iraq and Afghanistan. In August 2010, Xe agreed with the US State Department to pay \$42 million in fines for hundreds of violations of US export control regulations.

After that, Prince started to plan a business empire in Africa. That had its setbacks, including a report by the UN Monitoring Group on **Somalia** in 2012 that Prince was trying to help the Puntland government set up a maritime police force which constituted 'the most brazen violations of the arms embargo [on Somalia] by a private security company' (AC Vol 50 No 6). According to **Auren Llorca**, a member of the UN panel, Prince was not only trying to set up a counter-piracy programme but also '...to leverage that role to take a wider stake in the economy.'

Prince's martial reputation may attract some clients but the company rejects claims that FSG is a military successor to Blackwater. 'What Erik Prince did until 2010 – that was private military contracts,' says Smith. 'There's a distinction between Erik Prince prior to 2010 and FSG.'

One big difference is the Chinese role. CITIC Group has a 15% stake in FSG. One of FSG's main offices is in Hong Kong and its primary listing is on the Hong Kong Stock Exchange. Its Deputy Chairman is **Johnson Ko Chun Shun**, Chairman of the Hong Kong-headquartered electronics firm Varitronix International and Hong Kong-based investment bank Reorient Group, and Vice-Chairman of China WindPower Group Limited. Of the four other executive directors, one is **Luo Ning**, Assistant President of CITIC Ltd., who holds directorships in several other CITIC subsidiaries.

Its Chinese shareholders can help FSG to win business where other companies might flounder. 'It [CITIC's stake] makes it easier for us to communicate with other Chinese state enterprises in Africa,' says Smith. 'If CNOOC [The China National Offshore Oil Company] is doing something and we think we can help... CITIC has never been anything other than a most positive investor for us'.

Smith is particularly emphatic that neither FSG nor any of its associate companies has played any role in moving arms from Norinco or any other Chinese supplier around South Sudan. 'That's just not what we geared up to do... You were talking about the larger arms contract with the Chinese. We don't have anything

to do with that. We just don't have any knowledge of that,' he added. 'We're not geared up to military shipments and military personnel... it's not the nature of our contracts. We just have a capacity for very light cargo and observation. There

are other aircraft moving equipment around flying much bigger planes than we operate ...'. Smith says the company is helping out Juba in the 'tough times' in the expectation of doing much more as the oil economy grows. For now, FSG

is not expecting a huge boost to its scope or location of operations. 'For security reasons, I don't want to say precisely where we operate. We're in aviation and logistics but once you bring in Erik Prince's name... people see more than there is'. ●

NIGERIA

Lots of gunboats, little diplomacy

High political tensions and a flood of weaponry into the Niger Delta presage trouble in this month's elections

The risk of violent clashes in the Niger Delta is increasing as the political contest heats up ahead of the presidential and governorship elections, scheduled for 14 and 28 February. Just as the country faces its tightest election race since the return to civilian rule in 1999, rivalry with no holds barred has erupted between between supporters of President **Goodluck Jonathan**, born in what is now Bayelsa State and also the first national leader from the Delta, and a growing band of opponents led by Rivers State Governor **Rotimi Amaechi**, the doyen of the opposition All Progressives Congress (APC; AC Vol 54 No 16).

Governor Amaechi told *Africa Confidential* on 4 February that there was a changing tide in the Delta which would sweep Jonathan and the governing People's Democratic Party from power in the elections. 'People are determined to ensure that the PDP and the corrupt elite don't control the future of this country.' Unprecedented quantities of arms had been smuggled into the Delta ahead of the vote, he warned, and said he feared a return to the violence there that had undermined elections in 2003 and 2007.

After Amaechi won his second term as Governor for the PDP in 2011, he quarrelled fiercely with Jonathan and walked out of the party along with four other governors (AC Vol 52 No 16). That group formed the nucleus of the opposition APC, which has allied itself to parties from the north and south-west to form an effective national organisation.

In Rivers State, Jonathan and his wife, **Patience Jonathan**, are strongly backing **Ezenwo Nyseom Wike**, former federal junior Minister of Education, as the PDP's candidate for the governorship elections (AC Vol 54 No 24). Relations between Wike and Amaechi are poisonous. In turn, Amaechi is touring the state backing the APC candidate, **Dakuku Adol Peterside**. Because of the bad blood between Amaechi and both Wike and the Jonathans, there is a strong risk of more violence. Many believe that the Jonathans

are funding Wike's political organisation, the Grassroots Development Initiative.

Despite his well funded campaign, Wike is not particularly popular in Rivers State. Amaechi is more charismatic and a better speaker: 25 of the State's 29 legislators defected with Amaechi from the PDP to the APC. Yet many voters in the Delta cannot bring themselves to vote against Jonathan, the first President from the region, and in favour of the APC's presidential candidate **Muhammadu Buhari**, who hails from the north which has enjoyed decades in power. People may not transfer that loyalty to Jonathan and the PDP when it comes to voting for the Rivers State governor, though. Amaechi's support for the APC's Peterside could help to swing the vote.

An even more opaque contest is developing in neighbouring Bayelsa, where Governor **Henry Seriake Dickson** has fallen out terminally with First Lady Patience, who has resigned her position in the Bayelsa State government. Dickson is still formally with the PDP but his quarrel with Patience and his willingness to allow Major General (Retired) Buhari to campaign freely in his state has hugely irritated the presidency in Abuja, which suspects that another opposition plot may be brewing in the Delta.

For now, Jonathan and the PDP appear to have won most of the Delta militants to their cause. This is partly due to government patronage but also to Amaechi's long established opposition to the militants and to the government's amnesty programme. He argues that the amnesty makes no sense until criminal charges are levelled against the militants. Such legal niceties don't go down well at the camps in the creeks. Now that many of the Delta militants have transformed themselves into wealthy contractors, most are even less willing to listen to Amaechi's arguments.

The Brussels-based Crisis Group think-tank has warned of the risks of the 'continuing influx and wide-scale

availability of firearms, ranging from pistols to assault rifles'.* Crisis Group quotes reports from the Nigerian Customs Service saying that it seized seven times more arms and ammunition in 2013 than in 2012 and that in the first six months of 2014, substantial seizures of smuggled arms were made almost daily.

Most of the officials interviewed by Crisis Group were working at Port Harcourt and at Apapa Port in Lagos. In January 2014, customs officials seized the *MV Iron Trader* at Port Harcourt: the vessel was carrying 2,700 anti-aircraft and anti-tank shells, enough to start a small war in the Delta or in the north-east. Subsequent raids found tens of thousands of pieces of ammunition in Oyo and Ogun states. These are just the results of interceptions by particularly zealous customs and intelligence officers. Officials in the Presidential Committee on Small Arms and the Police fear that most clandestine arms deliveries are escaping detection.

At the core of the political and security crisis is the battle to control the Delta's oil and gas resources, which produce over 90% of Nigeria's exports. Politicians and criminal gangs have done much to suborn those activist organisations which led the fight against the exploitation and the despoliation of the Delta's environment, with the result that oil theft and piracy still thrive.

PAP AND PATRONAGE

Under pressure to deliver benefits to his home region, President Jonathan has greatly expanded the amnesty and training programmes launched by his predecessor, President **Umaru Musa Yar'Adua** (AC Vol 50 No 22). The scheme, known as the Presidential Amnesty Programme (PAP), is a key source of political patronage. It runs out this year amid growing restiveness in the Delta (AC Vol 55 No 24).

Another source of patronage is the award of security contracts to companies controlled by former militant leaders and local politicians. The most outstanding example was the award in 2011 of a US\$103 million contract for pipeline security to Global West, a company headed by an ex-militant leader, **High Chief Government Ekpemupolo** aka **Tompolo**. Now Tompolo is at the centre of a new row over his company's purchase of seven high-speed and recently rearmend Hauk-class ships. Oil

theft and piracy operations in the Delta were earning as much as \$3 billion a year for the criminal syndicates, rogue military officers and politicians who were organising them. Earnings have however slumped along with world oil prices.

Thousands of officially 'stood down' fighters are waiting for payment in PAP retraining camps run by militant leaders allied to the President and they are growing impatient. The Delta's crisis is spilling across borders. Its creeks are the base for the worst piracy in international waters, according to the International Chamber of Commerce's piracy monitoring centre in Kuala Lumpur, **Malaysia**.

With Jonathan's political problems multiplying, some commanders of the Movement for the Emancipation of the Niger Delta (MEND) seem to be making preparations to uphold his mandate by any means necessary, as they promised in a joint communiqué when he was elected.

Alhaji **Mujahid Dokubo-Asari** was leader of the now officially defunct Niger Delta People's Volunteer Force (NDPVF) and in 2003 acted as the then Rivers State Governor **Peter Odili**'s vote-rigger-in-chief, alongside **Ateke Tom** (AC Vol 45 No 15). Asari was initially ambiguous about Jonathan but is now promising his undying support and has made veiled threats towards his Delta rivals. He rejected a statement of support for Buhari that was said to come from '**Jomo Gbomo**', the *nom de guerre* of arms trafficker and former MEND-backer **Henry Okah** (AC Vol 48 No 23). Okah languishes in Ebongweni Maximum Correctional Centre in Kwa Zulu-Natal, **South Africa**, serving the second year of a 24 year sentence on 13 counts of terrorism, including a bombing in Abuja on 1 October 2010 which killed 12 people.

Asari now downplays the importance of MEND, saying the group currently has no effective network. 'It is not strange that this organisation is endorsing Buhari,' Asari said in January. 'First, I have always maintained that there is nothing like MEND.' He said MEND had started out as a 'faceless' organisation run by Okah and others to stop militants being arrested but that it had a powerful political presence in the Delta. Asari added a claim that Okah had tried to organise Jonathan's assassination in 2007.

Asari blames Chief **Edwin Clark**, the veteran Ijaw leader and confidant of Jonathan's, for trying to cover up the growing crisis in the Delta. Other militant leaders have criticised Clark for suggesting that a new amnesty programme after the elections could pay off a new generation of Delta rebels, many of whom come under the umbrella of his Ijaw Youth Council. The IYC remains a powerful mobilising force

in the Delta for Jonathan's re-election. The overture by Okah's people to the APC and the critique of corruption in Jonathan's government and of Clark's powerful IYC were publicly rejected by Pastor 'General' **Reuben Wilson**, President of the Leadership, Peace and Cultural Development Initiative. Wilson claimed to be speaking for commanders of MEND, an alliance which Asari claims doesn't really exist.

In January, Asari insisted that he opposed the use of violence by either side. That contradicts his position a year ago: 'If it is war the north wants, we are ready for them because Jonathan must complete the mandatory constitutionally allowable two terms of eight years. We will cripple the economy of the country not only in the creeks, no vessel will be allowed to enter Nigeria's territorial waters'. Asari went on local television to attack Amaechi, calling for 'war' if the next government doesn't investigate him for corruption.

OGONILAND CLASHES

Amaechi has led the APC campaign in the Delta and took his supporters into Ogoniland last year. There were clashes in the second week of January as APC buses were attacked between Emohua and Sama Abalama in Kalabari Kingdom, between Ekpoki and Kira in Ogoniland, and at Elele. All are in Amaechi's bailiwick in Rivers State.

Although judicial attempts to secure compensation for environmental damage – in a succession of court cases against international oil companies in **Britain** and the **Netherlands** – have yielded some money for communities in the Delta, many of the awards have prompted a further round of disputes about the distribution of the largesse. Now, one of the few growth industries in the Delta is ensuring your patron wins the election.

The stakes are high. Officials in Jonathan's government have been making payments of billions of naira to former militants such as Tompolo, Asari, Ateke Tom and **Victor Ben Ebikabowei**, alias **Boyloaf** (AC Vol 51 No 25). Jonathan's circle commends Tompolo for handing over some of his weapons but he has kept most for staff working on the pipeline security contract.

Some in Abuja favour bringing all the arms still controlled by Delta militants within an officially 'securitised' agreement. That would be effectively a government-backed protection scheme and is suggested as a successor to the amnesty which has maintained calm but not peace for five years (AC Vol 55 No 15). As the biggest ex-militant and security entrepreneur in the Delta, Tompolo would play a key role in such a scheme, although officials might struggle

to persuade some of his less financially successful militant rivals to join it.

Meanwhile, the mystery lingers concerning **Norway**'s sale of seven refitted warships to Tompolo's Global West, ostensibly for anti-piracy operations. First revealed in June by Norway's *Dagbladet* newspaper, these retired Hauk-class, high-speed torpedo support ships designed for coastal patrols – the most recent transfer being of the *KNM Horten* – have been refitted with new weapons. They sailed from Norway to Ramsgate in England and then on to Nigeria under a **Togolese** flag, where an intermediary British security company, CAS Global, is also registered. This circuitous route allowed the Norwegian authorities to work around European laws on regulating transfers of military equipment. The Director General of the Nigeria Maritime Administration and Safety Agency, **Patrick Ziakede Akpobolokemi**, denies that Global West has taken possession of this fleet of Norwegian vessels. Instead, he insists that the weapons were fitted to the ships under contract to the Nigerian navy.

In January, Tompolo called a secret meeting in Asaba, Delta State, of MEND commanders to discuss the support of some of their number for Buhari and the APC in the elections. A few details leaked about how the attendees planned to ramp up support for Jonathan and counter the APC. The ambiguous relations between politically favoured former militants such as Tompolo and the Nigerian navy has been attracting some attention from the **United States** Department of Defense. Last year, Washington handed over the *NNS Okpabana* (formerly *NNS Thunder*) to the Nigerian navy, which has carried out a \$8.5 mn. refit on the vessel. It insists the ship will be part of the campaign to crack down on piracy and maritime crime.

The big political problem for the USA is the complicity of Nigerian senior military officers in oil theft and piracy operations. The 2004 case of the *MT African Pride* is the stuff of legend: a fully-laden **Greek**-registered oil tanker went missing from naval custody and eventually reappeared in the **United Arab Emirates**. The case led to the demotion of Rear Admirals **Francis Echie Agbiti** and **Samuel B. Kolawole** after a court martial. It would be embarrassing for all sides if the *NNS Okpabana* and *NNS Horten* found themselves in a stand-off in the creeks in the near future. 'Tensions in the US-Nigeria relationship are probably at their highest level in the past decade', wrote **Johnnie Carson**, the State Department's former top diplomat for Africa, in the *New York Times* last month. ●

**Nigeria's Dangerous 2015 Elections*, Crisis Group Africa Report No 220, 21 November 2014.

TUNISIA

Doubts over banks sell-off

Privatisation looms for the state's big stake in banking but the public could end up paying the debts of ex-President Ben Ali's cronies

Secret audits of Tunisia's anaemic state banks have turned up a host of bad loans from the era of former President **Zine el Abidine Ben Ali**. Now that economic policy is back in the hands of pre-Jasmine Revolution politicians, some fear that many improper loans to allies of the ruling circle will be quietly wiped away and no one held to account. There are no realistic prospects that the holders of the unpaid loans found in the audits will be revealed, however. 'Why should we give all the information on that?' asks **Chedli Ayari**, the Governor of the central bank, the *Banque centrale de Tunisie* (BCT), an octogenarian who served under Ben Ali (AC Vol 53 No 25).

The outgoing Finance Minister, **Hakim Ben Hammouda**, told *Africa Confidential* that a balance had to be struck between transparency and disclosing information that was not 'necessarily good for the stability of the banks' (AC Vol 55 No 20).

The state has large minority shares

in eight banks and their disposal to the private sector is about to begin, Ben Hammouda said. Privatising the Big Three, state-controlled institutions – the *Société tunisienne de banque* (STB), *Banque nationale agricole* (BNA) and *Banque de l'habitat* (BH) – is on the cards. Once their balance sheets have been cleaned up, the banks will be 'open to the Gulf', Ayari told us. Investors from **Kuwait**, **Qatar** and the Gulf sheikhdoms will be offered the stakes. They have already expressed interest.

One alternative would be to sell to wealthy Tunisian families already in banking or to include them in the sell-off. The Mabrouk family, which has a 34% shareholding in the largest privately-owned bank, the *Banque internationale arabe de Tunisie*, grew exceptionally wealthy under Ben Ali through monopoly positions in the economy. That included the *Orange Tunisie* mobile telephone network and the *Monoprix* supermarket chain. In

the 1990s, the *Groupe Mabrouk* kicked out the then Chief Executive, **Mansour Moalla**, a founder of BIAT, in a Ben Ali-backed bank coup, said several banking sources. One of the Mabrouk brothers, **Marouane Mabrouk**, married one of Ben Ali's daughters, **Cyrine Ben Ali**.

A broad consensus supports selling off state shares in eight of the dozen state banks, Hammouda said, excluding STB, BNA and BH 'for the moment' as they are the most exposed to bad debt. They hold almost 5 billion dinars (US\$2.64 bn.) in deposits, according to Hammouda and other banking sources, but the only information to come out from the audits said their balance sheets were undercapitalised by D1 bn. Parliament has been asked to vote through the money but seems reluctant. Preliminary stress tests have already shown that the state banks need a capital injection, says a senior government source close to the process.

The non-performing loan portfolio of the three banks is thought to amount to D6.7 bn. These were the most political banks in the system. They found it as hard to refuse credit to favoured members of Ben Ali's inner circle as they did to demand repayment when the loans fell due. Said one Tunisian banker, 'The banks are hiding the secrets of the past. All the big families that dominate the economy were working with the regime. All of them! If you give details about the Big Three state banks beyond how much they need to be recapitalised by, you make public all the historical relations between the families and the regime.' The problem, he says, has been a 'cannibalistic' system that was eating itself from the inside. 'That's what led to the fall of the regime. The CEO of a big state bank received a call saying, "Give 100 mn. to someone". If he didn't do it, he's fired. The call could come from an advisor to the President, a minister, an advisor to a minister or from outside the ministry, the brother of the sister of the cousin of the wife of the President!'

BAD GOVERNANCE AND DEBT

The Big Three have suffered from decades of bad governance and accumulation of debt, and had previously been inspected only by internal auditors. STB was founded in 1958, BNA in 1959 and BH in 1989, the year Ben Ali became President. STB has such a commanding presence in the economy that its collapse would threaten the entire financial system, Ayari and Hammouda agree.

The impetus for banking privatisation remains strong. Ayari's mandate at the BCT is expected to last until 2017. The country's new constitution allows the President to choose a new Governor but that doesn't look imminent: regulatory sources say Ayari is close to the new

	Bank	Listed on Tunis Stock Exchange?	State shareholding:	
			Direct	Indirect
ONSHORE	<i>Banque Zitouna</i>	NO	87.00%	0%
	<i>Banque de financement des petites et moyennes entreprises</i>	NO	60.00%	30.00%
	<i>Banque Tuniso-Libyenne</i>	NO	50.00%	0%
	<i>Stusid Bank</i>	NO	49.24%	0.76%
	<i>Banque de Tunisie et des Emirates</i>	YES	38.89%	0%
	<i>Banque d'Habitat</i>	YES	32.62%	16.57%
	<i>Société Tunisienne de Banque</i>	YES	24.81%	13.85%
	<i>Banque Nationale Agricole</i>	YES	23.49%	0%
	<i>Banque Tuniso-Koweïtienne</i>	NO	20.00%	0%
	<i>Banque tunisienne de solidarité</i>	NO	38.00%	
	<i>Banque Al-Baraka</i>	NO	21.60%	
	<i>Banque Franco Tunisienne</i>	NO	0%	78.16%
	<i>Amen Bank</i>	YES	0%	0%
	<i>Arab Banking Corporation</i>	NO	0%	0%
	<i>Arab Tunisian Bank</i>	YES	0%	0%
	<i>Attijari Bank</i>	YES	0%	0%
	<i>Banque de Tunisie</i>	YES	0%	0%
	<i>Banque Internationale Arabe de Tunisie</i>	YES	0%	0%
	<i>Citi Bank</i>	NO	0%	0%
	<i>Qatar National Bank Tunisie</i>	NO	0%	0%
	<i>Union bancaire pour le commerce et l'industrie</i>	YES	0%	0%
	<i>Union internationale de banques à Tunis</i>	YES	0%	0%
OFFSHORE	<i>North Africa International Bank</i>	NO	50.00%	0%
	<i>Tunisian Foreign Bank</i>	NO	0%	56.00%
	<i>Alubaf International Bank</i>	NO	0%	0%
	<i>Loan Investment Company</i>	NO	0%	0%
	<i>Tunis International Bank</i>	NO	0%	0%

President, **Béji Caïd Essebsi** (AC Vol 55 No 23). Ayari thinks the government should simply 'get out of the whole banking sector' and says the Gulf investors or Tunisian capital offer the best options.

Backed by the World Bank, a plan to restructure the Big Three is under way. After some members of the last Parliament protested at the secrecy, the BCT and Finance Ministry relented but still handed MPs only an abstract of the plan, says Ayari. 'It is the essential things: the results of the financial, social, and institutional auditing, how much money is needed, how much losses were incurred. The MPs don't need to go into detail: these are publicly quoted banks. The basic information required by investors, would-be investors, is published and disclosed by the Tunis Stock Exchange.' Few parliamentarians are satisfied. The Rapporteur of the last Parliament's Finance Committee, **Lobna Jeribi**, says she questioned the 'opacity' of the audits and couldn't support the vote to inject the D1 bn. in recapitalisation because she hadn't got enough information. Last December, Parliament again failed to vote the recapitalisation funds for the national budget for 2015.

A draft law on a 'bad bank' entity to absorb the toxic loans without identifying the defaulters is still bogged down after three years. The delay stems from the issue of naming and potentially penalising some of those responsible for the bad debts. Although members of the pre-Revolution elite have kept the law in play, the question is holding up foreign assistance. The World Bank told AC that \$500 million of budget support in the pipeline couldn't be disbursed by the end of 2014 as planned, in part because the banking sector was not yet being restructured. The bad debt issue has to be resolved as part of the restructuring.

A major part of the bad debt problem derives from the Big Three's loans to state-owned firms. A steel products manufacturer, the *Société tunisienne de sidérurgie SA* (aka *El Fouladh*) and the wheat monopoly, the *Office des céréales*, are just two state-owned companies that borrowed heavily but cannot repay. Their privatisation is attractive to many in policy terms but some fear that most would collapse when exposed to the marketplace. That could spell disaster for many poor Tunisians. The BNA, for instance, is a major financial prop for agriculture.

Tourism, once a milch cow for the rest of the economy and a massive earner of foreign currency, also became heavily indebted. Ben Ali's patronage included giving hotels to members of his entourage. The beneficiary would then often use the hotel as collateral and take out big loans, especially from the STB, according to bankers in Tunis. The tourism sector's

bad loans grew by D30 mn. every month between 2010 and 2013, the World Bank says. The rate of increase of bad debts has now slowed to about D10mn. a month but they are still growing.

Slim Tlatli, a Tourism Minister under Ben Ali and an advisor to the outgoing Tourism Minister **Amel Karboul**, says tourism represents a quarter of the Big Three's D6.7 bn. exposure to bad loans, which Ayari confirmed. It seems the economic managers are more worried about the banks than about tourism. 'Now we're talking about this issue not because of the tourism sector but because of the banks,' Tlatli told us. 'We need to recapitalise these banks.'

'OPEN THE GAME TO THE GULF'

Eight of the banks are relatively unscathed and there is hope that if the state's shares in them can be sold on successfully, the money received can be used to lower the cost of rescuing the Big Three. This is the 'Fund for the Modernisation of the Tunisian banking sector,' which the newly elected Parliament authorised in mid-December and would potentially pave the way for selling the Big Three's shares within 'a year or two,' Hammouda says. Advisors are still being recruited for the process of selling state shares in the eight banks, he revealed.

The idea is for the eight to be privatised in phase one, and the big three in a later phase. The eight are the *Banque Zitouna* ('Your Islamic Bank in Tunisia'), which was founded by **Mohamed Sakher el Materi**, who accumulated a fortune after marrying presidential daughter **Nesrine Ben Ali** and is now in **Seychelles** (AC Vol 52 No 2); *Banque de financement des petites et moyennes entreprises*; *Banque Tuniso-Libyenne*; *Stusid Bank* (formerly *Société tuniso-saoudienne d'investissement et de développement*); *Banque de Tunisie et des Emirats*; *Banque tuniso-koweïtienne* (formerly *BTK de développement*); *Banque al Baraka* (Islamic banking); and *Banque tunisienne de solidarité*. The state has an indirect shareholding in some of these, meaning that it holds shares in another entity that holds shares in a bank (see Table). The *Banque franco-tunisienne* can't be sold since it's in litigation and the state shareholding of 78.1% is totally indirect, which would complicate a sale.

How the state shares are sold would vary according to the peculiarities of each bank, says **Radhi Meddeb**, head of consultancy Comete Engineering SA and a board member of BTK. If a state bank already has a foreign partner in a strategic position, as does BTK, it would make sense to sell the shares to that existing partner, says Meddeb, who until mid-2011 was a member of the central bank's Board of Directors.

Ayari agrees and says that if a bank

hasn't already got such a foreign partner, 'we'll fetch for one.' The Qatar National Bank has already expressed interest in purchasing Tunisian state bank shares, according to Ayari, who says there are also plans to speak to Kuwait. 'We'll open the game to the Gulf banks to see if they're interested to get into the game.' Maghreb countries such as **Morocco** have also shown interest, 'so let's study that,' says Ayari, declining to identify any such Maghreb or private bank.

The STB begins the year with abysmal losses. It needs close to the equivalent of \$500 mn. to recapitalise and is 'probably the systemic bank in the country,' says Ayari. Publicly available market capitalisation figures show that the Big Three have all declined over the last months. Ayari acknowledges private shareholders are 'uneasy about things' but 'they're still in. You don't have any of them saying they're quitting. I had a meeting with private shareholders, including from STB, who told me they will follow up and pledge some capital.' That figure is an 'important amount,' he said. The problem remains of how to salvage the STB.

Even if the bank passes the stress tests and the recapitalisation goes through, a clean sweep of management will be needed and job losses lower down the bank hierarchy will be inevitable, which would have huge implications, given that unemployment now stands at over 15%. 'If you have the same board of directors and same management, it's like you kick this money out of the window,' he says. 'This is a major discussion between the multilateral lenders and the state.' For his part, Ayari says there are now plans to recruit directors 'on the basis of their CVs and that state banks have excessive staff members who should get out. We cannot keep them.' Yet outgoing government Spokesperson **Nidhal Ouerfelli**, who worked under ex-Prime Minister **Mehdi Jomaa**, had said publicly last April that there would be no bank lay-offs.

GUARDING AGAINST A RUN

The financial managers believe the risks of a run on the banks is low. 'Physical persons', or depositors, are not allowed to use their bank accounts to exchange dinars for foreign currency and this will continue, Ayari says. Foreign exchange reserves cover 110 days of imports, he says. The implications of past state control of the banking sector are likely to remain for a while, even if the privatisations and sell-offs continues apace.

Ayari and Hammouda are confident of Tunisia's basic financial stability but major problems remain. The issue of recovering the corruptly loaned money from Ben Ali's era will not be resolved soon and until it is, the much vaunted 'liberalisation' of Tunisia's financial services must wait. ●

KENYA/ICC

What the prosecutor saw

The ICC has now published its brief for the abandoned case against Kenyatta. It reveals a brutal and cynical conspiracy

The International Criminal Court has released a summary of the crimes it believes President **Uhuru Kenyatta** has committed. The document from the ICC's Office of the Prosecutor contains chilling allegations of murder on an epic scale. The most startling claim is that Kenyatta not only organised and funded a paramilitary force which visited violence and terror upon Kenyans thought to support the opposition but later had those murderers killed, mainly by police officers, in order to suppress the evidence (AC Vol 56 No 2).

The prosecution brief was meant to be the roadmap for the ICC prosecution. Prosecutor **Fatou Bensouda** stopped the case against Kenyatta on 5 December, citing witness intimidation and government obstruction. Soon after, a lawyer for the victims in the Kenyatta case, **Fergal Gaynor**, made a successful application for the publication of the brief, which summarised the evidence against Kenyatta (AC Vol 55 No 25). The document has received little attention outside Kenya. The local media ran the story over several days after its release and it is still doing the rounds on social media. The political establishment has run a loud and sustained domestic campaign

to discredit the ICC process and the release of the brief has done little to dent that. The brief is a cogent, well-argued narrative. The President and government utterly deny its claims, of course. Some of the evidence is identical to that against **William Ruto** and **Joshua arap Sang**, whose trial continues.

In late 2007, Kenyatta led the Kenya African National Union and the parliamentary opposition but he supported the then President, **Mwai Kibaki**, against challenger **Raila Amolo Odinga** in the December general elections. Kibaki was declared victor amidst widespread and credible allegations of massive electoral fraud. As supporters of Odinga cried foul, violence spread across the country, leaving 1,200 people dead and displacing 500,000 more (AC Vol 49 No 2).

At the heart of the prosecution case was the *Mungiki* religious sect, which is rooted in the Kikuyu ethnic group and is said to have carried out much of the violence. The brief relates that, in November 2007, a number of Kibaki supporters led by Kenyatta and **Francis Muthaura**, then head of the civil service and Secretary to the Cabinet, hatched a scheme known as Operation Kibaki Again (OKA, AC Vol 48 No 25). Then, the ICC

claims, OKA recruited **Geoffrey Machira**, whom the prosecution believes was an intelligence operative who had infiltrated the *Mungiki*. Machira became the main intermediary between State House in Nairobi and the *Mungiki* Chairman, **Maina Njenga**, who was then in Naivasha Maximum Security Prison for possession of drugs and illegal weapons (AC Vol 51 No 14). Another intermediary was, curiously, **Waitiri Michuki**, wife of the then Internal Security Minister, the late **John Michuki**, an unstinting opponent of the *Mungiki*. He had been the architect of an extra-judicial campaign to eliminate the *Mungiki*, under way since early 2005 (AC Vol 53 No 5).

The brief echoes many of the claims of human rights activists in Kenya, supporting the content of the Waki Commission and the Kenya Human Rights Commission reports of 2008 (AC Vol 49 No 22).

AT THE HEART OF OKA

The brief places Kenyatta and Muthaura at the heart of OKA. It also challenges the commonly held view that it was only after Kikuyu people were attacked in the Rift Valley and elsewhere after the presidential election result was announced on 30 December 2007, that Kikuyu politicians resorted to violence. The brief holds that Kibaki's Party of National Unity (PNU) had planned, with the security establishment, to keep him in power by any means necessary before the post-election violence broke out.

Part of Bensouda's evidence for this charge was to have been proof of the widespread swearing of oaths among *Mungiki* members and PNU supporters in November and December 2007 in an attempt to galvanise them into action and affirm their loyalty. The ICC asserts that meetings, of which there were many details, took place between state operatives and the *Mungiki* high command all over Nairobi, including in the Marble Arch Hotel in downtown Nairobi and in State House itself. Those that the Court says facilitated these and subsequent meetings were close Kenyatta allies, including Kikuyu former Member of Parliament **Lewis Ngunyi**; Kenyatta's then personal assistant, **Njee Muturi**; the former Lakipia East MP **Mwangi Kiunjuri**; and the late **George Thuo**, a businessman, former Juja MP and close Kenyatta ally. Thuo died mysteriously of poisoning in a bar in November 2013. The ICC had nothing to say on this but some see his death as one of a spate of unsolved murders surrounding the plot to keep Kibaki in power.

Kenyatta's defence team has vigorously denied the State House meetings charge, lodged against both Kenyatta and former civil service boss Muthaura, the case against whom was dropped last year. The prosecution case on the post-election violence in the central Rift Valley towns

UNPROTECTED WITNESSES

Human rights activist **Ken Wafula** has told the Kenyan media that he believes his life is in danger after being accused of involvement in the murder of **Meshack Yebei**. The mutilated corpse of Yebei, whose role in the trial of Vice-President **William Ruto** and **Joshua arap Sang** at the International Criminal Court is disputed, was discovered in the Eldoret area on 2 January, six days after his reported abduction. The Office of the Prosecutor of the International Criminal Court said that it had had a relationship with Yebei until it came across 'information that he was deeply implicated in the scheme to corrupt Prosecution witnesses'.

However, Ruto's defence team then countered that it had been planning to call Yebei as a defence witness and implied that the ICC must have been responsible for the abduction and murder. Members of the Jubilee governing coalition, led by member of parliament **Aden Bare Duale**, then claimed that Wafula, an Eldoret-based human rights activist seen as close to the ICC, was responsible for Yebei's murder and demanded his arrest. Police duly interviewed Wafula for several hours.

On 4 February, Wafula told reporters that he was in possession of text messages that Yebei had sent to an unidentified person asking why that person wanted to kill him. Wafula said the police were conducting a 'shoddy' investigation and were not interested in finding Yebei's killers. The text messages, he insisted, could help lead to the murderers. **John Kariuki** heads the Serious Crimes Unit at the Criminal Investigation Department. 'It appears to us that Kariuki's team was not sent to investigate the disappearance of Yebei but to find out who knows what and how a proper cover-up can be mounted,' Wafula told *The Star* newspaper. He added that he had received a threat on his life from a **Ugandan** telephone number. ●

of Nakuru and Naivasha makes for grim reading. Individuals were targeted by ethnicity or suspected support for Odinga. There was door-to-door killing, forced circumcision (mainly of Luo men) and targeted rape of non-Kikuyu-speaking women. Where guns were used, they were government-issued. The killers were instructed to mutilate the bodies to conceal evidence that could link the bullets back to the police armoury.

In all this, the *Mungiki* were the main instrument of violence. Members were transported from Nairobi and parts of central Kenya. *Mungiki* troop leaders were, said Bensouda's office, in constant touch with Muthaura, who would issue orders by telephone instructing, for example, police officers to stand down their roadblocks and checkpoints to allow the *Mungiki* free passage. Kenyatta, it is alleged, personally distributed money to the combatants and when he had to use intermediaries, they would invariably be prominent Kikuyu politicians in Naivasha and Nakuru. They included a former Nakuru MP, **David Manyara**, and Naivasha political rivals **Jayne Kihara** and **John Mututho**.

The February 2008 National Accord brought in a power-sharing deal that kept Kibaki as President but made Odinga Prime Minister. Senior backers of Kibaki then made a deal with the *Mungiki* leaders, who received payment and assurances that they would be protected. They were also said to have been promised formal recognition once the job was done. Instead, Kibaki's backers began their campaign to murder senior *Mungiki* officials in a bid to cover their tracks. From April 2008 onwards,

at least eight were killed, including some due to meet ICC officials and Njenga's wife, **Virginia Nyakio**. Some were killed by police, some were arrested and never seen again, says the ICC.

This campaign of murder and disappearance is the most secretive part of the post-election violence. To this day, the government has been unable to explain why it is that a string of suspected *Mungiki* members should have been murdered or that other protected witnesses have disappeared. One case in particular stands out: in March 2011, 14 men were found murdered in a forest off the Naivasha Road. Their hands had been tied behind their backs and they had died of almost identical bullet wounds to the head. Police at the crime scene remarked at the time that the cases appeared to be an 'ordinary crime'. They promised to investigate but no official information has emerged.

INDUCEMENTS

Some victims may have been protecting witnesses whom human rights groups had accommodated in safe-houses in **Uganda**, *Africa Confidential* understands. It is said that they had been approached by an intermediary, a human rights worker who originally helped the ICC and then betrayed it. Enticed by promises of cash and land, they had agreed to recant their testimonies and return to Kenya. Most of their families did not know where they were, since they were being protected: this had the advantage for the killers that they would not be missed and pressure on the government to account for their deaths would be less.

The same goes for the *Mungiki* widows, who told AC that they number more than 500. They last saw their husbands in late February 2008 but have been unable to confirm their deaths, although they are convinced that they are indeed dead.

Questions will be raised about the ICC Prosecutor's failure to open an investigation into witness intimidation. By the Court's own admission, it had sufficient evidence to open at least one case against a Kenyatta ally: **Ferdinand Waititu**, the former MP for Embakasi constituency in Nairobi and a man who aspires to be Governor. In the redacted brief, Bensouda says that they had phone recordings in which Waititu is overheard attempting to bribe a witness and where he invokes Kenyatta's name as the force behind the witness bribery scheme. While both the Kibaki and Kenyatta governments have fiercely rebutted all charges, they have never been able to explain why no investigation into the violence was ever opened in Kenya.

After Bensouda released the brief, those implicated paraded before the Kenyan media issuing firm denials. There were accusations that she had attempted to bribe Kenyatta's allies and, having failed, had implicated them. It was also claimed that the Court had failed to interview individuals named in the document. However, none of those incriminated has produced a detailed rebuttal of the evidence. To those who believe that the witness intimidation and murders were undertaken only because the ICC's original case against Kenyatta was true, the brief is a powerful and shocking document. ●

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POINTERS

Congo-Kinshasa KABILA'S CONUNDRUM

■ A wave of repression costing dozens of lives and hundreds of arrests failed to prevent Parliament on 25 January from defeating President **Joseph Kabila's** bid to postpone next year's presidential election until after a census (AC Vol 56 No 1). He now faces a choice of leaving office peacefully or staying on illegally. **Vital Kamerhe**, leader of the opposition *Union pour la nation congolaise*, claimed victory in Kabila's first major defeat in Parliament since he came to power in 2001.

Security forces used violence to confront the massive demonstrations that followed the National Assembly's first hearing on the election on 17 January. At least 42 people were killed, 21 of them shot dead by the Republican Guard and police, said human rights organisations. More than 50 people were abducted by the secret police of the *Agence nationale de renseignements* and unofficial state forces. Some 340 people were arrested on 19 and 22 January, including members of parliament and one of the protest organisers, **Christopher Ngoyi Mutamba**.

Two weeks later, many of those detained are still locked up in what some see as a sign that Kabila is determined not to leave office at the end of his term. Some say his foreign partners in the mining industry are urging him to stay on. Yet a powerful domestic reaction against the repression, including from outraged internet and text message users, whose services the government switched off, will be hard to ignore. Mobile telephone banking restrictions were still in force on 5 February. Some banks have lost US\$20 million a day. The clampdown angered many more by preventing cable television networks from broadcasting Congo-Kinshasa's football matches at the African Cup of Nations.

Equatorial Guinea/Cup of Nations OBIANG'S GOALS

■ Hosting the Africa Cup of Nations has enabled President **Teodoro Obiang Nguema Mbasogo** to improve his country's image and raise his regional profile. At the opening ceremony of the football tournament on 17 January, he boasted that his enemies had been proved wrong. After the intended host, **Morocco**, pulled out over fears about Ebola, Equatorial Guinea had only 50 days to prepare but, as it had hosted the competition in 2012, the infrastructure was already there. New turf was flown in from **Spain**.

The Cup has been well run, pundits say, despite suspicion about refereeing

decisions favouring the host country. That culminated in the Confederation of African Football banning **Mauritian** referee **Rajindraparsad Seechurn** for failing to control the players after he awarded a penalty against **Tunisia** in extra-time that sent the team through to the semi-finals.

Obiang made himself the face of the Cup, attending all games in the opening week, along with his wife, who fell asleep during one match. Their son **Teodoro Nguema Obiang Mangue** aka **Teodorin**, the Second Vice-President and heir-apparent, has kept a low profile. Aware of his reputation, Obiang didn't want his son stealing the limelight (AC Vol 52 No 21). Teodorin recently settled a law suit in the **United States** by giving up his US\$30 million Malibu mansion. Similar travails dog him in **France** but we hear they may soon be resolved: lawyers are exploring an offer to the French authorities.

Three oppositionists protested at the regime's use of football to polish its image and were detained. Hundreds of ticketless fans clashed with police outside Bata Stadium on 21 January in a display of public disorder that an opposition figure said was 'unprecedented'. Now **Côte d'Ivoire** will take on **Ghana** in the 8 February final after the Black Stars knocked out the host team.

Sierra Leone CENSUS SUSPICIONS

■ President **Ernest Bai Koroma** has called off the national housing and population census planned for April after criticism that members of his All Peoples' Congress (APC) were over-represented in its management. Due last December, the census was interrupted by the Ebola crisis. The opposition Sierra Leone People's Party (SLPP) said the preparation was poor and the effects of the epidemic could impact on the results (AC Vol 56 No 2). At first, many were puzzled that, uncharacteristically, Koroma gave in so quickly.

Freetown's Institute for Governance Reform issued a critical report last month claiming the census management team was stacked with APC loyalists and that the enumerators were overwhelmingly drawn from the north, the APC's stronghold. The IGR suggested that the census could result in the skewing of the electoral register towards the north. Census data also help to determine public spending allocations.

On 3 February, Koroma postponed the census until December. He credited the All Political Parties Association, in which the SLPP is the dominant critical voice, for raising concern. However, the statement concluded by saying that the final results of the census 'would only be available by December 2016'. Some political observers commented that this could mean postponing the general elections, due in November 2017, because electoral registration needs to be completed a full

year before polling. It was unclear, they said, why it should take so long for the census results to emerge. This week's announcement by the United Nations World Health Organisation that, for the first time this year, Ebola cases have risen in Sierra Leone, Guinea and Liberia will strengthen the argument for a postponement.

An article in *Torchlight*, owned by the journalist **Sheka Tarawalie**, who is also APC Internal Affairs Minister and close to Koroma, quoted the APC Leader in Parliament, **Ibrahim Rassin Bundu**, saying the census issue could delay the elections to 2020. It fuels speculation that Koroma intends, despite his denials, to stay on beyond the two-term presidential limit.

Tunisia/Britain LONDON'S SECURITY AID

■ Designed to coordinate government efforts against Islamist militants, a new Central Strategic Planning Unit in Tunisia's Interior Ministry is receiving training funded by the British Foreign and Commonwealth Office. Meetings last year between Deputy Interior Minister **Ridha Sfar** and British Ambassador **Hamish Cowell** resulted in plans for the new unit, which will work with the National Guard, *El Amn el Watani* (national security) and police on planning and risk management.

The British contractor is Aktis Strategy, a private consultancy that opened a Tunis office last year under its Managing Director, **Andrew Rathmell**. The company also runs an FCO-funded programme in Tunisia called Building Community-Based Approaches to Border Security in North Africa. Rathmell is a security specialist who once directed policy planning for the occupation government in **Iraq**. Also involved is UK former diplomat **Alex Martin**, who worked in Iraq as project director in the Interior Ministry.

Tunisia's Interior Ministry has remained largely untouched by recent democratic reforms, despite a brutal record under President **Zine el Abidine Ben Ali** and its efforts to suppress the Jasmine Revolution in 2011 (AC Vol 55 No 11). The old guard is mostly still there, as are many of the practices that thrived under Presidents **Habib Bourguiba** and Ben Ali. The security forces nonetheless retain substantial public support because of the fear of attacks by extremist groups based around Jebel Chaambi and the assassination of two political figures in 2013, **Mohamed Brahmi** and **Chokri Belaïd** (AC Vol 55 No 16). The new Premier, **Habib Essid**, was a Ben Ali Interior Ministry official.

Security forces believe the risk from jihadist groups is growing and militants are becoming more violent. There have been defections from *Ansar al Sharia* in Tunisia to the Islamic State-linked *Katibat Uqba ibn Nafi'e*, which is leading the fight against the Tunisian state.

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BLUE LINES

The crisis that has Libya at its centre has been brewing since oppositionists – backed by North Atlantic Treaty Organisation airpower – overthrew Moammar el Gaddafi's regime in 2011. Despite hopes for a transition to a stable and prosperous democracy underwritten by Africa's biggest oil reserves, Libya has become an object lesson in the unintended impact of armed intervention.

The crisis zone now stretches from the south – Mali, Niger and Burkina Faso – to Egypt, which this week publicly launched an air war on the Islamist militants fighting for control of Tripolitania (western Libya). To the north, the zone stretches to the Italian island of Lampedusa, to which thousands of refugees are fleeing, desperate to escape Libya's inferno. The confrontation between Libya's secularists and its Islamists has morphed into a regional war: this week Egypt called for a United Nations-backed force to fight Libya's Islamists. Qatar and Sudan still back the Islamists.

Most scandalous, however, since the horrific deaths and drownings could be avoided, is European Union policy towards the desperate migrants trying to cross the Mediterranean. It seems some EU officials regard the casualty rates as a useful deterrent. For a while, Italy beefed up its coastguard and saved shipwrecked refugees but the EU cut funds for the programme. Now Italy's offer to send 5,000 troops to an international force in Libya shows fresh thinking. Just how that force might work is another matter. The UN is making only halting progress in brokering negotiations between the two sides.

NIGERIA

Democracy delayed

Even a six-week postponement of the elections looks unlikely to slow the momentum of opposition presidential candidate Muhammadu Buhari

Such is the febrile mood in national politics that President **Goodluck Jonathan** felt compelled to tell delegations from the European Union and the Economic Community of West African States on 18 February that there were no plans to abandon the elections and form an Interim National Government. The idea of some form of backroom deal between selected members of the two leading political parties amid an engineered political stalemate brings back unhappy memories of the electoral crisis of 12 June 1993. That resulted in the eventual gaoling of election winner **Moshood Abiola** and ushered in a harsh and corrupt military regime led by General **Sani Abacha**.

The latest speculation about government intentions follows the announcement on 7 February that the presidential and National Assembly elections scheduled for 14 February would be delayed for six weeks due to security concerns. The governorship and state elections are also delayed for six weeks, until 11 April. Opposition politicians and civil activists see this as a reaction to a perceived groundswell of support in the north, Middle Belt and south-west for the All Progressives Congress and the APC presidential candidate, **Muhammadu Buhari**.

The past few months of growing economic hardship as state revenue shrinks – reflecting a 50% cut in the price of oil exports and leading to a 30% drop in the exchange rate – have put huge pressure on the middle class and even some of the business barons in oil, gas, telecommunications and transport, let alone the beleaguered manufacturers. Budget cuts at state and federal level are already undermining services for the

poorest Nigerians, the more than 60% of the population estimated to live on less than \$2 a day. Over the past six months, this bad economic news seems to have convinced many waverers of the case for political change pushed by Major Gen. (Retired) Buhari and the APC. Although many of the published polls show the two main parties neck and neck, the Buhari campaign, with its massive rallies and substantial media support, was gathering momentum as Jonathan and the governing People's Democratic Party (PDP) struggled to get a clear message across.

For the 68 million voters, the APC message of change is more appealing on almost every level than the PDP's arguments for continuity, especially at a time of sharp cuts in budget revenue and the unabated insurgency in the north-east. If sentiment has swung significantly towards the APC for those reasons, it would take some dramatic news on the economic and security front to push the needle back towards the PDP.

NDJAMENA HQ

News such as the capture of the *Boko Haram* leader, **Abubakar Shekau**, and the rebounding of world oil prices could change the picture radically but neither looks likely within the next six weeks. There has, however, been an upswing of military activity against the Islamists in the north-east, following the African Union summit and the resuscitation of the military cooperation agreement among **Benin, Cameroon, Chad, Niger** and Nigeria under the Lake Chad Basin Initiative.

The decision to base the 7,500 troops (5,000 from Nigeria, 1,500 from Chad and

BURUNDI	4	SOMALIA	5	CAR/CONGO-B	6	CAPITAL FLIGHT	8	BURKINA FASO	9
Massacres in the mist		Old faces, old problems		The friendless mediator		Out of Africa, taxes		EQUATORIAL GUINEA	10
As June's presidential election approaches, the political atmosphere is deteriorating and political violence is on the increase.		The horse-trading which led to a new government leaves many hostages to fortune.		An angry UN has asked Sassou to end the peace talks in Nairobi but has few better ideas about achieving reconciliation.		A leak of secret documents from Luxembourg reveals corporations avoiding paying tax.		POINTERS	12

the remainder from Cameroon, Benin and Niger) in Ndjamena reflects the widespread view that President **Idris Déby Itno's** battle-hardened army has proved the most effective in fighting jihadist groups in the region. **France** and the **United States** have sent some of their special forces to the Chadian capital to work alongside the task force and provide it with better aerial and other intelligence about *Boko Haram's* positions and logistics.

Doubtless this has stepped up pressure on *Boko Haram* in Nigeria's north-east borderlands. However, the militia's attack

on 13-15 February on Gombe – almost mid-way between the areas it holds in the north-east and the capital, Abuja – points to its resilience and capacity to run several parallel military and terrorist operations at the same time. When Nigerian troops repelled the Islamists, they scattered leaflets in the town threatening to execute anyone who voted in the coming elections. Again, such is the mood of scepticism towards the government and its official announcements that opposition activists suggested the leaflets could have been distributed by the political establishment

to suppress the vote in the opposition strongholds of the north-east.

All this raises wider questions about the effects of the insurgency on the elections and on the military's capacity both to guarantee security for 68 million registered electors at a time of heightened political tension and to fight insurgents in the north-east. Senior officers say they fear the rebels could try to use election confrontations as cover to launch a 'spectacular' terrorist attack.

Whether another six weeks of military operations will help to reduce that risk looks at least questionable. Certainly, the opposition APC doubts it and sees the postponement of the elections as a 'setback for Nigerian democracy'. That view is shared by several foreign powers, including the USA, and may help Buhari. US Secretary of State **John Kerry** said he was 'deeply disappointed' by the postponement and expressed concern about attempts to pressure **Attahiru Muhammadu Jega**, the Chairman of the Independent National Electoral Commission (INEC). Professor Jega has been the target of a relentless stream of criticism, mainly from the government side which seemed at one stage to be preparing the ground for his dismissal.

Even when they are not postponed, Nigerian elections are some of the hardest to administer for technical and structural reasons. The combination of a vast territory, complete with 522 languages and six geopolitical zones that vary sharply in terms of demographics, political context, landscape and environment, would challenge an electoral authority anywhere. Add to that frequent, lengthy power cuts (with much of the countryside without grid electricity), fuel shortages and complex transport logistics and the task looks monumental, especially on a tight budget with disbursements to the Commission in arrears.

INEC'S MIXED RECORD

Set up in 1998, INEC has a mixed record. Many observers described the elections of 2007, conducted under **Maurice Iwu**, as among the worst they had ever seen (AC Vol 48 No 10). Following the 2007 debacle, Professor Iwu was replaced by Jega, another academic and with a history of activism against overbearing authorities. He has cultivated a reputation for improving the organisation of INEC and of elections. There was agreement that the 2011 polls were a major improvement.

As part of a process of reform, a new legal framework was adopted, including amendments to the Electoral Act and constitution in 2010 and early 2011. INEC re-registered all electors using a biometric system that included a photograph and complete set of fingerprints. The fact that INEC later declared that it had identified

POLICING THE VOTE

There is another way to influence election results, without tampering with the actual vote: to encourage or discourage turnout by using the security organisations. Opposition parties claim that the governing People's Democratic Party (PDP) has exploited its control of state security institutions to arrest All Progressives Congress (APC) activists and intimidate party officials and supporters under the guise of preventing outbreaks of electoral violence. In the north, the added threat of insurgent terrorist attacks gives the security agencies another pretext to crack down on oppositions and dissidents.

A clandestine recording made prior to the governorship election in Ekiti State in June has emerged in which **Ayo Fayose** (who went on to win the state on the PDP ticket) discusses security tactics with the then Minister of State for Defence, **Musiliu Obanikoro**; the Minister for Police Affairs, Captain (Rtd.) **Caleb Olubolade** and Brigadier General **Aliyu Momoh** (AC Vol 55 No 13). Fayose has conceded the recording is genuine but disputes the interpretation put on it by the opposition APC, many of whose key members in Ekiti had their movements restricted or were detained in the run up to the vote. The defeated APC Governor in Ekiti, **Kayode Fayemi**, is now a leading figure on the policy and strategy side in **Muhammadu Buhari's** campaign (AC Vol 50 No 10).

The deployment of Assistant Inspector General of Police **Joseph Mbu** to head the Zone 2 command covering Lagos and Ogun states adds fuel to opposition fears. Mbu is castigated by the APC for his partisan treatment as Commissioner of Police in Rivers State of APC chieftain **Rotimi Amaechi** (AC Vol 56 No 3). Officers under Mbu teargassed the House of Representatives Speaker, **Aminu Tambuwal**, when he defected to the opposition at the National Assembly in Abuja (AC Blog, 21.11.14). Mbu is now in charge of Lagos, the APC's political heartland. His clear partisanship raises big concerns in the commercial capital, where traditionally turnout has been lower than the national average but now political enthusiasm there is growing, with what is seen as the increasing chance of an opposition victory in the presidential race.

Such security service partisanship makes it more likely that oppositionists will reject any loss as caused by rigging. That risks fuelling violence, especially in the north, where Buhari's dedicated young supporters angrily protested at his party's defeat in 2011. This time, the opposition cause is stronger and more extensive nationally.

The APC is a national opposition party that combines Buhari's personal following in the north with the organised activists in the south-west who back his running mate, **Yemi Osinbajo**, a respected technocrat (AC Vol 55 No 25). Professor Osinbajo's wife, **Dolapo Osinbajo**, is the granddaughter of **Obafemi Awolowo**, the legendary Yoruba leader. If Jonathan is declared the loser, there have been threats of attacks in the Niger Delta by those militant groups who have benefited most from his tenure. Those sorts of attack, targeted at oil facilities, might prove easier to contain than post-election confrontations in the north. The security nightmare is of clashes similar to those after the disputed elections in **Kenya** in 2007.

Already, local officials and diplomats are discussing options in case of a stand-off in which one side refuses to accept the result. Those in the PDP worried about Buhari's momentum may be playing for some kind of draw, in which they could retain more influence than by being on the losing side in open elections. Yet the broader experience of such power-sharing deals is that they rarely produce an effective government, let alone one that would be capable of making the tough reforms that Nigeria needs. Despite the best intentions of their architects, power-sharing deals in **Kenya** and **Zimbabwe** resulted in impunity for many of those behind the worst violence.

Against this, the best outlook for Nigeria's international partners is to support the electoral system, resist the clouding of the picture, which is a usual accompaniment to election rigging, and hope for a decisive and credible outcome at the polls. ●

870,612 duplicate entries and that these would be removed helped to restore public confidence. However, the 2011 elections were far from flawless and the positive evaluation from many foreign officials blinded commentators to INEC's limited capacity to hold free and fair polls. Polling was postponed in all three elections (presidential, legislative, gubernatorial) after voting had begun and monitors reported evidence of malpractice in parts of the country where the governing PDP did well. Several observers were concerned that INEC's positive evaluation of the use of electoral technology had glossed over significant problems, including equipment failures at several polling stations, *Africa Confidential* understands.

One of the main recommendations of observers in 2011 such as the US National Democratic Institute (NDI) was that INEC needed greater authority over the resident electoral commissioners who are responsible for ensuring the smooth running of the elections on the ground. Jega can choose where to deploy RECs but the President appoints them directly. In a bid to reduce the ensuing political bias, Jega has systematically redeployed RECs to diminish the chance of their being undermined by local political elites.

After complaints about the RECs' lack of impartiality in 2011, many election monitoring groups recommended that their appointment be taken away from the President. This hasn't happened. In response, Jega once again moved to rotate the RECs last December. A source at INEC explained the strategy: 'Some of these RECs have served in these states since the last general elections and may have become stakeholders in these places. So, it is better to reshuffle them and put everyone on his or her toes for the next assignment, which is less than two months away'. Yet rotating the RECs only partly solves the problems, because individuals close to the PDP can be expected to shape the polls in their interests, no matter in which state they are based. Those RECs who see personal opportunities for advancement may be open to influence by the highest bidder.

INEC is also struggling to meet basic logistical challenges. By the end of January, it had distributed just 42.77 million of the necessary 68.8 mn. permanent voter cards (PVCs) that electors need to cast their ballots. By 16 February (two days after the original election date), INEC declared that 70% of the electorate had collected their cards.

This late completion of key tasks means that it is unlikely that all the political parties will be able to check the nearly 69 mn. names on the electoral register in time. Moreover, the card readers needed to verify voters have not all arrived in the country and as late as mid-January, training manuals for election staff and

volunteers had not been completed. Some 700,000 Nigeria Youth Service Corps and other young volunteers are due to help run the elections but now they will do so with little training. These problems are especially relevant in a close election, because they leave the process more open to manipulation. They also created the opportunity for figures close to the PDP to push for a postponement.

National Security Advisor Colonel (Rtd.) **Sambo Dasuki** first publicly raised the idea of a postponement because of INEC's lack of preparedness in London on 22 January (AC Vol 56 No 2). Nigerian newspapers carried reports that the PDP had planned to fund proxies to launch a campaign to pressure INEC into delaying the polls because millions of electors would be disenfranchised. After both INEC and Armed Forces service chiefs had assured all the parties that preparations were on schedule, a letter from Dasuki to Jega surfaced stating simply that the military had made commitments to the regional operations against *Boko Haram* and could not provide security for elections on 14 February.

WHO'S THE VILLAIN?

When the INEC announced the postponement, it referred not to logistical problems but solely to the security chiefs' advice about the insurgency. To many people, the army became the villain of the piece, not the INEC. Others working on the election organisation, such as the United Nations Development Programme, also dodged scrutiny of their organisational shortcomings.

The advantages of the delay for the PDP are obvious. The party has more time to slow or at least counter the APC's momentum. During the past week, the PDP has been trying to reorganise its election campaign, which had been sinking deeper into disarray. Yet the delay might be counterproductive: some undecided voters see the delay as signalling a bid by Jonathan to extend his tenure or undermine the vote, with the help of his allies in the military. The Buhari campaign has openly criticised the military's lack of progress against *Boko Haram*, linking it to corruption in procurement and poor morale among the troops.

Rumours swirl around Abuja of further plans to delay the elections; some talk of indefinite postponement until the government can announce the decisive defeat of *Boko Haram*. Options mooted include the formation of a military-backed Interim National Government. Opposition activists insist the PDP would rather cede power to such a structure than face defeat by Buhari and the APC at the polls.

A senior aide at the Presidency told *Africa Confidential* about the growing doubts about a 'decisive outcome' in the

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elections and that both sides would have to be pragmatic enough to negotiate some form of power-sharing deal. Such arrangements have a poor track record in, for example, **Kenya** and **Zimbabwe**, and probably an even worse one in West Africa, with the example of **Côte d'Ivoire**. That ended with the defeated President, **Laurent Gbagbo**, being arrested at gunpoint and flown to the International Criminal Court in the Hague.

There are many constitutional trapdoors that could be used to promote such a project or to maintain the PDP in power, even if Jonathan himself stepped down as ordained on 29 May. If *Boko Haram* retaliates against the current offensive, the President could use the excuse of increased violence to declare a general state of emergency, further delaying elections. He could use the constitutional clause that allows the National Assembly's tenure to be extended for six months in a time of war to transfer power to the Senate President, Col. (Rtd.) **David Mark**.

All such options would however trigger huge public discontent, probable violence and, perhaps most dangerously, splits in the military. The badly-supplied footsoldiers and junior officers are already angry at the army's mauling in the north-east at the hands of the insurgents. The arrival of a lot of new equipment and firepower in the last couple of weeks seems to be a parallel, but very belated, effort to pull the army back together.

Despite its public concern regarding INEC's failure to issue voter cards, the PDP has paid little attention to helping the more than one million internally displaced people (IDPs) who have fled *Boko Haram* to vote. Perhaps this is because they might be expected to favour the candidacy of Buhari. According to the rules, most IDPs will be disenfranchised since they can vote only in the location in which they have registered. We now hear there is some negotiation on this critical point.

The credibility of the elections in the three north-eastern states hit by war will remain unclear until the eve of the polls, when INEC says it will take security advice on which areas to declare that elections can be held. That will also change the electoral equation. To cancel

out the effects of regional dominance, an outright win requires an absolute majority plus at least 25% of the vote in two-thirds of the states, 24 of 36. Fewer votes from the north-east almost certainly helps Jonathan and hits Buhari.

However, some of the problems also fall outside INEC's or the military's control. As late as December, INEC had received less than half of its budget. The main international organisation responsible for channelling donor support to the elections, the UNDP, has also dropped the ball. An initial effort to commission a political analysis to enable donors to identify the sources of electoral

manipulation and violence well before polling was undermined by chronic delays in dealing with applications.

Opposition parties complain the UNDP is too close to government. Foreign donors agree and complain about the UNDP's reluctance to release reports they have paid for. Governments are making plans to work with Nigeria's small but experienced civil society organisations. We hear the contracts under UNDP auspices that were drawn up for CSOs to conduct civic and electoral education were not finalised until late January. So it is likely that little education will be completed before the elections. That's a major worry, given the

new technology and procedures being used. Ensuring that people trust that technology will be critical to managing tensions.

Results are to be posted at each polling unit. That makes it possible, with mobile telephone cameras and other devices, to run a really accurate check on the process of vote tabulation at national level. Most overseas monitoring missions are too small to operate as a deterrent, much less to investigate rigging: the European Union Mission is just 30 strong for about 120,000 polling stations. The NDI is preparing a form of parallel vote tabulation that will provide a check on the official figures. ●

BURUNDI

Massacres in the mist

As June's presidential election approaches, the political atmosphere is deteriorating and political violence is on the increase

President **Pierre Nkurunziza** has yet to declare whether he will stand for another term in the 26 June presidential election. Increasing signs that he will stand include the growing repression of the opposition and violence by the armed forces. Nkurunziza failed to change the constitution last March to permit himself a third presidential term but some of his supporters argue that since he was first elected in 2005-10 only by Parliament instead of by universal suffrage, according to the Arusha Peace Agreement he would be within the law if he stood again (AC Vol 55 No 8).

Some finely-balanced legal and constitutional hurdles must be surmounted before Nkurunziza's likely formal declaration as the presidential candidate of the governing *Conseil national pour la défense de la démocratie-Forces de défense de la démocratie*. The Constitutional Court has to make a ruling on presidential terms but its appointees are chosen by the Senate, which the CNDD-FDD dominates, so the Court will almost certainly judge Nkurunziza eligible, if that is what he wants.

In a climate of rising political violence, many see evidence of the political process accelerating, too. On 5 February, the **United States** Department of State said it was 'troubled by reports implicating Burundian security forces in the extra-judicial killing of at least two dozen members of a rebel group after they surrendered in Cibitoke Province in early January'. Washington is also concerned by the increase in the detention and prosecution of media workers and political opponents.

In late December, clashes took place

between the national army, the *Force de défense nationale* (FDN), and an unidentified rebel group infiltrating from neighbouring **Congo-Kinshasa**, in the Kibira Forest, 50 kilometres north-east of Bujumbura. The Forest was a sanctuary for many Hutu rebels during the 1993-2006 war. At a press conference on 4 January, the Burundian army spokesman, Col. **Gaspard Baratuza**, said that during five days of fighting, 105 rebels had been killed and four captured, from a group he numbered at 121 (AC Vol 53 No 19).

BATTLE OR MASSACRE?

The rebels were equipped with a 60 millimetre mortar, five rocket-propelled grenades, machine guns and more than 100 rifles, Baratuza said, admitting to only two deaths among his troops. Some thought the disproportionate casualties indicated a mass killing rather than a battle, especially as it took place shortly before the anticipated 5 January offensive by United Nations troops in Congo-Kinshasa together with the Congolese armed forces against the main Burundian rebel group, the *Forces nationales de libération*. It looked as though the veteran Hutu FNL group had retreated into Burundi to avoid the troops in Congo; the FDN clash took place near the Congolese town of Uvira, on Lake Tanganyika.

Some oppositionists claimed those killed in the clash had been summarily executed in Kirundi, by the vigilantes of the *Imbonerakure* (Those who see far), as the CNDD-FDD youth militia is known (AC Vol 55 No 15). The ambushed rebel group probably belonged to the dissident wing of the FNL, led by **Aloys Nzabampema**, which has claimed responsibility for

a dozen attacks since early 2014. The government is clamping down on any FNL factions that won't collaborate, including that of its historical President, **Agathon Rwasa**, even if they have not resumed their armed struggle. After December's fighting, five FNL militants of the pro-Rwasa wing, including a police officer, were arrested in Cibitoke Province and charged with collaborating with the rebels killed near the Kibira Forest. After **Pierre Claver Mbonimpa**'s human rights group, the *Association pour la protection des droits humains* (Aprodh), took an interest, they were released after just one month.

No full investigation has taken place into the Kibira affair. Several accounts are circulating about the rebels' true identity: one version emanating from the presidency claims they were supporters of the former journalist and opposition exile **Alexis Sinduhije**, leader of the *Mouvement pour la solidarité et la démocratie* (AC Vol 53 No 3). Some see the linking as an attempt to discredit Sinduhije, whom the MSD adopted as its presidential candidate in mid-January.

The events in Kibira have not ended rebel activity in Burundi. In early January, a dozen men armed with rifles and machetes stopped a bus in Ruyigi Province in the west and robbed the passengers. Two days later, five men armed with shotguns and wearing military fatigues shot dead three CNDD-FDD militants in a bar at Gisuru, also in Ruyigi. Incidents like this could derail the elections, which begin with local polls on 26 May. The first rounds of the presidential and parliamentary polls follow on 26 June, the Senate election on 17 July with, if necessary, a second round of the presidential election on 27 July.

Blatant rigging is another concern. In December, the Justice and Peace Commission of the Roman Catholic Church condemned the distribution of false identity cards and cases of multiple electoral registration: some people used their driving licence in one locale, their identity card in another and passport in a third. Press reports say CNDD-FDD

militants have been handing out ID cards. The CNDD-FDD may not be leaving anything to chance to ensure victory but the opposition remains badly divided.

ELIMINATING RIVALS

In January 2013, the FNL split in a move believed to have been orchestrated by the governing party and Rwaswa was later replaced by **Jacques Bigirimana** as party Chairman. Other splits occurred in the *Union pour la paix et le développement* (UPD) in 2010 and in the *Front pour la démocratie au Burundi* (Frodebu) in 2008. Early last year, the President of the mainly-Tutsi *Union pour le progrès national* (Uprona), **Charles Nditije**, was replaced by a candidate supported by the CNDD-FDD youth, **Prosper Bazombanza**. Nditije

now complains that he lacks all freedom of movement and cannot organise political rallies or even meet his relatives. One way or another, all Nkurunziza's potential rivals are being eliminated from the presidential race.

Last October, the President of one of the wings of Frodebu, **Léonce Ngendakumana**, was sentenced to a year in prison after he compared the training of *Imbonerakure* militias with the dreaded *Interahamwé*, who committed the genocide in Rwanda in 1994. On 16 January, the Vice-President of Frodebu, **Frédéric Bamvuginyumvira**, was sentenced to five years' gaol for corruption. (The prosecution had earlier dropped a charge of 'debauchery' against him.) His lawyer said this was a ploy to keep him from

running for president. Opposition parties are trying to unite. Talks have started between the *Alliance démocratique pour le changement-Ikibiri*, led by Ngendakumana, which includes Frodebu, Sinduhije's MSD, ex-President **Jean-Baptiste Bagaza's Parti pour le redressement national** and **Léonard Nyangoma's Conseil national pour la défense de la démocratie**, and Rwaswa's wing of the FNL, Nditije's supporters and the dissident Frodebu-Nyakuri wing led by **Jean Minani** (AC Vol 39 No 8).

With so many disparate parties and interests at work, however, the prospects of the opposition putting up a single candidate against Nkurunziza are remote. Indeed, the CNDD has now chosen Nyangoma as its presidential candidate. ●

SOMALIA

Old faces, old problems

The horse-trading which led to a new government leaves many hostages to fortune. We detail the bargaining that led to the latest cabinet

On 9 February, after weeks of bickering among politicians, Somalis were given a new government. In some respects, it's not very different from the old one; some ministers from the much criticised previous regime stay on, often with different portfolios. There are new faces too, many of them members of parliament. What is causing concern is that most of the new ministers got their jobs as repayments of political debts, not because of their competence.

Some have a record of being active in Parliament, such as **Abdiqadir Sheikh Ali Bagdadi** (from the Dir group), who is Minister of Endowments and Religious Affairs and who was proposed by **Mahad Abdalle Awad**, or the Constitutional Affairs Minister, **Hussein Mohamud Sheikh Hussein 'Badni'**. Yet their lack of experience in government is going to show up soon, whether in the way they deal with domestic issues or in relations with international bodies.

Another change is the huge number of deputy ministers and ministers of state. That makes this cabinet the most numerous and eventually, perhaps, the most dysfunctional yet. Most are MPs and this alone explains why the list won a high rate of approval in Parliament.

The reshuffle had been long in the making. Last December, for the second time since becoming President in September 2012, President **Hassan Sheikh Mohamud** sacked his Prime Minister after a protracted confrontation that froze government work for weeks. The no-

confidence motion that unseated Premier **Abdiweli Sheikh Ahmed Mohamed** (Darod/Marehan) came only after lengthy negotiations with parliamentary factions. However, the *quid pro quos* and other promises have weakened both President and Prime Minister, say political sources in Mogadishu, as well as the cause of strong central government.

While 153 of the current MPs voted in favour of the no-confidence motion and 80 against, the near-unanimous approval (218 of 224) of the new Prime Minister, **Omar Abdirashid Ali Sharmarke** (Darod/Majerteen), on 17 December was but a flash of unity in an otherwise fractured picture. Omar Abdirashid, who was Prime Minister from February 2009 to September 2010 under President **Sharif Sheikh Ahmed**, was not at first seen as the most likely contender for the job (AC Vol 51 No 20). Former Finance Minister **Hussein Abdi Halane** (Darod/Ogaden) seemed a likelier choice since he has good connections with Britain (he holds a UK passport) and the United States, has built his ministry with some success and is a close friend of the President. He also played a role in ejecting Abdiweli Sheikh.

Yet Hassan Sheikh has good reasons to prefer Omar Abdirashid. He is open-minded, is also well-connected abroad, especially with the USA, and is Majerteen, which could help to ease contentious relations with Puntland (AC Vol 55 No 16). He impressed Hassan Sheikh by using his eloquence to get people on his side. Others see qualities that do not suit

Omar Abdirashid for high office. His health – like the President's – is poor and doesn't allow long periods of stress. He is also seen as lacking the energy needed to wrangle with a cabinet full of big egos and ministers who act independently. Some fear he could get bogged down in day-to-day management and lose sight of strategic objectives.

Omar Abdirashid may also have wrongly assessed the political situation he inherited. He believed he needed to get a broad consensus behind his cabinet choices that mirrored the support for his own appointment, say political sources. In fact, many supported his appointment only because they knew that the real political battle would be over who got which ministerial portfolio, not who would be premier. He also displayed considerable naivety when he unveiled the cabinet he wanted Parliament to endorse on 17 January, the sources add.

The Prime Minister was only nominally in charge of cabinet appointments. The debts Hassan Sheikh incurred in marshalling the forces to get rid of Abdiweli had to be paid in ministerial coin. Omar Abdirashid was able to put forward his old friend **Mohamed Omar Arte 'Qalib'** (Habr Awal/Isaaq and son of a former Foreign Affairs Minister and Prime Minister, **Omar Arte 'Qalib'**) as deputy Prime Minister. He also got in **Ahmadey Sheikh Mukhtar**, the son of a Speaker in the 1960s, as Minister for Religious Affairs. The other positions were decided after long consultations with the President.

Then the ructions began. The Speaker, **Mohamed Sheikh Osman 'Jawari'** (Rahenweyn), was happy at first to find all twelve of those he had nominated appointed to cabinet (AC Vol 55 No 10). However, he soon found out that four of them were close to **Sharif Hassan Sheikh Aden**, the newly-elected South West State

President and his arch-rival among the Rahenweyn (AC Vol 55 No 3). He duly refused to accept them in cabinet. The Second Deputy Speaker of Parliament, **Mahad Abdulle** (Dir), who had defended Abdiweli Sheikh, managed to get four names of his own into the cabinet, even though he doesn't enjoy the same influence as Mohamed Jawari. He then, too, condemned in public two of those he had nominated.

Compromises and manoeuvres multiplied and politicking continued apace. Several who had been in cabinet under Abdiweli kept their jobs. Then came an uproar: Hassan Sheikh again insisted on keeping in cabinet his closest political friends, who are nearly all members of or close to the Muslim Brotherhood-offshoot *Damul Jadiid* (New Blood; AC Vol 56 No 2). He wanted them to keep a hold on key ministries and supervise state resources in the run-up to elections. They include **Farah Sheikh Abdiqadir Mohamed** (Justice; Hawiye/Sheikhaal/Rer Aw Hassan); **Abdikarim Hussein Guled** (Interior and Federal Affairs; Hawiye/Habr Gidir/Saad); Hussein Abdi Halane (Finance; Darod/Ogaden); **Abdullahi Mohamed Ali 'Sanbalolshe'** (Internal Security; Hawiye/Hawadle).

The most striking point about the proposed cabinet was not the number of its members – 60, including deputy ministers and ministers of state, compared with 55 under Abdiweli and only ten under **Abdi Farah Shirdon 'Said'**. It was the number of MPs among them, no fewer than 48.

The Prime Minister saw opposition to the cabinet developing in Parliament and withdrew the list, asking for two weeks to fix it. Many believed he should have taken on the critics and showed them who was boss. It was a humiliation that neither he nor the President needed and it prolonged the crisis. Parliamentarians detected weakness, so more and more of them thought it worthwhile to try to influence the appointments. Both the Prime Minister and the President mishandled this opposition and ended up with less, rather than more, room in which to manoeuvre.

A caucus (*kutala*) has emerged in Parliament, about 60-80 strong, which has no other purpose than to sabotage

Hassan Sheikh's last two years in office. Many onlookers despair that the kind of politician who belongs to the past and should have been ancient history when the transition period ended in September 2012 is back in the saddle.

These MPs are interested only in personalities, clan politics and money, and should have been dealt with more effectively, says some who are trying to build a stronger state and nation. This group does not enjoy a monopoly on venality or greed. The worry is that opposition for its own sake only reinforces a popular view – especially that of the Islamist militia *Al Haraka al Shabaab al Mujahideen* – that politics and the state are the province only of a small group interested in fat bank accounts and prestigious jobs, whatever the cost to the country. Some hold Hassan Sheikh responsible for the popularity of this view. He appointed personal friends over political friends, preferred to avoid challenging political enemies on political grounds and favoured behind-the-scenes bargaining over public debate. Now, they say, he is paying the price.

DATES AND MINISTERS

On 12 January, the Prime Minister announced his new cabinet. Five days later, on 17 January, he dissolved it in the face of vehement opposition in Parliament. Then on 27 January, he published a radically different list of 20 ministers, all new to their positions. He seemed to regain ground by making the point that Parliament could not have a permanent veto over government. Yet a close look at the cabinet list shows that it did not address any of the main criticisms.

Firstly, some people who had been either convicted of – or strongly suspected of – embezzlement took prominent positions in cabinet. **Abdusalam Omer** (Gadabursi/Dir) was a controversial Governor of the Bank of Somalia, before his removal over controversy about fraud in the central bank (AC Vol 54 No 19). He denied any wrongdoing. He has been put forward as Minister of Foreign Affairs, which grumbling foreign diplomats consider nothing less than a provocation. The proposed Finance Minister, **Mohamed Adan Ibrahim 'Fargeti'**, (Rahenweyn/

Disow), who is close to the Speaker, and would-be oil minister, **Abdirizak Omar Mohamed**, who was Oil Minister at the time of the oil deal with **British** firm Soma, have been the subject of similar concern (AC Vol 54 No 20). Another worry for Western officials is the development within the cabinet of an Islamist core of *Ahle Sheikh* and *Damul Jadiid* adherents. This is especially unwelcome at a time when elections are in the offing.

Hassan Sheikh's close friends in the cabinet include former *Al Jazeera* journalist **Fahad Yasin Haji Dahir** (Rer Aw Hassan), who played a major role in raising funds for Hassan Sheikh's election in September 2012, especially from **Qatar**; **Abdirizak Omar** (Hawadle/Hawiye/Habr Gidir/Saleban), proposed as Minister of the Interior, is a founding member of *Damul Jadiid* and the Manager of the Somali Institute of Management and Administration (Simad University), which was set up by Hassan Sheikh in the late 1990s (AC Vol 53 No 23).

Ahle Sheikh members in cabinet include former *Jazeera* journalist **Abdirahman Yusuf Ali Aynte** (aka **Abdi Aynte**; Hawiye/Murasade) at Planning and International Cooperation, and **Ahmed Hassan Gabobe** (Dir/Gadsan), who was also part of the Islamic Courts Union in 2006 and later the Alliance for the Re-liberation of Somalia in Asmara. Defence Minister **Abdulkadir Sheikh Ali Dini** was Chief of Staff under President Sharif. These fresh appointments were not enough for the *kutala* and the message from Parliament was that it wanted more. Not only is a weak federal state now under pressure to surrender its resources to Parliament and the clans, the federal entities – often owing much to external sponsors such as **Ethiopia** or **Kenya** – are demanding their piece of the action.

The compromises made and obligations that the government is taking on work against building central government itself. While the constitution and events on the ground may be blamed for this chaotic process, many point the finger at Hassan Sheikh for not having done enough in the time allotted to exert autonomy for the centre. This problem may well hang over him for the rest of his time in office. ●

CAR/CONGO-BRAZZAVILLE The friendless mediator

An angry UN has asked Sassou to end the peace talks in Nairobi but has few better ideas about achieving reconciliation

It's been a bad year for Congo-Brazzaville President **Denis Sassou-Nguesso**. He is official mediator in the Central African

Republic conflict for the *Communauté économique des états de l'Afrique centrale*. Sassou was already under fire for wanting

a third term as elected President to add to his 13 years as unelected head of state (AC Vol 55 No 19). Now, he is shunned by former allies in the West and admonished by the United Nations for the failures of the CEEAC-sponsored peace talks in Nairobi between CAR's *Séléka* and *Anti-Balaka* militias.

The warring factions announced a truce in the **Kenyan** capital on 5 February that quickly broke down and lost all credibility. Meanwhile, further

violence threatens in Bangui as tension rises between youths on each side.

Now, **Abdoulaye Bathily**, the UN Secretary-General's Special Representative for Central Africa and the head of the UN Regional Office for Central Africa (UNOCA), has demanded that Sassou-Nguesso end the Nairobi talks. This came in a sharp letter dated 8 February, a copy of which *Africa Confidential* has obtained. Bathily, a **Senegalese** former minister, frankly complains that the talks run counter to UN Security Council resolutions and the Transition Charter on CAR. He says CEEAC and the African Union are also worried about their effect on reconciliation efforts already under way on the ground.

HISTORY OF A DEAL

While Sassou's attempt to get a peace deal appears ham-fisted, sources close to the Congolese presidency and to the **French** government say the plan had a rational basis. After the short-lived ceasefire signed in Brazzaville last July, and what he saw as a lack of interest from the Transitional Government in Bangui led by Interim Prime Minister **Mahamat Kamoun**, Sassou felt he needed to take the initiative. (AC Vol 55 No 17).

He was then in no mood to listen to the pleas from Paris. His candidate for the leadership of the *Organisation internationale de la francophonie*, Paris Ambassador **Henri Lopès**, had lost to Canada's **Michaëlle Jean** in November (AC Vol 55 No 18). Sassou was not invited to the mid-December Dakar Forum on security in the Sahel organised by Paris and Dakar, and his dispute with the French judicial system over the '*Biens mal acquis*' (ill-gotten gains) is not going away (AC Vol 53 No 7).

Sassou even believed France was opposing him over CAR. Paris seemed unconcerned about the poor performance of CAR Interim President **Catherine Samba-Panza** or even about the tendency of her entourage to pocket aid funds. The French Ambassador in Bangui, **Charles Malinas**, has stayed close to her and protected her from other international actors. Sassou then flew into a rage when he heard that **Angola** was trying to convince CEEAC members to allow Samba-Panza to stand as a presidential candidate, even though the Libreville Accord of January 2013 and the Transition Charter specifically excluded post-holders in the interim government from standing.

Against this background, Sassou decided to organise direct talks in Nairobi between *Anti-Balaka* and *Séléka* factions. It was a consequence of July's Brazzaville meeting that no other CAR political players were invited: the interim government chose to allow only a few *Séléka* to attend but a preponderance

of *Anti-Balaka*. It was also no accident that as a snub to Paris, Sassou chose Anglophone Nairobi for the venue, any more than was the obvious interested involvement of unofficial **Americans**.

Yet Sassou's project lacked anyone credible to shepherd the process; it appeared to some in Nairobi that the concept was simply to put the two armed groups in the same hotel and hope that if they did not have a bloody fight, a power-sharing agreement might result.

None of the key outsiders mixed with the delegations once they were in Nairobi. This included the AU Special Envoy, Congo-B's General **Jean-Marie Michel Mokoko**, who worked hard to bring the two delegations together and even saw them on to their aeroplane; Gen. **Noël Léonard Essongo**, Sassou's Personal Representative; and even the AU Deputy Mediator, **Souméylou Boubèye Maïga** (AC Vol 54 No 25).

The Kenyan mediators were unaware of the complexities they were dealing with and few of them spoke French, Sango, the lingua franca of CAR and some neighbouring areas, or Arabic. The Kenyan host, former National Assembly Speaker **Kenneth Marende**, even cheerfully remarked, in a letter to Sassou which AC has also seen, that sending the delegations on tourist trips in the same bus and organising parties for them at the weekend had brought them together. The socialising had brought them, he said, to a realisation that they shared a 'common destiny' and facilitated the 'speed and success' of the talks.

The talks were not a success, though. The outcome was all that could be expected from Marende's view of peace agreements as a continuation of tourism by other means, commented one diplomat. The agreement announced called for a general amnesty: that is unacceptable to all the interested parties. It also demanded a new transitional government, which looks equally impossible. With such unworkable demands, it was inevitable that the mediators, rather than the warring parties, would attract the blame.

The interim government in Bangui was understandably furious at being excluded from the talks. Defenders of the Nairobi talks responded that at least they were trying to do something. Bangui's only idea, they said, was to hold local and national consultations only when a fat budget was in place. Bathily's response to Sassou's letter announcing the 'success' of the Nairobi agreement, soon followed, on 8 February.

France's opposition to Nairobi was of a different order. The cry from the Elysée Palace has been, 'Elections, the sooner the better!' for some time now – at least since October, when the Africa Advisor at the French presidency, **Hélène le Gal**, travelled

to Bangui to spell it out. Regardless of how corrupt the interim cabinet might be, the priority was to hold elections soon.

This international squabbling, say some independent analysts, only proves how far CAR is from any meaningful settlement. They say that the *Séléka* and *Anti-Balaka* representatives in Nairobi tried to agree a power-sharing deal but without working out how to enforce a ceasefire in the areas they claimed to control. They could have built on the undoubted success of having agreed to talk by continuing negotiations and keeping channels open. However, their insistence on power-sharing – excluding all the other parties in the CAR crisis – meant the outcome was doomed. It also brought up other contentious issues, such as the use of French and European Union military forces.

GOOD POINTS

Many feel that there has not been enough recognition of the fact that the most virulently opposed protagonists in the CAR managed to share a hotel and behave cordially towards each other. If they could do it, was reconciliation such an impossibility? This important message was missed because the interim government and its allies wanted to keep the upper hand in the political process, even at the risk of continuing the cycle of bloody skirmishes in the countryside, those close to the action told us.

Due to the Nairobi mediation, **Angola**, **Chad** and Congo-Brazzaville are again meeting and talking about events on the ground. It may not produce major change but could, at least, prevent things from getting worse. Political reconciliation there is now confined to local meetings that last a couple of hours and are run by delegations from Bangui. They do not, some participants have told us, deal in local solutions to local problems but merely list a number of grievances that can be addressed only by international players. If this is the best that can be done under the auspices of the interim government and the main political parties, there are fears for the political process.

The mediator, Sassou-Nguesso, has lost face. He was obliged to condemn an agreement that he paid for and has now to deal with Kenya blaming him for its own loss of face. The debacle has failed to open up more political space elsewhere in which to improve the situation on the ground. The *Séléka* and *Anti-Balaka* forces represented in Nairobi may feel that their fear of French involvement and of other external forces not present in Kenya have been confirmed and conclude that the battlefield will provide the solutions that the hotel lobby could not. ●

AFRICA/CAPITAL FLIGHT

Out of Africa, taxes

A leak of secret documents from Luxembourg reveals corporations avoiding paying tax

Confidential documents from PricewaterhouseCoopers leaked late last year revealed how about 350 companies around the world negotiated advantageous deals with the Luxembourg tax authorities. *Africa Confidential* has mined the data for the deals to find places where African exchequers may find themselves losing revenue. The cache of documents, uncovered by the International Consortium of Investigative Journalists (ICIJ), mainly concerns PwC's correspondence with the companies and how Luxembourg, a notorious tax haven, could help. The often complex mechanisms have been challenged in Europe as unethical but they are legal.

One of the measures PwC advised multinationals to take was to create a wholly-owned Luxembourg-based subsidiary which would hold the rights to intellectual property used by the rest of the group. The rest of the group would then pay licensing fees to that subsidiary which, by agreement with the authorities, would be granted tax relief of up to 80%.

One company which has exploited this mechanism is the Belgian brewery *Union des Brasseries Africaines*, set up in Congo-Kinshasa in the 1960s by the late Michel Relecom. In a letter dated 23 September 2009 to Marius Kohl of Luxembourg's corporate tax office, PwC explains that two Unibra subsidiaries had sold rights to two brands of beer to a Luxembourg-based company called Skol Development Africa (SDA). The subsidiaries were Skol International Developments Limited (SID), which owns the Skol brand brewed by the *Brasserie de Guinée-Conakry* (Sobragui), and the Luxembourg-based Skol International Development Luxembourg (SIDL), which owns the Skol International Beer brand, brewed by the Kinshasa-based *Brasseries du Congo*. Bracongo now belongs to the French *Groupe Castel*. The licences for these brands for other African countries were sold to SDA for 30 years.

The nominal value of both licences is 5.28 million euros (US\$6 mn.) and their commercial value is estimated at €9 mn. However, the revenue which could flow to SDA could be much higher since Unibra's plans are to sell them to 25 countries. Skol is currently available in Burundi, Comoros, Congo-Brazzaville, Kenya, Madagascar and Uganda. It also has its own breweries in Rwanda and Ethiopia.

A second tax avoidance mechanism simply involved the companies becoming incorporated in Luxembourg. In 2010, Luxembourg concluded an agreement with several companies of the Socfin (*Société financière*) agribusiness group, which was founded during the reign of Belgian King Leopold II by the late Belgian businessman Adrien Hallet. The companies chose Luxembourg as their base and made an agreement under which their dividends were subject to a modest 15% withholding tax, a lower figure than those in force where their farms are located (20% in Congo-K and Indonesia, 18% in Côte d'Ivoire).

EXEMPTIONS

Socfin's Luxembourg-based companies would also benefit from a net wealth tax exemption. One of the companies incorporated in Luxembourg is the Socfinaf empire, in which the French *Groupe Bolloré* is minority shareholder. Socfinaf currently owns 85% of the palm-oil producer Socfin Agricultural Company Sierra Leone and 66% of Nigeria's Okomu Oil Palm Company.

Socfinaf also controls 100% of the Liberian Agricultural Company's LAC Rubber, which produced 14,950t. in 2012; 73% of the *Société des caoutchoucs de Grand Béréby* (SOGB) in Côte d'Ivoire (36,660t. of rubber and 30,800t. of palm oil in 2012) and 70% of another Ivorian company, *Sud Comoé Caoutchouc*, which produced 12,600t. of rubber in 2012. Socfinaf also holds 67% of Cameroonian companies *Société camerounaise de palmeraies* (Socapalm) and *Société africaine forestière et agricole du Cameroun*.

Altogether, Socfin subsidiaries in Africa and Indonesia produced 123,660t. of rubber and 380,770t. of palm oil in 2012. The combined turnover of its main African subsidiaries reached €271 mn. in 2013. The list also includes the 100%-owned *Plantations Socfinaf Ghana* Ltd. (PSG) and *Socfin-Brabanta* (Congo-Kinshasa). Socfin also holds 88% of Agripalma in São Tomé e Príncipe and 5% of Red Lands Roses (Kenya).

PwC admitted that the deal was opaque, writing to the Luxembourg authorities: 'Given that it is practically difficult to determine subsidiary by subsidiary the amount of undisclosed gains at the time of the conversion and to track the flow of dividends, a global

approach should apply.' The combined damage to African tax revenue is difficult to estimate but it is likely there is one since the tax that was once being paid to an African treasury is now being paid to the Grand Duchy of Luxembourg.

A third mechanism involves cross-border lending within a group of companies. Companies registered in Luxembourg are exempt from tax on income from interest. Multinationals were thus able to structure their operations so that profits from other countries could flow into Luxembourg.

One example of this type of arrangement is an increase of the share capital through public offering in a subsidiary of Egypt's giant Orascom group, Orascom Telecoms Holding (OTH), by its main shareholder, Italian-based Weather Investments (WI, now renamed Wind Investment). At the time of the transaction, this was owned by the family of Egyptian billionaire Naguib Onsi Sawiris, and controlled by the Russian telecommunications giant VimpelCom since 2011 (AC Vol 54 No 25). PwC suggested to Luxembourg that OTH grant to certain holders the right to subscribe for ordinary shares of OTH issued under the form of Global Depositary Receipts (GDRs). Before carrying out the public offering, OTH was obliged to pay consent fees to first-generation shareholders to permit the transaction. GDRs have been attracting regulatory attention recently.

Accordingly, WI transferred €235 mn. in December 2009 to its Luxembourg subsidiary Weather Capital SARL, in the form of a 'profit participating loan', a financial instrument in which a loan is repaid through a proportion of profits earned by an enterprise. Weather Capital in turn transferred \$355 mn. on 28 January 2010 to a new subsidiary, Weather Capital SP1 SA, via an interest-free subordinated loan. This company then lent \$225 mn. to OTH. In such ways, corporate revenue or profits become redefined as loans or interest payments, which attract far less tax in most jurisdictions, Luxembourg's being the most attractive in the European Union.

The founder of Moroccan private jet charter firm Dalia Air, Hind el Achchabi, used the Luxembourg-based Eurohold SA to acquire three Brazilian Embraer jets for \$100 mn. in 2010. PwC negotiated a tax agreement to allow Eurohold to purchase the aircraft and resell them to Dalia Air while another Luxembourg subsidiary obtained a loan to finance the operation from an unknown Moroccan bank. Under Luxembourg law, Eurohold could deduct the interest paid by Dalia. Development experts and investigative journalists contacted by *Africa Confidential* consider the tax rulings that the ICIJ has uncovered to be just the tip of the iceberg. ●

BURKINA FASO

Between street and barracks

The country prepares for a democratic dawn at the October elections but stubborn soldiers want their privileges guaranteed

The mass movement that toppled President **Blaise Compaoré** last October is at increasing odds with the *Régiment de sécurité présidentielle* (RSP, AC Vol 55 No 22). The elite army unit killed at least ten civilians in cold blood during the mass unrest, says Amnesty International. A large demonstration in central Ouagadougou on 8 February saw civil society leaders call for the RSP to be disbanded as a threat to Burkina Faso's democratic transition. It worries civilians by making demands of the transitional government and requiring guarantees of its status and its role in national defence.

Still buoyed by their success in ousting a President who had been in power for 27 years, the new parties and the mass movement see no reason to make concessions to an unelected, unpopular and sometimes murderous body of men. Increasingly, the two opposing forces will do much to define the pressures upon politicians this year.

Among the campaigning parties and presidential hopefuls seeking success in the 11 October general elections, a few front-runners are emerging. Most prominent is the former President of the long-ruling *Congrès pour la démocratie et le progrès*, Compaoré's election-winning machine, **Roch Marc Christian Kaboré**. In January 2014, Kaboré transformed himself overnight into an opposition figure by leading the defection to his new party, the *Mouvement du peuple pour le progrès*. In the process, he dealt a hard, although far from fatal, blow to Compaoré's chances of political survival (AC Vol 55 No 2). Kaboré and his two lieutenants, former CDP Vice-President **Salif Diallo** and the longest serving Mayor of Ouagadougou, **Simon Compaoré**, now form the triumvirate at the helm of the MPP.

One of Kaboré's political talents is knowing precisely when to get on board and when to jump ship. A former communist who now calls himself a social-democrat, he joined and then left the political alliance with Captain **Thomas Sankara**'s revolutionary government (1984-87) just in time to get in with Compaoré when he was about to topple Sankara. After the 'October Revolution' of last year, Kaboré proclaimed to all and sundry that it was his departure from the CDP that had brought down Blaise.

Burkinabè remember MPP trio's initial support for Compaoré's presidency-for-life

project. Kaboré has experience, too: some see him as a potential bridge between the past and a new democratic future. Others regard the MPP primarily as opportunists who will deploy the old tactics of buying votes and violently targeting opposition figures just as effectively as they did for the old ruling party.

MINORITY MAN

The other frontrunner is **Zéphirin Diabré**, a former minister under Compaoré and a former employee of both the United Nations and the **French** uranium-mining company Areva (AC Vol 56 No 1). In opposition since 2010, he has a better claim as a consistent anti-Compaoré agitator. His party, the *Union pour le progrès et le changement*, garnered a credible 12% of the vote during the last legislative elections in 2012. A civilian and a technocrat with a good knowledge of finance and the economy, Diabré might make a good president. Yet he has a crucial handicap: he is not a Moagha (plural, Mossi) but a Bissa (Bisa), a minority people in the country and as such, unlikely to be accepted in the Mossi capital of Ouagadougou. He may find a role in a coalition government.

Another, less likely, candidate – associated with the Compaoré regime until the very end – is former Foreign Minister **Djibril Yipènè Bassolé** (AC Vol 54 No 10). Besides his wide-ranging experience, Bassolé is apparently in need of recognition for averting a bloodbath on the crucial days of the uprising, 30 and 31 October. It is claimed he urged the Chief of General Staff, General **Honoré Nabéré Traoré**, to take the people's side, leaving the much smaller but better armed RSP as the sole rampart between Compaoré and the advancing crowd. If he does stand, it will weaken the CDP, which needs him far more than he needs it.

Other probable contenders include **Jean-Baptiste Natama** aka **Toubo Tanam**, the current Chief of Staff of the African Union Commission Chairwoman, **Nkosazana Dlamini-Zuma**, and previously with the African Peer Review Mechanism (and also ex-Darfur); and **Yacouba Ouédraogo**, a colonel and former Sports Minister who has a small but loud following. **Saran Séramé**, who left the CDP when it was clear that the party was not about to accommodate her political ambitions, brings up the rear.

If the presidential poll does not

produce a winner, there are two possible kingmakers: the lawyer and Sankarist activist **Stanislas Bénéwendé Sankara** (no relation) and the diplomat-cum-soldier **Ablassé Ouédraogo**. Bénéwendé Sankara gained in stature during the October Revolution and can boast of his consistent opposition to the Compaoré régime. His *Front progressiste sankariste* is unlikely to carry the vote but many Burkinabè feel that the revolution was carried out in Thomas Sankara's name and Bénéwendé and the FPS may benefit at the elections, which will be held four days before the 28th anniversary of Capt. Sankara's murder. Ouédraogo, another of Compaoré's foreign ministers and former World Trade Organisation official, also managed to raise his profile during the revolution.

Having survived a temporary ban and the burning of its headquarters, the CDP is having trouble finding candidates. The old-guard is either in exile or has vanished from the scene. **Léonce Koné** is in charge but whether he can hold the party together or unite it behind one candidate is anyone's guess.

Two other elements could force any politician's hand: the public and the RSP, in their barracks next to Kosyam Palace. In December and January, mass movements forced the dismissal of two ministers: Culture Minister **Adama Sagnon**, who as Public Prosecutor blocked the murder investigation of journalist **Norbert Zongo**, and Transport and Infrastructure Minister **Moumouni Diéguimé** (AC Vol 55 No 24): he was found to have been arrested – 'not gaoled,' he insisted – in the **United States** on unknown charges. His resignation letter blamed relentless media attention and declared he had quit in the interest of peace.

The next target was the *Conseil national de la transition*, led by the respected journalist **Chérif Moumina Sy**, whose 90 members were discovered to be earning between US\$2,500-\$3,500 a month in salaries and allowances. These sums have now been reduced by 20-40% but the damage was done. This succession of movements, strikes – one is under way at the country's largest brewery, *Brasseries du Burkina* (Brakina) – and violence against foreign-owned assets, such as gold mines, prompted Interim President **Michel Kafando** to warn against 'ruecratie' (street rule) in his New Year address.

Suspicion runs high that political parties are involved in stoking street protests. There are rumours that during the revolution, lists were circulated of offices, homes and other buildings to be burned, as they belonged to members of the deposed Compaoré clan. If true, these lists will still be out there and the more radical elements in the mass movement

will not hesitate to set fire to yet more property if they don't get what they want.

Yet this is not the attitude of the bulk of the popular movement. Leaders of *Balai citoyen* (Citizens' clean-up), including the singers **Smockey** and **Sams'K Le Jah**, want the movement to be vigilant but non-violent. The potential for violent clashes is undeniable, though, some may be looming shortly, over the price of fuel. The *Coalition contre la vie chère* (Coalition against the high cost of living) is calling for a drastic cut in the fuel price, from \$1.65 per litre to about \$1, citing the steep drop in oil prices worldwide. This pits the people against the national fuel company, the *Société nationale burkinabè d'hydrocarbures*, the golden goose of the old regime. The Sonabhy Director, **Boukary Jean-Baptiste de la Salle Béréhondougou**, was among the first to be fired by Interim

Prime Minister **Yacouba Isaac Zida**. Now, Sonabhy says it must maintain high prices at the pump to fill the financial gaps that Béréhondougou and his team left behind. This is unlikely to be accepted for long.

If the mass movement is one challenge, the RSP is the other. On 30 December, before he became Premier, the RSP summoned Lieutenant Colonel Zida to its camp and effectively held him hostage until it got the cancellation of the appointment of Commander **Théophile Nikiéma** as RSP boss, an end-of-year bonus and a pledge that it would not be disbanded, as many have demanded. Money was found to pay the RSP. Its former boss, Brigadier Gen. **Gilbert Diendéré**, a keystone of the old regime, was present throughout: he may have moved his office to Camp Guillaume, the seat of the regular army next to the symbolic Place de la

Nation where the revolution began, but he remains a brooding presence and critical interlocutor when it comes to the RSP.

Diendéré's continued presence and the idea that the government is making concessions to the RSP – widely seen as responsible for murdering Sankara, Zongo and Constitutional Court Judge **Salifou Nébié** – are causing consternation. To appease such concerns, Zida promised to reopen the Sankara and Zongo cases (AC Vol 40 No 20 & Vol 55 No 22). In January, Amnesty International published a report blaming the RSP for at least ten cold-blooded murders during the revolution, at Kosyam and at the residence of **François Compaoré**, the ex-President's younger brother. This strengthens the hand of the RSP's opponents, since these killings cannot be put down to the use of force in controlling the mass demonstrations. ●

EQUATORIAL GUINEEA

Obiang's own goal fest

Hosting the Africa Cup of Nations won some prestige for the regime but could not paper over the cracks

From the glass-fronted VIP section of the main stand, President **Teodoro Obiang Nguema Mbasogo** had a perfect view as crowd violence in the *Nuevo Estadio de Malabo* spiralled out of control on 5 February. No pleas over the public address system that they were shaming their country could quell the rowdy crowd, which seemed unable to accept that Equatorial Guinea was losing badly, and fairly, to **Ghana** in that semi-final. If the regime drew some kudos from hosting the Africa Cup of Nations, it also exposed to wider view the volatility and frustration of local people (AC Vol 56 No 3). A police helicopter flew dangerously low over rioting stands, just one manifestation of the lack of preparedness of the security apparatus for AfCON 2015.

The virtual disappearance from public view of his heir-apparent, **Teodoro Nguema Obiang Mangue** ("Teodorín"), made it clear that the President had intended to showcase his country's best side. When Equatorial Guinea last hosted the tournament, in 2012, Teodorín was often to be seen in and out of the grounds, offering financial incentives to the national team's players and generally using the event to fly the flag for the ruling family. This year, his father clearly thought that his image problems after four years of corruption investigations in **France** and the **United States** dictated a lower profile.

Having reached a settlement with

the US Department of Justice in October 2014, Teodorín is now seeking a similar deal in France over the case of the '*Biens mals acquis*' (Ill-gotten gains; AC Vol 52 No 21). A new team of lawyers arrived in Malabo on 31 January to begin preparations for an offer to the French authorities over assets held there. **Gabriel Mbega Nguema Lima**, Minister of Mines, Industry and Energy and presidential son, told *Africa Confidential* that the regime's long-time legal advisor, Paris-based **Briton Henry Page**, had fallen out of favour (AC Vol 54 No 14 & Vol 51 No 15).

HEIR RAGE

There is an acceptance that Teodorín's image could use grooming while he waits in the wings for power, one senior government advisor told us. Gabriel, the son of Obiang's second wife, **Celestina Lima**, who was born in **São Tomé e Príncipe**, is popular with international oil companies. Gabriel Nguema Lima acknowledges, though, that it is Teodorín, as son of the First Lady, **Constancia Mangue Nsue Okomo de Obiang**, and as Second Vice-President and Head of Defence and State Security, who is the heir apparent. 'He has a great opportunity', says his half-brother.

This does not go down well with the President's younger brother, **Armengol Ondo Nguema**, who is no longer on speaking terms with Obiang over Teodorín

taking over, we hear. Armengol has lost his role as head of the national security apparatus (AC Vol 45 No 24).

Despite Gabriel's apparent warmth towards his brother, Teodorín resents Gabriel's high position, say sources in Malabo. In a rare public peep at the rivalry, Teodorín's own television channel, Asonga, reported in January that a search at Bata port of two containers bound for São Tomé had discovered millions of dollars in cash. The report did not need to mention Gabriel – exile websites, unblocked and widely read, did the rest. One senior US oil company figure was concerned enough to make checks in Malabo before dismissing it as 'nonsense'.

He had indeed arranged the containers but they held nothing more than 'Ebola equipment', Gabriel Nguema Lima told AC. 'We organised two containers with Marathon Oil with equipment for the Ebola facilities, so that was done confidentially. Customs did it very quick, it went straight through and suddenly people said "Oh, two containers, what's Gabriel doing?"' he added. Marathon Oil did not respond to enquiries.

A potentially more serious blow to Gabriel's hitherto clean reputation remains the settlement reached with the **Netherlands'** Public Prosecutor by SBM Offshore late last year (AC Vol 49 No 16). The offshore oil services company agreed to pay a fine and 'disgorgement' (compensation to rival companies) totalling US\$240 million following an inquiry into improper payments made in **Angola**, Equatorial Guinea and **Brazil** between 2007 and 2011. SBM's internal investigation, whose summary findings were made public last April, found that \$18.8 mn. in commissions was paid to a sales agent in Equatorial Guinea, along with evidence of improper payments to

public officials. (SBM paid \$22.7 mn. in similar circumstances in Angola.)

A company whistleblower, whom SBM is seeking to prosecute, has leaked further details on line, including the names of alleged recipients and a breakdown of payments to officials, including Gabriel Nguema Lima, then a junior minister in the Equatorial Guinean Oil Ministry, via a third party in the British Virgin Islands. 'The settlement [with the Netherlands] is not an admission of guilt,' an SBM spokesperson told AC. 'We regret that in the past certain practices took place. The material put on Wikipedia was partial, taken out of context and the information is outdated to the extent that it is correct.'

Gabriel Nguema Lima told AC that the Oil Ministry had done nothing more than be 'very aggressive in demanding local content'. 'I completely deny [receiving payments],' he said. 'SBM chose the weakest country to be a scapegoat. If we are responsible, send us the documents, but if you decide to settle it, that's your decision.'

OPEN PLAY

At the opening of Parliament in Bata two days before the controversial soccer semi-final, President Obiang held up the prospect of more dialogue with opposition groups (AC Vol 55 No 18). The last round of talks at the luxury resort of Sipopo in November collapsed after just two days and the opposition claimed the government refused to allow any discussion of issues of substance. Government officials talk of following the succession model

of neighbouring Gabon, where Ali Ben Bongo Ondimba succeeded his father in 2009 after an election. Yet they also seem concerned about the popular overthrow of President Blaise Compaoré in Burkina Faso.

The government delegation refused to allow the release of political prisoners to be put on the agenda at November's talks, arguing that only general discussion of potential changes to the electoral law would be allowed, said Andrés Esono Ondo, Secretary General of the opposition *Convergencia para la Democracia Social*. After Prime Minister Vincente E Hate Tomi asked for 24 hours to consult Obiang, who was in China, about any concessions, no answer came. The CPDS, *Unión Popular* and *Fuerza Demócrata Republicana* walked out. Only four small parties – the *Movimiento para la Autodeterminación de la Isla de Bioko*, *Candidatura Independiente*, *Congreso Nacional de Guinea Ecuatorial* and *Unión de Centro Derecha* – remained and the talks were inconclusive.

Few believe democracy is on the horizon. The regime hardliners who control the major economic ministries, known as the *Cocodrilos*, would not tolerate any such move and are even wary at times of Teodorín and Gabriel, insiders say. The *Cocodrilos* include Francisca Obiang Jiménez, Director of the *Oficina Nacional de Planificación y Control de Seguidamientos de Proyectos* (GE-Proyectos), the national project office which hands out lucrative building contracts, including those for the Cup of Nations; Gabriel Mba Bela aka Angabi,

husband of a presidential niece, who is involved in the case of Daniel Janse van Rensburg, a South African held in the notorious Black Beach prison over an aircraft lease deal; Clemente Engonga Nguema Onguene, First Deputy Prime Minister; Marcelino Nguema Onguene, elder brother of Clemente and recently 'elected' *Defensor del Pueblo* (defender of the people), a shadowy new security role; and Nicolas Obama Nchama, Minister of National Security.

The immediate pressure on the regime, however, comes not from would-be successors or rioting football fans but from the fall in the world oil price. The International Monetary Fund forecasts a 8.3% contraction in gross domestic product in 2015, following a 2.4% decline in 2014. Oil revenue still accounts for around 80% of GDP and coupled with declining production – credibly assessed as now below 200,000 barrels per day from a high of 350,000 bpd in 2007 – the oil price collapse has hit the regime hard.

A building boom, including prestige hotels, cross-country roads and the building of a new capital at Oyala, has been wound down since 2012, leaving uncompleted structures and a widening deficit. The government admits public spending will have to be slashed by 30% in 2015/16 – just as the next presidential election looms. President Obiang's strategy since 2011, of playing a regional role and cleaning up the government's image, has depended heavily on having the cash to keep the show on the road. AfCON 2015 may come to be seen as the high-water mark of that policy. ●

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POINTERS

Congo-Kinshasa

POLL DATE SET

■ The *Commission électorale nationale indépendante* (CENI, the electoral commission) has named 27 November as the date for the next parliamentary and presidential elections. The announcement came on 12 February, two days after **Russ Feingold**, **United States** Special Envoy to the Great Lakes Region, had urged that the electoral calendar be published and that there should be no delay to the presidential poll. Shortly before, Parliament had rejected a law that would have postponed elections until after a census had been completed (AC Vol 56 No 3).

Some pundits believe President **Joseph Kabila** will still find reasons to put off the polls and rely on Article 70 of the constitution – that the incumbent president remains in office until his successor takes over – to stay on (AC Vol 56 No 1). CENI's statement also said that the much-postponed local and provincial elections will take place in October, and the election of senators and governors by provincial members of parliament in January.

Vital Kamerhe, leader of the opposition *Union pour la nation congolaise*, proclaimed the failure of the census bill a victory, but some of his colleagues think this naïve. Many of the problems in the electoral infrastructure that permitted widespread rigging in 2011 remain and cannot be resolved before 27 November.

CENI, headed by **Apollinaire Malu Malu** who is known to be close to Kabila, could use such problems and the cost of the polls, which he puts at US\$1.1 billion, as reasons for delay. Apart from that, new restraints on democracy have emerged. On 25 January, Parliament stipulated that any presidential candidate must produce a \$100,000 deposit, evidence of a university degree or a certificate of services rendered to the nation issued by 'a competent authority' before registering.

Ethiopia

AIR TURNS BLUE

■ The opposition *Semayawi* ('Blue') Party has fiercely attacked the National Electoral Board of Ethiopia for disallowing 24 of its South Omo candidates from standing in the 24 May general elections. Party leaders said the NEBE is arbitrarily cancelling candidacies. Nobody expects the opposition to make much impression on the majority of the long ruling Ethiopian People's Revolutionary Democratic Front but there is interest in how the EPRDF attempts to maintain the appearance of liberal democracy, an increasingly difficult task (AC Vol 56 No 1).

In January, the NEBE produced a ruling on a split in the Unity for Democracy and Justice, proud patron of the only opposition member of parliament, **Girma Seifu** (AC Vol 51 No 16). The NEBE recognised **Tigistu Awelu** as UDJ President and rejected the claim of **Belay Fekadu**, despite his greater support among party members. In Parliament, Girma accused the EPRDF of abandoning all semblance of democracy and unduly interfering in his party's internal affairs. Many of Belay's supporters have left the UDJ en masse to join *Semayawi*, which in 2012 broke away from the UDJ. With younger blood and a greater appetite for confrontation with the ruling party, *Semayawi* has several times defied bans on demonstrations.

The NEBE is not exactly impartial. Its nine board members are nominated by the Prime Minister and confirmed by Parliament. Since 2005, when the strength of the opposition vote shocked to the EPRDF to its core, NEBE rulings on opposition parties have almost all favoured breakaway factions and helped fragment the opposition as a whole.

Sierra Leone

THE EBOLA BONANZA

■ Freetown's redoubtable Auditor General, **Lara Taylor-Pearce**, has struck again, publishing a damning report on the misuse of public funds between May, when the Ebola epidemic broke out, and October (AC Vol 56 No 2). Her audit found failure to follow procedures, absence of documentation and, on procurement, 'a complete disregard for the law'. It concentrated on the controversy-dogged Health and Sanitation Ministry and the National Ebola Response Centre and said: 'Although the current Ebola Virus Disease outbreak could not have been predicted, the weaknesses exposed in the healthcare system have been consistently reported on in our audit reports over the years'.

The audit covered 84 billion leones (US\$19 million) from local donations and public funds, excluding international funding or spending by international bodies. Laxity was widespread and some Le14 bn. was paid from the main account at the Commercial Bank of Sierra Leone with no documentation whatever and Le11 bn. without 'adequate' documentation. One member of parliament received money for 'sensitisation' of his constituents even though all MPs had received government money for this purpose three days earlier. Auditors 'could not eliminate the possibility of a "double dip" by the Honourable Member'. Another politician, who ran a health-based non-governmental organisation, received a loan of Le161 mn. for his NGO to boost its Ebola response. The loan was made to the official, not the NGO, was not documented and no repayment terms were recorded.

Many health workers were offered incentive payments or danger money to help motivate them but while Le26 bn. was handed to various hospitals for this, no accounting was done. Armed forces personnel received special payments though their pay had already been accounted for at departmental level. Taylor-Pearce has promised a further audit on the use of international funds.

Sudan

AFTER PRAYERS, NO MIRACLES

■ Foreign Minister **Ali Ahmed Kurti** must have prayed that his presence at the **United States** 'National Prayer Breakfast' on 5 February and talks with US officials would yield a miracle. Instead, he and **Ibrahim Ahmed Ghandour** met hostile media coverage as October's mass rape in Darfur again hit the headlines after a Human Rights Watch report (AC Vol 55 No 25).

Officials on both sides are tight-lipped about what was said but US Special Envoy **Donald Booth** insisted there was no policy change and that the 17 February removal of sanctions on 'personal communications' equipment simply brought Sudan into line with **Cuba** and **Iran**. Sudanese can now, the US Treasury says, import US 'anti-censorship tools and related software', which should please an increasingly confident opposition. Only Congress can lift sanctions and, with US elections next year and Sudan the target of **Egyptian** and Gulf complaints about arming Islamists, that's not about to happen (AC Vol 56 No 2). Yet Khartoum's denial of its involvement in terrorism only gets more insistent.

On 18 February, President **Omer Hassan Ahmed el Beshir** said Western countries had an agenda 'to uproot Islam in Sudan'. Meanwhile, Information Minister **Ahmed Bilal Osman** dismissed Egypt's claims of Sudan's ties to Sinai jihadists, claiming arms shipments had gone there without government knowledge. Khartoum wants sceptical governments to accept it as a stable, moderate Islamist regime – otherwise 'extremists' would take over. That is a classic Muslim Brotherhood tactic, as discussed at the Cordoba Foundation's 12 February London conference: 'Islam and Democracy: Exploring the Strategies of Political Islam and the Muslim Brotherhood's Contribution'.

Khartoum also has to placate its extremist base. Several supporters have publicly praised 'Islamic State' (*Da'ish*) including, on Facebook, **Mohamed Nafi'e Ali Nafi'e**, son of former security chief **Nafi'e Ali Nafi'e**. So, many Sudanese suggest that a militant who attempted to behead an engineer in El Hassa Heissa, Gezira, on 14 February was a jihadist friend of the regime. **British-born Shadi Bakhit Ibrahim**, whose family hails from Berber, was arrested by the paramilitary Central Reserve Police (*Abu Tera*; AC Vol 54 No 4).

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BLUE LINES

The chaotic conference on the Ebola crisis at the European Union's *Palais d'Egmont* in Brussels on 3 March reflected the confused, *ad hoc* response to the emergency from national governments and international organisations. It wasn't a fund-raising meeting: that is due in May under United Nations auspices. Neither was it a meeting to draft the regional recovery plan that the finance ministers of the three most affected countries – Guinea, Liberia and Sierra Leone – say is essential. That is to be hammered out at meetings starting next week in Freetown and then at the Spring meetings of the World Bank and International Monetary Fund in Washington in April.

The World Health Organisation should have led the response but it has no money. Some 75% of its funds come from voluntary contributions and in its 2014/15 budget the WHO has cut allocations for health crises by over half, to \$228 million. This followed a \$500 mn. cut to its total budget of \$4.5 bn. in 2013/14.

Untangling such crossed wires over money and strategy is harder still after reports of the theft of Ebola funds in Sierra Leone, now under investigation by Parliament in Freetown. The governments of Guinea, Liberia and Sierra Leone announced their goal to reach 'zero Ebola' – no new cases – by April, but much work remains to be done. The clearest message from Brussels came from a non-governmental organisation, *Médecins sans frontières*: the Ebola outbreak is not under control and the crisis is not yet over.

LIBYA

More war, more talks

The impact of jihadists claiming allegiance to IS has increased and General Haftar seems set on a military solution

The escalation of violence by 'Islamic State' in Libya over the past month has contributed fresh horror to an already bloody conflict. However, the prospect of IS succeeding in establishing a new branch of its 'caliphate' in North Africa is far from certain. The Geneva talks process led by the United Nations in Morocco is in tatters, against a background of trademark spectacular murders of captives by IS. Yet further talks could take place.

More moderate voices are still looking for compromise and at least one new proposal, whose details are yet unknown, may come before the warring parties in the next fortnight. Influential political figures in Tripoli, Misurata and Cyrenaica who all fear the destructive influence of their more belligerent Islamist allies, might welcome it, we hear. The alternative is for **Khalifa Belqasim Haftar** and his Egyptian backers to go for a pure military victory over their enemies in the Islamist-Misurata alliance of *Fajr Libya* (Libya Dawn) and IS (aka Islamic State in Iraq and Syria/Levant: ISIS/ISIL). On 2 March, Parliament in Tobruk confirmed Haftar, who supported the late Colonel Moammar el Gadaffi until 1987, as Army Commander and he was promoted Lieutenant General.

Meanwhile, the fighting is seriously affecting foreign currency reserves, currently the fractured state's only means of supporting the population. They could soon run out and precipitate a humanitarian crisis. The UN Special Representative for Libya, Spanish diplomat **Bernardino León**, had hoped to convene a fourth round of negotiations in Morocco during the last week

of February between representatives from the Tobruk-based House of Representatives, which backs Haftar, and its Islamist-dominated rival, the Tripoli-based rump General National Congress. But following a spate of IS suicide bombings against HoR-related targets in the eastern town of El Qubbah, HoR members voted not to attend the talks. The IS attacks were a response to Egyptian air force strikes – the country's first foreign military action since the 1973 war with Israel – which were themselves retaliation for IS's beheading of 21 Egyptian Coptic captives in mid-February.

SPLITS OF CONVENIENCE

'The talks are quite stuck at the moment,' European Council on Foreign Relations analyst **Mattia Toaldo** told *Africa Confidential*, noting that, 'The HoR have no incentive to strike any deal because they have all they need.' The HoR's current advantages include international legitimacy and military superiority. Even the emergence of IS, with all its dangers, can be interpreted as a potential strategic advantage for the Tobruk government of **Abdullah el Thani** and Haftar's Libyan National Army because it reflects a split within the ranks of *Fajr Libya*.

Sooner or later the militias from Misurata, which are now targeting HoR's control of oil export terminals in the oil crescent of the Sirte Basin, will have to turn and fight IS. Businessmen in Misurata presently backing the militia are desperate to find a way out of a conflict which they look like losing and which is ruining them commercially.

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On the waterfront		Welcome back, General		A dream deferred		A test of everyone's will		UGANDA	8
When gunmen opened fire on an opposition rally in the First Lady's home town, they were sending a clear message.		Thirty years ago, Buhari's military regime attempted to kidnap a rich exiled politician in London.		The economic slowdown, low demand and law suits are blocking the development of the world's largest iron ore deposit.		After 14 months of civil war, the two sides are in last-chance talks under the threat of international sanctions.		GHANA	10
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Whether the social and economic fabric of the country can hold together while the various elements of the conflict are militarily resolved is unclear. March could be the month when the Central Bank of Libya (CBL)'s access to ready cash will run out. Libya will, of course, be far from bankrupt. Its sovereign wealth funds may hold at least US\$60 billion and it may yet have the same amount again in illiquid foreign reserves. Yet the shortage of cash has been worsening since the beginning of the year and all parts of the country are experiencing increasingly severe shortages of electricity, fuel and staple foods, all of which are imported and paid for in hard currency.

BANKING INDEPENDENCE

In a vain attempt to impose independent control over the nation's dwindling assets, the CBL is insisting on its institutional and operational independence. While that may have prevented the rival governments from using the control of financial assets as a weapon, it funds both of them.

The bank has institutionalised the payment of vast sums to militia leaders, which funds wages for their fighters and an equally lucrative business in the cross-border smuggling of subsidised commodities. According to a recent local television interview with the Tripoli-based Oil Minister, **Mashallah Zwei**, the smuggling of fuel out of the country costs his government about 400 million Libyan dinars (\$300 mn.) per month (AC Vol 55 No 24). Many young people are loyal to the militias because they pay them wages and there are no viable economic alternatives. In this respect, Libya's political problems are a product of its economic dysfunction.

OIL WORKERS FLEE

The other 'independently' functioning state institution, the National Oil Corporation, has also found it increasingly hard to operate. Production has fallen to a little above the level necessary to supply those domestic refineries that are still working. In mid-February, following a number of attacks on its facilities, NOC warned that 'the recurrence of such incidents is causing the migration of technical manpower

away from oil fields'; staff are leaving over fears for their safety. 'If these incidents continue, NOC will have to stop all operations in all oil fields', it said in a separate statement. This is almost unthinkable and unprecedented. Indeed, it has since brought two terminals back into production, indicating that the trends are not entirely negative.

Other vital parts of the infrastructure are also under severe pressure. As *Africa Confidential* went to press reports were coming in that the Bahi and Mabruk oilfields, about 300 miles east of Tripoli, had fallen under the control of forces loyal to *Fajr Libya*. Islamist groups attacked these same fields in mid-February. In terms of output, they are less important than fields in the eastern part of the Sirte basin. So, although these are among the largest of Libya's oilfields, no strategic change in the balance of power is evident. The two fields have not been operating since their export terminal at Sidra was put out of action last December. *Libya Fajr*, however, seems to be pursuing a campaign of occupying as many oilfields as they can, especially those, like Bahi and Mabruk, which are close to the front line with Haftar's forces.

In mid-February, the state electricity utility, the General Electric Company of Libya, said that failures in the national power grid had caused it to collapse into four isolated networks. Combined with shortages of both diesel oil and natural gas, GECOL estimated that it had lost two-fifths of installed generating capacity. Tripoli residents complain of power cuts lasting more than six hours a day.

Interruptions to the water supply are also common: 80% of the population depends on the Great Man-Made River, a pipeline network which brings water from prehistoric aquifers under the Sahara to the coast. Once at the surface, water in the eastern branch from Sarir and Kufra runs by gravity to Ajdabiya on the coast. However, the western branch, which has already suffered some vandalism, requires pumping to cross the Jebel Nafousa to Tripoli and is therefore dependent on electric power.

There is international division over how to deal with a conflict which threatens the security of neighbouring states, the Sahel, southern Europe and beyond. An alliance of Egypt and the **United Arab Emirates** with backing from **Saudi Arabia**, has long supported Haftar's *Operation Karama* (Dignity). This has generally been interpreted as part of a wider campaign based on the desire of Egyptian President **Abdel Fatah el Sisi** and Abu Dhabi's Crown Prince, Sheikh **Mohamed bin Zayed al Nahayan**, to destroy the Muslim Brotherhood as a political force (AC Vol 54 No 17).

Egypt may support Haftar but it will

not hesitate to drop him if it feels that he is not adequately protecting its western border against jihadist infiltration or military action. So far, there is no other plan for Egypt to stabilise that border, so it will persist with Haftar, though the UN Security Council opposes Egyptian Foreign Minister **Sameh Shoukry's** proposal to lift the arms embargo against the Tobruk government and to impose a naval blockade on ports controlled by *Fajr Libya*. The murder of its citizens by IS and the belief that an IS caliphate in Libya would directly threaten Egypt, which is already fighting an Islamist insurgency in Sinai, means Cairo 'feels no restraint any more because it has been declared a matter of national security', says Toaldo (AC Vol 55 No 17).

Russia also supports lifting the arms embargo. Prime Minister El Thani went to Moscow to discuss counter-terrorism on 27 February, stopping in Cairo en route to offer his condolences for the murder of the Copts. Within Europe, **France** also supports the Egypt-UAE axis, although its Sahel deployments mean it is overstretched, while **Italy**, the nearest mainland European country to Libya and its former colonial power, has also said it would support a military response.

The **United States** and **Britain** remain determined not to take sides in the conflict and they back the UN. This policy may be partly dictated by their domestic political cycles. In neither country is there much appetite for involvement in more Middle East conflicts in the lead-up to elections in November and May respectively. This view also appears motivated by a deep reluctance to line up behind Haftar and Egypt, whose rhetoric on counter-terrorism reflects a broader anti-Islamist political agenda. At a joint press conference on 19 February in Algiers with his counterpart, **Ramtane Lamamra**, British Foreign Secretary **Philip Hammond**, argued, 'We don't believe that military action can solve the problem in Libya,' adding 'the Algerian position and the British position are identical... we believe in an inclusive political solution in Libya'.

A recent paper by the International Crisis Group argued that 'Libya needs a negotiated political bargain and an international effort that channels efforts toward that goal'. Its recommendations included the notion that the UN should attempt to 'de-emphasise' the legitimacy of the Tobruk government, 'be more forthright in confronting regional actors who contribute to the conflict by providing arms or other military or political support', should keep the arms embargo in place and 'protect the neutrality and independence' of the CBL and NOC. In every case, though, the trends are running strongly in the opposite direction. ●

NIGERIA

On the waterfront

When gunmen opened fire on an opposition rally in the First Lady's home town, they were sending a clear message

Election campaigning for the opposition All Progressives Congress in the Niger Delta, the home base of President **Goodluck Jonathan**, was always going to be fraught. However, even the battle-hardened cadres accompanying **Dakuku Adol Peterside**, the APC's candidate for Rivers State governor, to Okrika waterside on 17 February were shocked when they faced bombs and then gunfire as they started their election rally.

Okrika has a reputation for exceptional levels of gang violence and entrenched poverty. It is also a discrete loading bay for contraband cargo, less than a hour's drive from the oil capital, Port Harcourt. It is also the home town of First Lady **Patience Jonathan**, who was awarded a chieftaincy there along with her husband **Goodluck** in October 2013. Patience is a

fierce partisan for her husband and the governing People's Democratic Party (PDP) for the presidential election, now fixed for 28 March (AC Vol 56 No 4).

Patience has quarrelled with two state governors in the Delta. One, **Rotimi Amaechi** of Rivers State, quit the PDP in 2013 to become a founding member of the APC. The other, **Henry Seriake Dickson** of Bayelsa, remains a semi-detached member of the PDP but is no longer on speaking terms with Patience, who formerly served in his state government. All this has dented President Jonathan's standing in the Delta.

There is little question that Jonathan will win far more votes in the 'south-south' or Niger Delta, and the south-east than his opponent in the presidential race, General **Muhammadu Buhari** (AC

Vol 55 No 25). Yet thanks to Amaechi's political nous and networks, Buhari could win useful 25% in some of those states. That is important because the successful candidate has to win both the biggest number of votes and 25% of the vote in at least 24 of Nigeria's 36 states.

PDP DEFECTORS IN RIVERS

Amaechi also has a very personal interest in Rivers, where he's energetically campaigning for Peterside to succeed him as Governor. The Jonathans back **Ezenwo Nyseom Wike** for the governorship (AC Vol 54 No 24). A former Speaker in the State House of Assembly, Wike has launched the Grassroot Development Initiative, which is said to benefit from contributions from the First Family. Amaechi has been busy on Peterside's behalf. He persuaded 25 of the 29 legislators in the Rivers Assembly to defect with him to the opposition.

As Governor, Amaechi has his own sources of political patronage. Gutsy and an effective speaker, he has also become a key advisor to Buhari. For him, the electoral stakes are high. If the opposition loses at state or national level, Amaechi could be chased out of the Delta. So for Amaechi and Peterside

WELCOME BACK, GENERAL

Addressing a packed auditorium at Chatham House in London on 26 February, General **Muhammadu Buhari** may have mused about his last big encounter with the **British** establishment. Thirty years ago, Buhari was leading a no-nonsense military regime whose attempts to kidnap a rich Nigerian exiled politician, **Umaru Dikko**, in London with the help of some **Israeli** ex-Mossad officers, were thwarted by the Metropolitan Police. The Nigerian Airways plane, on which the hapless politician was anaesthetised and loaded into a crate, was detained by the British authorities. In retaliation, Buhari's regime detained a British Caledonian passenger plane in Lagos.

The standoff continued for a few days until both aircraft were released. For Whitehall, it was another sign of a changing post-colonial world. Few tears were shed there when Gen. **Ibrahim Babangida** – seen by the then British Prime Minister **Margaret Thatcher** as Nigeria's most pro-Western leader – seized power in a palace coup in August 1985. This year, as the leading opposition presidential candidate in the 28 March elections, Gen. Buhari was welcomed in London. Apart from the Chatham House speech and question-and-answer session, energetically chaired by a British former High Commissioner to Nigeria, Sir **Richard Gozney**, Buhari met former Prime Ministers **Gordon Brown** and **Tony Blair**, and current Foreign and Commonwealth Secretary, **Philip Hammond**.

Buhari's entourage, which included Rivers State Governor **Rotimi Amaechi** and ex-Governor of Lagos **Bola Tinubu**, were surprised at the warmth of Hammond's welcome. Given current political passions in Nigeria, Buhari might think of adding a line to his Chatham House speech, said Hammond, to reassure President **Goodluck Jonathan** that should he lose the election, there would be no witchhunt against members of the *ancien régime* (AC Vol 56 No 4). A former Defence Secretary, Hammond also expressed concern about the Nigerian army's offensive against **Boko Haram's** jihadist fighters, which appeared to be held back by some 'ghost' battalions. That is to say, there were many fewer soldiers in reality than were registered on the army payroll. Buhari knows Nigeria's military problems well and speaks of a dangerous hierarchical split between the major generals and brigadiers, who have benefited from procurement and payroll scams, and junior officers who have to field complaints from the ranks about the lack of equipment.

Speaking later to journalists, Buhari burnished his credentials as a born-again democrat. 'Yes, I led a military government and I take responsibility for what we did... but times change, we have a constitution.' He said the credibility of this year's elections was about more than partisan advantage. 'Young people have been energised by this election campaign,' he said, 'and we need to keep them engaged,' adding that with one of the world's most youthful population, Nigeria had to get serious about tackling youth unemployment. Buhari, 72, gave the practised politician's response to a question about whether he would serve one or two terms: 'That is up to my party to decide.' On *Sharia* (Islamic law), which generates much political heat, Buhari said: 'The Nigerian constitution is superior. *Sharia* is on the same level with customary laws, its relevance is limited to inheritance, marriage and so on. So anybody who wants to change to *Sharia* will have to go and change the constitution.' That suggests that any state government trying to impose *huddud* punishments (such as amputation or stoning) should be overruled when tested in the Supreme Court.

A former Oil Minister who established the Nigerian National Petroleum Corporation in 1978, Buhari responded with surprising pragmatism when *Africa Confidential* asked him whether he would consider privatising the oil and gas assets to raise development funds. 'We are worried that we might inherit an empty treasury and we're also afraid of high expectations. So we will have a team to review the financial position and outline policy options and assess their merits.' If elected, Buhari said he would not run a government of endless committees and enquiries. 'I want to draw a line under the past but from the day we take office, we will insist on strict adherence to the rule of law.' On Nigeria's very crowded political canvas, Buhari is not the only one wanting to draw a line under the past. ●

to organise an election rally in Okrika was interpreted by the Patience camp as a direct challenge. The bombs exploded, Peterside continued with the rally and then a fusillade of shots was let off, one of their party told *Africa Confidential*. That caused panic: some people were trampled underfoot and shots hit a young police officer, who later died of his wounds. Both sides exploited the policeman's death and blamed each other.

Oppositionists say this follows the pattern of the PDP's use of firepower and intimidation, and that it wants to deploy the threat of insecurity as a pretext for a pre-election crackdown.

Amaechi went further, telling journalists that Patience had used **Ateke Tom**, a veteran militant, to lead the attack

on the rally. 'They know it was Ateke that ordered the shooting; they know that it was the wife of the President that ordered the shooting; what have they done?... I am Chief Security Officer, that's how I have this information,' Amaechi said.

Ateke counter-attacked and announced a blanket ban on rallies: 'My people have spoken: no more political rallies in Okrika. I am in support of their decision. When the PDP held their rally there was no problem but there was violence when the APC staged their rally in Okrika, there was violence... So, PDP and APC, there will be no more rallies in Okrika.'

There was something closer to a genuine election in 2011 in the Delta states and this year – if INEC Chairman **Attahiru Jega** has his way – a biometric

verification system will check the eligibility of all would-be voters and all parties will ensure their agents closely monitor the count at polling stations. That could be easier said than done. The ballot boxes still have to be carried from the polling stations – each accommodates some 500 votes – to the much bigger polling centres from where the figures are checked and relayed to INEC headquarters in Abuja. Local monitoring groups are sceptical about that process and want to operate their own parallel tabulation system.

Apart from tampering with the ballot boxes and the result sheets, a threat of violence also looms against politicians and election workers, especially in some of the most contested Delta areas. The Okrika shooting is an extremely bad sign. ●

GUINEA

A dream deferred

The economic slowdown, low steel demand and law suits block the development of the world's largest iron ore deposit

Potential can be a heavy burden. That is the feeling in Conakry as President **Alpha Condé** and his advisors watch the prospects of economic development financed by minerals recede into the distance. During Cape Town's Mining Indaba in February, Africa's leading gathering for the industry, the Guinean Minister of Mines, **Kerfalla Yansané**, announced that his government was selling half of the giant Simandou iron ore reserves, the largest untapped deposit in the world (AC Vol 54 No 9).

Under the hammer are Blocks 1 and 2 (aka Simandou North), which the government had stripped from Vale-Beny **Steinmetz** Group Resources-Guinea. VBG is a joint venture between Guernsey-registered BSGR and **Brazil's** Vale, the world's biggest iron ore producer. The government first cancelled VBG's licence in April 2014 and then disqualified BSGR earlier this year, after claiming it had obtained the concession through bribery (AC Vol 55 No 7). Steinmetz is fighting these claims via a series of court cases and seeking arbitration at the International Centre for the Settlement of Investment Disputes (ICSID, AC Vol 55 No 19).

Meanwhile, Jersey-registered Simfer SA is developing Blocks 3 and 4, Simandou South. This is a joint venture by **Anglo-Australian** mining giant Rio Tinto (46.5%), the state Aluminium Corporation of **China** (Chinalco) with 41.3% and the Guinean state with 7.5%, rising to 15% once production begins, as specified in the country's Mining Code. The World Bank's

private sector arm, the International Finance Corporation, holds 4.7%.

Rio Tinto embarked on another charm offensive recently that saw Yansané visit its London headquarters followed by a return visit by **Alan Davies**, the company's minerals and diamonds boss, to Conakry in February. The message was that with an investment framework agreement in place since May 2014 and Guinea's Ebola crisis being brought under control, development of Simandou South would pick up; expatriate staff would return and further 'bankable feasibility studies' would be conducted about how get the iron ore from its remote site to the world market.

The truth is that the Simandou reserves, estimated to hold 2.25 billion tons of iron ore, enough for a mining lifespan of up to 40, perhaps even 50, years are unlikely to be tapped in any serious way for another five to ten years. There are three reasons for this: litigation, the market and a railway.

LITIGATION

Steinmetz is not only arguing his case at the ICSID; he has been filing law suits as if they were going out of style. One, now dismissed, was a libel case against the **French** satirical weekly *Le Canard Enchaîné* over an implausible and quickly discredited story alleging that Steinmetz was plotting to overthrow Condé. The **Israeli** diamond magnate and billionaire also tried to force the British-based non-governmental organisation Global Witness to reveal data it had gathered about him

and three other BSGR directors, even though nothing had been published. GW was allowed not to hand over the data but BSGR is appealing.

To the further delight of the London bar, no doubt, he is now suing British Home Secretary **Theresa May** and the Serious Fraud Office over their statements that they were helping the Condé government to investigate corruption over Simandou two years ago. Many see these as evidence of Steinmetz's determination to win back his stake in Simandou.

In the **United States**, a more serious legal shadow hangs over Steinmetz. His former associate, Frenchman **Frédéric Cilins**, was released from prison in February at the end of a 24-month sentence for interfering in a US investigation under the Foreign Corrupt Practices Act into BSGR's acquisition of Simandou North (AC Vol 55 No 8). Cilins had urged **Mamadie Conté** née **Touré**, the late President **Lansana Conté's** fourth wife, to destroy documents that appeared to connect BSGR to bribes to Conté. He also, according to transcripts of Federal Bureau of Investigation wiretaps of their conversations, said Steinmetz had authorised him to approach her to destroy the documents. BSGR said it had done nothing wrong but the two-year, grand jury, FCPA investigation into BSGR is still going on (AC Vol 53 No 20).

Meanwhile, Vale and BSGR are suing each other and Rio Tinto is suing BSGR and Vale, this last case being a racketeering suit before a US court (AC Vol 55 No 9). Yet while the court drama between Rio and Vale plays out, there may well be a rapprochement behind the scenes. Vale's Chairman, Murilo Ferreira, declared last December that his company still wants to be active in Simandou and the Guinean government has cleared it of any wrongdoing.

Rio Tinto has been talking to Odebrecht, a giant Brazilian building firm, about the infrastructure needed to

export the iron ore. Odebrecht and Vale, among Brazil's biggest multinationals, frequently work together in major projects around the world. They were involved in an earlier rail-related publicity stunt: the announcement, in February 2011, of the rehabilitation of a 660 kilometre line between Conakry and Kan Kan, in the presence of the then Brazilian President, Luis Inácio Lula da Silva, and his friend President Condé, who called the whole thing off two months later for reasons that were never fully explained.

Iron ore prices have plummeted to their lowest level for almost six years, hovering at just above US\$60 a ton. Yet Vale, Rio Tinto, Luxembourg-based Indian giant ArcelorMittal and Australia's BHP Billiton have shown no interest in lowering production in order to increase prices, although they have been aggressively cutting costs. Industry sources suggest that there is a concerted effort under way to squeeze Chinese steelmakers, which also own local iron ore mines and serve their domestic market, the largest in the world. By keeping prices low, the 'Big Four' want to keep competition at bay and maintain China's interest in imports.

Simandou, a project with a \$20 bn. price tag that could generate up to \$140 bn. in revenue, could be a key part of such a strategy by the Big Four. Rio Tinto clings to it; Vale wants to recover it, in spite of the losses (it says it has already sunk \$1.2 bn. into Simandou) and the legal headaches that it brought upon itself. By contrast, loss-making ArcelorMittal, the world's largest steelmaker and a major iron ore producer, and Swiss-based Glencore are coy about wanting a slice of Simandou. BHP Billiton is the only major that appears to have made an unequivocal exit from the Guinean iron ore scene.

THE RAILWAY

Even when Simandou is ready to produce profitably, infrastructure remains an important issue (AC Vol 54 No 14). A Trans-Guinean Railway (TGR) and a dedicated port south of Conakry to get the ore to market could cost \$10-\$15 bn. This mega-project is close to Condé's heart and the recent past is littered with promises to finance it, including recent reports that Simfer may be in talks about it with the China CNR Corp. (formerly China National Railway). The prospects seem no better than for its predecessors.

It would be cheaper to ship the ore through the Liberian port of Buchanan using an existing, rehabilitated and upgraded railway which belongs to ArcelorMittal. It is a solution that successive Guinean governments have resisted because it would deprive them of the infrastructure to unlock the Forestière Province, a potential food basket that does more business with neighbouring

Côte d'Ivoire, Liberia and Sierra Leone than with Conakry. The line to the capital could also act as an axis of economic development, Condé hoped. Now that the miners of the Nimba ore deposits have won permission to use the Buchanan line, the government appears to have given up on the TGR dream. A line to Conakry from Simandou would no longer make sense.

The slowdown in interest in Simandou and global market conditions have seen off virtually all the minor mining interests that arrived a few years ago dreaming of a quick buck. They have either disappeared, gone very quiet or are in deep trouble. The Australian, Jersey-registered firm Bellzone Mining is waiting for new money from China Sonangol International, a joint venture of the opaque Hong Kong-based China International Fund and the equally non-transparent Angolan state oil company Sonangol. Trading in its shares on the London Stock Exchange's Alternative Investment Market has been suspended, as have its activities on the ground, near Kalia, halfway between Simandou and the coast. The CIF-Bellzone tandem was brought in by former Mines Minister **Mahmoud Thiam** on the basis of yet another promise to finance and build part of the TGR (AC Vol 51 No 14).

Meanwhile, CIF's Guinean subsidiary, Guinea Development Corp., which operates an iron ore mine near Forécariah with Bellzone, may lose its licence as it is accused of breaking labour laws. Local reports say the mine isn't working anyway. The African Iron Ore Group, a Seychelles-registered company set up by Liberian-born millionaire **Ethelbert Cooper**, is also concentrating its efforts on raising funds.

In January, AIOG's partner, International Mining and Infrastructure Corporation, listed on the AIM and announced it was hiring the Chinese firm CITIC (ex-China International trust and Investment Corp.) Securities Co. to look for cash in China. A few months earlier, Cooper was made IMIC's non-executive Chairman. He and AIOG have a combined interest of just over 37% in the company. It is not clear what AIOG-IMIC are actually doing in Guinea. In 2012, they set up a joint venture with Guinea's state mining company, the *Société guinéenne du patrimoine minier* (Sogupami), headed by former Mining Minister **Ahmed Kanté**, with the stated objective of building iron ore-related infrastructure. The deal was heavily criticised in Guinea and abroad and little has been heard of it since.

Even the intrepid Brazilian **Roger Agnelli** has given up. He was head of Vale between 2001 and 2011 and is a close friend of ex-President **Luiz Inácio Lula da Silva**. After losing his job, partly for taking the company into Guinea and associating it with BSGR, Agnelli (who is nicknamed 'Guiné' by some in the Brazilian financial



community) set up B&A Mineração with investment bank Banco BTG Pactual SA. He then went back to Guinea aiming for a slice of the Nimba project, just as BHP Billiton was calling it quits. After lengthy negotiations, B&A withdrew, saying the investment was too risky.

Only West Africa Exploration, the Guinean subsidiary of British Virgin Islands-registered Sable Mining, appears to be having success, although not without controversy. Thanks to the good relations between WAE non-executive Director **Aboubacar Sampil** and the presidential family, the company obtained permission to shift iron ore from its operation on the border with Liberia, south of Simandou, through Buchanan. The deal with the Liberian government was signed in January and WAE says its first shipment will be in 2015/16. If confirmed, this is very likely to be the final nail in the coffin of the TGR; there is little to keep licence-holders at Simandou from buying out WAE at the first opportunity and demanding also to use the Buchanan export route. That could be part of the reason Sable's shares leapt by 344% on the announcement of the Buchanan export route.

British former Prime Minister **Tony Blair** made the keynote speech at last month's Mining Indaba, which the media were barred from recording. Blair is an advisor to President Condé through his African Governance Initiative (AC Vol 53 No 7). Apart from pouring an avalanche of platitudes on to his audience, he highlighted the Simandou project as a great example of vast investment in not just the mining operation itself but in infrastructure, too.

This will be news to Guinea, which sees the date of the first shipment from Simandou steadily pushed back and the revenue prospects dwindling. Local media mention late 2018 but this is unlikely. Results from Rio Tinto's 'bankable feasibility study', announced for the first quarter of this year, will not be ready now until September. Simandou can wait. ●

SOUTH SUDAN

A test of everyone's will

After 14 months of civil war, the two sides are in last-chance talks with the threat of international sanctions hanging over them

Talks between the Juba government and the Sudan People's Liberation Movement-in-Opposition, plus the group of former detainees, continued as *Africa Confidential* went to press. The two sides looked unlikely to reach full agreement by the 5 March deadline set by the mediators, the Inter-Governmental Authority on Development (IGAD). President **Salva Kiir Mayardit** and the SPLM-IO leader, **Riek Machar Teny Dhurgon**, met face-to-face for hours into the night in Addis Ababa on 3 March but failed to agree on key points. Meanwhile, the United Nations Security Council voted for targeted sanctions but agreed to suspend them while talks continue.

The main sticking points are that Commander Riek wants to maintain his own army, with its own chief-of-staff, for the period of the Transitional Government of National Unity, believed to be 30 months. It is not only government supporters who distrust this, recalling that Riek fought for Khartoum from 1991 to 2002. The Juba government wants a much shorter period for rebel forces to be reintegrated into the national army. Question marks also hang over the White Army, the Nuer youth militia fighting for Riek. Both sides had already agreed to the TGNU (although not on who should lead it or get which posts).

The other main obstacle is how much power should be devolved to the states. The SPLM-IO wants 21 states instead of the present ten, with more resources and authority for states and counties. Juba says federalism is a constitutional issue and should await the TGNU. Since the 15 month war continues partly because of ethnic and regional support to each side, this matters greatly.

South Sudan's UN Ambassador, veteran politician and respected academic **Francis Mading Deng**, made an impassioned plea to the UNSC for constructive engagement rather than sanctions. Mading, who hails from the Paramount chief family of the Ngok Dinka in Abyei, rebuked the **United States**, his home for decades, for proposing sanctions without consulting IGAD and the African Union but said the USA, which most South Sudanese still see as a friend, could do more to help end the conflict. Washington had been trying to persuade the UN to vote for sanctions since November, though there has been disagreement from the State Department,

we hear. The UN will now monitor events more closely and target individuals identified as breaking agreements and obstructing peace. There are no military sanctions, yet.

The protagonists had again recommitted to a ceasefire on 1 February but both breached it straight away. The resumption of talks on 19 February was initially delayed as the government claimed the defection of SPLM-IO Military Spokesman **Lul Ruai Koang** had split the group. Brigadier General Lul says his defection has had a major impact, which SPLM-IO denies.

The ceasefire violations are partly tactical manoeuvres. On 18 February, SPLM-IO Spokesperson **James Gatdet Dak** said government forces had been 'attacking our defensive positions' and SPLM-IO had repelled attacks around Bentiu, Renk and Melut. Defence Minister **Kuol Manyang Juuk** said at least 50 government troops were injured and several killed by a rebel offensive at Kaka near Malakal in Upper Nile State. The UN had reported heavy fire in Nasir on 11 February and government attacks on SPLM-IO south of Bunj, Upper Nile, deploying reinforcements from Paloich and Melut (AC Vol 56 No 3). IGAD has failed to set up a credible monitoring system as promised, so both sides try to grab more territory, especially in oil areas, between each round of talks.

TRANSITIONAL GOVERNMENT

Drawn up by IGAD, the 1 February draft agreement calls for a new government no later than the Independence anniversary on 9 July, with a three-month pre-transition from 1 April. Again the parties differed on power-sharing. In a draft annex to the deal, IGAD proposed a position of first vice-president, to be filled by an SPLM-IO nominee. That meant that Vice-President **James Wani Igga**, an Equatorian and a liberation war hero, would be under SPLM-IO leader Riek Machar. That would fuel Equatorian and other opposition, so Juba proposed the two vice-presidents be equal. The Minister of Cabinet Affairs, **Martin Elia Lomuro**, also an Equatorian, and the governors of Western, Central and Eastern Equatoria, all spoke out against that.

Although over 60,000 people have been killed since this war started in December 2013, the SPLM-IO has failed to

overwhelm President Salva's forces, partly due to support from **Uganda**. Accordingly, Riek may now see negotiations as his best route to power. Sacked nearly two years ago for challenging Salva, Riek was unlikely to win a presidential election (AC Vol 54 No 16).

The SPLM-IO position reflects Riek's ambition. The draft IGAD agreement proposes that in the case of the infirmity of president or vice-president during the TGNU, their party would nominate a replacement. Yet the SPLM-IO argues that if the presidency falls vacant, the first vice-president should take over; the government says it should be the Speaker of Parliament.

There is 'no real belief' in the Juba government that Riek wants a deal, says a diplomatic source. Some in the rebel camp say Riek would settle for a transitional government and a return to his post as Salva's deputy. However, most of his supporters, especially the fighters, want Salva removed. To get a deal, IGAD, the Troika (**Britain, Norway, USA**) and **China**, have to understand these dynamics, said a South Sudanese commentator.

There are wide divisions, too, on the roles of president and vice-president. The key difference on power-sharing is that the SPLM-IO wants ministers and presidential advisors jointly appointed by the president and first vice-president. The government insists that vice-presidential powers be delegated by the president. That leaves authority in Salva's hands.

IGAD has proposed 60% of ministers in the TGNU for the current government, 30% for SPLM-IO and 10% for the Sudan People's Liberation Movement former detainees (AC Vol 55 No 9). This satisfies the government but not the SPLM-IO.

TAMPERING

Critics accuse IGAD of tampering with the draft agreement drawn up in August. That included a protocol on transitional arrangements envisaging a new post of prime minister, to be filled by an SPLM-IO nominee but prompting another argument over the relative powers of the top two posts in government. The two parties had agreed the deal in principle but last-minute changes to the proposed division of powers meant the SPLM-IO did not sign.

This time, IGAD repeated its mistake. The vice-presidential formula was proposed just days before the February deal was signed, says a source close to the talks. 'I can't understand why they've come up with the idea of a first vice-president,' says the source. 'They had a tacit agreement on the prime minister position. It shows you that they don't really know what they are doing.'

South Sudanese are sceptical about the talks, widely seen as imposed from

outside and rewarding two men whose ambitions have torn the country apart. Even if Salva and Riek reach agreement, few believe it can work in practice. Each side wants its own armed security.

EXTENDED MANDATE

Salva Kiir has extended the presidential and parliamentary mandates, due to expire on 9 July, by two years and cancelled the elections. Parliament rubber-stamped the move. There are two reasons for this, political and practical.

The government suspected the SPLM-IO was buying time through the talks until the government's mandate had expired on 9 July and with it, its right to rule. It first tried to counter that by sticking to the poll date but met stiff resistance from opposition parties and the SPLM-IO, as well as key international players such as

the USA. The extension could be shortened if peace is agreed.

Lam Akol Ajawin's SPLM-Democratic Change, the main opposition party albeit one with little influence, insisted elections should not be held while the country was at war. Many agree. More than 1.5 million people have been internally displaced, says the UN Office for the Coordination of Humanitarian Affairs, and a census is still awaited. Cash-strapped, the government would struggle to raise \$500 mn. to organise elections.

Nevertheless, prolonging the life of the government by two years does nothing for its already questionable legitimacy or that of Salva (AC Vol 54 No 17). He is yet to face a post-Independence vote. When it extended its mandate, the government made no mention of the TGNU, which is supposed to last until January 2018.

'There is no doubt that the government accepts the TGNU and the return of Riek and the Group of Ten ex-detainees as key to the peace which it desperately needs,' said a South Sudanese analyst, 'it just does not understand that a lot more is needed than the simple restoration of the opposition to their previous positions'.

Sanctions will not be very effective without backing from neighbouring states such as **Kenya**, Sudan and Uganda, which oppose them. **Russia** is not keen on sanctions and China has also opposed them, calling them 'punitive' of parties that are making 'progress' in negotiations. China is the biggest buyer of South Sudanese oil and a major financier of state projects. A Chinese company is modernising Juba International Airport and another is building a major tarmacked road between Juba and Rumbek. ●

SUDAN

To vote, talk or fight

As the regime starts election campaigning, opposition parties boycott en masse and plan for political change

As President **Omer Hassan Ahmed el Beshir** launched his re-election campaign at Merrikh football stadium in Omdurman on 24 February, police were breaking up protests across the Nile in Khartoum against the killing of a woman by one of their fellow officers in January. Meanwhile, the Sudan Call Forces, as the opposition alliance now calls itself, were preparing to meet in Berlin on 24-27 February at the invitation of the **German** government.

Western governments are taking the opposition more seriously, either as a future government or, at least, as a necessary interlocutor with the National Congress Party (NCP) regime (AC Vol 55 No 25). There is also concern that some of the army's Islamist senior officers might try to shore up the regime or mount a coup to 'save' the Islamic Movement. The *Sa'aihoun* group is particularly unhappy (AC Vol 54 No 9).

Field Marshal Omer's first rally at the Omdurman ground didn't fill the stands of Sudan's oldest club. By 28 February, when he reached El Gedaref in the east, he was insisting that his regime did not 'seek to suppress people' but was 'following Allah's commands'. Audiences everywhere were thin compared even to the 2010 election campaign, which means NCP blandishments are also not as effective as before.

These elections will be different from the 2010 presidential and parliamentary elections, where many outsiders attributed

the regime's victory to the partial opposition boycott. All major parties are boycotting the vote due on 13-15 April and many tribal elders are also locally announcing they're boycotting, we hear. Although the NCP claims that 23 parties are taking part, most of those are front parties for the regime.

Even Professor **Jalal el Din Mohamed Ahmed**, Deputy Chairman of the National Election Commission and a former Chief Justice, sounded hesitant, telling the Pan-African News Agency on 28 January: 'We will conduct free, fair and credible elections that will match international standards... but as usual, easier said than done, voting will tell.'

EU CRITICISED

The European Union and German Chancellor **Angela Merkel's** government, which invited Sudan's opposition to Berlin where it hoped to persuade it to talk to NCP representatives, is ambivalent about policy towards Khartoum. On 18 February, a leading youth movement, Sudan Change Now, lambasted outsiders for seeking a 'quick fix deal... we reject the negative role played by the European Union ambassador to Khartoum, Mr. **Tomáš Ulicný** in attempting to impose their agenda on the Sudanese opposition.' Ulicný's efforts did not 'reflect the good governance values which the EU in Sudan has always called for,' it added.

Britain continues officer training as part of 'defence diplomacy', mainly

through the Advanced Command Staff Course (AC Vol 54 No 4). 'The aim of the ACSC is to prepare military and civilian officers for senior positions by developing their analytical, decision-making and communication skills through the study of military, political and international affairs', says the UK Defence Academy. This may be aimed at preparing for a post-NCP army but it teaches skills which, commented a military source, are 'all useful to clear a village'.

Britain, France and the United States are now more supportive, say opposition sources, and less prone to accept Khartoum's argument that it is the only alternative to the instability and bloodshed seen in **Somalia, Libya, Iraq or Syria** (AC Vol 56 No 4). Khartoum's stability card is wearing thin, especially as it bombards civilians in Darfur and the Nuba mountains, and backs jihadists in **Egypt, Libya and beyond**.

Omer el Beshir's 22 February visit to Abu Dhabi has not changed minds in the **United Arab Emirates or Saudi Arabia**, we gather (AC Vol 55 No 8). Ostensibly, he went for the International Defence Exhibition and Conference, where Sudan's arms industry was on display via the Military Industrial Corporation (which makes materiel for **Iran**) and Sur International Investment Company Limited (which has a branch in **Turkey**).

'**Qatar** is a major funder of the forces of terror in Libya...', Libyan Premier **Abdullah el Thani** told the Saudi newspaper *Al Hayat* on 1 March on a visit to Cairo. 'Qatar and Turkey play a major role in supporting *Da'ish* (Islamic State, IS)...'. Yet Sudan's position 'has changed', he said, and it would now 'coordinate' with Libya.

Egypt is unconvinced. On 30 January, President **Abdel Fatah Khalil el Sisi** cut short his visit to the African Union

summit in **Ethiopia** after jihadists killed 32 police and others in Sinai. 'We know who you are, we know who funds you and we will get you', he declared on Egypt's state television. The TV commentator, a major general, said he meant 'Iran, Qatar and Sudan'.

The Justice and Equality Movement is capitalising on the changing dynamics in Sudan. It is not 'fundamentalist' or 'terrorist', it insists in a new, glossy, 88-page tome, *For Democracy in Sudan*, which is aimed largely at Western governments and businesses. It barely mentions JEM's military allies in the Sudan Revolutionary Front, let alone the SRF's civilian members in Sudan Call: the National Consensus Forces (NCF) and the National Umma Party.

Many are still suspicious of JEM's NCP roots and its links to **Hassan Abdullah el Turabi**, whose Popular Congress Party is, unlike several other Islamist splinters, not boycotting the elections. Some JEM supporters talk as if the party were about to take over in Khartoum. It nearly did in 2008, thanks not only to its military prowess but also to friends in the regime, said a close supporter (AC Vol 49 No 11).

JEM's ambitions don't go down well with the other SRF members which began in Darfur – the two Sudan Liberation Movement wings, under **Abdel Wahed Mohamed Ahmed el Nur** and SRF Co-Deputy Chairman **Minni Arkou Minnawi**. Ending the war in Darfur is one of the two peace 'tracks' of the African Union Peace and Security Council's

'Resolution 456' of 15 September 2014, the other being for Blue Nile and South Kordofan. The AU treats the two as part of the same process.

Although it accepts 456 in theory, Khartoum still insists on a separate channel of negotiations on Darfur: the Doha process. Meanwhile the Liberation and Justice Movement, which Khartoum cobbled together for Doha, has now split. Its leader, former Darfur Governor **El Tijani Seisi Mohamed Ateem**, expects a senior post after the elections, we hear.

Since 456, the opposition finds **South African** ex-President **Thabo Mbeki's** AU High-Level Implementation Panel more useful. The AU took 456 – a communiqué drafted by AUHIP – to the United Nations Security Council. Various parties and civil society organisations are now looking at policy issues, an approach which has historically been a weak point in the opposition.

HUMAN RIGHTS ABUSED

Human rights are central to this new pressure on the regime: 456 emphasises 'the adoption and implementation of all necessary steps to ensure political freedoms and guarantee of the freedom of expression and publication, by enacting legislation to give effect to these freedoms'. This sits ill with the detention of NCF leader **Farouk Abu Eissa** and veteran rights lawyer **Amin Mekki Medani**, whose trial opened on 23 February. More than 87 lawyers arrived to defend them, 'It was mayhem

in court', a senior lawyer told AC. President Omer highlighted the lack of judicial independence by announcing he would free them if they apologised. They refused.

The UN's backing for claims that government soldiers committed mass rape in Darfur last year ramped up the pressure. A new case has just emerged: soldiers are accused of raping 30 women in Haskanita, North Darfur, in early January. On 13 February, the African Commission on Human and Peoples' Rights called on Sudan to investigate and prosecute security officers responsible for the 'arbitrary arrest and torture' of three human rights activists, lawyers **Amir Suleiman** and **Moneim el Jak**, and the late **Osman Hummeida**. Lawyers called this 'a breakthrough'.

The Sudan Call Forces are taking on the regime on their own terms. This is a mixture of activism, armed struggle and pressure for negotiations on political change. Part of the Berlin talks discussed a preparatory meeting in Addis Ababa for negotiations with the regime. The NCF, which had refused to sit down with the regime, have agreed that the SRF and Umma can represent them at such talks.

These talks are not the 'National Dialogue' which Khartoum still wants to organise on its own terms. Instead, they are a bid by the civilian and the military opposition, united for the first time in many years, to push for negotiations on a transitional government that could pave the way for the NCP's exit from power. ●

UGANDA/RUSSIA/OIL

Museveni gets his refinery

Doubts surround both the Russian contract and the supposed benefit and even viability of the oil discoveries

A Russian state company under European Union sanctions has won the contract to build an oil refinery on the shore of Lake Albert. The contract is symptomatic of the growing closeness of President **Yoweri Museveni** and President **Vladimir Putin** and their burgeoning strategic relationship. Russia's RT-Global Resources won the estimated US\$4 billion contract whose details, including the pre-award tendering, remain secret (AC Vol 55 Nos 17 & 14).

It is a huge development for Uganda's long-delayed oil sector. RT will take a 60% stake in the refinery, with the remainder going to the government, part of which is expected to be sold to another East African country. Despite Kampala's enthusiasm for the deal, serious questions

remain over how much value it will really add to the oil reserves.

This is the culmination of years of wrangling with oil companies over whether crude oil should be refined locally or exported. The government at first demanded a facility with a capacity of 180,000 barrels per day but this was resisted by upstream companies unwilling to contribute to the cost and afraid they could be subject to price restrictions on domestic fuel. Having agreed in February 2014 to a much smaller refinery of 30,000 bpd that would eventually expand to 60,000 bpd, Museveni remains optimistic that the project will be among his crowning economic achievements.

The secrecy surrounding the deal has provoked criticism from civil society

organisations over the government's preference for closed-door oil deals. Using **United States'** investment banker Taylor-DeJongh as advisor, the government chose two final bidders from an initial six: a consortium led by **South Korea's** SK Engineering and the other by RT. However, only four of the six submitted tenders, all of which have been kept secret. Campaigners warn that the closed bidding pool and lack of transparency have created ripe conditions for corruption and may mask the fact that the government did not secure the best deal possible. Characteristically, the Energy and Mineral Development Ministry has dismissed doubts about transparency as 'an old cliché.'

THE RUSSIAN CONNECTION

The award to a company with close ties to the Kremlin has raised suspicion that geopolitical considerations may have swung the deal in RT's favour. The company is owned by Russian defence and technology conglomerate Rostec, whose Chief Executive Officer, **Sergey Viktorovich Chemezov**, is a former KGB officer and close ally of Putin's. Putin

and he worked in **East Germany** at the same time. Rostec is currently subject to EU and US sanctions over Russian involvement in the Ukraine conflict and it hopes the refinery will offer inroads into new markets in Africa.

We hear the sanctions issue had raised concern about the RT bid in the Energy Ministry but State House swiftly brushed such doubts aside. Museveni has a warm relationship with Putin and they share a taste for strongman diplomacy that characterises the West as a colonial aggressor. With relations between Museveni and the West still fraught after last year's controversy over the anti-gay bill, the refinery provides the President with yet another opportunity to prove his independence (AC Vol 55 No 25).

The refinery deal comes amid a wider effort to strengthen defence ties with Moscow in support of Ugandan military ventures in **Central Africa Republic, Somalia and South Sudan**. Since 2011, another Rostec subsidiary, Rosoboronexport, has sold six top-of-the-range Sukhoi Su-30 fighter jets worth at least \$740 million to Uganda. These and 44 Russian T-90 tanks, were the main contributors to a 1,200% increase in Ugandan arms purchases in 2009-2013, compared with the previous four years.

Since the refinery deal, Ugandan media have reported that the Ministry of Defence has entered negotiations with an unnamed Russian bank to finance another arms deal with Rosoboronexport worth \$170 mn. Parliament approved this in a special closed-door session on 24 February because the materiel was said to be classified. That deal marks yet another unplanned defence expenditure for 2014/15. The growing ties between Uganda and the Russian conglomerate have drawn criticism from opposition members of parliament. Meanwhile, the Youth Mobiliser of the Forum for Democratic Change, **Francis Mwijukye**, complained, 'Museveni is looking at Russia as the guys who will sell him all the arms he wants without any questions'.

Among other arms, Uganda plans to buy attack helicopters to replace the three Mi-24s which crashed on Mount **Kenya** while on their way to join its troops in Somalia in August 2012, we hear.

REFINED AMBITION

The President hopes the refinery will settle his legacy as the architect of a strong, independent nation but doubts over the value of the deal persist. Chief among these is how the project will be financed and the cost it will add to overall expenditure on oil-related infrastructure. In a country with a gross domestic product of \$24 bn., the government estimates this at \$15-22 bn. and any extra expenditure could jeopardise

the value of national oil reserves. Undoubtedly, it was hoped that a bid backed by Moscow would bring Russian state funds to support the project. This is now less certain since the collapse of the rouble and Western sanctions restricting RT's access to international financial institutions. Instead, many suspect that Kampala will have to guarantee a loan to fund the project, a move that would considerably reduce RT's risk exposure.

Further expense is added by the insistence of two of the three upstream companies – **Britain's** Tullow Oil and **France's** Total (the third being the **China** National Offshore Oil Corporation) – on building an export pipeline for any excess crude. As yet, it is unclear whether Uganda has enough oil to support both a refinery and a pipeline. The refinery is expected to consume just 10-15% of the 220,000 bpd expected at peak production, meaning the remainder of Uganda's waxy crude will have to be exported via a continuously heated pipeline via Kenya,

the longest of its sort in the world, which could cost around \$4.5 bn.

The timing of the deal and the fall in global oil prices raises further issues. Although the terms of the contract between the government and RT remain secret and subject to further negotiations, the developer is likely to press for stabilisation clauses to guarantee a return on investment amid volatile oil markets. This could see Uganda having to subsidise RT's stake during periods of low oil prices or in the event of a fall in regional demand.

The State House obsession with the refinery caused grumbling among technocrats at the Finance Ministry who doubt the economic sense of the project. Museveni's zeal for it is undimmed and, with elections next year, he is eager to show something to the electors as soon as possible. But, with persistent questions over the viability of the refinery, a behind-the-scenes tussle over financing and contractual terms is set to continue. ●

OIL INTERRUPTED

Major deposits of commercially viable oil were first discovered in Uganda's Albertine Graben in 2006 and estimates of total reserves now stand at 6.5 billion barrels. It was initially hoped production would begin in 2009 but the process has been fraught with delays amid disputes with oil companies and concern about transparency. Although the refinery deal has been hailed as the key to unlocking development of the upstream sector, major questions about taxes and exports mean production is unlikely to begin any time soon.

Unresolved disputes with production companies over taxation are now proving the principle obstruction to developing Uganda's oil reserves. Production companies are said to be particularly concerned about a requirement to pay value added tax at 18%, withholding tax at 15% and an import duty of 43%. Industry insiders tell us that at these rates, producers consider the upstream project unviable for investment and a compromise will be needed if progress is to be made. With the tax dispute ongoing, the government has held back on issuing production licences to both Tullow Oil and Total, so neither company has yet announced a final investment decision for Uganda.

Further problems surround the development of a crude oil export pipeline via **Kenya** for the estimated 80-85% of oil that would not be refined locally. The contract for this was awarded to **Japan's** Toyota Tsusho in November 2014 and preliminary designs are due in April (AC Vol 54 No 13). However, delays are expected in acquiring land for the project – typically a painfully slow process in Uganda – and securing a final agreement between the Kenyan and Ugandan governments and their joint venture partners on the route of the line.

Kenyan President **Uhuru Kenyatta** is believed to favour a route that follows the Lamu Port, **South Sudan** and **Ethiopia** Transport Corridor (Lapsset), which would support development in Kenya's poverty-stricken north and eventually end at an export terminal in Lamu. The joint venture partners are reported to oppose this route amid fears that it is close enough to the **Somali** border to be vulnerable to threats from the Islamist militia *Al Haraka al Shabaab al Mujahideen*. An alternative route has been proposed along a middle corridor ending in Mombasa that is thought to be of a similar cost but there is concern about possible congestion at the port.

Without a pipeline, many analysts believe the government's hopes of starting production at the **China** National Offshore Oil Corporation's Kingfisher field by 2018 are unrealistic. Nonetheless, Kampala remains committed to pressing ahead with expanding the oil sector. On 24 February, the Minister for Energy and Minerals, Irene Muloni, announced that the first exploration licences since 2007 would be issued for six new blocks in the Albertine Graben. Meanwhile, there is talk of opening up new exploration blocks in Karamoja, the least developed region. As yet, there appears little that can stifle government ambitions for the sector. ●

GHANA

The politics of dumsor-dumsor

Power cuts, job losses and an IMF deal show the limits of government promises of economic change

Almost every African country has its power crisis. Lack of electricity from Angola to Zimbabwe holds back economic growth, education and health services. In some states such as Ghana, the power crisis is at the centre of partisan politics, with oppositionists loading all the blame for the failures on to the government. Worse still for President **John Dramani Mahama's** government, power shortages are increasing amid a torrent of other problems: rising inflation and interest rates, falling economic growth and a weakening currency together with the threat of deep cuts in public spending and job losses.

As if another warning sign were needed, a team from the International Monetary Fund has just left Accra brandishing an agreement for a US\$940 million loan over three years – on condition that the government impose tough reform measures. Chief among these are deep cuts to the public sector payroll and a wage freeze (AC Vol 55 No 23). The state payroll has been bloated by 20-30% by a system of paying 'ghost' or non-existent workers, insiders calculate.

Profits from the ghost operation are either seized by corrupt cabals within the civil service or used by top officials to pay the footsoldiers of the governing National Democratic Congress (NDC). Neither the Accountant General nor the Auditor General has stopped the huge leakage of public funds: that suggests incompetence or even complicity. It has also taken money away from investment in education, health – and the power sector.

The power crisis has become the leitmotif of these myriad woes. It has its own name – *dumsor-dumsor* – 'switch off, switch on' in the Twi language. Thousands of demonstrators chanted 'Mahama dumsor-dumsor' when they marched through Accra late last month demanding the government fix the power supply. Organised by the opposition New Patriotic Party (NPP) and some of its civil society allies, the demonstration was a direct challenge to Mahama. Yet his allies in the NDC missed the point.

Instead of setting out a credible response to the crisis, they were keener to track down those headteachers who had failed to restrain their pupils from enthusiastically joining in the 'Mahama dumsor-dumsor' chants. Such intemperate outbursts by NDC ultra-

loyalists undermine one of Mahama's greatest strengths: an ability to rise above Ghana's poisonous partisan politics.

A week later, it was left to Mahama to present his defence in his State of the Nation Address on 26 February. During more than two hours, he amiably meandered through a list of government projects and promises. For his crescendo, he finished with a bold claim about power: 'I do not intend to manage the situation as has been done in the past, I intend to fix it.' Power shortages will be a thing of the past by the end of 2016, Mahama promised. Coincidentally, that's the date of the next presidential and parliamentary elections.

A lack of rainfall that brings down water levels at the hydroelectric dam at Akosombo, broken down power plants and unreliable gas supplies from **Nigeria** had caused the power crisis but the government was going to fix it and add another 1,000 megawatts to the national grid within a year and 3,000 MW in the medium term. Or so the promises ran.

POWER SHIPS

Public scepticism is running high. The government won't be able to conjure up another half dozen power stations before the polls. It can repair the broken down plant, though, and could come up with a few short-term fixes, such as floating power stations to provide extra power at ruinously expensive rates. All the government's choices on power are invidious. A 225 MW, containerised power station from the **United Arab Emirates** or double that with a couple of 'power ships' from **Turkey**, would be inordinately dear, with the usual array of commission agents benefiting from the deal – and would provide only a brief respite. Yet even those costly fixes are difficult to arrange.

Ghana is competing with **South Africa** to contract the power ships and it would take months to hook up either remedy to the national grid. Nor are the harbour masters at Tema and Takoradi overjoyed at the prospect of having ships holding thousands of gallons of highly inflammable fuel oil docked in their ports.

After pressure from the World Bank and the **United States**, the government has agreed to start privatising the power sector which, in a nod to NDC left-wingers, it prefers to call 'restructuring'. The first target is the much reviled Electricity Company of Ghana.

Amid some hoopla last August, Mahama signed a \$500 mn. deal in Washington with the US government under its Millennium Challenge Corporation (MCC) scheme. On closer inspection, the grant includes a \$133 mn. tax waiver for foreign companies selling equipment to the ECG, cutting its real value to around \$370 mn.

In fact, selling the ECG to a US or any other foreign company will make little difference. Its main problem is that the government owes it about 1.25 billion cedis (\$375 mn.). That is from all those ministries and parastatals that don't pay their electricity bills. Government arrears alone make up more than 60% of money owed. Privatisation won't change that.

Most of these discussions on policies affecting the power sector are traditionally held behind closed doors. Parliamentary scrutiny has been negligible. The only protracted debate in the chamber was over which party could claim credit for opening negotiations to secure the MCC cash. Neither the NDC nor the NPP debated the merits of privatisation.

The deal was pushed through in a matter of days, thanks partly to the waiving of a standing order which requires at least 48 hours between formal notice of a motion and the date on which it is moved. None of this affects the central issue: the lack of generating capacity. Last month, Power Minister **Kwabena Donkor** reported that demand was running at 2,109 MW compared to generating capacity of 1,494 MW. Fixing that is a matter of long-term investment decisions and fund raising.

Meanwhile, Ghana's well-heeled cadres of commission agents are cutting deals in the swanky new bars and clubs in Cantonments and in the Airport residential area, where they are selling 'emergency power solutions'. Private generating sets for homes and businesses are becoming as ubiquitous in Accra as they are in Lagos. New fortunes are being made by importing overpriced diesel to run them. There are vast profits to be made out of a failing power sector, as Nigeria shows.

For older Ghanaians, this mix of IMF deals and power cuts is a reminder of the early 1980s when Flight Lieutenant **Jerry Rawlings** and his acolytes struggled to turn around the economy after a decade of inept and corrupt military regimes. Five years ago, all that seemed to be history. Ghana was lauded for its graduation out of the aid zone to lower-middle-income status and deemed en route to building a modern economy along the lines of **South Korea** or **Malaysia**. However, as the lights flicker and the IMF's economic sanitary inspectors pore over the books in the Ministry of Finance, the government's erstwhile boosters are urging some radical rethinking. ●

TUNISIA

Complicated confiscation

Some of the assets of people most involved in Ben Ali's business-based patronage are proving hard to reach

New Finance Minister, **Slim Chaker**, has been warned against confiscating assets from members of the inner circle of ex-President **Zine el Abidine Ben Ali's** regime, *Africa Confidential* understands. His predecessor, **Hakim Ben Hammouda**, said in December that while the government had managed to sell three companies and was ready to dispose of more, progress on some was going to be 'very complicated'.

The government started selling firms seized from Ben Ali's circle which posed few legal difficulties. However, it ended the year in deadlock with firms not directly owned by Ben Ali or his inner circle but which have multiple owners, a situation one local businessman calls the 'Cosa Nostra effect'. The phrase reflects a practice common in organised crime. Junior investors enter into joint ventures with influential 'mafiosi'. The idea was that the new entrant would be linked to his or her patron by a common commercial interest, which would further guarantee their loyalty. As a result, there is a large number of 'mixed shareholdings'.

An example of the complications in store came after **Jalloul Ayed** drew up an amendment to the confiscation law,

when he was Finance Minister (AC Vol 52 No 10). This said that all assets inherited before 7 November 1987, the date Ben Ali came to power, would be excluded from confiscation. According to bankers in Tunis, this followed a meeting between Ayed and **Marouane Mabrouk**, who married one of Ben Ali's daughters, **Cyrine Ben Ali**, in 1996 and whose family rapidly began to accumulate wealth through monopolistic enterprises (AC Vol 56 No 3). The cut-off date for the assets confiscation could greatly benefit the Mabrouk family.

If some assets were inherited after the new cut-off date but were combined in a holding with assets that were not, they could be protected against confiscation. The Mabrouk family is believed to have benefitted from this and that may have been the intention behind the amendment, some financial sources say. In addition, the possession of assets could be backdated.

The amendment was supported at the time by the man who later became President, **Béji Caïd Essebsi** (AC Vol 55 No 23). 'The people around Béji will find some arrangement with the Mabrouks, who have a lot of money and so they can buy themselves influence. That's, pragmatically, what will happen,' one

local banker told us. As a technocrat with no long-term political mandate, Hammouda didn't want to go into a 'big fight with these big families and to fight political power,' said another. Hammouda and his predecessor as Finance Minister, **Elyes Fakhfakh**, wanted to remove Marouane Mabrouk from the board of *Orange Tunisie*, but failed.

Hammouda told AC that the committee on confiscated units which he headed with the Chairman of Al Karama Holding, **Atef Masmoudi**, couldn't confiscate at least half a dozen properties on historically-protected land, including a property in **Sidi Bou Saïd** owned by Ben Ali's son-in-law **Mohamed Sakher el Materi**, who has asylum in the **Seychelles**. These assets were built illegally on protected land and may be demolished.

The management of assets has also run into other problems. Seized firms were initially meant to be bought, developed and managed by the *Caisse des dépôts et consignations tunisienne* (CDC). After the government failed to come to a decision, the CDC was advised to form a subsidiary called *CDC Développement* to deal specifically with intended confiscated firms in agriculture, services and property, CDC Director General **Jamel Eddine Belhadj** told us. Hammouda says the CDC, always intended to be a sovereign wealth fund entity focusing on public-private partnerships, should be 'more ambitious' and work on major infrastructure projects rather than on confiscated assets. 'Frankly, some confiscated assets can't be developed. Some only had contracts because of ties to the Ben Ali regime.' ●

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POINTERS

Mozambique

A SHOT AT DEVOLUTION

■ Suspicions are growing that the assassination of constitutional lawyer **Gilles Cistac** by gunmen in Maputo on 3 March is part of a power struggle between ex-President **Armando Guebuza** and his successor, President **Filipe Nyusi**. Cistac, a naturalised Mozambican of **French** descent, had earlier said there was merit in calls by the *Resistência Nacional Moçambicana* (Renamo) for 'autonomous regions' and recommended Nyusi assert his independence from Guebuza. Cistac was expected to contribute his expertise to the devolution proposals as part of a group that would hold talks with Nyusi, says a source in Maputo.

The devolution debate has been a fierce bone of contention between Nyusi and Guebuza, who accuses the new President of trying to divide the country and falling for the rhetoric of Renamo leader **Afonso Dhlakama**. Many see the tussle as a trial of strength between the head of the state and the head of the party, the governing *Frente de Libertação de Moçambique* (Frelimo). Renamo has been demanding the chance to govern in the provinces where it won in last October's general elections and Nyusi has agreed to a debate in Parliament. Guebuza is mobilising Frelimo against the proposals (AC Vol 56 No 2).

Frelimo's old guard backs Guebuza, including former Maputo Mayor **Eneas Comiche**, who claims the proposals 'promote tribalism and regionalism' and could hold back development. Dhlakama is rallying support in the provinces, claiming that giving Renamo control of the regions where it enjoys popular support will go some way towards addressing its grievances over the allegations of massive electoral fraud that marked the polls (AC Vol 55 No 21). Nyusi's willingness to consider compromise is seen as a sign of weakness and an existential threat to the party by the old guard.

Concern that Cistac's murder was politically motivated derives from remarks he made in the local press last month. In an interview with the online newspaper *@verdade* on 4 February, the lawyer declared that in considering devolution arrangements, Nyusi was within his rights not to take orders from Frelimo and that he should 'decouple' himself from the party.

Cistac also appeared to challenge Guebuza. 'For Guebuza,' he said, 'no longer being a Mozambican statesman, the only solution is to control the party in order to pressure the President of the Republic, the President of Parliament

and the Prime Minister... The objective of Guebuza is to govern in an immediate way, though the Political Commission. Nyusi will not govern freely... One day we will see a tension between the Political Commission and the President of the Republic... I have a lot of doubt that Guebuza will stop being President of Frelimo... This is a very serious problem'.

The contest between Nyusi and Guebuza has been anticipated for some time. The accepted wisdom is that after Guebuza failed to get constitutional changes that would allow him a third term as national president and then to have a yes-man succeed him, he is using his powers as head of Frelimo to enforce his will. Guebuza has suggested that Nyusi is too weak to be handed responsibility for the party as well as the republic.

Although Guebuza appears in no mood to relinquish his party leadership, he has been hurt politically by reports in the **Italian** media, based on transcripts of the tapped telephone calls of **Italian** oil company ENI's previous boss, **Paolo Scaroni** (AC Vol 55 No 21). In the transcripts, Scaroni is heard discussing a gift from Guebuza of prime land at Bilene, a tourist beauty spot, and ENI's previous exemptions from capital gains tax.

A Frelimo Central Committee meeting is due in March at which Guebuza's enemies may attempt to depose him, we hear. Civil society has been shocked by the murder of Cistac, the most high profile assassination since that of the investigative journalist **Carlos Cardoso** in 2000 (AC Vol 41 No 24).

Ethiopia

DAMMING EVIDENCE

■ The three major countries affected by US\$4.8 billion Grand Ethiopian Renaissance Dam (GERD) are about to appoint a consultant to report on its environmental and social impact. The African Affairs Advisor to **Egypt's** Foreign Ministry, **Ahmed Abu Zeid**, told *Africa Confidential* that delegations from Egypt, **Sudan** and Ethiopia are in Khartoum to make the selection. The impact study will include hydrological modelling, the most contentious part of the project, which has caused bitter argument between Egypt and Ethiopia (AC Vol 55 No 7).

If Ethiopia fills the GERD reservoir as quickly as it can, the Aswan High Dam will not be able to generate as much electricity as before and irrigation could be affected. The work of the International Panel of Experts (IPE), which reported in May 2013, did not cover these threats to Egypt's satisfaction. Hitherto, Ethiopia's position has been to say that the GERD is nobody's business but its own, while attempting to charm Egypt into accepting the dam as a *fait accompli*. Egypt has balked at that. (AC Vol 55 No 4). Now, however, the new impact study offers

Egypt and Ethiopia the chance to step back from confrontation until it is completed.

The IPE concluded in May 2013 that whilst the hydrological and reservoir simulation study at the time attempted to predict the impacts of the GERD on the Aswan High Dam, it 'lacks the necessary vigour and does not consider the hydraulic structures in Sudan or the upstream developments.' Egypt and Ethiopia's foreign ministries have recently formed committees on water issues.

Egypt has been conciliatory to the extent of attending last month, for the first time in five years, a meeting of the Nile Basin Initiative, which groups Ethiopia, Sudan, **South Sudan**, **Kenya**, **Uganda**, **Rwanda** and **Tanzania**. Egypt refuses to join the Initiative because the NBI does not acknowledge the colonial era treaties on the Nile.

Mali

TRUCE TROUBLE

■ Leaders of the Tuareg armed groups fighting for the recognition of northern Mali as an autonomous or independent Azawad face the challenge of keeping supporters on board following the 1 March peace deal in Algiers.

Negotiators for the *Mouvement national de libération de l'Azawad* (MNLA) and the *Haut conseil pour l'unité de l'Azawad* (HCUA) have not formally signed the deal but seem to have accepted it in principle. It envisages limited devolution of power to elected councils in the north.

The vocal youth and women activists in Kidal, capital of the autonomist cause, have been protesting loudly at what they call a sell-out. Previously, the negotiators had demanded a distinct Azawad entity that would have almost total control of its own affairs within a federal structure. That reflected strong military self-confidence based on their rout of the Malian army in Kidal last May (AC Vol 55 No 11).

The pendulum has now swung the other way, with pro-government northern militias that back national unity growing in strength, such as the *Groupe d'autodéfense touareg imrad et alliés* (GATIA, AC Vol 55 No 21). Nor has the rebel cause been favoured by the intervention of **Mohamed ag Intalla**, the new *Amenokal*, the traditional ruler of the Ifoghas Tuareg clan dominant in Kidal (AC Vol 55 No 6). Last week, he declared he felt himself to be a Malian and was opposed to independence or autonomy for the Kidal region.

The MNLA and HCUA represent only a small slice of the northern population, notably among the Ifoghas strand of the Tuareg. In free elections in the north, they might not prevail. Support for a quasi-independent Azawad is weak among other Tuareg groups such as the Imrad (Imghad) and other groups in the north – Songhai, Peulh and many, though not all, Arabs.

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BLUE LINES

Three issues – corruption, jobs and security – have dominated campaigning in what promises to be Nigeria's closest ever presidential election, on 28 March. All three put President Goodluck Jonathan's government on the back foot as it faced a resurgent national opposition under former military head of state General Muhammadu Buhari.

The six-week delay in the elections, announced on 7 February, has certainly helped Jonathan. The government claimed that by 17 March its armed forces, aided by Chad and Cameroon, had pushed Boko Haram out of 17 of the 20 local government areas in Adamawa, Borno and Yobe states that it controlled at the beginning of the year. Although the fightback has bolstered the government's military credibility, it is still exposed on jobs and corruption. Voters across the country – not just in the opposition's northern heartlands – take seriously claims by the former central bank governor Sanusi Lamido Sanusi that about US\$1 billion a month in oil revenues were not reaching government coffers. Worse for Jonathan, many are attributing fuel shortages, rising unemployment and power cuts to those claimed diversions. That's why Buhari and the opposition All Progressives Congress have rallied supporters with promises of 'positive change' and a crackdown on malfeasance. Yet the government's ability to spring surprises – such as the recent military turnaround – means the two candidates are going neck and neck into the final straight.

RWANDA

No room at the top

The ruling party is priming the public for a change in the law to allow President Paul Kagame a third term

The campaign is now in full swing to amend the constitution to allow President **Paul Kagame** to stand for a third term. Pro-government media are running opinion pieces almost daily praising his achievements and questioning the merits of limits on the term of office. With no real political opposition, little seems to stand in his way. Yet rumblings among the ruling elite suggest that all is not well in the Rwandan Patriotic Front (RPF).

Momentum has been building in the campaign for a third term for Kagame since just after the last presidential election in 2010, when the Minister of Internal Security, Sheikh **Musa Fazil Harerimana**, made the first public call to remove term limits. Harerimana belongs to the *Parti démocrate idéal* (PDI/Ishyaka Ntangarugero Muri Demokarasi), an Islamist party with a junior role in the ruling coalition. Many suspect that the promotion of the reform agenda by other political parties was intended to deflect criticism that the President was meddling with the constitution.

Of the ten registered parties, only the *Parti vert démocratique*/Democratic Green Party has publicly opposed removing term limits. The Greens have accused the PDI of conspiring with the *Parti Social-Imberakuri* and the *Parti de la solidarité et du progrès* to amend the constitution in the RPF's favour (AC Vol 55 No 14). They are too marginal to present much of a challenge to Kagame's plans.

Many see the slow debate around term limits as part of a strategy to accustom Rwanda and its aid partners to the prospect of Kagame's staying on. He initially rejected

any notion of standing for re-election but his position became less clear in 2013. Rather than denying the possibility outright, he now dismisses questions on the issue as a distraction from core policy issues.

In December, the RPF's powerful Political Bureau told local media that they could begin to debate the issue of term limits. Since then, calls for Kagame's re-election have grown ever louder, as a rising number of military figures, former ministers and junior politicians debate constitutional reform in the press. A former Minister of Finance and Economic Planning, Professor **Manasseh Nshuti**, summed up the mood perfectly last month with an article in *The New Times* entitled, 'The ideal change is no change at all'.

THE PUTIN OPTION

No real attempt has been made to plan a succession. In February 2013, the Political Bureau chose a team of technocrats to consider proposals for the transition, in what was widely taken as code for prolonging the President's leadership. All of those appointed to lead the deliberations were from the dominant Tutsi minority and two years later, none of the team's recommendations have been made public. Until recently, regional media had speculated about alternative strategies that would allow Kagame to retain power but avoid the contentious process of changing the constitution. The most commonly cited was the '**Putin-Medvedev** scenario', the Russian model whereby Kagame would take up the position of prime minister for a term before returning to the presidency. Yet

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Rwanda's 2003 constitution affords far less flexibility than Russia's and clearly states that a president may serve only two terms in his or her lifetime.

Others suggest Kagame could become party chairman, from where he could dictate policy behind the scenes. However, many wonder whether he would really accept a situation where the presidency would pass to a potential rival who could later challenge him. Both these scenarios now seem out of step with the growing calls in pro-government media for a constitutional referendum. Since Kagame won in 2010 with an astounding 93% of the vote, few doubt the RPF's ability to manage the election.

NO ROOM FOR DISSENT

As yet, opposition from within the RPF has been typically muted. A rare public sign of dissent came shortly after the Political Bureau meeting in February 2013, when the then Justice Minister, **Tharcisse Karugarama**, told *Britain's Guardian* newspaper that on no account should term limits be lifted. Kagame

reacted with fury and within a week, Karugarama had lost his cabinet post.

Any further opposition to the succession plans has been kept far from the public eye but the arrests of several RPF and military figures in August for 'crimes against state security' could point towards growing dissent among Kagame's inner circle. They included prominent and long-standing members of the RPF power structure, such as the former head of the Republican Guard, Colonel **Tom Byabagamba**, Brigadier General (Retired) **Frank Rusagara**, previously a senior Defence Ministry official, and Captain (Rtd.) **David Kabuye**, a former head of the Rwandan Information Office (Orinfor) and of Rwandan Television (AC Vol 55 No 17). Although the opaque nature of the RPF's inner workings makes it difficult to tell what provoked the arrests, they do suggest a change in the regime's threat perception. This no longer appears to focus on exiled dissidents in **South Africa** and elsewhere but increasingly on discord in the presidential circle.

Reports of dissent in the Rwanda Defence Force (RDF) and among the Tutsi elite have grown in recent years, amid frustration with Kagame's authoritarian style of leadership. Some in the RPF were shaken by the defections of a former army chief, Lieutenant Gen. **Faustin Kayumba Nyamwasa**, in 2010 and a former External Intelligence chief, Col. **Patrick Karegeya**, in 2007 (AC Vol 51 No 6). Karegeya was found strangled in a Johannesburg hotel room last year (AC Vol 55 No 2). The sense of mistrust and foreboding is particularly acute

between the military and political arms of the leadership, creating a potentially inflammable situation as the third term debate goes on. That could lead to a further purging of sources of dissent in both military and civilian formations.

The culture of fear that pervades the RDF and RPF has made it very difficult for any candidate to emerge in public as a challenger. Candidates frequently cited as possible contenders include the Secretary General of the East African Community, **Richard Sezibera**; **Donald Kaberuka**, whose second and final term as President of the African Development Bank ends this year; and the shrewd Foreign Minister, **Louise Mushikiwabo**. Yet none of them have ever expressed interest in the job – quite the contrary. Clearly the position isn't vacant.

Kagame may calculate that international opposition to any constitutional changes will be temporary. Although the African Union and donors would probably challenge them, Rwanda is unlikely to face the same level of international opposition as leaders in **Burundi**, **Burkina Faso**, **Congo-Brazzaville** and **Congo-Kinshasa** who have intimated they want to stay on beyond their constitutional terms. Kagame's international reputation as an effective leader and an efficient recipient of aid was underscored by the limited action taken in 2013 in response to Kigali's involvement in Congo-K's *Mouvement du 23 mars* rebellion. Although some suspension of aid is possible, Kagame probably feels confident that his champions abroad will ensure this is only temporary. ●

BURUNDI/RWANDA**Lake murder mystery**

Little progress has been made in the investigation into dozens of bodies found in Lake Rweru

Reports in August that dozens of bodies had been found floating in Lake Rweru on the Rwandan-Burundian border made international headlines and drew condemnation from foreign donors. Villagers in the area said the corpses first started appearing in July, with new discoveries reported through to September. The cadavers were in an advanced state of decomposition, wrapped in plastic and some with their limbs bound. Initial reports indicate that at least 49 bodies were found but nobody knows the exact number, as many were either buried by local people or washed away before they could be recovered. Their origin and identity remain unclear.

Even before an investigation had been

launched, authorities in both countries denied that any were their citizens. News reports at the time quoted villagers as saying the corpses had been carried into the Burundian section of Lake Rweru by the current of the Nyabarongo-Kagera River, which rises in Rwanda. This claim was supported in September by **Aline Manirabarusha**, Governor of Burundi's Muyinga Province, which borders Lake Rweru, although she was careful to avoid mentioning Rwanda by name.

Straight after the discovery of the bodies, Kigali and Bujumbura announced an investigation. However, Kigali later retracted, claiming it had no role as none of the victims were Rwandans. Rejecting this, three non-governmental

organisations – the Kigali-based *Ligue des droits de la personne dans la région des Grands Lacs*, the *Ligue burundaise des droits de l'homme* (Iteka) and the International Federation for Human Rights – issued a joint statement in September affirming that witnesses had seen bodies floating down the Nyabarongo-Kagera on the Rwandan side of the border.

Demanding action, the **Netherlands**, **Switzerland** and the **United States** offered to provide forensic experts for the investigation but both countries declined. Burundi then issued a request to the African Union to launch its own investigation. The AU accepted formally only on 23 February and it remains unclear whether Rwanda will cooperate. How successful the investigation can be is uncertain, considering that all the bodies recovered were buried without autopsy. Officials in Burundi are treading carefully to prevent the investigation from antagonising relations with their powerful neighbour, we hear, in view of its reputation for radical reactions.

Critics of the Rwandan government have been quick to accuse agents of the ruling Rwandan Patriotic Front (RPF) for the killing. The online bulletin *Inyereri News*, a long-time critic of President **Paul Kagame**, noted the corpses' hands were bound in the 'Kandoya' manner, a hallmark of RPF executions in the 1990-94 Rwandan civil war. Kandoya involves binding the upper arms behind the back and is considered internationally a severe form of torture. These same critics note that the discovery of the bodies came just months after Human Rights Watch had reported in May 2014 a surge in political disappearances in north-west Rwanda. Several of those who disappeared were

suspected of working with the rebel *Forces démocratiques de libération du Rwanda*, which may have contributed to their disappearance, said HRW (AC Vol 55 No 14).

Investigators into the disappearances in north-west Rwanda, however, have told *Africa Confidential* there is no clear evidence linking them with the Lake Rweru case. They also note that although the circumstances of the bodies in the lake bear some similarities to early RPF killings, opponents of President **Pierre Nkurunziza** have also washed up in Burundian lakes and rivers as recently as 2010. One Western expert questioned whether there was any certainty of state

involvement, considering how rarely the victims of political killings in Rwanda and Burundi are found (AC Vol 56 No 4). 'Why dump so many victims in a lake, where they would almost certainly be found, when they could just as easily be buried out of sight?' he asked.

Many now question whether the investigations will yield answers. With so many details still uncertain and with much of the evidence either tampered with or left to deteriorate, investigators will require expert forensic assistance combined with the full cooperation of the Rwandan and Burundian governments. The latter is far from assured. ●

KENYA

Presiding without policy

Freed of the burden of trial at the ICC, Kenyatta can get on with the business of government. Yet few can discern any strategy

Kenyans who have been wondering what President **Uhuru Kenyatta's** priorities for the country will be, now that he is no longer handicapped by charges at the International Criminal Court, need wait no longer. Unlike in the laid-back **Mwai Kibaki** era, the country is run by a presidency that intervenes in all economic sectors, party politics and government departments. Barely a day goes by without a major event featuring the president speaking on the needs of ordinary people, yet they often disregard established policy, budget and government plans.

As Kenyatta left for an official three-day trip to **Japan** on 11 March, with a large business delegation in tow, Kenyan political analysts were beginning to wonder if all this frantic activity had a point.

On 3 March for instance, he started the day campaigning for **Patrick Tutui**, the Jubilee Alliance Party (JAP) candidate for the Kajiado Central by-election, which the party lost on 16 March. Kenyatta and deputy president **William Ruto** formed JAP as a new, unitary party to fight the 2017 election. Kenyatta then celebrated World Wildlife Day at Nairobi National Park where he torched 15 tonnes of ivory confiscated from poachers and smugglers. That afternoon he opened a Kenyan ICT innovation conference in downtown Nairobi, and then he and his wife, **Margaret**, went to a wildlife exhibition at Langata, ten miles outside the city. And that is not counting time spent at the office.

On 10 March, Nairobi was treated to another JAP pronouncement. The ever-errant Matatu minibuses will be banished from downtown Nairobi, as will be hand-carts that transport produce to the informal sector food vendors. And the roundabouts on the main streets of Nairobi will be replaced by new traffic lights, even though other traffic lights do not work. Nairobi governor **Evans Kidero** – who is fighting graft allegations from his time running Mumias Sugar Company and recent contracts awarded by City Hall to Mumias-related operators – will be in charge of this operation.

In mid-February Kenyatta met **British** ex-Prime Minister **Tony Blair** and agreed to receive presidential policy-implementation advisors from Blair's African Governance Initiative, a service no Kenyan remembers asking for. From 24-27 February, he was in Algiers to negotiate an oil and gas technical assistance agreement with the government of **Algerian** President **Abdelaziz Bouteflika**. The day he got back to Kenya, he started a two-day whistlestop tour of Meru County, east of Mount Kenya, a JAP stronghold that has been wracked by internal political wrangling and complaints of presidential neglect. On 6 March, at State House, he received an award from the little-known African Association of Public Administration and Management for innovation in public service in the presence of hundreds of civil servants, each of whom got an impromptu 10,000 Kenyan shillings (US\$110) cash gift.

That same day, Ruto and the president's office announced a Ksh5 billion (\$5.5 million) rescue effort for Mumias, the country's biggest sugar mill, which is technically bankrupt and due for receivership. Mumias is a leading employer in Kakamega (western Kenya, an opposition stronghold) and local political leaders had appealed to Kenyatta to rescue it from bankruptcy. A late-February parliamentary report has said that Kidero should take 'full responsibility for the fraudulent transactions' at Mumias, according to the Kenyan press.

The government will contribute Ksh1 bn. to the bailout while some Ksh4 bn. is expected to come from a rights issue in the Nairobi Securities Exchange where Mumias is listed. But the plan is unlikely to work, sources close to the deal say. Some 80% of the shares are in public hands. A KPMG forensic audit report estimated it will require Ksh13 bn. to put the firm back on its feet, and shareholders, who have been selling the shares at a huge loss, are unlikely to put in more money under the rights issue.

REASONS TO SPEND

More so than in the past, Kenyatta is now occupied with the affairs of every ministry, picking up what he says are priority projects for the people, launching them sometimes without prior knowledge of ministers concerned. This impetuous style could put a strain on the national budget, especially because growth in tax revenue has in the recent past been slower than projected. To slow down the country's expanding public sector deficit, the International Monetary Fund (which recently approved a \$700 mn. loan to Kenya) would like taxation increased, and 'non-priority' expenditure cut. Undaunted, Kenyatta keeps finding reasons to spend.

On 7 February, he and Ruto launched a project providing state-of-the-art

medical equipment to 94 hospitals countrywide (two per county) to be leased from **United States, Dutch and Italian** multinational corporations, at Ksh38 bn. a year. Only Ksh3 bn. has been budgeted for the project. All 47 county governors boycotted the ceremony after neither they nor health ministry staff were consulted about the project.

But not all presidential decisions require additional budget funds. Some are policy reversals. Early last year, Kenyatta met open-air furniture makers at Dagoretti Corner in Nairobi and asked them to stay put and defy a planned eviction to make space for a new road from downtown Nairobi to Karen, funded by Japan. The project has now stalled. While the housing ministry had planned for new houses and roads in the Kibera slum, Kenyatta and devolution minister **Anne Waiguru** personally led the National Youth Service in cleaning

drains, building toilets and erecting lighting. Kibera will now be well-drained and well-lit, but still a slum. Kenyatta has also reversed transport ministry policy to phase out 14-seater matatus and suspended orders to eliminate graffiti and art on the buses because, he said, banning graffiti will deny the youthful artists work. Public transporters have imported more minibuses causing even more traffic jams – the opposite of what the reform intended.

Kenyatta clearly enjoys action, the common touch, and disdains plans and long policy documents. Much of the frenzied action is about the 2017 election, some say, with projects designed to give the party incumbents the advantage. The medical equipment targets non-communicable life-threatening illnesses affecting the growing middle class, even though medical planners had insisted on more spending on communicable

diseases that affect most Kenyans such as malaria, tuberculosis and HIV/AIDS, and extended child vaccination programmes.

The problem for the new party is that some of the presidential initiatives will backfire. Although Kenyatta accompanied General **Julius Karangi**, Chief of the Kenya Defence Forces, to the arid region of North Rift in November to combat insecurity after the massacre of 21 policemen by armed bandits, this has not stopped conflict between the Turkana, Pokot and Samburu peoples. Kenyan newspaper columnists have been near unanimous in denouncing the proposed AU Court of Justice, and there is a real possibility that Mumias could be a perpetual drain on the treasury.

Whatever happens, Kenyans are sure of one thing: Uhuru Kenyatta is likely to make a new pronouncement, launch yet another project to correct the wrongs and move on to more action. ●

LIBERIA

State's oil role under fire

Amid criticism for a lack of transparency, the oil industry is still dogged by corruption claims

December's law governing the oil sector has not prevented it from attracting the attention of the Liberia Anti-Corruption Commission (LACC). Ten arrest warrants were issued late last month over allegations of corruption at the National Oil Company of Liberia. They date back to 2006 and one is for Senator **Albert Chie**, a former member of the Nocal Board (AC Vol 55 No 18 & Vol 46 No 17). Many of the claims of illegality stem from the widespread practice of bribing members of parliament to vote the 'right' way and from individuals taking stakes in exploration licences.

Two recent cases reflect current problems. Both concern claims that MPs improperly received or disposed of government money, and in both cases, the LACC is having trouble getting answers from obstinate officials. The nation's desperate need for cash to fund the recovery from the Ebola epidemic and its economic consequences seems to have prompted the government to move quickly to seek parliamentary approval for a lucrative production sharing agreement (PSA) last December (AC Vol 55 No 22).

The leading bid for the Block 16 offshore licence came from a joint venture headed by an Arizona-based independent, Liberty Petroleum Corporation. It holds 90% of the licence while Pillar Oil Limited of **Nigeria** and Liberia's New Millennium

Oil and Gas Incorporated have 5% each.

Nigerian oilman **Spencer Onosode** is on the board of both Pillar and New Millennium. He comes from a long line of Nigerians in the oil business and is son of **Gamaliel Onosode**, a former presidential candidate and head of the Nigeria Acceptances Ltd. (NAL), Nigeria's first merchant bank (AC Vol 45 No 13). On his website profile, another Millennium Director, **Philip C. Parker**, boasts of a relationship with President **Ellen Johnson-Sirleaf**.

The London-based advocacy organisation Global Witness has criticised the New Millennium Chairman and Chief Executive Officer, **MacDonald A. Wentto**, for his involvement. GW says that two logging companies which Wentto part-owns already owe the state US\$11.7 million in tax. On the Millennium website, Wentto says both companies 'have not only become industry leader but scandal free in such a high risk [risk] and disreputable Liberian Forestry Sector.'

Liberty Petroleum's President, **Lane Franks**, told *Africa Confidential*, 'We have certain remaining obligations and financial guarantees that have to be met before Nocal can, in good faith, recommend our production sharing contract on to final presidential approval and handbill publication.' He said these included a \$250 mn. financial guarantee, a letter of credit for a signature bonus of

\$10.5 mn. and a \$15 mn. fee for the use of seismic data. The recent sharp tumble in the global oil price was one reason Liberty had not progressed to final presidential approval of the PSA, he said, adding that the economic climate might also explain why three other blocks for which bids had been solicited in late 2014 had received no offers.

Press reports that the executive paid legislators to approve the Block 16 contract were lent weight by the appearance of a copy of a cheque made out on the Senate account at the Central Bank of Liberia to Senator **Sando D. Johnson**. The cheque, for \$31,000, was dated 18 December, the same day that Parliament approved the contract. It was the Legislature's final day in session of 2014.

Johnson has claimed that the cheque was a payment for additional work which he and all other Senators performed outside the ordinary parliamentary term, which stretches from early January until the end of August. The Ebola crisis meant that legislators sat in session during the 'agricultural break', as the four-month recess is known. The rules concerning their remuneration are not publicly available and consequently it is difficult to verify what sums ought to have been due. However, the sum for senators this year was \$20,000, made in two separate payments of \$10,000, AC hears.

The LACC wrote to the Central Bank to request information about the payment but has not received a response, a Commission source said. There is no suggestion that, if an illicit payment were made, Liberty was responsible. The Monrovia Parliament has not responded to requests for comment.

A separate case concerns funds

that Parliament received in 2013 for consultations with constituents over the proposed new oil law. This has recently received attention for two reasons. Firstly, a former Nocal consultant and suspect in the case who became a cooperating witness, lawyer **Michael Allison**, died in February under circumstances which police have not yet fully investigated. Secondly, the Speaker of the House of Representatives, **J. Alex Tyler**, and his Deputy, **Hans M. Barchue**, have protested about calls for them to attend meetings with the LACC over the case. Tyler has used his powers to remove several critics from committee positions in the Legislature. The House of Representatives received \$900,000 from the government for the consultations, according to a statement by Barchue seen by AC. In it, he questioned claims, which have appeared in the press, that the Legislature received up to \$1.2 mn. and

that the money came from Nocal.

Regardless of the origin of the money or its precise amount – the questions on which comments by Tyler and Barchue have focused – it is highly unlikely that they could have cost anything like \$900,000, says a source familiar with the consultations. The LACC has asked Barchue and three other MPs to attend an interview and to produce receipts for what they have spent.

Allison had claimed to the LACC that he and two other lawyers were paid in 2014 to produce an amendment to the draft oil law. It is claimed that the expenditure for their fees did not follow proper procedures for the award of public sector contracts. The origin of the money is unclear but it may have been a part of the sum paid to the Legislature for the consultation.

Allison, the son of **Gray Allison**, Defence Minister in **Samuel Kanyon**

Doe's regime, was arrested shortly after meeting Barchue at a Monrovia hotel. He was paid at the meeting and subsequently cooperated with the LACC, the Commission said. It has asked Tyler to meet it concerning this aspect of the case.

Allison was walking on the beach with a female friend late on 12 February when he decided, she said, to go for a swim. That stretch of water is not understood to be dangerous but Allison got into difficulties. By the time someone reached him by boat, he was dead, apparently drowned. A friend of Allison's told us that in the weeks before his death, Allison had feared for his life as a result of his decision to cooperate with the LACC. His friend, an anti-corruption activist, said that his death had made others with knowledge of potential wrongdoing wary of speaking out. The climate for whistleblowers is not favourable. ●

NORTH AFRICA

A new flag in North Africa

After capturing areas to rule over in Iraq and Syria, IS finds jihadist groups flocking to its banner, including in the Maghreb and Sinai

New Islamist groups in the Maghreb are now joining those which have already declared their affiliation to 'Islamic State' (IS or *Da'ish*). The governments in conflict with the jihadists sometimes exaggerate the threat IS poses to attract sympathy and help, which makes assessments of its true strength difficult. It is also often hard to distinguish whether a group has simply changed its name to ride the IS bandwagon or has organisational links with its parent body, IS in Iraq and Shams/Levant (ISIS/ISIL; AC Vol 55 No 21).

The progress of IS into North Africa is not unexpected. The region has been a major source of foreign fighters travelling to Iraq and Syria to join IS over the past year. Now the 'Caliphate' is sending its own ideological leaders and commanders to consolidate its gains on the continent.

LIBYA

Libya provided many young men for the fight in Syria in 2014 but this year, IS is making a serious intervention in the country by dispatching the **Bahraini** Sheikh **Turki al Banali**, one of its core leaders and the official biographer to 'Caliph Ibrahim', aka **Abu Bakr al Baghdadi** and once known as **Ibrahim ibn Awad al Samarrai** (AC Vol 55 No 19). As well as recruiting militiamen, Al Banali's mission, *Africa Confidential* understands,

will be to convince Libyan jihadists who had already sworn the supposedly eternal religious oath of allegiance known as *bay'ah* to *Al Qaida*, that they can safely switch allegiance to IS without violating Islamic precepts. In other words, IS is taking over from AQ.

Also sent to Libya was IS Commander **Abu Nabil al Anbari**, aka **Wissam Abdel Zubaidi**. This Iraqi former policeman was a fellow inmate of Al Baghdadi in the former **United States** Army detention centre Camp Bucca, at Umm Qasr, Iraq. He has considerable experience, having led the IS attack on the late President **Saddam Hussein's** home city, Tikrit, and served as an IS Governor. IS already has a considerable presence in Libya, where it claims to have established three *wilayat*, or provinces, in what it calls its Islamic state: Wilayat Tarabulus (Tripoli) in the west, Wilayat Barqa in the east and Wilayat Fezzan in the south. So far, the Derna-based Wilayat Barqa appears to have gathered the most support and has firm control over a number of key residential neighbourhoods in the town which was the centre of militant Islamist resistance to the late Colonel **Moammar el Gadaffi**. It is governed by a council of Islamist groups, of which IS is now foremost.

Formerly known as the *Majlis Shura Shabab al Islam* (Islamic Youth Consulting Council), Wilayat Barqa was first declared

an official IS branch in October and now has a leader appointed by Raqqa, the IS 'capital' inside Syria. This is Sheikh **Mohamed Abdullah**, aka **Abu al Baraa al Azdi**, originally from Yemen (or Saudi Arabia). The group has imposed itself in the town by enforcing rules that include a ban on smoking tobacco.

On 20 February, it claimed responsibility for a series of bombings in the nearby town of El Qubba that left over 40 people dead in 'retaliation' for air-strikes by Egypt and the Libyan government on its neighbourhoods (AC Vol 56 No 5). The military successes of 'Operation Dignity's' General **Khalifa Haftar** against the late **Mohamed el Zawahi's** jihadist *Ansar el Sharia* militia in Benghazi have inadvertently helped IS (AC Vol 55 No 24). When Haftar's forces killed El Zawahi, a rival of IS was removed. There were then signs that the scattered remnants of the jihadists in Benghazi went to join Wilayat Barqa, making it the strongest Islamist force in the east.

IS may not have quite the strength in western Libya that it does in the east but its Wilayat Tarabulus province, declared in November, is now a formidable local force and on 12 March, it claimed responsibility for a major explosion outside a central Tripoli police station. It regularly drives through the city of Sirte in large armed convoys bearing the IS flag and residents reported on 19 February that it had seized Sirte University. On 22 February, it went on to attack the **Iranian** Ambassador's residence in the capital and has now taken Sirte's Ouagadougou conference centre as an operations base.

South of Sirte, IS Wilayat Tarabulus fighters attacked the El Mabruk oilfield on 4 February, beheading several workers (AC Vol 56 No 5). There are signs that

other militias are beginning to recognise the threat IS poses in Sirte. Misurata's powerful Brigade 166 backed the *Libya Fajr* (Libya Dawn) militia in clashes with IS forces east and west of Sirte on 14 March. These skirmishes, however, are a long way from the city centre, where IS is holed up.

For four years, Libya has been a centre for intelligence agencies from as far afield as the Gulf, **Turkey** and the USA. Yet despite their governments' efforts to bring in a regime more favourable to their own respective interests, little has come but a breakdown of centralised order from which IS has begun to profit. There are, however, two tendencies exaggerating the strength of IS in Libya. The first is IS itself and the second is anti-Islamist forces inside and outside Libya, primarily Gen. Haftar and the Egyptian government. They have a vested interest in representing any Islamist-leaning force as IS itself. Yet, the intelligence available indicates that outside Iraq and Syria, IS has no stronger affiliates than in Libya.

ALGERIA

IS has acknowledged the existence of two separate jihadist groups in **Algeria**, both of which were at one time headed by a veteran fighter with the pedigree to serve the group's goal of regional expansion. They thought Algeria was ripe for the plucking and that a secular government had grown sclerotic and ineffectual. Also, *Al Qaida* in the Islamic Maghreb had a presence in the country's south but largely failed in its goal of sustained attack on the Algerian state. It was from AQIM that one IS-linked group emerged, *Jund al Khilafa* fi

Ard el Jazair (Army of the Caliphate in the Land of Algeria). It was the first group to pledge *bayah* to IS, switching from AQIM. It was led by a former AQIM leader, **Abdel Malek Gouri**, aka **Khalid Abu Suleiman**, previously a follower of AQIM boss **Abdel Malek Droukdel** (AC Vol 51 No 19).

IS made its mark by kidnapping and then beheading **French** tourist **Hervé Gourdel** in September 2014, on the orders of its influential spokesman **Abu Mohamed al Adnani al Shami**. The Algerian military went on the attack and a major force located and killed Gouri in late December. The delighted Algerian authorities made great play of the killing and gave Gouri a post-mortem death sentence in February. Nothing has been heard from *Jund al Khilafa* since. One other Algerian group, the *Katibat el Hoda* (Brigade of Right Guidance), has declared *bayah* to IS Caliph Baghdadi, putting forward **Kamal Abu el Qazan** as its leader. It has thus far shown little sign of its presence.

TUNISIA

Western intelligence sources last year listed **Tunisia** as the single largest source of IS foreign fighters in Iraq and Syria, ahead of Libya and even Saudi Arabia. Despite this, IS has not yet announced the establishment of a formal 'IS province' on Tunisian territory. The closest it has come is a pledge of *bayah* in September from one of the country's most notorious extremist militias, the *Katibat Uqba ibn Nafi*. Another network once loosely associated with AQIM, the *Katibat* has claimed responsibility for a string of attacks on Tunisian military and checkpoints.

The main jihadist force in southern Tunisia is still **Abou Iyadh's** group *Ansar el Sharia* which, like other *Ansar* affiliates, has shown no sign of obeisance to the IS 'Caliph' (AC Vol 55 No 16). One faction of the *Katibat* however has rebranded as the 'Emirate of Kairouine', a name used for the whole country, not just the city of Kairouan, and taken on the IS flag. Last November, *Katibat* leader **Khaled Chaieb** (a friend of Droukdel) called for Libyan and Tunisian fighters to return from Syria to support its operations in Tunisia. There is little sign of this call being heeded or that the group is prevailing against the *Ansar*, which are responsible for the attacks in Jebel Chaambi and Kasserine (AC Vol 55 No 16).

MOROCCO

The government claims to have broken up IS recruitment 'cells' almost every week. The kingdom has been a major source of fighters for jihad in Syria and Iraq but the rate at which such cells are seized is scarcely believable. The Palace has a history of stretching the truth to boost its international security credentials.

There are no signs of any IS group, let alone province, in **Morocco**. One possible reason is that all Moroccans must pledge *bayah* to King **Mohammed VI** himself. Loyalty to the sovereign in person has been reaffirmed on 30 July every year since 1962 and squeamishness about breaking *bayah* serves as one form of antidote to IS establishing a real presence in the country. The existence of a governing coalition led by the Islamist *Parti de justice et développement* could be another obstacle. ●

EGYPT

Sinai militants rebrand

The army is claiming major success against Islamists in the peninsula but the newest affiliate of IS may be doing better than Cairo claims

Sinai's leading jihadist organisation, *Ansar Beit el Makdis*, publicly declared its affiliation to the 'Islamic State' (IS/*Da'ish*) and its 'Caliph' **Abu Bakr al Baghdadi**, last November and now goes by the name Wilayat Sina (Sinai Province). The IS influence shows mainly in broadcasting videos of beheadings, in the style of chanting and in the black flags. While other changes of tone are evident (see Box), violence is still the main tactic.

An army officer gunned down at a checkpoint near the border town of Rafah on 11 March was the latest victim of the sporadic attacks. The day before, another officer was killed in a bomb explosion

south of El Arish and an attack with an explosive-laden truck on a military camp was only narrowly averted. The army says it has the Islamists in retreat but with no foreign journalists allowed in the area, and intimidation and disinformation affecting the local media, the true picture is hard to find.

A Wilayat Sina commander told Reuters last month that his forces had been badly hit, and civilians said the Islamists were barely visible. Yet local residents contested that when speaking to *Africa Confidential* this month. One man said he had travelled from El Arish to Rafah along the parallel desert route – the military has closed the main road

– and passed through four militant checkpoints. At one, the fighters videoed proceedings and took note of travellers' names and identity card numbers on a laptop computer.

Unlike IS in Iraq and Syria, the Sinai militants cannot hold large areas of land against the military. However, they can operate largely at will in the sparsely populated areas to the east of El Arish, including Rafah and Sheikh Zuwayed, manning checkpoints and executing suspected informers (AC Vol 55 No 17). They are most active on Fridays, when the military tends to rest, one local said. 'I'd never seen them in that area before but I've seen them in the last few months,' he said. 'I think they are getting stronger. They are still getting human reinforcements. Groups joining, not just individuals, because of what the army is doing.'

The sometimes indiscriminate military retaliation, if not actively recruiting militants to the black banner,

does little to make the insurgents unpopular. It is said locally that Wilayat Sina now has geographically organised units covering Rafah, Sheikh Zuwayed and El Arish. The group claimed that 100 of its militants were involved in attacks across the area on 29 January that killed at least 32 people (AC Vol 56 No 5). There have been no comparable attacks since, however. Although at least two experienced former soldiers are believed to be working with the group, it seems to be able to stage major attacks only infrequently, especially outside the small area of North Sinai where it typically operates.

CAIRO'S NEW MILITANTS

If Wilayat Sina does not have the capacity to operate outside its North Sinai redoubts, there is a new breed of Islamist activists who have increasingly turned to techniques such as bombing and arson west of the Suez Canal who do. An enormous sense of injustice prevails among young Islamists since around 1,000 of their number were killed in August 2013 in the military crackdown following ex-President **Mohamed Mursi's** removal. The lack of any avenue for change through demonstrations, now impossible, or elections – repeatedly postponed – has fuelled terrorist tendencies.

Figures from the risk analysis consultancy Verisk Maplecroft show that the number of terrorist attacks in

NEW NAME, NEW TACTICS

The tactics of *Ansar Beit el Makdis* have changed with its affiliation to Islamic State and its re-branding as IS Wilayat Sina. Firstly, it has adopted media design and direction from IS in Syria and begun to refine its use of visual propaganda. It also adopted a jihadist *nasheed* (chant) in the style of IS called 'Land of Sinai'.

As well as attacking the Egyptian security forces, it is now engaged in *dawa* activities, such as proselytising for Islam, distributing money and providing social services. It has also, it claims, halted drug- and people-smuggling (fund-raisers for many jihadist groups), in line with its pledge to the 'Caliph', who has banned such activities.

On 7 January, it distributed funds to residents of Rafah, where the military has demolished all the homes within 800 metres of the border with Gaza in a bid to stop smuggling in and out of the Gaza Strip. The Egyptian government, which for over 18 months has been engaged in a bloody war against the Muslim Brotherhood, has latched on to the declaration by *Ansar Beit el Makdis* of support for IS with glee. It happily brackets the Muslim Brotherhood with IS and says they are working together to make Egypt as chaotic as Libya. ●

Cairo and Giza tripled from 35 to 107 in the year from end of February 2014. The death toll fell from 31 to 26. This suggests more militants but fewer skills, possibly accounted for by the security forces rounding up the more experienced ones.

Minor explosions, which often kill no one, have become a fact of Cairo life in recent weeks. A Research Associate at the Centre for American Progress, **Mokhtar Awad**, who studies the emerging movement, says that, according to interviews he has conducted, 'There are mid-level [Muslim] Brotherhood leaders and members who are directly involved

in the violence. We simply can never know due to the group's secrecy if they are acting as another would-be secret apparatus or doing this on their own.'

The activists, working through groups such as the Popular Resistance Movement and Revolutionary Punishment, are encouraged by **Turkish**-based television channels such as *Misr Alaan*, which frames the attacks as 'resistance'. The channel is funded and controlled by the Brotherhood, according to press reports, and two senior leaders of the group who spoke to Awad. 'The turn to violence is serious and shows no signs of waning,' he said. ●

SOUTH AFRICA

BEE worsens mining outlook

The mineral sector is already weak but intricate deals for ANC favourites are also sapping foreign enthusiasm for investment

Black Economic Empowerment (BEE) mining deals are becoming more lavish and opaque, skirting the law and enriching insiders, industry observers say. The arrangements also carry reputational risks for international mining companies and that is taking its toll on confidence. Investors see the willingness of the governing African National Congress to intervene in the market, and the increasing cost and volatility of labour, as further risks. The net result is that many are deferring investment or quietly leaving the country.

Some 26% of all mining companies' shareholdings must be owned by black South Africans and each firm must source 40% of goods and services from black-owned suppliers. The Department of Mineral Resources supervises the

arrangements and has wide discretionary powers to grant mine licences and to decide whether BEE schemes comply with the Mining Charter. The DMR is no neutral arbiter: it creates specific BEE deals, strong-arms companies into deals, selects insider consortiums and maintains lists of potential recipients of BEE largesse (AC Vol 55 No 18).

Massive transfers of wealth at no cost or risk may become the template for BEE deals in return for mine licences. A model previously based on BEE beneficiaries having to buy shares – under heavily subsidised conditions but shouldering some risk – has given way to a straightforward exchange of payments to BEE partners in exchange for the granting of licences. A precedent was set in 2010 with the granting of a licence to Gold Fields Limited for its South Deep

mine. That was overseen by the then Mineral Resources Minister, **Susan Shabangu**, and involved an immediate pay-out to empowerment partners of 73 million rand (US\$6 mn.).

Previously, BEE shareholders might have had to wait for up to 20 years for their first dividend payment. The ANC's National Chairperson, **Baleka Mbete**, who is also Speaker of the National Assembly, was one of those to benefit through an empowerment structure called Invictus Gold (AC Vol 54 No 20). Others involved include President **Jacob Zuma's** lawyer at the time of his rape trial in 2006, **Jerome Braun**; **Limpho Hani**, the Lesothan-born widow of the South Africa Communist Party (SACP) leader **Chris Hani**; **Mandl'esilo (Mandla) Msimang**, a daughter of ANC former Treasurer General **Mendi Msimang**; and the former Springbok rugby player, **Ashwin Willemse**.

Because of Gold Fields' New York Stock Exchange listing, its South Deep deal is now the subject of a **United States** Securities and Exchange Commission investigation into whether it had a material impact on shareholders, whose representatives have claimed it

cost them R2.1 billion. The deal was facilitated by **Gayton McKenzie**, a convicted bank robber and founder of the Patriotic Alliance Party. He was paid R1.5 mn. per month to help to obtain a mining licence for Gold Fields, whose board included **Mamphela Ramphele**, later its Chairperson (Vol 55 No 5). Ramphele, widow of activist **Steve Biko**, later resigned to establish the Agang political party to contest the 2014 general elections. She accused the government of threatening to deny the company a mining licence if it did not approve the list of Invictus Gold BEE partners (AC Vol 55 No 3). The DMR denies that, although Gold Fields' Chief Executive Officer **Nicholas Holland** later publicly conceded that the DMR had dictated the structure of the deal.

The government is demanding faster progress on BEE from mining companies. At the annual Mining Indaba in February, Mineral Resources Minister **Ngoako Ramatlhodi** vowed to step in and assist companies that fail to meet targets. It is three months since December's deadline for 26% black ownership expired. Empowerment audits are a source of dispute over discretionary power and data interpretation. Mining giant Anglo-American insists that its role be recognised in spawning South Africa's most successful BEE mining companies, Exxaro, Harmony Gold and African Rainbow Minerals. They were born from divisions of Anglo and the Board does not want any further BEE inroads in its ownership structure.

THRESHOLDS

Empowerment has become a fraught issue for mining companies since the government rejected the 'once empowered, always empowered' principle. It takes the view that if a BEE partner sells his or her share in the company, the 26% black stake has to be built up again. In 2012, collapsing equity prices led BEE entrepreneurs **Tokyo Sexwale** and **Lazarus Zim** to sell their shares in Northam Platinum, leaving it with only 4% black ownership, after which another BEE deal was imposed on it. Northam then paid R400 mn. to BEE partners to own their shares through a long-term lock-in to provide security over BEE thresholds.

The donating of shares to BEE partners, on top of payments to own them and without contributions of capital or shared risk, was unprecedented. Mining companies and the local business press have been largely silent about the rent-seeking and the reputational damage to the country from these deals, with the exception of the satirical publication *Nosweek* and the veteran lawyer-turned-mining journalist **Barry Sergeant**.

Foreign mining companies are wary of BEE deals and the legal and reputational risk in their home jurisdictions but they have little choice if they wish to continue operating in South Africa. BHP Billiton has reluctantly participated in BEE transactions that have raised eyebrows, starting with the sale of its Billiton Energy Coal South Africa (BECSA) Ltd. to Optimum Coal, a BEE consortium led by **Eliphus Monkoe**, previously its Chief Operating Officer. An 18% stake in Optimum valued at R1.6 bn. went to an off-shore entity, AMCIC Warrior Mauritius Ltd., in a transaction that may have violated South African foreign exchange laws by facilitating the export of capital. AMCIC Warrior Mauritius, whose beneficial ownership is unknown, later sold its entire stake in Optimum.

DOWNWARD SPIRAL

The mining sector remains in a downward spiral, following a lost decade in which it failed to grow or take advantage of a commodity boom. Despite mineral reserves estimated to be among the richest in the world, at \$3.3 trillion, and unparalleled advantages in infrastructure, corporate governance and a sophisticated financial sector, investors have been bypassing South Africa and seeking better profits elsewhere on the continent. The risks of opaque BEE deals and the renewed trades union militancy which is driving up labour costs is compounded by new legislation. The Mineral and Petroleum Resources Development Bill, which was recently returned to Parliament for further review, grants the state a far larger role in mining, including intervention on pricing for 'strategic' minerals, draconian punishments for breaching price and export controls or failing to promote 'optimal economic growth', a lack of clarity on BEE and wide discretionary powers for the state.

The Chamber of Mines supports passing the Act as it stands rather than risk damaging amendments that might follow further debate. Of greatest concern is a discounted mine-gate pricing regime designed to subsidise local manufacturing and beneficiation, a policy the ANC strongly supports. This is an initiative by the Department of Trade and Industry under its Minister, SACP leader **Rob Davies** (AC Vol 54 No 5). Investors believe that more and more economic intervention is taking place and the SACP is behind it.

Also of concern are proposals for a new 'National Champion' mining company that would be state-owned but privately managed, and might house unwanted assets disposed of by larger firms. Investors' fears are fed by other laws in the pipeline, such as the Promotion and

Protection of Investment Bill, which runs counter to several bilateral investment guarantee treaties with European Union countries. The Expropriation Bill and measures to limit foreign ownership of land are also causing concern (AC Vol 56 No 4).

Some large mining multinationals are trying to leave South Africa without creating a major fuss. They are selling assets, moving them into new, non-core, holding entities where their control and liability are indirect, and deferring further investment. BHP Billiton, once thought to be half South African through the 2001 merger of the local firm Billiton with Australia's BHP, is to place its remaining South African assets in a new company, South 32, but it denies that it is formally divesting.

Rio Tinto now holds only one South African mine, Richards Bay Minerals, while large US and Canadian mining houses and Brazil's Vale have no significant presence. Glencore Xstrata, whose controversial investment in Congo-Kinshasa underlines its taste for risk in difficult jurisdictions, remains engaged, though even it is cutting costs and investment during the commodity downturn (AC Vol 53 No 5).

The exit of Western multinationals under stronger obligations to observe good practice and their laws at home is opening room for less constrained operators from China, India and Russia.

HOLDING OFF

Local multinationals, such as Anglo-American, are also holding off investment. Anglo is still the largest mine-owner, despite its London headquarters and its diversification abroad, where 63% of its assets are now located. It is selling part of its platinum division, which some analysts think may no longer be viable. The company is smarting from an investment bank assessment that valued it at the price only of its foreign assets, thus effectively judging the South African division to be worthless. Analysts have long urged it to put South African assets into another company, to remove the discount it imposes over the entire group.

The present hollowed-out sector represents the previously unthinkable: that South Africa is no longer a tier-one mining jurisdiction. No mining companies with international reach and expertise are domiciled there or use it as a springboard for their regional operations. Investors are reducing investment or are closing mines, part of a wider withdrawal of foreign investors. For mining companies, it is now a more typical African country, but without the lucrative premiums they can offer. ●

SOUTH SUDAN

To publish or be damned

The African Union faces growing demands to release its no-holds-barred report detailing the role of top officials in ethnic killing

As regional authorities struggle to break South Sudan's political impasse with yet another round of peace talks planned for Addis Ababa next month, the African Union faces an acute dilemma. Should it publish the report of its Commission of Inquiry into abuses committed in the current conflict and risk scuppering those talks, seen by many as a last hope for peace in the short-term? Or should it continue to sit on this unusually forthright report and be accused of covering up abuses and bowing to regional political pressure? Although a draft of the COI's report was leaked early this month, the AU has disowned it and says it has not yet taken a decision on whether to publish its final version of the report.

At January's AU summit, its Peace and Security Council (PSC) decided to 'defer consideration' and the COI Chairman, **Nigerian** ex-President **Olusegun Obasanjo**, was not given an opportunity to present the report as expected.

A coalition of 76 human rights organisations has been lobbying the AU to reconsider, stressing that the Juba government 'has made no credible efforts to hold accountable individuals responsible for crimes under international law and other serious violations and abuses of international human rights law'.

If the final version bears any resemblance to the apparent draft, the PSC's reluctance to publish is understandable. It gives detailed insider accounts of the quarrels within the kleptocratic leadership of the governing Sudan People's Liberation Movement (SPLM) and the armed forces, the Sudan People's Liberation Army (SPLA). Most importantly, it criticises leaders at the highest level for promoting ethnic violence for political gain following national Independence in 2011. It is these leading officials, including President **Salva Kiir Mayardit** and sacked Vice-President **Riek Machar Teny Dhorگون**, that the AU and the Inter-Governmental Authority on Development (IGAD) are trying to corral into a power-sharing deal to end the fighting that has cost over 50,000 lives in the past 15 months.

The five-member Commission, which the PSC appointed in March 2014 to investigate human rights violations and recommend how to 'ensure accountability, reconciliation and healing among all South Sudanese communities', comprises

political heavyweights, able to elicit remarkable testimony from senior figures. Several of those quoted in the draft are known to *Africa Confidential* and, as with Khartoum's leaked documents last year, the speech patterns look genuine (AC Vol 55 No 20). On 16 March, though, AU Commission Chairwoman **Nkosazana Dlamini-Zuma**, declared, 'The Chairperson wishes to state categorically that the so-called "report" that is said to have been leaked is NOT that of the Commission of Inquiry'. That will not convince many South Sudanese.

Obasanjo's fellow members on the COI

were Justice **Sophia A.B. Akuffo** (Ghana), President of the **Tanzanian**-based African Court on Human and People's Rights; **Bineta Diop** (Senegal), the AU Chairperson's Special Envoy for Women, Peace and Security; Professor **Mahmood Mamdani** (Uganda), Executive Director of the Makerere Institute of Social Research who has written widely on the use of ethnic violence for political gain; and Professor **Pacifique Manirakiza** (Burundi), Commissioner at the African Commission on Human and People's Rights.

The main recommendations in the draft are highly controversial: that all senior government members prior to July 2013 be excluded from any future transitional administration and that the country should effectively be ruled as an AU trusteeship for the near future. Although they may well be watered down in the final report, the forthright testimony of senior officials cannot now be unsaid.

BLURRED LINES AND CHILD SOLDIERS

A programme backed by the United Nations Children's Fund (Unicef) to demobilise child soldiers could be doing the opposite: prompting more abductions of children. It started so well. The integration of **David Yau Yau's** Cobra Faction into the regular army provided an opportunity to rescue hundreds of children from conflict, a good news story to help raise funds for education for some of the world's hardest-to-reach communities.

Unicef estimates that South Sudan's many factions have recruited some 12,000 under-age combatants since conflict erupted in December 2013, while a further 400,000 children are no longer at school. It counts anyone under 18 involved with the military as a child soldier, including cooks and porters, although only recruiting under-15s constitutes a war crime. Children make easy prey for militia leaders wanting to swell their ranks and hoping donors will pay for education and other services after demobilisation.

The Shilluk militia under Major General **Johnson Olony Thobdak** is accused of abducting hundreds of schoolboys. It was once allied to Yau Yau and President **Salva Kiir Mayardit** accused **Sudan** of backing it. After 2013's amnesty, Olony's forces began integration into the Sudan People's Liberation Army but remain largely independent.

As the present conflict is partly driven by demobilisation and disarmament issues, amid shifting alliances, proxy warfare and unresolved issues from the 2005 Comprehensive Peace Agreement, the proliferation of militias and splinter groups is not surprising.

This has been amplified by forming the semi-autonomous Greater Pibor Administrative Area in the largely Murle areas of south-east Jonglei under last year's settlement with Yau Yau's Cobra Faction. In Pibor and Pochalla, the GPAA supposedly helps to include previously marginalised groups but sets a potentially dangerous precedent (AC Vol 54 No 16).

With little cash to pay its own soldiers, a government now depending on short-term **Chinese** loans is unlikely to pay the GPAA to provide schools where few existed. The prospect of additional donor funding might further inflate the numbers of 'demobilised' children.

At the last mass child disarmament in 2001, nearly one in ten children was discovered to have had no military involvement. They were in the demobilisation process in the expectation of receiving education in a country where only 10% finish primary school. Nearly one in three hadn't held a gun prior to being given one for the disarmament ceremony, a survey found afterwards.

Unicef says Cobra agreed to demobilise 3,000 children. It is difficult to know how many it actually had or how many were soldiers. To date, only 500-600 have been handed over.

Under-age recruitment would never be addressed while there was such 'an overriding degree of impunity', Human Rights Watch told AC. Until commanders are sanctioned, rather than perceived to be rewarded, for such abuses, they are likely to continue. ●

The interviews indicate a degree of premeditation in the events of December 2013. They say that the violence was due neither to a misunderstanding among members of the Presidential Guard nor to an attempted coup, as President Salva and his allies claimed at the time. Instead, the interviewees say the ensuing clashes were a deliberate attempt to settle long-standing grievances between Salva and his political rivals, following a breakdown of relations within both the presidency and the SPLM (AC Vol 55 No 1).

The Commission identified two separate bouts of killing: the initial December 2013 attacks, almost exclusively against Nuer people in Juba, and then revenge attacks by Nuer against Dinka across Greater Upper Nile. Although both sides are deemed culpable, the draft report is far more damaging to General Salva as it suggests he deliberately orchestrated actions in the months leading to the dénouement on the night of 15 December, ignoring warnings of the trouble that would follow. Sacked Vice-President Riek, who mobilised thousands of troops who rampaged through Upper Nile and Unity states, is presented as largely reacting to events and scarcely in control of his own military forces, still less of the marauding armed Nuer civilians of the White Army, whose appalling abuses the Commission graphically catalogues.

Most telling is the evidence of senior military and security officers: Defence Minister **Kuol Manyang Juuk**; the Inspector General of Police, Lieutenant Gen. **Pieng Deng Kuol**; the Chief of Staff in December 2013, Gen. **James Hoth Mai**; and the former head of Military Intelligence, Major Gen. **Mac Paul Kuol Awar** (AC Vol 54 No 3). Together, they paint a picture of the breakdown of command and control of the military into personal fiefdoms and largely blame the initial killing in Juba on a militia recruited by supporters of the President, which launched its killing spree after he claimed on television to be fighting off an attempted coup.

The report suggests that Salva and his immediate followers had been pressing for a showdown all along, recruiting a loyalist militia largely formed of Dinka from Bahr el Ghazal to offset the Nuer majority in the SPLA and especially in the Tiger Battalion, the Presidential Guard unit garrisoned in Juba. Witnesses also described how they had tried to persuade him to avoid a confrontation that would inevitably lead to the national army, the SPLA, fracturing along ethnic lines.

TATTERED BIG TENT

Hoth Mai, a Nuer widely credited with keeping many Nuer troops loyal to the government, lamented that Salva's 'Big Tent policy' of welcoming anti-SPLA

militias had ultimately failed, despite being considered a success by the international community: 'We did not build a national army,' but one composed of former guerrillas and of militias that had fought for the Khartoum government. 'Before CPA, in 2003, we integrated four or five different factions that had been fighting us, for example that of **Lam Akol [Ajawin]**. On 8 January 2006, after CPA, we integrated different forces under the command of General **Paulino Matip [Nhial]**.' The AU report adds, 'That Paulino Matip, an illiterate person, could be the deputy commander of the national army, is itself a comment on the nature of this formation.' Hoth also stresses the lack of education: 'Most of these militias are illiterate – led by illiterate major-generals'.

'It was like dealing with NGOs, all with their own leadership, each sponsored by a different country,' Hoth went on. 'We tried to demobilize them, but that was difficult. You cannot demobilize someone who has a gun. You give him money under DDR [Demobilisation, Disarmament and Reintegration]. When the money is finished, he will go back to the bush.' This has implications for any future agreement.

TOO MANY GENERALS

Hoth said he couldn't judge the actual number of soldiers in the SPLA but there were far too many senior officers: 'Three four-star generals, including the President as the Commander-in-Chief, the deputy commander-in-chief, and myself. There are nine three-star generals, a hundred major-generals and uncountable brigadier-generals.'

The report concludes that the army is essentially a loose confederation of militias which were not only tribally recruited but whose loyalty was to those who commanded and paid them. 'Rather than a single structure that is loose and decentralised, this formation should be thought of as increasingly a collection of separate armies, all drinking from the same borehole.'

The SPLA and SPLM were two sides of the same coin and basically the only game in town. There was little encouragement of political debate, which is why there was such an ethnic schism between supporters of the main rivals.

Kuol Manyang described how the army suffered from continuing enmity between former SPLA and former Khartoum-loyalists, whom the SPLA regarded as 'collaborators'. However, like many other witnesses, he insisted that the Juba violence stemmed largely from a shadowy group called 'Rescue the President', which was not under the command of the Defence Ministry, army or police. Mac Paul said, 'It was a combination of military police,

commandos, national security, etc. Those who killed from evening of the 16th to the 18th came mainly from Bahr al Ghazal. Maj Gen **Bol Akot** led the commandos, who had no other command.'

Witnesses described how a force of loyalist militia had been recruited from Northern Bahr el Ghazal and Warrap states, the President's home area, during the 2012 border skirmishes with Sudan. They were under the command of Gen. **Paul Malong Awan**, former Governor of Northern Bahr el Ghazal State and Hoth's successor as Chief of General Staff. They were not on the army payroll. Nearly a year ago, an independent source told *Africa Confidential* that Malong had been central to directing operations from December 2013 to April 2014. He remains key to Salva's inner circle.

One reason there has been such a fight for the spoils of office was because the stakes were so high. 'Oil revenue for Sudan as a whole was US\$50-60 billion from 2005 of which 50% came to South Sudan. There is nothing to show for it,' the former Special Representative of the United Nations Secretary-General to Sudan and South Sudan, **Haile Menkerios**, told the Commission. 'This was "a period of entitlement"', a governance activist told the COI. Former guerrillas reasoned 'we are entitled to eat, we liberated this country... Liberation fighters suspended all traditional ways of doing things. Flagrant theft of public money created serious injustices' (AC Vol 53 No 20).

The former UN country head, **Hilde Johnson**, testified that corruption was pervasive among the elite and oil deals began long before Independence: 'We knew already of deals with oil companies, behind Dr. **John [Garang]**'s back.' While the report notes how the young nation was famed for some of the world's worst socio-economic indicators, including the highest maternal mortality rate, there is little to suggest that addressing these problems was a priority for those in office. Johnson mentioned pre-Independence discussions about some form of international trusteeship, given the prospect of creating a 'pre-failed' state, but such concerns were overruled.

The AU is now caught between a rock and a hard place of its own making. Its and IGAD's failure to mediate a peace deal and the proposal to put South Sudan under African trusteeship have exacerbated hostility to both organisations. 'There is a feeling of despair among the people especially; they attached a lot of hope to the peace talks in Addis Ababa and everybody was expecting that by 5th March, peace would come to the country,' **Luka Biong Deng Kuol**, head of Peace and Development Studies at Juba University and a former senior minister, told *Sudan Tribune* on 13 March. ●

CENTRAL AFRICAN REPUBLIC

Diamonds' best friend

Séléka is now out of an important diamond centre but the government prefers deals with Angola to restoring confidence to miners

Since 10 February, the town at the heart of the country's richest diamond-mining area, Bria, has been under the control of troops from France's *Opération Sangaris* and the United Nations' *Mission multidimensionnelle intégrée de stabilisation des Nations Unies en Centrafrique*. Yet there are fears that the interim government has not replaced the dominance of the fighters who were once part of the *Séléka* alliance with law and order. More energy seems to be going into negotiations over setting up a state diamond-marketing company with interests close to **Isabel dos Santos**, daughter of the **Angolan** President.

Officially, the reason for removing the ex-*Séléka* fighters from Bria was that they were preventing an interim-government delegation from consulting local people in advance of the Bangui Forum, a broad consultation and reconciliation exercise due to take place in April (AC Vol 56 No 4). After a couple of hours of fighting, the town was declared *Séléka*-free. After leaving, the fighters set up roadblocks in the countryside to maintain their income from 'taxing' people for diamonds and other goods.

The international forces have tried to keep the town secure and launched some projects to prove that the state was indeed back. Rather than confront the UN and French troops, many *Séléka* went back to Kaga Bandoro, to the west, whence they had come months before (AC Vol 55 No 5). *Séléka*'s departure holds some risk, military sources say. Not only are their roadblocks popping up in unexpected places and increasing insecurity outside Bria, a vacuum could be created in the town that the Christian *anti-Balaka* militia could attempt to fill. A similar situation arose in Bambari, where the *Sangaris* troops pushed out *Séléka* only to allow *anti-Balaka* in and with them, a major increase in religiously-based violence.

The removal of *Séléka* from Bria introduces another dynamic. Artisanal diamond mining never ended in the area in spite of *Séléka*'s incursion in early 2013 and it has continued more or less uninterrupted since, regardless of the absence of government. *Séléka* commanders were wise enough only to tax the mining rather than attempting to take it over and manage it themselves. Yet the ex-*Séléka* fighters no longer provide

an orderly framework, however brutal, within which miners could work. Many of them feel that the government is failing to replace *Séléka*'s form of law and order with its own.

There is currently an embargo on eastern CAR diamonds, although the Kimberley Process, under French pressure, has agreed to a 'green zone' for diamond mining to be established in the west, in Berberati region. Diamond traders and miners in Bria would like their region to be granted the same status now that *Séléka* is no longer in control. This would encourage the diamond diggers and traders in Bangui, who are eager to restart business in Bria. At present, illegal diamond traders with no concern for Kimberley stay in the best Bangui hotels buying precious stones at low prices.

The interim government has been slow to act and the Ministry of Mining has taken no initiative to meet the demands of the Bria miners. The reason, industry insiders say, is that the Ministry is in discussion with Angolan investors to set up a national company to buy CAR diamonds. The Angolans involved, including Isabel dos Santos, have pledged 7 billion CFA francs (US\$11 million) in investment. All other policy initiatives in the diamond sector are playing second fiddle, we hear, even though the government's record is not good. In 2009, the then Minister of Mining, **Sylvain Ndoutingai**, President **François Bozizé**'s right-hand man, tried to set up a similar company with disastrous results that contributed strongly to the country's fiscal crisis. ●

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POINTERS

Congo-Kinshasa MUZITO'S WATERLOO

■ Former Prime Minister **Adolphe Muzito**, one of President **Joseph Kabila's** main allies, has been named in connection with a **Belgian** investigation into foreign political bribery. The Belgian public TV channel *Radio Télévision Belge Francophone* claims Muzito's wife, **Chantal Ngulula**, received 20,000 euros around the turn of the year 2011/12 from the Belgian politician **Serge Kubla**, the mayor of Waterloo.

The money was allegedly an advance on a commission of 500,000 euros Kubla was to pay out on behalf of the **Swiss** steel company Duferco. On 17 March Belgian police arrested **Antonio Gozzi** and **Massimo Croci**, the two most senior officers of Duferco, on suspicion of paying bribes to foreign politicians. Kubla is also charged with bribing a foreign politician but denies paying Muzito's wife. She claims she never met him, let alone received money from him. Duferco had previously denied corruption.

The charges follow an investigation into the mysterious disappearance in the middle of last year of Duferco accountant **Serge De Witte**. *La Libre Belgique* newspaper says Duferco wanted to acquire the abandoned Maluku steel plant. Other media say Duferco wanted access to Congolese gambling and lottery ticket markets. Muzito's friends say the charges are part of a smear campaign to damage his chances of selection as the presidential candidate of the *Parti Lumumbiste Unifié* next year.

Côte d'Ivoire 'GBAGBO OR NOTHING'

■ The oneruling *Front populaire ivoirien* has confirmed it prefers the past to future by replacing **Pascal Affi N'Guessan** as FPI leader with **Aboudrahmane Sangaré**, an unreconstructed *Gbagboiste* (AC Vol 55 No 15). Shortly after, however, he was sent to prison. Dubbed 'Gbagbo or nothing' by supporters and critics alike, the FPI wing dedicated to ex-President **Laurent Gbagbo**, now on trial in the Hague for crimes against humanity, has prevailed over the pragmatists who wanted to make a credible showing in October's presidential election.

President **Alassane Dramane Ouattara's** government looks on in delight, stoking the FPI's internal fires while ostensibly keeping its distance. Presidential Spokesman **Bruno Nabagné Koné** said that in sacking N'Guessan, the FPI had violated its own rules but that the government would not interfere. The

FPI fundamentalists did not even wait a few days for the verdicts in the trials in Côte d'Ivoire of ex-First Lady **Simone Gbagbo** and her husband's top military commanders before sacking N'Guessan. They received 20-year sentences for their roles in the post-2010 election violence. Over 80 other Gbagbo-supporters were on trial, among them ex-presidential son **Michel**, who got five years.

N'Guessan got an 18-month suspended sentence while his successor got five years. Gbagbo called her verdict 'ridiculous' and is appealing. Human rights organisations criticise the weakness of the prosecution evidence, though nobody seriously doubts the ex-presidential couple's political and moral responsibility for unleashing the violence. The judges' doubling of the ten-year-sentence requested by the prosecution smacked of partiality to some. The ICC has now combined its cases against Gbagbo and his lieutenant, **Charles Blé Goudé**, which the Gbagbo-faithful construed as further evidence of a **French**-inspired plot.

Sierra Leone KOROMA LASHES OUT

■ President **Ernest Bai Koroma** has removed Vice-President **Samuel Sam-Sumana** from office even though he does not apparently have the powers to do so. Koroma claimed that Sam-Sumana's action in seeking asylum in the US embassy disqualified him from office. The Vice-President went to the US embassy, which adjoins his home, after hearing that government troops were on their way to detain him. Koroma also gave as grounds the fact that the governing All People's Congress (APC) had expelled Sam-Sumana from the party on 6 March.

The 1991 constitution specifies that a Vice-President can only be removed from office on grounds of death, incapacity or 'gross misconduct' determined by a tribunal appointed by a two-thirds vote of Parliament. Concern for Sierra Leone's political stability is now mounting because Koroma has also said he is seeking to appoint a new Vice-President, an action thought to be even more dubious than the sacking of Sam-Sumana. His actions may even have placed him at risk of impeachment for arrogating a power only granted to Parliament.

The two men have long been at loggerheads, but they partnered up before the 2007 election because Sam-Sumana had a lot of cash and strong electoral appeal in Kono District, where Koroma was weak, political sources say (AC Vol 53 No 20). After expelling Sam-Sumana from the party, APC officials tried to get him to relinquish the vice-presidency voluntarily by accusing him of orchestrating political violence in Kono,

trying to form a new party, and even of not being a real Muslim – which was soon contradicted by his local imam. The President's harsh treatment of him has made him an object of public sympathy. In 2011, Sam-Sumana was accused of defrauding US businessmen out of over US\$400,000 but no action was taken and the case was not mentioned by Koroma (AC Vol 53 No 17).

What lies behind the battle, say sources close to both men, is that Koroma is becoming reconciled to the improbability of extending his two terms of office (AC Vol 55 No 10). He is believed to be grooming his cousin **John Bonoh Sisay**, head of Sierra Rutile, to succeed him and fears Sam-Sumana could interfere if he still has the standing of a senior party official and second-in-command of the state.

African Development Bank KABERUKA MOVES ON

■ After running the African Development Bank during the longest period of sustained economic growth on the continent since the 1960s, **Donald Kaberuka** is preparing to hand over the bank's presidency at the annual meeting in Abidjan, which is due on 25-29 May when his second five-year term ends. Although he won't comment on the qualities of the eight candidates campaigning to succeed him, he described the bank's greatest strengths as the return to its core mission of integrating Africa's economies and markets, and ensuring that over 60% of its projects were financing infrastructure. Finance for private sector investments is running at over US\$1.6 billion a year.

With nine months to go until critical climate change talks in Paris, Kaberuka lambasted 'Western double standards' on fossil fuels. Boosting electricity generation was a top priority for almost all African countries, which would use a mix of energy sources, including coal and oil. AfDB policy is to balance finance equally between renewable and non-renewable energy projects. New economic conditions demanded rethinking development finance, he said. Rich countries should be prepared to allow institutions such as the AfDB and the World Bank to use concessional resources as a means to leverage money from the financial markets.

Finally, he argued that the 'Western obsession' with **China** was helping neither Africa nor the West: the international effort to fight Ebola in West Africa, which involved China, **Cuba** and the **United States**, was a rare example of effective multilateral cooperation. At the same time, the Ebola crisis showed that the 'trust and accountability' of political leaders were becoming key concerns as economic waters get choppy in Africa.

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BLUE LINES

The government-elect taking shape in Nigeria under General Muhammadu Buhari will have to contend with meeting not just the expectations of its own citizens but the high hopes of the wider continent. For almost a decade, there is a feeling of an ideas vacuum at the heart of Africa's leading countries: Nigeria, South Africa, Egypt and Kenya. Although all four have benefited from the wave of high economic growth that has lapped across Africa in recent years, all four have been struggling to convert that into jobs for the swelling ranks of schoolleavers and to tackle worsening insecurity and criminality. And their own political systems are mired in corruption.

That is why Buhari's promise to stop the rot in Nigeria, reinforced by his personal asceticism, is drawing attention far beyond its borders. A more youthful and martial Buhari had the same ambitions 30 years ago. This time, the rot has run deeper, even as the economy and population have grown. It is Buhari's conversion to the tenets of pluralist politics – he has gone out of his way to praise Jonathan for being the first elected incumbent to concede that he has lost an election – while retaining the stance of a disciplined general, that is intriguing Nigerians and giving fresh hope.

Buhari, his policy team says, will be a 'big picture' president. He will ask his advisors and ministers to set up policies and systems to meet the election pledges on anti-corruption, jobs and security. His team of technocrats promises the same technological flair they used in the campaign.

NIGERIA

A moment of truth for the general

Returning to power after 30 years, Muhammadu Buhari has been elected President heading a coalition bent on reform

One of the first acts of President-elect Muhammadu Buhari's new government will be to establish a clear regime of accountability and transparency in managing the country's oil and gas revenue, a senior member of the transition team told *Africa Confidential*. The team thinks it critical to establish the new government's credibility and rebuff overtures from local and foreign vested interests which want to blunt and obstruct its anti-corruption drive.

It has been the popular belief that Buhari has the political will to tackle the rampant theft of state resources that propelled him and the All Progressives Congress to victory in the 28 March presidential election. The APC won 15.4 million votes (55%) to the incumbent Goodluck Jonathan's 12.8 mn. (45%). Drawn mainly but not exclusively from the APC, the transition team faces crowds of political and business defectors trying to ingratiate themselves with the new government, added the APC chieftain as his colleagues put the final touches to Gen. Buhari's victory speech.

Six hours earlier, the then President Jonathan had conceded defeat and congratulated Buhari in a bid to cool political tensions after the defeat of the governing People's Democratic Party (PDP). For most of the day, Jonathan had sat in the presidential lodge at Aso Rock watching the tide of increasingly unfavourable election results being announced. Sitting alongside him, like grieving relatives, were a former military leader and Chairman of the Electoral Peace Accord, Gen. Abdulsalami Abubakar, businessman Aliko Dangote,

Cardinal John Olorunfemi Onaiyekan and the Anglican Primate, Archbishop Nicholas Dikeriehi Orogodo Okoh.

As the first results came through on the previous evening, a trio of former presidents – Ghana's John Kufuor (who headed the election mission of the Economic Community of West African States), Malawi's Bakili Muluzi (heading the Commonwealth Observer Mission) and Liberia's Amos Sawyer – visited Jonathan to encourage him accept the results and slap down any attempt by his more rampant followers to derail the electoral process.

For the last three months, the country had been buzzing with speculation about how Jonathan's team was going to push back the growing support for Buhari and the APC. Mooted plans involved forcing the resignation of Attahiru Jega, Chairman of the Independent National Electoral Commission (INEC), who was seen to be taking the 'independent' part of his mandate too seriously, along with paying billions of naira to influential local leaders and using security forces to rig the vote, as was done in the Ekiti State gubernatorial election last year (AC Vol 56 No 4).

Jega, the quiet academic and activist who showed impressive forbearance as he faced open abuse from across the political spectrum, is widely seen as the man of the match. It was his insistence on biometric elector registration and the compulsory use of biometric cards to accredit voters that sharply cut the old bloated electoral roll. It stopped many double registrations and under-age voters. It was a combination of his determined stance, the efforts of non-

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governmental organisations such as the Transition Monitoring Group and ex-journalist Tunji Lardner's West African NGO Network (Wangonet), that kept a close eye on both politicians' conduct in the campaign and the credibility of the results and voter turnout figures.

Better and faster information technology and a network of reporters and monitors armed with mobile telephone cameras operated at most of the 120,000 polling stations. Short of the political thuggery seen in places such as Rivers State (see Box), it was far harder to steal this year's election.

One of Jonathan's campaign advisors, **Michael Moszynski**, lamented that he had got little kudos for his earlier democratic reforms: 'Jonathan appointed Jega, knowing he had a record of political independence and was a strong supporter.' Such was the climate of partisanship, that every decision taken by the government was seen as blow against the opposition, he added.

In fact, the security service advice to Jega to postpone the elections by six weeks ultimately benefited the opposition

far more than the PDP. Another 15 million registered electors picked up their biometric cards, often in areas that strongly supported the opposition.

Even the armed forces' military campaign against the Boko Haram Islamists in the north-eastern states of Adamawa, Borno and Yobe seemed to help the opposition. Although the campaign was successful, regaining all but one of the local government areas seized by the jihadists, many asked why it had taken the government five years to tackle the insurgency seriously. Opposition jibes that the successes were due mainly to help from the armies of Nigeria's much smaller neighbours – **Chad, Cameroon and Niger** – and a motley crew of ageing **South African** mercenaries rang true to many voters, it seems.

For a presidential election campaign that is said to have cost the PDP more than \$300 mn., the result shows that dollars don't always buy votes – even in a country lambasted for its money politics. Moszynski blames that on the cacaphony of messages coming from the Jonathan camp: 'There were about twelve different campaigns being run simultaneously, some of them openly contradicting or undermining each other.'

In contrast, **Kayode Fayemi**, former Governor of Ekiti and one of Buhari's campaign directors, said his party was running far more of a grassroots campaign on far less money. 'We tried to build a movement for change as much as run an election campaign.' Most of the party workers running campaigns on social media, radio and television, and in the press were volunteers.

Also critical to the party's success were its 'situation rooms' in each state: run by groups of psephologists, computer scientists and journalists, they created and compared statistical models of voting intention and performance and analysed all the data that their opinion polling outfits were bringing in from the field. Although most of the public opinion polls were widely excoriated, both parties claim their private polling operations proved remarkably accurate, state by state, across the country. It seems both sides used the public polls as a key weapon to shape opinion. Over the past three months, the APC had managed to build up Buhari from a staunch anti-corruption campaigner with the respect of the military to a national figure that could stop the country's drift.

That part of the campaign reached its finale on the evening of 31 March, when a small team including Fayemi, Rivers State Governor **Rotimi Amaechi** and a gubernatorial candidate in Kaduna State, **Nasir el-Rufai**, sat down to write Buhari's victory speech. 'The general went through it line by line, questioning the ideas as he went,' we were told. It was a far cry from Buhari's military days.

From his last stint in power three decades ago, Buhari will remember how quickly the chants of 'Happy New Year! Happy New Government!' that greeted his military putsch on 31 December 1983 turned to protest and frustration with the new regime's failure to stem the country's social and economic ills. This time, Buhari leads a far more talented and pragmatic team but its political tasks have got no easier. ●

THE RIGGING IN RIVERS

Lekia Nkirine didn't stand a chance. He was shot in the chest at close range at six in the morning on election day when 50 thugs attacked the compound of **Joe Poroma**, the Commissioner of Social Welfare and Rehabilitation in the Rivers State government. Armed with shotguns, machetes and broken bottles, the gang laid siege to Poroma's compound in the Tai constituency for about half an hour.

A student at the National Teachers' Institute in Port Harcourt, Nkirine was one of 40 election agents for the opposition All Progressives Congress (APC) who had gathered for a briefing. When *Africa Confidential's* reporter arrived on the scene, Nkirine was lying in a pool of blood. He had died within minutes of the first wave of the attack. Two other election agents were badly wounded, one by gunfire and the other slashed with a machete.

The goal of the assailants was clear: to stop the APC's ability to monitor the election and defend its vote. Poroma is a close ally of the Rivers State Governor, Rotimi Amaechi, a founding member of the APC. Top PDP officials considered Amaechi's campaigning for the opposition in this year's elections in Jonathan's base, the Niger Delta, as a particular affront. Amaechi brought the opposition presidential candidate Buhari to the oil capital, Port Harcourt, to launch his national campaign. Some Jonathan allies put more into helping their man win in Rivers State than into getting a national victory. On 30 March, the Resident Electoral Commissioner in Rivers, Gesila Khan, announced that Jonathan had won 94.99% of votes in the state and Buhari had just 4.7%.

Thousands of people marched through Port Harcourt in protest, claiming that attacks such as those on Tai were typical of the intimidation used to rig the vote for Jonathan. Local PDP chieftains such as Kenneth Bie Kobani, recently appointed as Minister for Industry, Trade and Investment in the Jonathan government, insisted that the opposition was equally guilty. As tension mounted, the Independent National Electoral Commission (INEC) began an investigation into the claims of rigging and violence on 30 March. The police announced a dusk-to-dawn curfew in the State. It seemed the crisis would delay the presidential election results, perhaps triggering more violence. A former Minister for the Niger Delta, Peter Godsdan Orubebe, mounted a bizarre protest at INEC headquarters, sitting on the podium and loudly accusing Chairman Attahiru Jega of bias against his region. After he had shouted himself hoarse, Jega explained that the enquiry had found insufficient grounds to cancel the Rivers elections. However, by then the APC had calculated that it would win the presidency, despite Jonathan's disputed 1.4 million votes in Rivers State. ●

UGANDA

Spending for victory

A surge in voter-friendly spending accompanies the NRM's election campaign and there is little the opposition can do to stop it

Both public spending and borrowing have shot up over the past year as the governing National Resistance Movement gears up for next year's elections. Although the NRM faces little challenge from the opposition, amid party divisions, President **Yoweri Museveni** is eager to demonstrate his popularity and maintain an amenable Parliament (AC Vol 56 No 2). To do this, the government is resorting to huge state hand-outs and spending on patronage. This could have a distorting influence on the economy.

On 9 March, Finance Minister **Matia Kasaija** requested an additional 800 billion Uganda shillings (US\$270 million) from Parliament for the 2014/15 financial year, an increase of 5.3% on forecast spending. The request came just a week after a cabinet reshuffle that saw Kasaija, previously State Minister of Finance for Planning, and other Museveni loyalists appointed to key posts in an effort to consolidate the President's position before the elections. Although a parliamentary budgetary committee turned down the spending request on 19 March, the NRM's clear majority means it is still likely to be passed. The opposition is critical, accusing the government of seeking the extra funds to finance its campaign.

The calls for extra spending are strikingly reminiscent of the months building up to the 2011 elections (AC Vol 52 No 5). Then, the NRM passed a supplementary budget worth \$257 mn. just six weeks before the vote, of which \$33.6 mn. was allocated to State House. The independent-minded Governor of the Bank of Uganda (BOU), **Emmanuel Tumusiime-Mutebile**, has since revealed that the NRM campaign had been given a further boost by the printing of vast quantities of new bank notes (AC Vol 55 No 25). Immediately after the elections, the shilling collapsed and inflation peaked at 30%, triggering months of violent protest in which at least ten people were killed.

Similar concern has been raised over the coming campaign. Although falling food prices are keeping inflation low for the time being, the shilling has sunk to record depths amid expectations of excessive pre-election spending. At the end of the fiscal year last June, the government announced it had exceeded its borrowing target by 67%. Few expect it to stay within its 2014/15 target of US\$1.4 trillion. As markets grow

increasingly concerned about the state of public finances, borrowing costs have soared. On 31 December, the BOU was forced to cancel a \$180 bn. debt auction, citing the 'unacceptably' high returns demanded by investors.

PATRONAGE BLUES

The rise in state spending and borrowing associated with elections points towards the growing cost of patronage. Some estimate that the cost of buying votes will double between 2011 and 2016 as members of parliament struggle to mobilise an increasingly disillusioned electorate. A report by the local newspaper, *The Observer*, in January claimed that some MPs had spent US\$120 mn. in their constituencies over the previous 12 months and expected this to increase to US\$300 mn. by the time of polling. By comparison, that's roughly double the limit candidates were permitted to spend on their constituency campaigns in the **United Kingdom's** 2010 elections.

To fund this, the NRM is constantly having to find new sources of revenue. A series of corruption scandals surrounding Chinese-backed infrastructure projects has been widely linked to efforts to fill campaign coffers. These include the Standard Gauge Railway project, the cost of which has nearly doubled from an original estimate of \$4.5 bn. to an eye-watering \$8 bn., and the Karuma power station, first billed at \$800 mn. but now thought to cost \$1.7 bn. The announcement on 13 March of a \$365 mn. upgrade to Entebbe International Airport is the latest of several debt-funded infrastructure projects that civil society activists fear will become tainted by corruption.

Far less reported are the many smaller projects that underpin the patronage system. Since November, Museveni has toured the country almost non-stop, commissioning roads, opening schools and launching poverty eradication schemes. Some question how many of these projects will be completed once the elections have passed but the tours are essential to keep local power-brokers on-side. 'The President never makes a trip empty-handed', one source told us. Critics also note that the tours maintain a long-standing NRM tradition of beginning its campaigns outside the period sanctioned by the Electoral Commission of Uganda.

Tellingly, many of these hand-outs are targeted at specific constituencies or interest groups that the President views as essential to his campaign. In the north and east, where the NRM hopes to capitalise on inroads made in the 2011 elections, a string of new road and rural electrification projects have sprung up. The allocation of resources for the US\$265 bn. Youth Livelihood Fund has also been notably selective. This was launched in 2013 to provide vocational skills for young people but has been dogged by corruption allegations.

Other anticipated giveaways are likely to be aimed at patching up relations with Buganda. The Kingdom has a long history of tension with State House, as Museveni has sought to limit the political influence of the King, the Kabaka (AC Vol 50 No 19). In 2009, at least 20 people were killed in three days of rioting in Kampala after authorities prevented King **Ronald Muwenda Mutebi II** from attending a ceremony. The NRM subsequently failed to win Kampala District in the 2011 elections and Museveni is eager to reclaim the capital. In August, he returned some 213 properties to the kingdom that were seized by the late President **Milton Obote** during the 1966 constitutional crisis, when the Baganda monarchy was forced into exile. These included some of Kampala's best pieces of real estate. Further land transfers are expected before 2016.

Many observers also expect a rise in state spending in Kanungu, the home district of former Prime Minister **Amama Mbabazi**. He was forced from office in September amid reports that he planned to challenge Museveni's re-election. Speculation is rife that he will soon declare himself a candidate (AC Vol 55 No 21). In a bid to thwart Mbabazi's campaign, Museveni held several rallies in Kanungu in January and also commissioned a new hospital. More spending for the region is expected this year.

In a bid to level the playing field, the opposition has begun campaigning for wide-ranging electoral reform before 2016. In November, a coalition of opposition parties and civil society organisations led by the Democratic Party's **Norbert Mao** launched the National Consultation on Free and Fair Elections (AC Vol 51 No 14). Their proposals include removing the President's power to appoint the chairman of the Electoral Commission, limiting the military's role in the electoral process and introducing spending caps on parliamentary candidates' campaigns. The main opposition party, the Forum for Democratic Change (FDC), has also demanded that the Commission enforce rules that require parties to submit reports of their annual accounts. It claims the NRM does not currently do this.

So far, the government has dragged

its feet. After months of failing to engage in the process, Attorney General **Fredrick Ruhindi**, an NRM MP, announced on 2 March that bills would be tabled before Parliament within two weeks. This was retracted on 19 March, when Prime Minister **Ruhakana 'Ndugu' Rugunda**

declared the government would not submit to deadlines. Some in the FDC are now calling for an election boycott unless the reforms are implemented on time but, as ever, the opposition remains divided.

Few now really expect the proposals to be passed before the elections. Activists

have tried and failed to introduce electoral reform before every vote since 2001. In every case, the government has successfully deferred debate until the final months of Parliament's tenure or used its majority to throw them out. ●

GAMBIA

Jammeh cracks the whip

The consequences of the failed coup are proving dire for peaceful dissent as a wave of secret detentions takes place

The repercussions of December's failed coup against President **Yahya Jammeh** are still being felt in Gambia and in the **United States**. One of the most prominent democracy campaigners, **Banka Manneh**, who lives in Atlanta, Georgia, was charged on 18 March with violating the Neutrality Act. This outlaws plotting in the USA against governments with which America is not at war. Manneh is accused of buying two pistols and a rifle for the coup attempt and taking part in coup-planning conference calls.

Three other plotters, who managed to escape Banjul after the coup failed, were arrested in the USA and also face charges under the Act. Jammeh's secret police, the National Intelligence Agency (NIA), has rounded up presumed associates and relatives of plotters. They are in indefinite detention and may be subject to torture, which is commonplace, according to the United Nations.

Details of the plot came out quickly. The plotters came to State House in Banjul in two armed groups, one at the front and one at the back, assuming that the Presidential Guard would flee as soon as a shot was fired. In fact, the Guard, which had been unexpectedly reinforced, put up strong resistance, killing all of the attackers at the front and at least one at the rear. Those who could escaped across the border to **Senegal**.

The coup leaders were a 57-year-old Gambiano-American property developer, **Cherno Njie**, who financed the operation, and **Papa Faal**, a US military veteran. Faal handed himself in to the US Embassy in Dakar on the day after the coup attempt on 30 December and made a statement to a Federal Bureau of Investigation agent, apparently telling all. Once repatriated, he was charged, along with Njie and a third man, **Alagie Barrow**, with conspiring to buy firearms, including rifles, and night-vision goggles, body armour and ammunition.

The inclusion of Manneh among those charged is a setback for the democracy movement. At his arrest, he resigned

from the Committee for the Restoration of Democracy in Gambia. He also chaired Civil Society Associations Gambia. Referring to the plotters, Jammeh announced in January, 'I am going to get rid of these elements one by one until the last person. Apart from the decision from the Almighty Allah, no human soul, animal, fish or insect, black or white, can remove me from power.' Jammeh does not need excuses when repressing opposition but if Manneh is convicted of buying arms, the democracy reform movement could suffer further persecution.

After the coup, police swooped on relations of the plotters. A 14-year-old, **Yusupha Lowe**, son of **Bai Lowe**, and Bai's 19-year-old brother, **Pa Alieu Lowe**, were among those arrested. Others picked up included parents of some of the plotters, whose ages range from the mid-sixties to the late eighties. Most are still incommunicado. Bai Lowe was once part of what he claimed was an assassination unit working for the President and in 2013, he said that his unit had been ordered to assassinate **Deyda Hydara**, proprietor of *The Point* newspaper, who was murdered in December 2004 (AC Vol 53 No 4).

Washington has been condemned for using the Neutrality Act, introduced by President **George Washington** in 1794. Critics think it odd that these Gambian exiles should be charged when many other plots hatched against foreign countries from within the USA have not attracted such charges. These include **Samuel Doe's** coup in **Liberia** in 1980 and the one that overthrew him in 1989.

Furthermore, relations between Washington and Banjul are poor. Jammeh himself has accused the USA of being behind the coup attempt and has attributed previous efforts to oust him to the governments of Presidents **George W. Bush** and **Barack Obama**. Gambia was expelled from the African Growth and Opportunity Act over its human rights record, which includes heavy restrictions on the press and a wave of executions by firing squad in 2012 (AC Vol 53 No 19).

Elections, most recently in 2011, are seen as rigged and have not been certified as fair by independent monitors.

Some believe that the USA helped Jammeh to power in his own coup in 1994. At the first sign of trouble in the army, which Jammeh (then 29) was organising, the then President, Sir **Dawda Jawara**, and his entourage, with the US Ambassador's permission boarded the *USS La Moure County*, which was anchored off Gambia. As Jammeh took power, the ship sailed Sir Dawda to Dakar.

In the recent past, two cases have been brought under the Neutrality Act, one in 1981 against plotters planning to overthrow the government of **Dominica** and another over a plan to topple the government of **Laos** in 2007.

The January report of the UN Special Rapporteur on Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, **Juan E. Méndez**, found that unlawful detention was commonplace in Gambia, especially by the NIA, which routinely used torture and could hold arrested people indefinitely. During a mission to Gambia last November, he received reports of very bad conditions in the cells but was not allowed free access to detention centres.

Professor **Méndez** reported that he had been told about 'paramilitary groups associated with the security forces and under the direct orders of the President. A secret unit reportedly called the *Jungullars* (also known as 'Junglers' or 'Black Blacks') features in reports of arbitrary arrest, detention, torture, enforced disappearance and extrajudicial killing of people deemed to oppose the regime, journalists and ordinary civilians. The tools reportedly used include hammers, machetes, ropes, nails, pliers, needles and syringes. This was the unit Bai Lowe had belonged to.

The European Union has refused to release a 150 million euro (US\$163 mn.) aid package unless Jammeh addresses the multiple human rights violations and bad prison conditions. However, the President seems oblivious to his international reputation. He has been denied the rotational chairmanships of the Economic Community of West African States and the African Union. In an act that emphasises his isolation and growing hubris, he recently replaced the anonymous designs on the national currency, the dalasi, with his own face. ●

ZAMBIA

Lungu returns the favours

The new President's health problems and his pursuit of political vendettas are not inspiring political confidence

President **Edgar Lungu** has been having trouble fulfilling his reported promise to ex-President **Rupiah Banda** to get the Director of Public Prosecutions (DPP), **Mutembo Nchito**, off his back. On 10 March, Lungu suspended Nchito on suspicion of abusing the authority of his office in deciding not to pursue the prosecution of suspects deemed close to him. They include the Publisher and Editor of *The Post* newspaper, **Fred M'membe**, the opposition United Party for National Development President, **Hakainde Hichilema**, and prominent businessman **Rajan Mahtani** (AC Vol 49 No 10).

However, the real motive behind Lungu's move is believed to be that it was a condition of Banda's financial and logistical support for his election campaign, as *Africa Confidential* has reported (AC Vol 56 No 3). Banda, whose support helped Lungu to victory by a wafer-thin majority in January's presidential bye-election, has been held on a charge relating to a **Nigerian** oil transaction for over two years. Nchito's removal could help the trial to go away, Banda's supporters believe. Yet the powers of a DPP include an absolute right not to prosecute a case, which could make proving a charge against him tricky. The President has no powers to sack a DPP: that requires a tribunal. Getting one convened has proved another headache for the new head of state.

Banda supporters **Brebner Changala**, a human rights activist, and **Newton Nguni**, an ex-Deputy Finance Minister, have led the attempt. Firstly, they tried to get Chongwe Magistrates' Court to hear charges against Nchito but failed. Then they came before the Lusaka magistrates. Using his powers, Nchito discontinued his prosecution. He also managed to get his suspension struck out by Judge **Mwila Chitabo** at the Lusaka High Court on 11 March. Chitabo stayed the convening of the tribunal and Nchito's suspension after granting the suspended DPP leave to apply for a judicial review which would determine the constitutionality of Lungu's tribunal.

Lungu and officials of the governing Patriotic Front were furious. PF Secretary General **Davies Chama** publicly chided the Judge, calling his action, 'not only illegal but also disrespectful [to the President]', which should not go

unchecked'. Chama publicly told off Chitabo in further statements verging on intimidation. The Law Association of Zambia condemned the attack as a 'direct affront on the independence of the judiciary' and some expected him to be charged with contempt of court.

Chama ordered the Solicitor General, **Abraham Mwansa**, to reconvene the tribunal and demanded that Chitabo be censured for showing 'wanton disregard' for the President. Several strong accusations later, just before midnight of 13 March, a government team led by Mwansa went to the home of Chitabo to persuade him to change his mind. Mwansa's team 'advised' judge Chitabo that 'the people' were so upset by his decision that if he did not reverse it, Zambia could experience an incident similar to what happened in **Uganda** in the early 1970s, say sources. That's when President **Idi Amin Dada**'s soldiers arrested and later murdered the Ugandan Chief Justice, **Benedicto Kiwanuka**, as

he sat in the High Court. He had criticised Amin's disregard for the rule of law. Mwansa's team stayed at Justice Chitabo's house until 3 a.m. At 11, Chitabo came to the High Court and formally abandoned his earlier judgement.

Nchito himself had tried something similar in 2012, when he complained to the then President, **Michael Sata**, about High Court judges **Nigel Mutuna** and **Charles Kajimanga**, and former Supreme Court judge **Philip Musonda** (AC Vol 53 No 13). Sata set up a tribunal to probe the three but the High Court stayed the tribunal and Sata took the matter no further. Lusaka lawyer **Kelvin Bwalya Fube** is being lined up as a more 'user-friendly' successor to Nchito, say PF sources.

BANDA'S RETURN

Banda has experienced a better return on his investment in government appointments. Key allies of his in cabinet include Commerce Minister **Margaret Mhango Mwanakatwe**, Deputy Finance Minister **Christopher Mvunga** and the State House Special Assistant for Project Implementation, **Lucky Mulusa**. Nchito's removal would please not only Banda. It would be seen as the final victory of Lungu and his supporters against the so-called Cartel, which included M'membe, **Wynter Kabimba** – who has now formed his own Rainbow

MINING COMPANIES GET THEIR WAY

On 26 March, President Edgar Lungu ordered Mines Minister **Christopher Yaluma** and Finance Minister **Alexander Chikwanda** to make a change to the new mining taxes by 8 April. Mining companies have been up in arms over the 20% royalty for open cast mines and 8% for underground mines and they look to have got their way, as *Africa Confidential* predicted (AC Vol 56 No 2). The mining media have hailed the announcement as a U-turn by the government and Barrick Gold, which threatened to suspend operations at its Lumwana copper mine, has promised to stay.

The directive handed to the ministers offered them four options on the tax regime, all of which involve a retreat, possibly temporary, from the present position. This marks the fulfilment of the unspoken promise by Lungu to his private sector backers that his presidency would be 'pro-business' in spite of the radical reputation of the governing Patriotic Front (PF) and the pro-tax policies of his predecessors, the late President **Michael Sata** and acting President **Guy Scott**. The new royalty formula only came in in January. Like the mining companies, Yaluma favoured abolishing the new regime, we understand, while Chikwanda, who is struggling with major shortfalls in government revenue, wanted to keep it, even if it were postponed.

The move may help the kwacha to recover. It sank to 7.6 to the US dollar as AC went to press, its worst rate in over two years. Since the PF came into office in 2011, the kwacha has fallen by almost 27% amid uncertainty about government policies, declining global metal prices and bad relations with mining companies.

Lungu's bad health also contributed to the currency fall, economists say. On 13 March, surgeons at **South Africa**'s private Milpark Hospital operated on him to help to correct his achalasia, a condition in which the oesophagus does not fully function. The president had fainted at the International Women's Day ceremonies at the National Stadium on 9 March. He has a history of low blood sugar levels and high blood pressure, which sources close to him blame on past heavy alcohol intake and diabetes. His latest illness has put pressure on the credibility of the presidency: two recent predecessors, **Levy Mwanawasa** and **Michael Sata**, died in harness while concealing the severity of their condition. ●

Party – **Guy Scott**, Mutembo Nchito's brother, **Nchima Nchito**, and Sata's former Spokesman, **George Chellah**. **Richard Sakala**, publisher of the strongly pro-Lungu Daily Nation, may also rejoice, having been convicted of corruption and gaoled by Nchito (AC Vol 44 No 19).

Nchito has appealed Chitabo's reversal of his original ruling at the Supreme

Court but is pessimistic about his chances, sources close to him have told AC. He is believed to feel that the newly-appointed Chief Justice, **Ireen Chirwa Mambilima**, won't decide in his favour.

The members of the tribunal investigating Nchito have been appointed: three retired chief justices, headed by **Annel Silungwe**, the others being **Matthew Ngulube**

and **Ernest Sakala**. Ngulube resigned after corruption allegations brought up by Nchito while Sakala, who is close to Banda, was retired by Sata after rulings he had made on the convoluted Zambia Airways affair. Nchito will see the tribunal through, we understand, although he does not expect a fair hearing, let alone vindication. ●

ETHIOPIA

Easy on the landslide

The EPRDF wants a less crushing win in the elections in May. Meanwhile, it delicately manages the ethnic balance within the party

Nobody, least of all members of the ruling Ethiopian People's Revolutionary Democratic Front doubts that anything less than overwhelming victory awaits it at the end of the national and federal elections in May. Yet this time, the EPRDF wants to see more opposition members of parliament, if only to silence its international critics. 'There is no way the government can back-track from a democratic discourse and multi-party democracy,' said Prime Minister **Hailemariam Desalegn**. On the basis of its 23 registered national parties, Ethiopia claims to be a multi-party democracy but there is no question that whatever the appearance of political diversity, the EPRDF will remain dominant, firmly in charge of government for the foreseeable future.

Privately, some in the ruling party even hope that opposition parties might manage to win between 120 and 150 seats in the Federal Parliament and a sprinkling in the regional assemblies. Nor do they want opposition MPs to refuse to take up their seats, as they did in 2005. Yet the electoral system, heavily weighted to the first-past-the-post, under-represents the minority. Having missed opportunities for electoral pacts in 2010, opposition parties took 40% of the vote in Addis Ababa but the EPRDF took all the seats. Creating a better atmosphere for the opposition does not come easily to the EPRDF and opposition parties have considerable difficulty in organising rallies, registering candidates and obtaining impartial treatment from the National Electoral Board of Ethiopia. The NEBE Chairman, Professor **Merga Bakana**, indignantly refutes the charge but the regulations on national funding, airtime and newspaper column inches overwhelmingly favour the ruling party. The habit of excluding the opposition seems too hard to break.

Ten per cent of the public fund for

party election campaigns is shared among all the parties taking part. A further 40% is allocated according to how many candidates the parties put up, 35% according to the number of seats they won at the last elections and 15% for the number of female candidates. Some 600 hours of airtime on 16 radio stations (5 commercial), and 5 television stations, and 700 columns of space in eleven newspapers in seven languages follow the same distribution pattern. Some say the very intricacy of the formulae is designed to conceal its bias towards the EPRDF.

Members of the ruling party criticise opposition parties for not putting in enough effort, not campaigning between elections, not going outside the capital and not providing clear enough policy alternatives to the EPRDF. Some are resistant to the shape it seeks to impose on the political arena. Under this formula, the EPRDF are 'revolutionary democrats', the Medrek coalition (or Forum for Democratic Dialogue in Ethiopia) are 'social democrats' and the Ethiopian Democratic Party (EDP), 'liberal democrats'.

Medrek's Chairperson, **Beyene Petros**, says its social democracy offers the public good governance, opposition to corruption, organised bureaucracy, land management, genuine democratisation, human rights and the equitable distribution of wealth and resources. The EDP calls for minimum wage legislation, bigger pensions, higher salaries and benefits for civil servants, subsidies on utilities and fuel, lower taxes on a wide range of goods and services, and the removal of tax from food and food-related materials.

Towards the end of last year, two major opposition parties split: Unity for Democracy and Justice (UDJ), to which the only opposition MP, **Girma Seifu**, belongs, and the All Ethiopia Unity Party

(AEUP). As it has done before, the NEBE then stepped in, ruling on which faction should carry the party title (AC Vol 56 No 4). Although technical reasons were cited, to many it seemed no accident that after the dust settled, Girma's UDJ faction, which claims to be the real heir of the Coalition for Unity and Democracy (CUD), which won over 100 seats in the 2005 elections, lost out. Seifu's faction will not now put forward any candidates in the elections.

The government-appointed NEBE also contrived to exclude the President of *Semayawi* ('Blue') Party, **Yilkal Getnet**, from the elections. The Board had come up with a complex formula to allocate candidacies among the parties as a solution to the problem that some Addis Ababa constituencies had registered 15 candidates, while the law permits only twelve. Some candidacies were allocated proportionally, with the surplus to be chosen by lot. Getnet lost the lottery and *Semayawi* lost five other candidates, too.

NEBE's rulings on party splits, says the *Semayawi* Party, have sent thousands of former supporters of the UDJ and AEUP into its arms. Despite the increase in its numbers, to add to the 50,000 members it claimed at the beginning of the year, *Semayawi* officials say they do not expect to win any seats but instead aim to provide an umbrella for 'discontent' and collect support for 'a secular, peaceful, reformist pro-civil-rights, anti-corruption platform.' Its ability to organise publicly is severely circumscribed by 'security grounds', refusal of permits and a host of minor hindrances, none of which look openly discriminatory. It claims to have had half of its proposed 400 candidates disallowed without explanation. NEBE says they failed to fulfil the necessary requirements for candidature.

This is part of a trend to eliminate independent candidates. In 1995, nearly 1,000 stood as independents; by 2010, the number had dropped to 35, with one elected. This time, fewer than a dozen are standing. Although the hand of the EPRDF may be seen in this manoeuvring, opposition leaders have failed to unify their vote through electoral pacts in individual constituencies. Many opposition candidates will also lose because of split votes. In Addis Ababa's Woreda (District) 17, for example, the

president of the Ethiopian *Raei* party faces top officials of *Semayawi* and of the EDP; in Woreda 8, leading members of the UDJ and *Semayawi* are fighting each other; and in Woreda 10, the presidents of the *Addis Teweled* Party, **Asfaw Getachew**, and the CUD are in contention.

FACTIONS

Factionalism has again been creeping into the EPRDF since the death of Prime Minister **Meles Zenawi** in 2012 (AC Vol 42 No 9). In his Tigray People's Liberation Front (TPLF), political factions have coalesced around: the Minister of Communications and Information Technology, **Debretsion Gebremichael**, who is also Deputy Prime Minister for the Economy and Finance Cluster; the Tigray Regional President, **Abay Woldu**, and more recently, Foreign Minister **Tewodros Adhanom**, who has acquired considerable popularity among young people through his adept use of social media. He's not seen as having achieved the same level of success as Foreign Minister as he did previously at Health.

A wild card in Tigray politics remains Meles' widow, **Azeb Mesfin**, who is still on the EPRDF Executive Committee. Personally unpopular, sometimes privately even referred to as 'Lady Macbeth' in some quarters, she now runs the Meles Foundation, which gives her access to considerable funding. Her husband's death allowed her great rival, **Sebhat Nega**, to revitalise his waning political career. Regarded as the godfather of the TPLF and its oldest member, Sebhat was sidelined from the Endowment Fund for the Rehabilitation of Tigray (EFFORT) in favour of Azeb in the last year or two of Meles's life. Meles's death allowed him to regain something of his former influence and he has been active in TPLF politics behind the scenes in the last couple of years (AC Vol 43 No 11).

In the Amhara National Democratic Movement, another of the EPRDF's regionally and ethnically based constituent parties, **Bereket Simon** remains the most influential figure. He is currently an advisor to the Prime Minister. He fully supports Premier Hailemariam and *Metekakat* ('renewal'), the policy on generational change of leadership. Other leading party members include the Deputy Prime Minister, **Demeke Mekonnen**, who will probably make a token challenge for the premiership at ANDM's next congress, but his level of support remains small, not least because his family comes from Wollo rather than Gojjam or Gondar.

Ambachew Mekonnen retired from the ERPDF Executive Committee in 2010 but returned in 2013. **Addisu Legesse** (ANDM), the head of the Meles Zenawi Leadership Academy, also retains some

support in the party. None, however, is in a position to challenge the ANDM's or the EPRDF's current leadership or threaten ANDM's support for Hailemariam. Significantly, the TPLF celebrations in Mekelle in February were preceded by a week-long celebration of Ethiopia's Third Armed Forces Day, this year held in Bahir Dar, capital of the Amhara Regional State. This was to ensure that the ANDM did not feel too put out by any over-emphasis on the TPLF's celebrations.

The Oromo People's Democratic Organisation has suffered serious problems since the long illness and death of its President, **Alemayehu Atomsa**, in March 2014. He had done considerable work in getting rid of corruption and nepotism. He was replaced as President of the Oromia Region by the OPDO Chairman, **Mukhtar Kedir**, the then Deputy Prime Minister for the Civil Service Cluster. Mukhtar was replaced in this post by **Aster Mamo**, who is also Deputy Chairwoman of OPDO. She is Coordinator of the Good Governance and Reform Cluster.

Other significant OPDO figures on the ERPDF Executive Committee include a former Director General of the Federal Police, Transport Minister **Workneh Gebeyehu**; Finance and Economic Development Minister **Sufian Ahmed**; and General **Abadula Gameda**, who left the Committee under something of a cloud amid allegations of corruption but has since made his mark as Speaker of the House of Representatives, greatly restoring his image. **Alemayehu Tegenu**, the Minister of Water and Energy, who is in charge of the Grand Ethiopian Renaissance Dam project, can expect to join the Committee later this year. Overall, however, the OPDO remains in considerable disarray and, if faced by a competent opposition, could do badly.

As might be expected, the fourth of the EPRDF's constituent parties, the Southern Ethiopian People's Democratic Movement remains largely supportive of the Prime Minister, who is its Chairperson. Any threat to him would threaten the SEPDM's position in the EPRDF and no one is likely to challenge Hailemariam for some time to come. There are, however, still rivalries within the party, a coalition representing many but not all of the 56 nationalities and peoples in the Southern region. The most important groups remain the Sidama, the Gurage and the Wolaita. The party's Deputy Chairman, **Shiferaw Shigute**, is from the Sidama, who are still determined to acquire the status of a separate regional state. New members of the Executive Committee, such as Defence Minister **Siraj Fagessa** and longer-term members **Redwan Hussein**, the Minister for the government's Communications Affairs

Office, and **Shiferaw Tekelemariam**, the Minister of Federal Affairs, remain firm supporters of the Prime Minister. As the SEPDM was originally a coalition of 16 or so parties, its unity remains fragile and there is often irritable discussion of who gets which job in the Region.

None of this will affect the position of Hailemariam. The EPRDF remains a 'democratic centralist' organisation and the decisions of its Executive Committee are binding. Certainly, the death of Meles had a major impact. It was not just the passing of a dominant intellectual figure. His death also revived a great deal of ambition among senior EPRDF members and reignited some doubts about the choice of Hailemariam as designated successor. He is far outside the traditional mould of any previous leading politician. He is not from the Amhara/Tigrayan (Abyssinian) Highlands. He is not an Ethiopian Orthodox Christian but a Pentecostalist. And he comes from the south, historically a subject area.

ETHNIC BALANCE

Meles persuaded the TPLF to accept Hailemariam, arguing that it would not be able to continue to keep open control of the EPRDF or the country in the face of the larger Oromo and Amhara populations. The point was underlined when the last census showed the Tigrayan population falling to fourth place, behind Somalis. Neither the Amhara nor the Oromo, he said, would allow Tigrayans to continue to hold the leading role for ever and any Tigrayan alliance with one group would immediately push the other into opposition. By contrast, close links with the SEPDM, representing a constituency of 56 nationalities, and by definition fragmented, could allow the TPLF to wield considerable power behind the scenes. The TPLF essentially accepted this analysis, though it seriously exaggerated the control that the TPLF actually has or had.

Hailemariam himself felt he was stepping into a dead man's shoes and did not feel he had a mandate of his own. To some degree, this was provided by his endorsement by the EPRDF Central Committee as the party's leader shortly after Meles's funeral. However, he has yet to be elected as party leader and thus Prime Minister by the EPRDF Congress. This will happen in October this year and it will allow Hailemariam to see himself as the country's real leader. It will also release him from a belief in the necessity of following Meles's views without alteration. He can be expected to make changes in both style and substance, considerably relaxing political and economic constraints, though continuing to operate within the framework of the 'developmental state'. ●

SUDAN

Fresh doubts over polls

The government shuns its own National Dialogue policy, raising more questions about this month's elections

The ruling National Congress Party (NCP)'s refusal to attend a preparatory meeting with the opposition Sudan Call Forces in Addis Ababa on 29-30 March suggests it has dumped its own National Dialogue plan. This refusal boosts the standing of the opposition SCF just two weeks before national elections that it is boycotting (see Box). It also frustrates the meeting's host, the African Union, along with the Troika of **Britain, Norway** and the **United States**, and **Germany**, which had facilitated the 'pre-Dialogue' meeting. This followed the SCF's meeting in Berlin last month (AC Vol 56 No 5).

It seems the NCP's refusal was a last-minute decision, suggesting disagreement at the top. Several opposition participants were already in the **Ethiopian** capital, including **Malik Agar Eyre**, Chairman of both the Sudan Revolutionary Front and of a member organisation, the Sudan People's Liberation Movement/Army-North, and **Yasir Saeed Arman**, SRF Foreign Relations Secretary and Secretary General of the SPLM-N. Others waited on standby for the talks scheduled for 29-30 March. As *Africa Confidential* went to press, The AU High-Level Implementation Panel (AUHIP) head, **South African** ex-President **Thabo Mbeki**, was consulting with various opposition leaders, as were

Troika representatives. **Yasir** said the NCP move absolved the SCF of its commitment to the process and the opposition was now looking at the option of an uprising.

The regime's original plan for National Dialogue involved a 'seven-plus-seven' formula that included parties ostensibly in opposition but close to the NCP, such as **Hassan Abdullah el Turabi's** Popular Congress Party, which left the NCP in 1999-2000. PCP Political Secretary **Kamal Omer el Amin** declared that his party could not attend a meeting at the behest of foreigners. On 16 March, he tweeted that it had agreed with the NCP on a 'neutral' mechanism for the National Dialogue.

None of this fits with the AUHIP's position. Both it and the Troika have lost patience with President **Omer Hassan Ahmed el Beshir's** regime and are more open to the conditions put forward by the opposition.

'A comprehensive and inclusive National Dialogue remains the best opportunity to achieve a representative political system, and to confront fundamental issues of governance, political inclusiveness, resource sharing, identity, and social equality,' ran the opening paragraph of a Troika statement on 24 March. This is strong language in Troika-speak. 'A genuine dialogue also remains

the political process through which to negotiate – and ensure – a credible and broadly participatory national election', the statement went on.

This is a critical concession: both the Troika and the AU now accept the opposition's stipulation that the National Dialogue must precede the elections. However, Khartoum insists the 13-15 April polls are immovable.

Meanwhile, **Omer** is trying other channels. He boasts of enrolling Sudan in 'Desert Storm', the **Saudi Arabian-led** Arab military operation against the **Iranian-backed** Houthi Shia rebels in **Yemen**, allowing him to grandstand at last week's Arab League Summit in Sharm el Sheikh. There Field Marshal **Omer** volubly condemned jihadism and loudly backed the **United Arab Emirates'** claim to three Iranian-occupied Gulf islands, Abu Musa and Greater and Lesser Tunb. This is a change from the **Egypt** Economic Conference in the same resort last month: then, UAE and **Kuwaiti** leaders walked out as **Omer** rose to speak.

Arab regimes will question the sincerity of Sudan's latest public shift. Khartoum's Chief of General Staff, General **Hashim Abdullah Mohamed**, was quoted in security documents leaked last August as saying: 'We have a problem with Saudi Arabia because they found out about the weapons we sent by way of the Red Sea to **Abdel Malik al Houthi's** Shia group in Yemen'. Iran, which backs the Houthis and which the Arab summit set up this force to counter, is Sudan's main ally.

When **Omer el Beshir** made a lightning trip to Saudi last week, it was the first time he had not visited the holy sites and he took with him not his Defence Minister and close ally, Gen. **Abdel Rahim Mohamed Hussein**, as might be expected of a military mission, but the National Intelligence and Security Service boss, Lieutenant Gen. **Mohamed Atta el Moola Abbas**. Egyptian and UAE bombing raids on **Libyan** Islamists and now, Desert Storm, send a strong message to Khartoum (AC Vol 55 No 12).

Meanwhile the opposition is expanding its base: its latest recruits are the Merowe Dam protestors. SRF rallies are attracting huge crowds nationwide, with a message to boycott the elections. At a rally in Rabak on 28 March, thousands came out in this National Umma Party heartland but the rally was SRF, not just Umma.

'Even at the height of the opposition's earlier success in the mid-1990s', an SPLM-N official told us, 'there was never such public support within the country'. Although the unarmed opposition, the National Consensus Forces and the Umma, say they won't use force to overthrow the regime, they also say they will support any popular uprising. ●

POSITIVE DETERRENCE

Labelled 'Top Secret', a National Congress Party document, '2015 Elections: An organisational perspective', leaked out late last year. The 28-page NCP strategy was dated January 2014 but appeared in full in English only this February, on the Sudan Democracy First Group website, along with the Arabic original.

It shows the NCP is aware of its deep unpopularity and the opposition's strength (AC Vol 55 No 25). Despite frequent references to the electoral role of the National Intelligence and Security Service, there is no indication of what the NISS will do if the report's proposals to win votes don't work. This is a document for senior party officials not a security agents' handbook. It does however give some details of front organisations and people it claims work for it secretly, especially in London.

The report spells out the NCP backing for military aggression: 'The outcome of jihad and mobilisation... enables the organisation towards accomplishing its goals ("rear is guarded, move forward"). The battle to recapture Heglig in April 2012, the positive deterrence operations in Darfur and the Nuba Mountains proved that the Salvation [Revolution] is still capable of mobilising its supporters, which is a strength lacking in the opposition... the moral focus should be to activate the Rapid Support Forces'.

It advocates restructuring the National Electoral Commission 'to our advantage', suggesting names who later took over (Chairman Mukhtar Mohamed el Assam; Deputy Jalal el Din Mohamed Ahmed Mahmoud; Registration Chief El Hadi Mohamed Ahmed Hassab) and assigning security officers to work with them. General (Police, Retired) El Hadi, now prominent as NEC spokesman, is from Adila, Darfur, and tried to become Governor of the new East Darfur but lacked support from his fellow Maaliya Arabs. ●

NAMIBIA

Geingob goes for continuity

The new President is putting the party to the fore in selecting his top team. He is pro-business, but pro-SWAPO first

President-elect **Hage Geingob** has affirmed his loyalty to the SWAPO Party and his preference for continuity with his choices for the top political offices of Vice-President, Prime Minister and Deputy Prime Minister. On 19 March he followed up with the nominations for his new cabinet, just in time for his presidential inauguration tomorrow, 21 March.

The vice-presidency goes to 79-year-old SWAPO veteran Dr **Nickey Iyambo**, the outgoing Veterans Affairs Minister and founding President **Sam Nujoma's** personal physician before Independence. The appointment probably followed consultation with the outgoing head of state, **Hifikepunye Pohamba**, and Nujoma. The ex-Presidents were appointed to a new Presidential Advisory Council, also including former Prime Ministers **Nahas Angula** and **Theo-Ben Gurirab**, which Geingob had announced in early February.

Geingob says the PAC is meant to promote 'camaraderie, consultation and continuity of government policy' but it is also a safeguard against Pohamba and Nujoma loyalists conspiring against him within the party. Rumours have been circulating in Windhoek that some Geingob opponents want to stop him adding the SWAPO presidency to the State presidency at the next party congress in 2017 without a contest.

The thinking is that with Pohamba and Nujoma exercising national responsibilities within the PAC, their loyalists would be seen as disloyal if they moved openly against Geingob. This would leave only the radically-inclined SWAPO Youth League (SYL) working against Geingob within the party. The SYL is preparing to challenge the government's existing 'willing buyer, willing seller' land reform policy. Although the SYL has increased its share of MPs in the new parliament it lacks a credible leader to win wider support within the party. Geingob, meanwhile, has already made it clear he will crack down on any 'illegal grabbing of land'.

Geingob's choices for new Prime Minister and Deputy Prime Minister were more unexpected, with the two leading SWAPO female politicians getting the jobs. Outgoing Finance Minister **Saara Kuugongelwa-Amadhila**, originally a protégée of Nujoma's, is the new Prime Minister, with the last Foreign Affairs Minister, **Netumbo Nandi-Ndaitwah**,

becoming her deputy. The appointments please SWAPO's strong women's wing and accord with the 50:50 gender equality principle adopted by the party when electing its candidates for last November's parliamentary elections.

Both the vice presidential and deputy premier choices surprised some political observers. Many thought that Nandi-Ndaitwah would be Geingob's choice for the vice presidency. Geingob implicitly answered those who call the deputy premiership a non-job by allowing her to keep the foreign affairs portfolio. The *New Era* newspaper asked, 'Why Iyambo and not Ndaitwah?' The question was based on the widespread assumption that Nandi-Ndaitwah, aged 63, will be the leading candidate to succeed Geingob as head of state, when the time comes, as the party is expected to choose a woman to be the presidential candidate.

The first test of whether Nandi-Ndaitwah has the support within SWAPO to succeed Geingob will be the election of a new Vice President of the party in 2017. According to the unspoken programme, Geingob should be leaving the party vice presidency by then for the party presidency. Becoming the party vice president would place Nandi-Ndaitwah in a strong position to be the party's state presidential candidate after Geingob. This was the path followed by Geingob, starting with his decisive re-election as SWAPO Vice President in December 2012 (AC Vol 53 No 25).

ETHNIC JUGGLING

All three of Geingob's top office-holders are Oshivambo, Namibia's biggest ethnic community, accounting for 40% of the population and a majority of the SWAPO membership. So, the appointments please the grassroots and reassure them they were right to vote for Geingob, who is Damara and SWAPO's first non-Oshivambo presidential candidate.

However, this leaves the ethnic balance in Geingob's team possibly weighing too far towards the Oshivambo. The outgoing Attorney General, Albert Kawana, who guided last year's constitutional amendments through parliament, said the vice presidency would enable the appointment of persons 'from the diverse spectrum of the people of Namibia' (AC Vol 55 No 17). Diversity might have dictated a choice of Kawana himself, who

is a Mafwe, a sub-group of the Lozi, from the Zambezi (formerly Caprivi) region.

McHenry Venaani, the leader of the DTA of Namibia (ex-Democratic Turnhalle Alliance), now the official opposition in parliament, was quick to label Geingob's choices as 'inconsistent' with Kawana's justification for the constitutional amendments, while stressing he did not question Iyambo's credibility. The DTA is mainly supported by the Herero, white and mixed-race communities, so the criticism cut little ice with SWAPO.

Geingob's new cabinet includes a new Poverty Eradication and Social Welfare portfolio, which goes to Lutheran pastor **Zephania Kameeta**, one of the eight appointed MPs named by Geingob last month. Close ally **Calle Schlettwein** was promoted from Trade and Industry to succeed Kuugongelwa-Amadhila at Finance, while Nujoma's eldest son, **Utoni**, takes over the sensitive Land Reform portfolio.

The number of cabinet portfolios has increased from 22 to 28 by splitting some ministries and creating four new ones. Former deputy environment minister **Leon Jooste** (like Schlettwein, a white Namibian) heads the new Public Enterprises Ministry, while National Oil Corporation of Namibia (NAMCOR) Managing Director **Obeth Kandjoze** takes over the mines and energy ministry. The cabinet contains eleven first-time ministers.

Schlettwein has been the driving force behind the policy to diversify the economy by expanding the local beneficiation of raw materials, mostly Namibia's abundant minerals. In February, he revealed that a **Swedish** jewellery firm, Kristallen, is planning to construct Namibia's first gold refinery, which would take input from the new Otjikoto and the older Navachab mines (AC Vol 55 No 5). The latter was acquired last year from AngloGold Ashanti by the **British**-based private mining firm QKR for US\$110 mn. Namibia's gold is currently refined in **South Africa**. Otjikoto could produce 140-150,000 ounces this year.

Otijkoto is 90%-owned by **Canada's** B2Gold Corporation, with 10% held by EVI Mining, a local Black Economic Empowerment (BEE) entity. EVI is part of Hangala Investment Holdings, which belongs to former Mines and Energy Ministry Permanent Secretary **Leake Hangala** (AC Vol 53 No 2). EVI's involvement in Otjikoto and Hangala's membership of SWAPO – which he rejoined after a brief flirtation with the opposition Rally for Democracy and Progress – enabled B2Gold to see off the state-owned Epangelo Mining when it came looking for a stake last year.

Epangelo Managing Director **Eliphas Hawala** claimed his firm should have a stake in Otjikoto even though EVI already

holds 10%. Hawala would like Epangelo to own 5 bn. Namibian dollars (US\$430 mn.) worth of mining assets but the firm is grossly under-capitalised and received only N\$11 mn. (US\$900,000) from state coffers last year. It is unable to pursue exploration of the 39 prospecting licences it has been granted without bringing in private firms, but Epangelo always received strong backing from the outgoing Minister

of Mines and Energy **Isak Katali**.

Katali, however, failed to secure re-election as a SWAPO MP and so was excluded from the new cabinet. His replacement, Kandjoze, is no fan of Hawala, whose job at Epangelo is up for renewal this year.

Kandjoze has promoted BEE ownership of offshore oil exploration licences, which are mostly then on-sold to foreign oil

explorers for undisclosed amounts. This is how Namibia's oil exploration billionaire, **Knowledge Katti**, a friend of Geingob's, made his fortune (AC Vol 54 No 16). Katti has kept a low profile since Geingob was elected President and is not thought to have been among the small group of family and close friends invited to the mid-February wedding between Geingob and businesswoman **Monica Kalondo**. ●

ZIMBABWE

Bye any means

Renewed opposition factionalism means that some MPs are being recalled and bye-elections have to be held

Sixteen bye-elections, most of them triggered by the opposition, will be held on 10 June, parliamentary officials have decided. In the interim, the number could rise through further recalls. Normally, bye-elections should give a snapshot of the relative strengths of the main political parties and even of the standing of the various factions within them but there seems to be a strange reluctance among outspoken figures to submit to the scrutiny of the electors.

Fourteen of the vacancies stem from the decision by **Morgan Tsvangirai**'s faction, the Movement for Democratic Change-Tsvangirai, to recall members of parliament associated with **Tendai Biti**'s faction, MDC-Renewal. Under Zimbabwe's new constitution, MPs must submit themselves to a new election if they leave the party which they were a member of when elected. Most of the seats are in the opposition urban strongholds which, even with a still-unreformed electoral playing field, the opposition would have a reasonable chance of holding.

However, the MDC-T has resolved not to contest elections until promised electoral reforms have been carried out. This is not something that the Zimbabwe African National Union-Patriotic Front is likely to do in a hurry. The promised electronic electoral register has still not been made available and the Registrar General has yet fully to hand over administration to the Zimbabwe Electoral Commission. This may be making a virtue of necessity as financial support has weakened and the Treasury has still not released all the state funding the MDC is entitled to on the basis of the 2013 results. In the end, the MDC-T decided it would hold a special conference at the end of the first week of April to consider whether to contest the bye-elections under the current rules after all.

If the MDC-T keeps to its policy of not contesting seats until the electoral reforms are in place, the MDC-Renewal team will in effect be getting a clear run, unconcerned by the threat of splitting the opposition vote to ZANU-PF. Biti himself would be particularly vulnerable in his already marginal seat of Harare East. Before First Lady **Grace Mugabe**'s rumoured indisposition, her faction of ZANU-PF was confidently touting her as a bye-election candidate, which would be followed by elevation to the cabinet. Another marginal seat, the rural Tsholotsho North in Matebeleland North, is being eyed by Information supremo **Jonathan Moyo**, who was the incumbent before 2013.

ZANU JUMPS THE GUN

At this stage, the ZANU-PF propaganda machine's claim that the MDC-T has given it 14 extra MPs is premature. It is true that MDC-T has failed to master parliamentary opposition tactics, in part because Tsvangirai as leader seems unwilling to step into the parliamentary fray as MP, preferring to pose as President-in-waiting. Nonetheless, the MDC-T does have a chance to bolster its standing with some of the better performers who lost in 2013 because some of them came in from the proportional party list system and so are not subject to recall.

The opposition total of 91 legislators was just sufficient to provide a blocking third to any constitutional amendment, but now that this has fallen to 70 the way is theoretically clear for ZANU-PF to railroad through any amendments. Finance Minister **Patrick Chinamasa** has already been making noises to that effect on the grounds that the costs of various as-yet-unappointed civil rights commissioners, as well as the number of parliamentarians and provincial councils, constitute an unnecessary burden.

From the ZANU-PF benches, a total of four bye-elections will take place, two on 27 March following the vice-presidential reshuffle and two recalls of the expelled. **Auxilia Mnangagwa**, who is married to Vice-President **Emmerson Mnangagwa**'s, inherited his seat with over 95% of the vote in their home district in the Midlands. In Mashonaland Central's Mount Darwin, **Joice Mujuru**'s old seat went to ZANU-PF by a similar margin. Ousted Vice-President Mujuru did not contest the seat, claiming that she was now only a disciplined low-level cadre and a poor widow trying to unravel her husband's vast estate amongst his numerous off spring (90 at the last count; AC Vol 56 No 5).

Even should she genuinely want a quiet life, Mujuru will have difficulty extracting her persona from the public domain. Moyo stokes relentless attacks in the state media, the latest being on the disappearance of the late General **Solomon Mujuru**'s will, and given the smears about witchcraft last year, the First Lady's current ailments can only fuel dark rumours.

Both the recalled, expelled MPs, **Didymus Mutasa** and **Tembo Mliswa**, have vowed to fight their seats on 10 June. For Mutasa, at 79 years old, it will be in the nature of a swansong as the home-boy from Headlands in Manicaland. MDC support has always been respectable there and in the absence of an official MDC candidate, he has a reasonable chance. Mliswa's Hurungwe seat in Mashonaland West remains an unknown quantity.

The congress coup in December and the emergence of Grace Mugabe as a force was supposed to have put an end to ZANU-PF factionalism between Mujuru and Mnangagwa (AC Vol 55 No 25). Yet already there are signs of new factional permutations, one emerging around the First Family, another around Mnangagwa and a more fluid grouping centred on **Saviour Kasukuwere** and Moyo. Much will depend on the real state of the First Lady's health: the state media has been reticent and the independent media is prone to scare-mongering. The fact that the report of her being evacuated to Dubai was apparently leaked by **Oppah Muchinguri** will not make it any easier to check. ●

CONGO-KINSHASA

Game of provinces

A series of arrests and plans for new provinces all look like part of Kabila's long-term plan to stay in power

Protests against President **Joseph Kabila's** plans to stay in power beyond the end of his term in November 2016 continue since the *Commission électorale nationale indépendante* (CENI) announced an election timetable as the constitution requires (AC Vol 56 No 4). On 15 March, 30 activists who were planning protests against the plans were arrested in Kinshasa. They included **Burkinabè** and **Senegalese** as well as Congolese activists.

Several Western journalists were arrested at the same time but Congolese activists from the Goma-based '*Lucha*' (fight) and '*Filimbi*' (whistle blower) pro-democracy groups were detained for longer. Kabila had failed in January to gain parliamentary assent for a plan to delay the elections pending a national census (AC Vol 56 No 3).

The President's moves to reorganise provincial administration have also attracted criticism. On 2 March, he promulgated a law to replace the eleven provinces with 26 new ones by June, as the 2005 constitution allows. Previous delays had been explained by the cost of new administrative infrastructure.

Kabila's sudden interest in the reform

might perhaps be explained by the fact that two of his main critics from Katanga Province will lose their jobs. These are the popular, charismatic, millionaire Governor, **Moïse Katumbi Chapwe**, and the Speaker of the Provincial Assembly and former Governor, **Gabriel Kyungu wa Kumwanza**. Both were considered Kabila's allies until December, when they spoke at a rally held to oppose a third presidential term. Moreover, although Katumbi has persistently declined to declare himself a presidential candidate, he is widely believed to want to. Kabila's move is dangerous because both Katangese politicians have in the past shown their capacity to mobilise large crowds.

Beyond that, the very idea of splitting Katanga into four – the rich Lualaba (Kolwezi) and Upper Katanga (Lubumbashi) provinces and the poorer Tanganyika (Kalemie) and Upper Lomami (Kamina) – is extremely unpopular in North Katanga, where Kabila's late father, President **Laurent-Désiré Kabila**, was born and where *Mai-Mai* activity is widespread. There is a danger that the proposals will encourage the secessionist *Bakata Katanga* (cut Katanga off).

In 2009, the French geographer

Jean-Claude Bruneau said he was afraid the division of the province would spark new conflicts. The President's failure to implement a constitutional stipulation that 40% of tax revenue should go to the provinces has further frustrated Katangese. Provincial Finance Minister **Christian Mwando Nsimba** said last January that in 2012, Katanga's mines had contributed up to 68% of all extractive industry tax or US\$1 billion to the state Treasury. In 2014, he said, Katanga had received only \$65 million of a promised \$460 mn.

There is a concern that Kabila is creating new provinces without providing them with the funds to cope with their new responsibilities. Some also fear that the division is in part designed to delay elections slated for 2015 and 2016. The costly reform was not provided for in the 2015 budget.

The elections are expected to cost \$1.2 bn. says the Chairman of the CENI, Kabila's friend, Father **Apollinaire Malu Malu Muholongo** (AC Vol 55 No 13). Local and provincial elections are scheduled for October. Provincial parliaments will elect national senators and provincial governors in January, while presidential and legislative elections are due on 27 November 2016.

In an interview with *Radio France Internationale* on 16 March, Katumbi argued that the reform would be difficult because it has not been accounted for in this year's budget. He suggested that he would oppose the plans at the next congress of Kabila's *Parti du peuple pour la reconstruction et la démocratie*, the date of which is still unknown. ●

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POINTERS

Senegal

KARIM'S PRESIDENTIAL APPEAL

■ The most difficult dossier that the new Supreme Court President, **Mamadou Badio Camara**, has to deal with is the appeal by **Karim Wade** against his conviction for illicit enrichment (AC Vol 55 No 24). The son of ex-President **Abdoulaye Wade** was sentenced to six years in prison and fined US\$226 million on 23 March. Appointed with Camara, just five days after Wade's conviction, was another veteran of Senegal's justice system, **Cheikh Ahmed Tidiane Coulibaly**, who becomes Prosecutor at the Supreme Court.

Coulibaly is the brother of a former investigative journalist, **Abdou Latif Coulibaly** who, before becoming Spokesman for President **Macky Sall's** government, wrote books criticising Karim Wade's business practices. Both Camara and Cheikh Tidiane Coulibaly have reputations for integrity and adherence to the law. Nevertheless, Wade's lawyers were quick to point out supposed bias and share their 'anxiety' about the appointments.

Wade's lawyers have long claimed the prosecution was political, which could be supported by evidence that no forensic auditing took place in the investigation. Much hangs on the outcome of the appeal. Wade is still expected to be the *Parti démocratique sénégalais* candidate in the 2017 presidential election but he will have to overturn the conviction in order to qualify. The other two front-runners for the presidency, a recent poll suggested, were the incumbent and **Khalifa Sall**, the popular Mayor of Dakar.

The influential *Khadriya* (*Qadiriya*) Sufi brotherhood has called on Macky Sall to consider an amnesty for Wade. Sall says he does not interfere with the legal system and Wade has ruled out any direct or indirect negotiations.

Egypt/Ethiopia

GRAND UNION ON SHOW

■ The new tripartite accord over the US\$4.8 billion Grand Ethiopian Renaissance Dam may not provide the resolution to arguments over the use of the Nile waters that the solemn ceremonies led many to expect. Egypt's President **Abdel Fatah el Sisi**, Ethiopia's Prime Minister **Hailemariam Desalegn** and Sudan's President **Omer Hassan Ahmed el Beshir** signed a declaration of principles in Khartoum on 23 March, ostensibly resolving all conflict. In fact, the agreement affirmed only general principles of cooperation, and pledged not to 'not create harm'. Battles over key details of the GERD may only be beginning. Following the signing, a top official from Egypt's water ministry, **Ahmed Bahaa el Din**, told reporters Egypt has not

even recognised the legitimacy of the GERD nor any of its specifications. 'It is still a point of dispute,' he said. The document makes no reference to the differing views over the 1929 and 1959 agreements allocating the lion's share of Nile water to Egypt and Sudan (AC Vol 56 No 5).

The new agreement pledges to use the input from the International Panel of Experts on the most contentious issue, 'First Filling and Operation of the Dam'. To some Ethiopian commentators this looked like ceding sovereignty, especially when compared to the government's prior, combative approach to the notion of any foreign input into GERD policy. Some senior Ethiopian officials have voiced disquiet about surrendering sovereignty online. Others are alarmed at a clause which could be read as a bar on Ethiopia using the dam for irrigation.

Other Ethiopian commentators took a highly optimistic view. The English-language *Reporter* called El Sisi's address to the Ethiopian Parliament on 25 March 'a decisive historic moment' and said the lack of reference to the old treaties was evidence that 'Egypt has finally come to a new way of thinking whereby the old claim of hegemonic right over the Nile River will no longer work.' Others believe that the agreement has done little to avert the potential for serious disagreement.

Mozambique

A FAREWELL TO ARMANDO

■ Ex-President **Armando Guebuza** has resigned from the presidency of the governing *Frente de Libertação de Moçambique* (Frelimo) having lost his power struggle with his successor as national President, **Filipe Nyusi** (AC Vol 56 No 5). Guebuza had been confronting Nyusi over devolution proposals for provinces which voted overwhelmingly for the opposition *Partido Renamo* (*Resistência Nacional Moçambicana*) and also signing big business deals.

The resignation came at the Frelimo Central Committee meeting on 26 March. Party sources have been expecting pressure on Guebuza to resign his party post a year earlier than anticipated. *Africa Confidential* learned in November that a large group within the party was determined to force Guebuza to resign at the CC meeting.

Thanks to Guebuza's dominance of the Political Commission of Frelimo, which sets the agenda for CC meetings, the subject of his resignation was not on the agenda. But General **Alberto Chipande**, the country's most senior general and Nyusi's mentor, put it on the list of items to be discussed. Chipande's moved followed former Information Minister **Jorge Rebelo's** earlier public accusation that Guebuza was 'seeking to intimidate members of the Central Committee' and making them 'afraid of speaking up' because he 'blocks and represses debate'. He called on members to 'speak up', arguing that Guebuza would respond to pressure if they were brave

enough to force the issue. Guebuza resigned rather than face sacking and the meeting elected Nyusi party President in his place.

Historically, state and party have had the same leader. Guebuza's retention of the party Presidency was widely seen as a desperate ploy to hang on to the last vestiges of power that he could, having previously failed to extend his term of office as national President. Urgency was added to the rift between Nyusi and Guebuza by the murder of lawyer **Gilles Cistac**, who was outspoken in his criticism of Guebuza's efforts to hang on to power. His killing may have had hastened Guebuza's departure from high office.

South Africa

COLD WAR AT ESKOM

■ The suspended Chief Executive Officer of state electricity utility Eskom, **Tshediso Matona**, has lost his bid to overturn his suspension by the Board of Directors. The rejection of his application to the Johannesburg Labour Court on 27 March left local media speculating about a cold winter ahead. Eskom faces management paralysis while staff await the outcome of disputes at the top of the beleaguered utility (AC Vol 55 No 25). The Board suspended Matona and three other executives on 11 March as part of an enquiry into the company's poor performance in bringing the new generation plant on-stream, the high cost of primary energy and cash-flow issues.

However, the rift in the Board in reality reflects fundamental disagreement between Matona and his supporters and the government over strategy on how to meet the chronic power and cash shortages, say African National Congress insiders. The Eskom board was led by close **Jacob Zuma** ally **Zola Tsotsi** until his resignation on 31 March. Tsotsi supported Zuma's insistence on nuclear power being the main energy source in the future but his resignation is believed to be on a separate issue. Matona's suspension followed his apparent refusal to agree to put all South Africa's energy eggs in the nuclear basket. He favours a mixture, including renewables, and greater involvement of the private sector. He also opposes any requirement that Black Economic Empowerment businesses supply half of Eskom's coal, we hear.

Zuma hopes for a string of nuclear power plants costing upwards of US\$100 billion and generating 9,600 MW, after a deal he personally negotiated with Russian President Vladimir Putin, against strong resistance from opposition parties, civil society groups and some senior government officials. In early February, the CEO of the National Energy Regulator of South Africa, Phindile Baleni, suddenly resigned to 'pursue other interests'. Sources close to Baleni told AC she was purged because she opposed the nuclear deal.

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BLUE LINES

The 91-year-old President Robert Mugabe's State visit to his stripling of a 73-year-old counterpart, President Jacob Zuma, left observers wondering which of them was in better shape. Zuma is beset on all sides: his popularity is plummeting. Unemployment, corruption, the falling rand and the Eskom crisis are eating away at his authority. Mugabe, unlike his compatriots, seems to have a serene existence.

Mugabe has weathered more violent storms than his neighbour and been prematurely written off so often that few dare to do so any more, regardless of his extreme age. Zuma may look enviously at his fellow comrade's freedom from bothersome elements like independent courts, parliament and free media but Mugabe has had 35 years to whittle away at such institutions.

Between 7th and 9th April, every South African commentator found some apposite comparison between the two nations born of anti-colonial war but in the end it was the legacy of their common enemy that offered the strongest symbol. Cecil Rhodes, the founder of one nation and the super-exploiter of the other, still had the symbolic power to stir passions. Students attacked the statue of him at the University of Cape Town and it was removed for safe keeping. Mugabe, whose country hosts Rhodes's grave, quipped, 'We have his corpse and you have his statue. What do you want us to do with him? Dig him up? We cannot tell you what to do with the statue but we and my people feel we need to leave him down there.'

NIGERIA

'No condition is permanent'

The credibility of the election and transition breaks the political mould and opens up the possibility of radical change

One of President Goodluck Jonathan's campaign advisors had it all figured out a few weeks before the presidential election on 28 March. 'Nigerian elections are all about regional loyalties and identities, religious and otherwise', he explained, stretching out a map of the country on the table. 'Our man,' said the advisor, who hailed from the Niger Delta, 'is going to win big in the South-South and the south-east, get all the Christian votes in the Middle Belt and the north – and there are more there than you think – and of course those sophisticated south-westerners will never vote for an austere Muslim like Buhari.'

As the trucks in Lagos say, 'No condition is permanent'. Thanks to the depth of the country's security and financial crises, together with smart campaigning by the opposition All Progressives Congress (APC), millions of southerners dropped their reservations about **Muhammadu Buhari** and backed him in droves (AC Vol 56 No 7). Middle Belt and northern Christians were so concerned about Jonathan's security failures that many defied stereotypical allegiances and voted for Buhari and the APC.

Jonathan did sweep the South-South and south-east, although even there, pockets of dissent emerged. However, the identity politics argument of Jonathan's advisors failed spectacularly on the ground. From its position as the natural party of government, the People's Democratic Party (PDP) has been reduced to a regional rump, with near 100% support, at least in declared results, in the South-South and south-east but running second to the APC

almost everywhere else.

Given that Jonathan still won 12.8 million votes to Buhari's 15.4 mn., the PDP remains in business, but it will play second fiddle across much of the country. Nigeria still has two parties with a national presence, although PDP barons have to make some tough decisions in the months ahead. A weak opposition could be as disastrous as an overbearing ruling party.

Both main parties claimed their opponents had used rigging and violence in their bailiwicks. Our correspondents and election monitors saw plenty of breaches of electoral law, beatings and the victims of a few shootings. Yet the fraud, rigging and violence distorted the election result far less than in any previous poll. These were Nigeria's most credible elections so far. Combined with Jonathan's speedy concession of defeat on 31 March, that has lifted the national mood.

It opens a new political era. The first part of that is political mobilisation: what changed this time was the organisation of a national opposition alliance that urged its supporters to register to vote, to pick up their voters' cards and then give up almost a day to get accredited by the biometric card readers and cast their votes.

The second part was technology which greatly reduced the possibility of inflating the electoral register, voter impersonation and other fraud (see second Feature). This technology also makes it far easier to identify voting patterns accurately. Early assessments suggest there have been some important changes in political mobilisation. The simplistic story of north-south, Christian-

NIGER DELTA	3	NIGERIA	4	KENYA	5	ETHIOPIA	6	GUINEA BISSAU	8
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Muslim splits, which international media reports overstated and PDP campaigning deliberately encouraged (chummy and defensive in the south; first negligent and then ham-fisted in the north) is not really accurate.

Buhari enjoyed a huge unitary vote-bank in the majority-Muslim north-west which delivered nearly half of his winning votes. Yet all over the country, voters expressed some preference for change. Nationwide, the swing to the APC averaged 13.6%, compared to the 2011 results, while even the heavily disputed results in Jonathan's home base of the Niger Delta swung 6% to the APC.

Nowhere is the lesson clearer than in the north-central or Middle Belt. Historically, much of this region defined its political identity in opposition to the mainstream currents in the wider north. That is, many small ethnic groups in the region were evangelised by Christian missionaries and lived alongside Muslim communities on the frontiers of the 19th century Fulani jihad.

A spate of communal conflicts in recent years sharpened some of those fault-lines, particularly in Plateau State and also Nasarawa and Benue. In others, communities coexist peacefully. However this year, the region showed the largest swing of any to the APC, 22.5%. Buhari won in majority Christian Benue and

made a creditable showing (429,140 to 549,615) in bitterly divided, Christian-ruled Plateau. The APC won the state governorship on 11 April, in part because of the unpopularity of Governor **Jonah Jang**, a dedicated and divisive ally of Jonathan's (AC Vol 50 No 3).

This reflects three dynamics. Firstly, a gradual demystification of political mobilisation and an increased public debate over performance and leadership, rather than purely identity issues, as Middle Belt communities have felt the cost of the PDP government's failure to manage security. Secondly, the resurgence of other long-term political dynamics. The Benue-centred United Middle Belt Congress (UMBC) of the First Republic, for example, was strongly allied to Chief **Obafemi Awolowo's** Action Group and its alliance with the south-western heirs to the AG tradition continues through into the APC.

Thirdly and perhaps most significantly, the region's PDP vote suffered from the contagious odium of the party's government in many states. In both Benue and Plateau, many voters and opinion-leaders expressed a desire to punish the party for what is seen locally as a monopolisation of power by the states' long-incumbent governors. Meanwhile in Kogi, Buhari's large win seems to reflect his historic popularity, which was previously masked by the PDP state government's ability to dominate elections.

One of the most interesting divergences in the electoral landscape is between states where old-established patterns of mass mobilisation held and those where the picture was more fractured. This division can be clearly seen between 'consensus' states, such as Jigawa, Katsina (APC) and Enugu (PDP), where no polling-station irregularities at all were reported, and those more

contested states where numerous elections were disrupted, such as Rivers, Imo (PDP) and Kaduna (APC).

Unreported irregularities may have occurred in the former states: for example, there was a picture of what looked like extremely underage voting in a northern polling-station on election day. Yet the lack of reports of such violations suggests a consensus between voters, party agents, administrators and political authorities to support one candidate en masse, which has held true through most elections. The large number of polling-station results cancelled in others, however, shows states where national politics is mirrored in hotly contested local rivalries, which may influence voters beyond party affiliation.

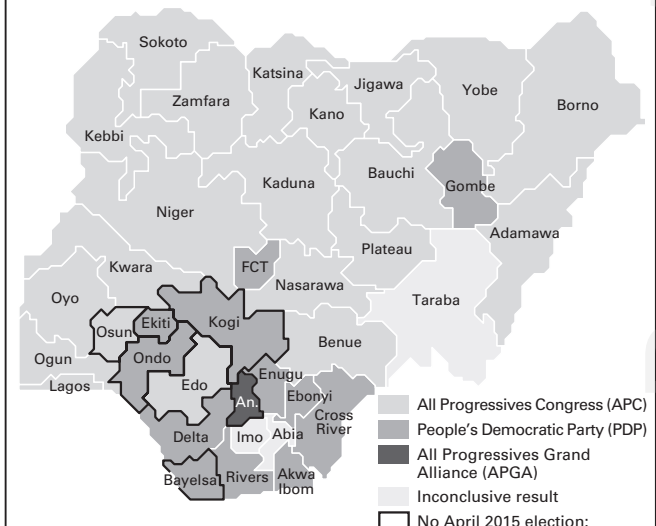
One of the strongest consensus regions was the south-east but even here, things changed significantly. The PDP's eastern vote-bank in 2011 saw recorded turnout percentages in the mid-70s; this year, the Independent National Electoral Commission shows the average at 37.5%. Most of those votes were cast for Jonathan, thanks in part to defensive campaigning and advocacy by local figures who were vocal in denouncing those who chose to support the APC. South-eastern PDP activists labelled the APC as a reincarnation of the northern-Yoruba alliance which defeated Biafra in the 1967-70 civil war, led by a serving officer in that army – Gen. (Retired) Buhari.

After the state elections on 11 April, several politicians pointed out that the new electoral map shows that the PDP controls all those present-day states which make up the old secessionist region of Biafra while the APC controls the rest, the Federal side in the war. How much that will mean to a new generation of voters, growing up 50 years after that devastating conflict, will depend on the

2015 PRESIDENTIAL ELECTION



2015 GUBERNATORIAL ELECTIONS



talent and sense of responsibility of local politicians.

Electoral tactics in the south-east proved highly divisive. Negative campaigning meant that even the highest-profile APC candidates failed to get elected, such as former Anambra Governor **Chris Ngige**, contesting for Anambra Central's Senate seat. Meanwhile, PDP legislators largely bucked the national trend, with men such as the former Deputy Senate President and political veteran **Ike Ekweremadu** returned with large majorities. This unitary support now leaves the south-eastern political establishment with a headache. With a north-western President-elect and a south-western Vice-President, the south-east should have bagged the Senate presidency, the country's third most important office, under the 'zoning' rule for the regional distribution of top political offices. There is now no APC Senator from the south-east to take it: expect some energetic floor-crossing acrobatics.

Conversely, the south-eastern and Igbo-speaking votes did show their importance in Lagos, the most vigorous and cosmopolitan city in the country, perhaps in Africa. The poll shows the tension between the city's role as a Yoruba heartland and as the national commercial capital. The APC party machine, led by former Lagos Governor **Asiwaju Bola Ahmed Tinubu**, signally failed to deliver a huge vote, with only 1.67 million of 5.82 million registered electors turning out. In the event, Lagos contributed only 160,133 votes to Buhari's national majority, fewer than tiny Kwara.

That's all the more remarkable, given that supporters of Bola Tinubu – a ruthless deal-maker ranking with the likes of Chicago's Mayor **Richard Daley** – claim he was the presiding genius behind the APC alliance. Unquestionably, Tinubu's

ability to spot bright young political talent and his overwhelming influence on the Lagos street shaped the alliance with Buhari's supporters from the north. Yet the two men could hardly be more different in political style or substance, and there are already rumblings between them and their acolytes.

Activists offer various reasons for the low turnout in Lagos: general apathy towards national politics in a city geared to commerce; fear of insecurity after the PDP-funded O'dua People's Congress militia staged violent street demonstrations (AC Vol 41 No 5); the high number of Lagos-registered electors who travelled to homes elsewhere amid fears of a prolonged election crisis; public disenchantment with Tinubu's long and ubiquitous shadow. One thing it does prove is the shattering of the position of Lagos as an opposition block vote opposed to the national centre and mobilised around accelerated development and Yoruba nationalism. The OPC, previously footsoldiers of ethno-nationalist opposition to Federal power in the 1990s and 2000s, now works for the PDP. Most significantly, three of the five PDP candidates who beat APC contenders to represent the state in the national House of Representatives were non-Yoruba: two Igbo and one from Delta State.

So, Lagos's traditional political elites have belatedly woken up to the power of the large non-Yoruba communities in their city. In a ham-fisted attempt to bring the Igbo people into line with the APC before the gubernatorial election, Lagos's **Oba (king) Rilwan Akiolu** summoned Igbo leaders for a lecture replete with spiritual threats in which he ordered them to support the APC or face 'death inside the water'. It seemed that Oba Akiolu feared that the APC's lacklustre candidate, **Akinwunmi Ambode**, chosen by Tinubu, could lose to the PDP's slicker **Olujimi**

Kolawole Agbaje, who had established a sizeable independent following.

Akiolu's crass intervention had exactly the opposite effect to that intended, with video of the harangue widely circulated, arousing anger from Igbos and other non-indigenous Lagosians alike. Tinubu and the party were forced to distance themselves from the Oba's rant. It undermined some of the most progressive elements in the APC, whose national manifesto speaks of the need to tackle the perennially contentious divisions between 'indigenes' and 'settlers' across Nigeria and to break down ethnic prejudice. Rivers State governor **Rotimi Amaechi**, whose defection from the PDP got the APC off to a flying start in 2013, was one of the first governors to insist that all social and economic services provided by the Rivers State government would be available to all residents, regardless of their state of origin.

Akiolu's intervention proved especially damaging as non-indigenes – not just Igbos, Deltans and northerners but non-Lagosian Yorubas, as well as those of Beninese extraction – far outnumber 'original' Lagosians: elections cannot be won without their support. Accordingly, the PDP's Agbaje ran Ambode extremely close, despite the national trend in favour of the APC.

Despite stronger political mobilisation and better electoral technology, some statistical anomalies stand out. The total recorded vote was 28,496,841 in a country which the United Nations and others estimate to have a population of more than 170 million. Even if half are minors, that still leaves 56.6 million of the supposed adult population missing from the polling queues, almost twice the number who voted. Perhaps the new government will take a hard look at the accuracy of the census, well ahead of the next national elections due in 2019. ●

NIGER DELTA

Mending fences

Militant fighters ponder their options after Jonathan loses power and a showdown over oil theft looks likely

It has been a bad month for the Niger Delta in both personal and political terms. The death of activist lawyer **Oronto Douglas** on 9 April, after a long struggle with cancer, has robbed the Delta of one of its most articulate and effective representatives (AC Vol 53 No 1).

A week earlier, **Goodluck Jonathan**, the first President to hail from the Niger Delta, conceded defeat to **Muhammadu**

Buhari in the 28 March elections. Politically, the Delta is rudderless and there are rumbling threats of fresh violence against oil companies and the new order under the President-elect.

Representing **Ken Saro-Wiwa** and eight other Ogoni activists at a military tribunal in 1995, lawyer Douglas campaigned vigorously and internationally against the environmental

despoliation of the Delta and the oppression of its people (AC Vol 46 No 23). His forays into local politics with figures such as **Diepreye Alamieyeseigha** and Jonathan undermined some of that work. Yet Douglas's pragmatism and strategic sense will be much missed at a time when the region seems more divided than ever – between rival bands of politicians and militants.

The presidential polls in Rivers, Bayelsa and Akwa Ibom States were described by independent observers as the worst for ballot-stuffing and violence (AC Vol 56 No 7). The opposition rejected outright the official result; that Jonathan had scored 94.4% of the vote in Rivers. Opponents similarly dismissed the official result of the gubernatorial election on 11 April: that Chief **Ezenwo Nyesom Wike**,

candidate for the People's Democratic Party (PDP), had won 87.7%.

Even the highly cautious European Union observer mission called for an investigation into the shooting, beating and ballot box snatching in the governorship polls. Outgoing Rivers Governor **Rotimi Amaechi**, who quit the PDP two years ago to form the opposition All Progressives Congress (APC), told *Africa Confidential* that the malfeasance and violence were hugely damaging for the Delta. 'Elsewhere in the country, INEC [Independent National Electoral Commission] has organised credible elections. What's gone wrong here?'

As Director General of Buhari's victorious election campaign, Amaechi is likely to get a top job in the new Federal government. Certainly, the Delta is far more divided politically than the Soviet-style election results suggest. Defeated at national level, the PDP has been reduced to a regional party dependent on its base in the South-South and south-east (see lead Feature). Even there, some of its candidates are struggling for supremacy.

On 3 April, gunmen killed an APC-supporting traditional ruler, Chief **Christopher Adube**, in Obrikom, Rivers State, plus eight other people, and set fire to the house of APC candidate **Vincent Ogbuagu**. In the previous evening, *Urhobo Gbagbako*, a force of former militants, claimed responsibility for attacks on a pipeline in Urhobo, Delta State. Three explosions rocked

Ighrenene, Ekiugbo and Afiesere. Their Spokesman, **Priest Omodjuvwu** said the bombing was to highlight the neglect of former fighters, despite the Presidential Amnesty Programme. Some commanders in the camps for stood-down militants have been fleeing their comrades-in-arms, demanding half of their 65,000 naira (US\$320) monthly stipend.

Last month, after a row over a security contract, fighters also threw dynamite at the house of militant leader **Eris Paul**, aka **General Ogunboss**, near Yenagoa, Bayelsa. For now, the militants are fighting over security contracts and amnesty pay outs. Local politicians loyal to the PDP look marginalised.

However, **Mujahid Dokubo-Asari**, leader of the Niger Delta People's Volunteer Force, is eager to claim the leadership mantle for the Delta (AC Vol 50 No 22). Under Jonathan, Asari was awarded security contracts worth N1.44 billion a year. In the election, he took sideswipes at leaders such as the Ijaw Youth Congress (IYC) potentate, Chief **Edwin Clarke**.

Asari's greatest ire is reserved for outgoing Governor Amaechi. He threatens 'all-out war' if the next governor doesn't launch an investigation into Amaechi's finances and his support for the opposition APC. Nor does Asari accept the APC's win at national level: the south-west and the north colluded against the South-South and south-east, he claims. Asari's call to the creeks hasn't

impressed the IYC, though. Its President, **Udengs Eradiri**, says it will cooperate with Buhari but closely monitor the 'dance steps'.

President-elect Buhari has conditional support from some militants in factions of the Movement for the Emancipation of the Niger Delta. So far, one of the most powerful militant leaders-turned-contractor, High Chief **Government Ekpemupolo** aka **Tompolo**, hasn't commented on the national elections. He has been far more commercially astute than Asari. Having won a \$103 mn. contract for pipeline security for his company Global West, Tompolo has just bought seven high-speed patrol boats (AC Vol 56 No 3).

Buhari's pledge to fight corruption and reinstate the rule of law will at some stage target the badlands of the Niger Delta, where oil theft and piracy net as much as \$3 bn. a year for the criminal syndicates and the corrupt officers and politicians who organise them. In the short term, the pressure will be on his government to defeat decisively the jihadist fighters of Boko Haram in the north-east. For the Delta, that may allow an important breathing space for its political factions and militant groups to come to terms with the new order. Nevertheless, there is little prospect of Buhari's government ending the billion dollar oil theft businesses in the Delta without the use of military force. The question is when the showdown will come. ●

NIGERIA

INEC and high-tech

The new technology helped combat fraud but old-fashioned politics determined the outcome

The accolades heaped on **Attahiru Jega** and his team at the Independent National Electoral Commission for organising the country's most credible elections to date make much of the use of new technology (AC Vol 51 No 18). Although the biometric elector registration and accreditation greatly helped Jega's officials, they would have achieved little without the independent but remarkably diplomatic Chairman of INEC and determined efforts by civic activists monitoring votes and numbers across the country. Some of those activists now warn that giving too much kudos to election technology could encourage complacency and weaken future monitoring efforts.

Although the equipment costs hundreds of millions of dollars (US\$266 million in *Côte d'Ivoire* in 2010 or \$44

per voter), it still has a very uneven track record. In the **Ghanaian** elections of 2012, biometric card readers failed to identify many voters, especially in cases where their fingerprints had been eroded by manual labour. That forced the government to extend voting for a second day and in some cases, switch to manual verification, despite a rule that all valid votes would have to be biometrically verified. That formed part of the opposition's lengthy Supreme Court case questioning the validity of those elections (AC Vol 54 No 18). In **Kenya's** elections in 2013, the equipment failed wholesale, with over half of the Electronic Voter Identification (Evid) kits failing at one point during the day. The opposition accused President **Uhuru Kenyatta's** Jubilee coalition of colluding with the Electoral Commission

of Kenya to sabotage the technology.

In Nigeria, the equipment sometimes failed because officials removed the protective plastic screen from the finger pad. Many thought the televised 50-minute explanation by the then President, **Goodluck Jonathan**, ostensibly because three hand-held card readers had malfunctioned, was orchestrated. His People's Democratic Party (PDP) had called on Jega to drop the biometric card readers because they disenfranchised genuine voters and caused chaos at the polls. Despite such glitches, it was evident that biometric verification made rigging by the party in power – at both federal and state level – much more difficult.

Instead, Nigeria's rival parties appear to have shifted their focus from the blatant ballot box stuffing seen in 2007 to other strategies, such as manipulating the results during vote collation. Reports of such malpractice prompted the **United States** Secretary of State, **John Kerry**, and the **British** Foreign and Commonwealth Secretary, **Philip Hammond**, to make a rare joint statement on 30 March, expressing concern about 'disturbing indications' that vote tallying was 'subject to deliberate political interference.'

In previous elections, extended collation processes carried on long into the night and the next day, testing the staying power of observers and the determination of party agents. This time, the parties were better organised, each with a parallel vote count of its own. Despite the huge finance available to the incumbent PDP, the opposition was also aided by the sometimes divided loyalties of PDP officials.

Jega's vigilance, combined with the magnitude of the gap between **Muhammadu Buhari** and Jonathan, limited the PDP's options. Once Buhari had established a lead of over 2 million votes, only a farcical and blatant fabrication of the results could have kept Jonathan at Aso Rock.

Yet the management of the new technology was far from hitch-free and some of the blame falls at INEC's door. Delays in printing and distributing the permanent voter cards threatened to exclude hundreds of thousands of eligible electors. INEC's decision to postpone the polls for six weeks, after being told by the National Security Advisor, Colonel **Sambo Dasuki**, that the military couldn't spare any soldiers on the original date of 14 February, gave it a chance to distribute most of the remaining 30 mn. biometric cards and test the new system.

European Union election observers also questioned the process for collecting cards. They argued that claims that 92% of cards had been distributed in eleven

states were implausible. Some suggested that state level INEC officials had faked the results to hit their target; others suggest the cards may have been collected by one of the parties to suppress the votes of their rivals. Why and how the technology failed to prevent widespread rigging and vote inflation in the Niger Delta may emerge in a raft of court actions that disappointed candidates are planning to launch.

In Rivers State, a Jonathan stronghold, independent observers recorded far lower turnout figures than were later reported in the official results. A local civil society organisation, the Stakeholder Democracy Network, concluded that 'for the most part, the presidential elections in Rivers State were not conducted according to the stipulations of the Electoral Act' (see Feature). There were claims of similar malpractice in Akwa Ibom.

The Transition Monitoring Group drew attention to the South-South region's suspiciously high official turnouts when compared to their observation-based estimate. While the maximum divergence between estimated and official statistics in other regions was 4%, that of the South-South was 15.3%. This raises the question of what happens when new technology is sabotaged. Electoral officials typically fall back on traditional manual processes which are more vulnerable to fraud.

Mounting evidence suggests the failure of technology is not random but is often manipulated by political parties. Academic researchers have found that

during the 2012 Ghanaian elections, machines were more likely to 'break down' in polling stations without observers, facilitating electoral fraud.

Evidence is still being gathered in Nigeria but it seems likely that the reversion to manual counting was one of the factors explaining the inflated turnout figures in some of Jonathan's home areas. INEC wisely also used its biometric cards and readers alongside practices which rely on more familiar procedures.

Central to this was the use of Collation Officers to announce the results for each state live on national television, which also filmed Jega and senior INEC staff transcribing them, making the whole nation in effect observers of the highest level of collation. This was also a clever way to manage the questionable reliability of some state Resident Electoral Commissioners, who run the elections in each state: they are all appointed directly by the Presidency although INEC can move them from state to state. With this system, any result collated by the REC would have to at least pass muster with the Collation Officers, who are all appointed by the INEC Chairman from his own peer group of senior academics.

Nigeria's successful elections are both an encouragement and a warning. With effective political parties and an active citizenry, technology will boost the credibility of elections but without them, it could do more harm than good by appearing to validate stolen results. ●

KENYA

Garissa security shambles

The government failed to heed warnings of imminent attacks and reacted with ill-thought out measures

In what is becoming a familiar pattern after terrorist attacks, the government's response to the massacre at Garissa University College (GUC) on 2 April was unfocused and haphazard, many critics say. Some believe that the mixture of impulsive measures and sometimes unlawful presidential decrees after such events will impede the war against **Somalia's Al Haraka al Shabaab al Mujahideen**. The Islamist militia claimed the attack, which officially killed 148 people, mainly students.

Within hours of the attack, President **Uhuru Kenyatta** addressed the nation from State House, promising to accelerate the recruitment of 10,000 new policemen and explaining that a key reason why the attack had occurred was a shortage of police boots on the ground. Drastic

measures were required, he said. This involved contravening a court order. Last August, the High Court granted the Independent Police Oversight Authority, a civilian body mandated to scrutinise police actions, an order to freeze the recruitment of 10,000 candidates after reports emerged of widespread bribery.

The President and his security chiefs have come in for a barrage of criticism. The bulk of it has focused on intelligence failures and response times to the Garissa siege. A security warning of a planned attack on a university at Easter had been widely circulated at least a week beforehand. Universities in the capital, such as the University of Nairobi and the private **United States International University**, had circulated the alert across their social media networks.

On 27 March, the **Australian** and **British** High Commissions issued travel advisories warning their nationals to stay away from north-eastern Kenya and parts of the coast. The Kenya government's response was petulant and dismissive. Irritated by the damage the advisories could do to tourism, the President interpreted them as foreign mischief. 'There is nothing they can claim not to be aware of,' he said of the UK warning. 'If these traditional markets [for our tourism] don't want to come, tell them we are also tired of kneeling before them all the time.'

The Garissa attack came less than 24 hours later. It has since become known that several embassies had passed on credible intelligence of a looming attack to the government which, in almost identical circumstances to the run-up to the Westgate Shopping Mall attack on 21 September 2013, sat on the intelligence (AC Vol 54 No 20).

It now appears that not only was the Garissa attack preventable, most of the murdered students might have been saved had the security agencies responded faster. The attack on the GUC, part of Moi University, began at 5.00 am.

At 7.00 am, the alarm bell at the base of the Ruiru-based Recce Company of the paramilitary police, the General Service Unit, went off. The men were ready to deploy within the hour. The Recce Company is the only unit of the Kenya Defence Forces and the Kenya Police that is trained in urban warfare and for situations such as the Westgate and GUC attacks. During the chaotic security response at Westgate, Recce had been deployed late and briefly, and was forced to stand down when two KDF units arrived on the scene. It is widely believed that Recce Company would have been a better choice to deal with the Westgate terrorists.

TOO LITTLE, TOO LATE

It seems precious little had been learned since then. The first Recce group flew into Garissa, which took less than 40 minutes, more than seven hours after the attack had begun. Their colleagues travelled by road because no police helicopters were available. It thus took over three hours before Recce Company got involved in operations. It has emerged that an aircraft that could have been used by Recce Company had been assigned to take the daughter of a senior Air Force commander and her friends on holiday to Mombasa.

Sources at the campus told *Africa*

Confidential that most of the students were killed between midday and 5.00 pm. In the end, the Recce Company killed the attackers in a 23-minute blitz.

Criticism of the government has focused on accusing it of learning nothing from the attacks on Westgate or, last June, Mpeketoni (AC Vol 55 No 13). In those instances, the Kenyatta government responded by protecting senior security commanders while deflecting blame. A promise to set up a commission of inquiry after Westgate was quietly shelved. A subsequent parliamentary committee report was rejected for its shoddiness. Straight after Mpeketoni, both Kenyatta and his then Security Minister, **Joseph ole Lenku**, made thinly veiled claims that the opposition was involved.

Five days after the Garissa attack, the authorities announced that they were freezing the bank accounts of 86 Somali and Muslim organisations and of individuals suspected of financing *Al Shabaab*. The targeted entities include foreign exchange bureaux, *hawala* outfits, rich Somali businessmen, and Muslim and Somali non-governmental organisations. At least two on the list, Muslims for Human Rights and Haki Africa, are moderate, Mombasa-based, Muslim NGOs whose activities are, say human rights sources, above reproach. Any blanket attack on opponents of

the government in Kenya's Islamic communities is likely further to alienate potential allies in official efforts to staunch youth radicalisation and to identify recruitment points for *Al Shabaab* and its Kenyan affiliate, *Al Hijra*. Targeting Somali money transfer agencies such as the Dubai-based *Dahabshiil* (active in 140 countries) and Amal Limited could trigger expensive legal challenges for the government.

KENYAN ATTACKERS

Of the four Garissa attackers, two have been confirmed as Kenyan citizens. One, **Abdirahim Mohammed Abdullahi**, was a law student at Nairobi University and the son of a government chief in Mandera. He had cut links with his family years before, dropped out of university and was suspected of having joined *Al Shabaab*. Perhaps years too late, his identity has provoked local media to acknowledge a reality that was previously denied: that Kenyan involvement in *Al Shabaab* is now a major element of the insurgents' terror strategy. The other Kenyan, **Mohamed Mohamud** (alias Sheikh **Dulyadin, Gamadhere** or **Mohamed Kuno**), a former teacher based in Garissa, is said to have been the mastermind of the attack. A 20 million Kenya shilling (US\$215,000) price has been put on his head. ●

ETHIOPIA

Troubled road to liberalism

The Prime Minister is set to come out of Meles's shadow after the elections with greater emphasis on the free market. Not all are on board

Come October, Prime Minister **Hailemariam Desalegn** will almost certainly be re-elected as Chairman of the ruling Ethiopian People's Revolutionary Democratic Front with only token, if any, opposition. Then he will once more take office as Prime Minister. So far, so apparently unremarkable. Until now, he has been seen as merely the executor of the party's *Metekakat* (Renewal) policy that his late predecessor, **Meles Zenawi**, set in motion (AC Vol 56 No 7).

Hailemariam will treat the EPRDF's coming election victory as a personal mandate that allows him much greater latitude to adjust policies, Addis Ababa political insiders say. The major changes he has in mind are to enable more space for what the party calls 'responsible' politicians and partly to liberalise the economy by relaxing credit limits on the heavily restricted private sector.

Hailemariam is not a front man for other groups in the party. He is a tough politician in his own right and is expected to become more assertive and find his own voice after the election (AC Vol 54 No 7).

Yet it would be a mistake to imagine that any of this self-confidence will translate into a relaxation of the party's and the government's grip. The EPRDF regime may have popular support, in particular for its economic record, but it has also taken care to win virtually all of the country's 3.6 million *kebele* (local) elected seats. As if that weren't enough, it has changed from a vanguard party into a mass-membership organisation which now has 7 million members.

In spite of the EPRDF adopting distinctly old-fashioned, **Soviet** or **Chinese-style** forms of party organisation, senior officials seem surprised at what they see as growing apathy and fear a

low turnout in the May polls. They worry about growing disillusionment with the party's economic achievements in spite of the undoubted concentration on pro-poor development policies, particularly in health and education. In some areas, there is a widespread feeling that the EPRDF hasn't lived up to its promises to radically improve the infrastructure. People bemoan the lack of roads, continuing water-supply problems – even though the government claims clean drinking water will soon be available to well over 90% of the population – and, in the capital especially, 'hiccups' in electricity supply. Although the launch of the city's light railway early next month will be welcomed, transport is a source of complaint, along with pollution and telecommunications.

The dominant regional party in the EPRDF, the Tigray People's Liberation Front, which was Meles's original political base, was so worried by the lack of interest among young Tigrayan members that it set up a committee to investigate. It included some of its most senior members, such as founding member **Seyoum Mesfin**, as well as Minister of Foreign Affairs **Berhane Gebrechristos**; the former President of Tigray Regional State and National Security Advisor to the Prime Minister,

Tsegaye Berhe; and the former Mayor of Addis Ababa, **Arkebe Oqubay Metiku**, now a Prime Ministerial Special Advisor. One of the TPLF's founding members, **Sebhat Nega**, was also on the committee. Like others in his group, Sebhat has now retired from the active party leadership. They reported back to the TPLF's Executive Committee but the findings were not circulated, even within the party, because it was judged too shocking. It found that young people were massively indifferent to the TPLF.

DISAFFECTION TO DEFECTION

The problem is not just disaffection but defection, especially among the older generation of disappointed militants. Fighters and activists who helped to overthrow Colonel **Mengistu Haile Mariam's** Derg regime 24 years ago feel promises have not been fulfilled. A significant number of former TPLF fighters even quietly crossed into **Eritrea** to join the Tigray People's Democratic Movement, which was set up by dissident TPLF members (AC Vol 43 No 11). Unsurprisingly, given the visceral hatred between Addis Ababa and Asmara, Eritrea welcomed them with open arms. The TPDM is now believed to carry out security duties for President **Issayas Afeworki**, who no longer trusts his own forces after the Forto incident of January 2013 (AC Vol 54 No 4). Independent reports say that the TPDM, which has been given an Eritrean army training base at Decamere, now numbers around 10,000 fighters, many with military training. They are kept well away from the border with Ethiopia.

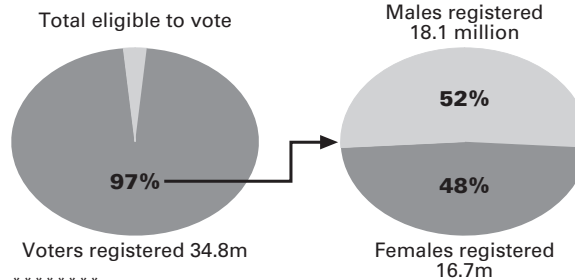
One of the TPLF committee's suggestions for reanimating public support was to make a big splash to celebrate the 40th anniversary of the TPLF's foundation. A week's celebration was held in Mekelle in February, along with ceremonies in several foreign embassies for the Tigrayan diaspora. They focused on reminding people of the fighters' sacrifices: some were reburied in a new cemetery at the Martyrs' Memorial, which looms high over the city. Other cemeteries for 'martyrs' have been built across the region to commemorate the struggle and remind people why they should support its fruits. A parade, attended by top dignitaries and regional heads of state, also emphasised the history of the ancient empire of Axum, which held sway in the first five hundred years AD.

CHALLENGING LIBERALISM

As the experience of the TPLF old guard in looking at youthful disaffection showed, *Metekakat* may be necessary but that doesn't mean it is always successful. Meles's essential concept was to retire

2015 ELECTION DETAILS

Electorate



In 2010, 31 mn. were registered of whom 29 mn. (94%) voted, according to International IDEA (Institute for Democracy and Electoral Assistance)

Public observers

227,735 elected at the end of December – five for each of 45,000 polling stations, and for 547 electoral constituencies

Fifty-seven political parties

More than 6,000 candidates including 11 independents:

- 1,884 for the House of People's Representatives, the national parliament,
- 4,166 for seats in the Regional Councils of nine Regional States and two Chartered Cities

Major national parties include:

Ethiopian People's Revolutionary Democratic Front (EPRDF), made up of:

- Tigray People's Liberation Front (TPLF),
- Amhara National Democratic Movement (ANDM),
- Oromo People's Democratic Organisation (OPDO),
- Southern Ethiopia People's Democratic Movement (SEPDM)

Forum for Democratic Dialogue in Ethiopia (MEDREK), made up of:

- Ethiopian Social Democracy-Southern Coalition Unity Party (ESD-SCUP),
- Oromo Federalist Congress (OFC),
- Union of Tigrayans for Democracy and Sovereignty (ARENA),
- Sidama Liberation Movement (SLM)

Ethiopian Justice and Democratic Forces Front (EJDFF), made up of:

- Ethiopian Democratic Union (EDU),
- Union of Southern Ethiopian Democratic Forces (USEDFF)
- Oromia Liberation National Party (OLNP)

Ethiopian Democratic Party (EDP)

All Ethiopian Unity Party (AEUP)

Semayawi (Blue)

Coalition for Unity and Democracy (CUD)

Unity for Democracy and Justice Party (Andinet, UDJP)

Televised debates between the parties began on 13 March. Agreed subjects for debate:

Multi Party System and Building Democracy	Federalism
Agricultural and Rural Policy	Urban Development and Industrial Policy
Good Governance and the Rule of Law	National Security
Foreign Policy	Infrastructure
Education and Health	

Source: National Election Board of Ethiopia (NEBE)

some of the older generation of cadres before they got too out of touch, as well as to maintain a balance within the EPRDF without any overt ethnic domination. It also aimed to avoid the ossification of a formerly revolutionary movement, as has occurred in countries like **Angola** and **Zimbabwe**. As might be expected in a ruling party, however, some of those at the top see no reason to make way for new blood and differ on what kind of renewal is needed.

One manifestation of the differences was the reluctance of Meles's widow, **Azeb Mesfin**, to withdraw from the limelight. Another was criticism of government policy in the EPRDF Executive Committee. Azeb and these critics consider the pace of economic

'liberalisation' too fast and a betrayal of Meles's legacy. This is at least an implicit challenge to Hailemariam because he is the mainspring of the move towards liberalisation within the party and he aims to establish industrial parks, to attract more foreign investment, and to sell sovereign bonds.

Hailemariam's is the dominant view in the Council of Ministers and will colour strongly the Growth and Transformation Plan II which is being drawn up by the National Planning Commission, headed by **Mekonnen Manyazewal**, for publication later this year (AC Vol 56 No 1). At the last EPRDF Executive Committee meeting there was a 'vigorous and frank' discussion and, unusually, debate went into a second

day. Government policy was eventually endorsed with some reluctance. The issue will resurface at October's party congress.

'All members who have been serving in top leadership positions since the armed struggle must retire within five years of the 2010 Congress' in accordance with *Metekakat*, said the party newspaper, *Addis Raey* (Vision), in 2009. Originally, there was to be a three-phase process, with groups retiring at the congresses of 2010, 2012 and 2014. Meles's own retirement was to cap this, either before or after the 2015 elections.

In the event, the 2012 congress was postponed because of Meles's unexpected death but the ERPDF Council, when it endorsed Hailemariam as leader that September, stressed that *Metekakat* would go ahead at the 2013 congress and thereafter. In April 2013, 13 of the Executive Committee were replaced. Most of those who left were given other jobs, 'to use their expertise'. **Addisu Legesse** (Amhara National Democratic Movement), heads Ethiopian Airlines; **Teshome Toga** (Southern Ethiopian People's Democratic Movement) is

Ambassador in Brussels; **Tsegaye Berhe** and **Abade Zemo** (both TPLF) are respectively Advisor to the Prime Minister and Ambassador to **Sudan**; from the Oromo People's Democratic Organisation, **Kuma Demeksa** is Ambassador to **Germany**, **Girma Birru** is Ambassador to the **United States** and **General Abadula Gameda** is Speaker of the House of Representatives.

Some senior party members, including **Seyoum Mesfin** (TPLF), the Ambassador to China, and **Bereket Simon** (ANDM) and **Abay Tsehaye** (TPLF), both prime ministerial advisors, felt *Metekakat* was not implemented properly in 2013. Not everyone has been prepared to retire gracefully and there were some outspoken remarks about the way the ANDM and OPDO allowed one or two former retirees from 2010 to come back to their central committees, as well as returning two of those who had retired in 2010 back to the ERPDF Executive Committee in 2013. Despite this, expectations are high that the remaining one-third of the ERPDF's pre-2010 leadership will not be re-elected to the party's congress this October.

Among those due to retire from the ERPDF Executive Committee in October are **Shiferaw Shigute** (SEPDM's Deputy Chairman), **Redwan Hussein** (Minister of the government's Communications Authority Office), **Mekuria Haile** and **Shiferaw Tekelemariam** (SEPDM), **Bereket** and **Ayalew Gobeze** (ANDM), **Abay Woldu** (President of Tigray Regional State), **Tewodros Adhanom** (Foreign Minister) and **Tewodros Hagos** (TPLF), **Mukhtar Kedir** (President, Oromo Regional State) and **Diriba Kuma** (OPDO, Addis Mayor). The position is less certain for **Ambachew Mekonnen** (ANDM), and **Aster Mamo** (OPDO, Minister of the Civil Service and Deputy Prime Minister), who both left the Executive Committee in 2010 and rejoined in 2013.

It remains to be seen if the heads of National Intelligence and Security and the military (which is technically outside the party) will change this year. Intelligence chief **Getachew Assefa** and military head **Gen. Samora Yunis** are seen as highly competent, indeed indispensable, and are likely to remain in office. ●

GUINEA BISSAU

New beginnings

The international community is backing the new optimism about the country's prospects with cash but the military's bad habits die hard

The euphoria that greeted the pledge of some US\$1.5 billion at the 25 March donor conference in Brussels has not stifled all doubts about the political future. There is no shortage of foreign good will towards the nine-month-old all-party coalition government under Prime Minister **Domingos Simões Pereira**. President **José Mário Vaz** appointed Pereira, of the *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC), after winning the presidential election in May last year (AC Vol 55 No 19).

In addition to pledges, two-thirds of them grants, to support the government's *Terra Ranka* (translated as 'Fresh Start') plans for 2015-20, **Brazil** cancelled 95% of Guinea Bissau's debt and the European Union and World Bank resumed programmes and lifted sanctions. The foreigners are determined not only to support the government to underline the message that democracy pays but most of all, to prevent it sliding back into its narco-state days. However, the military men who led that state are mostly still at

large, although keeping a low profile (AC Vol 55 No 25).

With international help, the government has managed to pay state employees regularly. Officials who had left the civil service were cleared from the public payroll, as were 'ghost' employees. All civil servants had to turn up for work to prove their legitimacy. Electricity and water supply have improved considerably. The inhabitants of the capital have experienced a supply of unprecedented regularity and even some towns in the interior that were cut off from electricity for many years are now benefiting from improvements. A new power station is to be built and from 2017, the government expects to receive power from a hydroelectric dam being built on the Gambia River by the *Organisation pour la mise en valeur du fleuve Gambie* (Gambia River Basin Organisation). The OMVG is jointly run by **Gambia, Guinea, Guinea Bissau and Senegal**.

Other positive notes in public administration and governance include cancelling the licence of the private

Lusófona University, after it emerged that its training of nurses was poor. The ports and customs authorities are cracking down on smuggling. The ports authority used to be controlled by individuals close to the military, who skimmed revenue and pocketed bribes. The government has also taken a strong stance against illegal logging and illicit timber exportation.

This marks a major turnaround for a state only recently dubbed 'weak' and even 'failed' after military leaders and civilian allies oversaw a strategic relationship with drug smugglers from **Colombia** and **Venezuela**. The man most associated with that policy, ex-Army Chief of Staff **António Indjai**, has entirely disappeared from public view (AC Vol 54 No 10).

SHADOWS OF THE PAST

Yet the past casts a long shadow and some cracks in the façade are evident. We hear of tension between President Vaz and Prime Minister Pereira. Vaz reportedly resents Pereira for not having made him his first choice for presidential candidate: Pereira had originally favoured economist **Paulo Gomes**, who later ran as an independent. There may be a further personal element to the dispute: when Vaz was Finance Minister under Prime Minister **Carlos Gomes Júnior**, he sacked Pereira's wife, who worked in his Ministry.

Vaz was once an ally of President **João Bernardo 'Nino' Vieira**, who was murdered in 2009, and Carlos Gomes. Beginning in the 1980s, Vieira illicitly appropriated state-owned property,

including some seized from private, mostly **Portuguese** and **Lebanese**, owners shortly after Independence in 1974. Some of that wealth later found its way into the hands of Vieira's followers, which they used to build up businesses.

While the coalition government ensures there will be no resistance to essential government and public sector reform, observers note that a revival of some corrupt activities could harm governance. Some officials and their relatives have been awarded public contracts without competitive tendering. Optimists believe that any corruption won't be enough to derail development projects and that it will be much less extensive than before.

SECURITY REFORM

The history of security sector reform is troubled and marked by major errors by Guinea Bissau's foreign partners. The EU SSR programme began in 2008 but was criticised for failing to follow local perspectives, eventually fuelling resistance among headstrong military leaders. The EU favoured setting up a paramilitary National Guard but this was opposed by the United Nations Integrated Peace-Building Office in Guinea Bissau

(Unigobis). The National Guard ended up disturbing the fragile balance of power with the military and became known for a poor record on human rights. After an internal coup in the army, the EU withdrew its SSR mission in August 2010.

The **Angolan** Support Mission for Military Reform (Missang) arrived in 2011 but fared little better. Soon, the perception that it was siding with the then Prime Minister, Carlos Gomes, raised suspicion among the military and the Economic Community of West African States (Ecowas), which suspected Angola of pursuing its ambitions to become a regional superpower.

Plotting with military men by opposition politicians, notably former President **Kumba Yalá** and his *Partido da Renovação Social*, resulted in another coup in April 2012 (AC Vol 53 No 9). Ecowas was widely criticised for not doing enough to oppose the military regime and was even accused of complicity. The result was an incompetent transitional government that was not recognised internationally and was hampered by sanctions. Most SSR projects were suspended. Ecowas deployed its Mission in Guinea Bissau (Ecomib), whose activities remained

opaque and dogged by rumours of corruption and inefficiency.

SSR in Guinea Bissau is still marked by a top-down approach and poor analysis of local conditions, say sources familiar with the programmes. Projects tend to be bureaucratic and designed to deliver short-term results that have good public relations value rather than long-term solutions. The most alarming recent SSR decision was to give Ecowas the task of managing the pension fund for military officers willing to retire. It took years before the funding could be secured but now, some say, the result is akin to the fox guarding the chicken coop.

Ecowas's record on SSR is poor and there are fears that the pension fund will simply increase the income of local officers without properly removing them from influence. Donors seem to accept that some of the programme money will be siphoned off, we hear. Bissau-Guinean stakeholders, international security sector professionals and others stand to profit from the incoming project funds through jobs, contracts and for some, opportunities to skim money. These parties benefit from poorly functioning SSR programmes and compromise the country's future security. ●

SOUTH AFRICA

Poison plots and power games

President Zuma cancelled the results of ANC elections in Durban because the wrong candidates won

A new conference to elect regional leaders of the African National Congress is to be held at the end of April after President **Jacob Zuma** declared February's vote void. He cancelled the results in eThekwin (Durban) because leaders supporting Deputy President **Cyril Ramaphosa** had won. Ramaphosa's supporters have been undermining party support for Zuma in his KwaZulu-Natal (KZN) heartland. It's part of a campaign aimed at securing Ramaphosa's nomination as the governing ANC's candidate for the state presidency in 2019 (AC Vol 56 No 1).

The victor had been the eThekwin Municipality's Mayor, **James Nxumalo**. He became, albeit briefly, regional Chairman and all the candidates on his list won, defeating the pro-Zuma candidate, former regional Treasurer **Zandile Gumede** and her list by 253 votes to 212. Officials in the Johannesburg ANC headquarters have instructed the branches which voted for

the pro-Ramaphosa slate to be 'audited' to see if they are eligible to vote in the rescheduled elective conference, we hear. ANC General Secretary **Gwede Mantashe** told ANC provincial leaders in KZN that if the next vote does not go the pro-Zuma way, it will keep being rescheduled until it does, an ANC source says. February's election was overturned over what ANC officials call 'irregular' voting in three branches. Gumede wrote to Mantashe immediately after she lost demanding the results be annulled.

ANC members who back Nxumalo told *Africa Confidential* that the other side had been buying votes, with individual branch members offered lucrative jobs or government tenders. Some branches were promised special government investment in their areas if they voted the 'right' way – pro-Gumede and pro-Zuma.

The eThekwin region of the ANC has 103 branches, which is about one-third of KZN Province. Whoever wins control

of eThekwin will effectively determine the succession to the party presidency in 2017, when Zuma may have to stand down at the end of his two-year term in that role. Branch by branch, Ramaphosa is conducting a determined but undeclared campaign to secure support in Zuma's heartland and in any part of the country where Zuma has strong party support. The Ramaphosa camp reckon it must control at least a third of KZN branches to prevent Zuma from having a free hand in choosing his successor as party President.

The practice of internal leadership contests being conducted on the basis of slates under prominent candidates which are then elected in their entirety began at the 2007 Polokwane national elective conference. That was during the leadership contest between Zuma and former ANC and state President **Thabo Mbeki**. It has now become the norm.

ELIGIBILITY 'AUDIT'

Before last month's contest, national leaders had already postponed the elective conference three times, supposedly to 'audit' the eligibility of the party electors. The Ramaphosa camp says it neutralised these efforts. In the run-up to February's poll, pro-and anti-Zuma factions clashed violently, including shooting their opponents, as they tried to win control of branches for

their faction. The winner automatically becomes Mayor of eThekweni.

Nxumalo is close to the ANC KZN Chairman, **Edward Senzo Mchunu**, who is also pro-Ramaphosa (AC Vol 55 No 24). Zuma tried to remove him from the chair at the 2013 provincial conference but failed. The Ramaphosa faction claims to have uncovered a plot to poison Mchunu, who is key to its plans to gather enough support for Ramaphosa in the province to have a

chance of defeating whomsoever Zuma picks to succeed him as party President. A report for the provincial ANC which AC has seen claims that a plan to kill Mchunu is in progress. Control of the eThekweni ANC by Ramaphosa's camp would be a setback for Zuma's ambitions. He cannot serve more than two terms as state President but if he won a third term as party President, he would be able to select the ANC's candidate for the state presidency. If Zuma cannot win a third

term at the head of the ANC, he wants to be able to choose his successor in that role.

Zuma's first preference for party president, we hear, is his former wife, **Nkosazana Dlamini-Zuma**, who chairs the African Union Commission. His second choice would be the Parliament Speaker, **Baleka Mbete**. Zuma seems to believe that both women would protect him against prosecution and help defend his and his family's business interests. ●

CAMEROON

Biya's emerging dream

Dealing with Eurobonds appeals more to a President of 82, who still has no heir, than tackling Boko Haram

Could there be substance to President **Paul Biya's** claim that Cameroon can secure 'emerging market' status by 2035, leisurely as that deadline is? The potential to attract investment will be tested in the coming weeks as Finance Minister **Alamine Ousmane Mey**, 49, assisted by *Société Générale* and Standard Chartered Bank, seeks what would be the country's first sovereign Eurobond. That would be worth 750 billion CFA francs (US\$1.5 bn.).

There is optimism that a new investor, the **British** developing market private equity firm Actis can significantly upgrade the under-resourced, malfunctioning, electricity sector. Actis was once part of the state-owned Commonwealth Development Corporation, now CDC Group (AC Vol 51 No 9). Meanwhile, industrial companies in Douala are lining up to purchase gas from private producers to regain their former momentum as the manufacturing hub of Central Africa.

Cameroon remains tightly controlled and the health of the President, in power for over 32 years, is a sensitive topic. After reports in the **French** daily *Le Monde* that the First Couple's European holiday was spent on medical treatment in **Switzerland** (him) and France (her, the flamboyant **Chantal Biya**), Communications Minister **Issa Tchiroma Bakary**, once a northern oppositionist, denounced foreign attempts to undermine the state. The Biyas' holiday, which began on 1 March, was criticised for its timing. While the Commander-in-Chief relaxed in the Intercontinental Hotel in Geneva, Cameroonian forces and their **Chadian** allies were grappling with *Boko Haram* along Cameroon's northern borders.

The presidential couple returned from their 27-day holiday, officially described as 'brief', on 27 March, looking in rude

health as grandees of the governing *Rassemblement démocratique du peuple camerounais* welcomed them at Yaoundé Nsimalen International Airport. Biya and his inner circle have sought to reunite the RDPC after a potentially damaging split. In September, the Lékié Appeal group of Christian politicians claimed that northern (essentially Muslim) grandees were in league with *Boko Haram* in Adamawa (formerly Province) and elsewhere, a claim given little credence by others (AC Vol 55 No 18). After a long delay, an alliance has been formed with **Benin**, **Chad**, **Niger** and **Nigeria** to squeeze *Boko Haram*. Anti-*Boko Haram* marches have drawn crowds across the country, reflecting popular support for the offensive.

The Cameroonian Armed Forces' performance against *Boko Haram* has been mixed – less convincing than Chad's but more assertive than that of Nigeria. Biya has been reluctant to deploy troops along the porous northern borders with Chad and Nigeria. The kidnapping of Deputy Prime Minister **Amadou Ali's** wife **Françoise-Agnès Ali-Moufour** last July was highly embarrassing (AC Vol 55 No 16). She was released in October, for a ransom payment of at least \$400,000, according to the Nigerian website SaharaReporters.

However, since January, 2,500 Chadian troops have been based in Cameroon's Far North Region, operating alongside Cameroonian Special Forces. The Chadians' strong performance has attracted attention from Cameroonians, as has the Chadian media's sometimes graphic coverage of events, especially since Yaoundé prefers to maintain a media blackout. Chad's Information and Communications Minister, **Hassan Sylla Bakari**, became an unlikely

celebrity in Yaoundé in March, where his tough, straight-talking manner was a refreshing change from Tchiroma's more conventional opacity.

Tchiroma has also come under pressure from the government's failure to explain the death in captivity of 25 northern villagers. They were rounded up by the *Gendarmerie* in Maroua, Far North, on 28 December and apparently suffocated in their cell. Cameroon has an unenviable reputation for some of the continent's worst prison conditions.

Following military advances, Amadou Ali on 20 March visited his home village of Kolofata, in the Far North, accompanied by over 1,000 troops. It was his first visit since his wife's kidnapping. Despite the military successes since January, the number of displaced people continues to rise in the north, from 60,000 in to 117,000 in March, according to the United Nations Regional Humanitarian Coordinator for the Sahel, **Robert Piper**.

A more robust Nigerian response to *Boko Haram*, which many expect since last month's elections, would relieve pressure in north Cameroon and might even diminish Chadian President **Idriss Déby Itno's** new status as the militants' toughest opponent. By the standards of central African protocol, Biya's message of congratulations to President-elect **Muhammadu Buhari** was effusive: 'On the occasion of your brilliant election to your country's highest office, I am particularly pleased to extend to you my warm and heart-felt congratulations, as well as my wishes for success in the discharge of your lofty duties' (AC Vol 56 No 7). A planned summit of the *Communauté économique des états de l'Afrique centrale* (CEEAC) to coordinate anti-*Boko Haram* strategy, scheduled for 18 April in Malabo, **Equatorial Guinea**, has been postponed until Buhari takes over.

APRÈS BIYA

What happens after Biya departs is a matter of widespread but quiet speculation. He will be 85 at the time of the elections scheduled for 2018 and is expected to step down. Biya has not promoted any potential successor,

working through an ever smaller group of close aides in the Presidency. They are led by gatekeepers **Ferdinand Ngoh Ngoh**, Secretary General of the Presidency, and the 75-year-old Civil Cabinet Director, **Martin Belinga-Eboutou**. Another prominent advisor is Biya's house securocrat, the Minister Delegate at the Presidency for Defence **Edgar Alain Mebe Ngo'o**. Like Biya, he is a Bulu, and comes from Sangmélina, South Region. Having seen off past allegations of corruption, Mebe Ngo'o has taken some credit for improving the police force and for the offensive against *Boko Haram* (AC Vol 49 No 12). The 'Mindef' has also been busy appointing younger loyalists to senior security positions.

The northern, Anglophone Prime Minister, **Philémon Yang**, has made little impression since he was appointed in June 2009, when he moved from his post as Assistant Secretary General in the Presidency. The Secretary General in the Prime Minister's Office since December 2011, **Louis-Paul Motaze**, is seen as wielding more influence than his boss. Formerly Economy Minister, Motaze has a special interest in grand projects. He is technically qualified but is also Biya's nephew. He was born in Bengbis and went to school in Sangmélina.

The concentration of power is not lost on northern barons and other Cameroonians, who have watched with great interest the democratic toppling of Nigeria's southern President by his elite northern challenger. In Cameroon, while staying close to power can yield

big rewards, challenging the leadership remains dangerous. In a system where corruption is endemic, high-profile clean-up cases are seen as politically motivated – as imprisoned big wheels claim, such as the former boss of the state-owned Cameroon Airlines Corporation (Camair-Co), **Yves-Michel Fotso** (AC Vol 54 No 2).

The disgraced Territorial Administration and Decentralisation Minister, **Marafa Hamidou Yaya**, who was for years a high flying northern fixer for Biya, was sentenced to 25 years for embezzlement of funds allocated for the purchase of a presidential jet – the issue that sank Fotso (AC Vol 54 No 16). His fall followed WikiLeaks revelations that Marafa had indicated to the then **United States** Ambassador that he wanted to succeed Biya (AC Vol 53 No 16).

SENATE ROLE

Biya keeps his cards close to his chest. Were he to be incapacitated, Senate President **Marcel Niat Njifenji** would take over as interim president until an election. A Biya loyalist and one of 30 senators directly appointed by the President in June 2013, Njifenji is charged with maintaining support in West Region. The Senate was dormant until recently and this has triggered speculation that Biya now has a role in mind for it in his succession.

If a vice-president were appointed, Mebe Ngo'o is a potential candidate. There is speculation that to build a wider consensus, more opposition politicians will be coopted into government. The

Union démocratique du Cameroun leader, **Adamou Ndam Njoya**, who stood against Biya in 1992, 2004 and 2011, is among names mentioned in an opposition, many of whom have been around for nearly as long as Biya (AC Vol 38 No 20).

Biya is looking to ensure that his family's interests are well protected once he departs. He will know that relatives of his late boss, President **Ahmadou Babatoura Ahidjo**, are still trying to repatriate the Founding President's remains from Dakar, **Senegal**, where he died in 1989. Ahidjo was born into a Muslim Fulbe (Fulani) family in Garoua, now on the front line of the war against *Boko Haram*. Northern leaders, including **Ahmadou Ali** and Parliament Speaker **Cavayé Yéguie Djibril**, want power to return to their regions from the southern Catholic incumbent.

Still a subject of gossip is the presidential son, the studiously apolitical **Franck Emmanuel Biya**. His every public appearance gives rise to speculation about the 45-year-old businessman's future. Few doubt that his business dealings, from forestry and mining to finance and telecommunications are substantial or that he has real influence thanks to his father's proximity. Nevertheless, friends say he genuinely has no ambition to be dauphin. Franck is the son of the President's late first wife, **Jeanne-Irène Biya**, whose younger brother **Robert Nkili** is Transport Minister. Paul Biya has two children by Chantal: **Paul Biya Junior** and **Anastasie Brenda Biya Eyenga**. Their plans are not known. ●

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POINTERS

Uganda

KAMPALA MURDER MYSTERY

■ Police investigating the murder of the Assistant Director of Public Prosecutions, **Joan Namazzi Kagezi**, on 31 March by two men on a motorbike have rounded up dozens of suspects. Kagezi led the prosecution of 13 men accused of the 2010 Kampala bombings claimed by *Al Haraka al Shabaab al Mujahideen* (AC Vol 51 No 15). Her shooting came days after the **United States** Embassy had issued a terror alert. One man arrested was **Jamal Abdullah Kiyemba**, a Ugandan, **British**-raised, former Guantánamo Bay prisoner held in **Pakistan** in 2002 on suspicion of attempting to join the Taliban. He was released in 2006 and lived openly in Kampala with his family. The police claims of *Al Shabaab's* involvement in the murder have been questioned. The Islamist militia has not claimed responsibility, as it normally would, and the assassination differs markedly from the 'spectacular' multi-casualty attacks it has mounted in Uganda and **Kenya**. Some in Kampala think it might be connected with the killing in the past year of several Muslim clerics, including Uganda's Shi'ia leader, **Sheikh Abdul Kadir Muwaya**, in December. Kagezi led the prosecution in that case, too.

Police arrested 18 suspects in January, mostly from the *Tablighi Jamaat* movement. The *Tablighi* has a history of confrontation with the authorities and some members have been linked to the Allied Democratic Front, a Ugandan Islamist militia now based in Congo-Kinshasa. Those arrested include the *Tablighi* leader, **Sheikh Muhammad Yunus Kamoga**, a childhood friend of ADF leader **Sheikh Jamil Mukulu**. Kamoga, we hear, has acted as intermediary between government and ADF. All the clerics killed reportedly opposed ADF recruitment and relatives claim their murders relate to a power struggle in the *Tablighi*.

Kagezi wrote a paper for the Parliament in October 2013 mentioning that her office had attempted to prosecute ADF militants for atrocities but found they had been amnestied by the Amnesty Commission. She pleaded for coordination between prosecutors and the Commission.

Senegal

PASSPORT TO PENURY

■ Senegal's visa requirement, in force since 1 July 2013, will end on 1 May, President **Macky Sall** announced at the 4 April Independence celebrations. It may be a welcome surprise for the struggling tourism sector, but not for two well connected businessmen.

The **Ivorian** former African Integration Minister, **Adama Bictogo**, got the contract to process the biometric visas for his company, the *Société nationale d'édition de documents administratifs et d'identification*, without competitive tendering (AC Vol 55 No 15). He subcontracted the job of handing out the visas to **Belgium's** Zetes Industries, which is listed on the Brussels-based Euronext exchange, whose founder and main shareholder is **Louis Michel**, a former European Union Development Commissioner and Belgian ex-Foreign Minister. Bictogo and Michel have run a similar operation in Côte d'Ivoire since 2009. Information about revenue is scarce but Zetes has claimed the Senegal operation would process 300,000 visas a year. At 50 euros (US\$53) each, that means annual turnover of €15 million to share among SNEDAI, Zetes and the state.

The company said in 2013 that it had significantly invested in infrastructure in Senegal to get the system running and the visa contract was due to run until at least 2018. Neither Zetes nor SNEDAI has publicly responded to Sall's announcement.

Zetes has been busy in Africa, supplying technical assistance for elections in **Congo-Kinshasa**, **Guinea**, **Togo**, **Uganda** and others. SNEDAI has recently received construction contracts for government buildings in central Senegal, including Sall's fief, Fatick.

At home, Bictogo is close to President **Alassane Dramane Ouattara** and a bigwig in his *Rassemblement des républicains*, which dominates the coalition government. Bictogo organised the RDR's special congress in March, which anointed ADO as candidate for October's presidential election.

Gambia

COUP PLOTTERS SENTENCED

■ A five-member court martial headed by High Court Judge **Emmanuel A. Amadi**, a **Nigerian**, on 30 March sentenced six Gambian soldiers convicted of the 31 December attempted coup (AC Vol 56 No 7). All were found guilty of all 14 charges. They are Lieutenant Colonel **Sarjo Jarju**, Lt. **Buba Sanneh** and Private **Modou Njie**, who received death sentences, and Captain **Abdoulie Jobie**, Capt. **Buba K. Bojang** and Capt. **Amadu Sowe** got 20 years.

Gambia's last executions were of nine convicts in 2012 (AC Vol 53 No 19). Human rights groups have protested about the latest trial's secrecy. The government claims it was fair and the defendants were represented by lawyers from the National Agency for Legal Aid assisted by three senior military officers. It also said that while proceedings were not open to the

media, 'given the sensitive nature of the case', relatives and the public could attend. Few, if any, are believed to have done so for fear of the intelligence services. Family members of the accused continue to 'disappear'.

The bodies of those killed during the assault on State House have not been handed over for burial and remain in the morgue. On 8 April, the High Court issued arrest warrants for nine others allegedly involved in the plot: **Cherno Njie**, **Alhagie Saidu Barrow** (a **United States** soldier), **Papa Faal** (all already indicted in the USA under the Neutrality Act), **Mustapha Faal**, **Baboucarr Ann Lowe** (**Bai Lowe**), **Musa Sarr**, **Landing Sonko**, **Lamin Njie** and **Aisha Jallow**. At least some are believed to have been involved but fled the country after the coup failed.

Sudan

A NO VOTE ELECTION

■ The pitiful turnout in the 13-16 April elections defeats the government's aim in organising them. The only queues which journalists and activists found to photograph were of police and troops, who had no choice but to vote. On 14 April, the Sudan Call Forces claimed success for their boycott. The ruling National Congress Party (NCP) was preparing to distribute stacks of pre-packed ballot boxes which the SCF had recorded on camera phones. They also recorded officials slumped on their desks in empty polling stations.

Even the handpicked National Electoral Commission was forced to acknowledge the low figures. In populous Shejara, south Khartoum, the official Sudan News Agency put turnout near 10%. 'As NEC we do not cancel or abolish the current election due to reluctance of people', said Chairman **Mukhtar Mohamed el Assam** (AC Vol 56 No 7). Numbers didn't matter: 'Who gets 50% + 1 will be declared as the coming president'.

Everyone knows that will be **Omer Hassan Ahmed el Beshir** by a landslide over 15 obscure candidates, ten labelled 'independent'. Enthusiasm was also lacking in the seats where the NCP stood back in favour of one of its 46 'appendage' (*tawali*) parties or to reward **Mohamed Osman el Mirghani's** faction of the once mighty Democratic Unionist Party.

The European Union's unprecedented, 9 April refusal to monitor the polls wrong-footed the NCP. The African Union sent an observer team, going against its own confidential March assessment, of which AC has a copy: 'observing elections... would only lend undue credibility and external legitimacy to what is clearly [a] "deeply flawed" electoral process'. The U-turn came, we hear, after Khartoum officials pressured AU chief **Nkosazana Dlamini-Zuma**, who then passed the issue to the AU Peace and Security Council.

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BLUE LINES

The drowning of thousands of people in the Mediterranean shames both the countries they left and those they were heading for. Whether these individuals were fleeing political oppression or poverty, the governments and international organisations were nowhere to be seen. About 40,000 people fleeing Africa, Asia and the Middle East have crossed the Mediterranean to Italy so far this year. At least 2,000 have died at sea, but many more die en route from their countries to the Mediterranean ports, mainly in Libya.

The European Union's new plans for a war on traffickers will do little to staunch the flow of migrants, let alone tackle the root causes of the exodus. The mélange of militias and politicians controlling Libya's western ports have already threatened to block any European action. For the sake of the migrants and Libyans themselves, international efforts to end the civil war must go into higher gear.

As for the economic causes of the migration, the IMF's Spring meeting heard that of the 450 million people working in Africa, fewer than 40 million are on payrolls and paying tax. By 2030, according to projections, the number of people reaching working age in Africa alone will exceed those in the rest of the world. Without far more focused and determined strategies to create sustainable jobs across the continent, there may be ebb and flow, but the tide of migration will not stop rising – Fortress Europe or not.

NIGERIA/ECONOMY

Rising hopes, falling revenues

The list of pressing economic problems – oil, power, the naira – is lengthening ahead of Muhammadu Buhari's inauguration on 29 May

It could hardly have been more cordial when a combined team of government and opposition economists from Nigeria arrived in Washington for the Spring Meetings of the International Monetary Fund and World Bank on 17-19 April. In a sign of the country's growing weight among developing economies, the team was quickly wheeled in to meet IMF Managing Director **Christine Lagarde** and Bank President **Jim Yong Kim**.

Both institutions were eager to talk with the new guard about reform in Africa's biggest economy following the election victory of **Muhammadu Buhari** and the opposition All Progressives Congress (APC) last month (AC Vol 56 No 8). As the euphoria fades after some boisterous election parties, economic realities are hitting home. They include the consequences of a halving of world oil prices over the past year, growing pressure on the naira, and rising fiscal and trade deficits.

Outgoing Finance Minister **Ngozi Okonjo-Iweala**'s record as a managing director of the Bank and later, as a candidate for its presidency in 2012, helped to steer the discussions (AC Vol 53 No 9). A senior official at the Fund enthused about the collaboration between the departing officials from the People's Democratic Party (PDP) government and representatives of the victorious APC: 'Very few countries – whether from industrialised or developing economies – have the political maturity to send a joint opposition and government delegation to these meetings.'

Rushing from Washington to give a lecture in Massachusetts, Okonjo-Iweala

insisted that all sides would win from a well-managed political transition: 'The naira has strengthened and stock prices have gone up... some important uncertainties have gone out of the system.' In discussions at the meetings, though, she conceded that the new government would have to take some tough decisions to cope with falling revenue.

Okonjo-Iweala sat on a panel of finance ministers and commodity experts whose consensus view was that the oil price would be around US\$65 a barrel at this time next year. That is a more than 40% drop from the levels of a year ago. **David Cowan**, Citi's Africa economist, forecasts that exports will fall to \$55.3 billion this year, down from \$82.8 bn. in 2014 (AC Vol 56 No 3). Accordingly, Cowan reckons that the trade surplus of \$7.4 bn. (1.3% of gross domestic product) will move to a deficit of \$12.9 bn. in 2015, even if imports stay at the same level of about \$53 bn. At the same time, he forecasts the budget deficit will more than double, to 2.7% of GDP this year, then fall slightly to 2.3% of GDP.

Figures from Okonjo-Iweala and her officials are more optimistic but she argues that the new government could boost revenue quickly by increasing value added tax by 5%. Buhari's advisors are more cautious, speaking of improvements to tax collection and tougher action against widespread tax evasion by companies and wealthy individuals. They also talk of staunching revenue leakage and of cutting recurrent spending by merging some ministries and closing some agencies and departments. There is to be a smaller

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cabinet and fewer ministers of state, and cuts in pension obligations to former state governors. A crackdown on corruption by high office holders – all ministers will be required to declare their assets publicly – could further cut leakage if backed by the more independent and energetic judiciary that the APC has pledged to establish.

CHANGE WITH CAUTION

Although, with 54% of the vote in the presidential election, Buhari's government has a mandate to push through its planned reform of the economic policy-making ministries and of the oil and gas industry, the APC's advisors are striking a very cautious note in the run-up to the handover on 29 May. That is partly due to the challenge of managing expectations as the new government prepares to unveil its economic programme, says **Ousmane Doré**, the African Development Bank (AfDB) Director in Nigeria. Several APC grandees have been musing in public about 'politics as the art of the possible'.

There is an immediate issue about the exchange rate. Ecobank's **Angus Downie** suggests the CBN might move from a 'managed float' system to a more freely floating currency, if it assesses that short-term pain, such as increased costs in import-dependent sectors, would be outweighed by longer term gains, such as the greater competitiveness of non-oil exports.

Buhari's victory had given a short-term fillip to the economy but his government will have to deal with a host of pressures pushing down growth and jobs and ramping up inflation and the budget deficit. Both Citi and Standard Chartered Bank calculate that GDP growth will fall to 4.5% this year; both forecast a bounce-back in 2016, to 6.2% (Citi) and 5.5% (Standard Chartered). In late March, Standard & Poor's rating agency downgraded Nigeria's sovereign debt rating to BB-, while Fitch placed Nigeria on 'negative' outlook, indicating a future downgrade. Although it commends the handling of the elections, Fitch sees the change in government as causing uncertainty on economic policy.

Partly due to the downturn in world

commodity prices, both the IMF and World Bank have cut their forecasts of GDP growth in Africa, to 4.5% and 4% respectively. The IMF has cut its estimates for Nigerian GDP growth in 2015 to 4.5%, from its early forecast of over 7%.

For once, the Spring Meetings were upbeat about Nigeria's politics and cautious about its economy, which is seeing the most serious downtown for over a decade. Lagarde said Nigeria had 'suffered' from tumbling oil prices and the Africa Department Director, **Antoinette Sayeh**, described Nigeria as 'very challenged' by its under-performing power sector. Okonjo-Iweala called for increased African representation at the IMF. Weeks earlier, she launched negotiations with the World Bank and AfDB for \$2 bn. of loans to bolster this year's depleted budget.

Based on a House and Senate-approved benchmark oil price of \$53 a barrel rather than the \$77.5 benchmark of 2014, the 2015 budget was passed by the Senate on 28 April. President **Goodluck Jonathan** will sign the bill before he hands over to Buhari on 29 May. The naira 4.49 trillion (\$23 bn.) budget allocates N2.6 trn. for recurrent spending, N556.9 bn. for capital projects and N953.6 bn. for debt service. There is no provision for fuel subsidies, which presages more trouble over fuel shortages and sets the new government on a collision course with the oil product importers.

When the National Assembly reconvenes in mid-June with an APC majority in both houses, there may be discussions about a possible supplementary budget that will give clear signs of the government's policy.

Changing political alignments could boost growth, too. Since 1999, Lagos State has been run by parties which oppose the PDP at the centre and has been penalised financially. Now, with the APC controlling the Federal purse strings, Lagosians hope their state will benefit from more government largesse. Next month, the APC's **Akinwunmi Ambode** will take over as Governor from **Babatunde Fashola**, who has an impressive record of managing state services, sprucing up the city, planting trees and unblocking some of the worst traffic jams.

Africa economists, such as Standard Chartered's **Razia Khan** and Ecobank's Downie, told us that Lagos State, whose economy is far larger than Ghana's or Kenya's, should attract more infrastructure financing from the Federal government and counterpart finance from the markets. Part of that will be reward for the national role of Lagos, and that of its political chieftain and former state Governor, **Asiwaju Bola Ahmed Tinubu**, in underpinning the south-north alliance that was the backbone of the APC's national campaign. At a time of

fiscal stringency, President Buhari may not want or be able to favour the State too much – the Lagos-Ibadan corridor is already the country's richest area – given the desperate financial needs of much of northern Nigeria, the biggest vote bank for the APC.

Further east, in the Niger Delta, where the PDP still dominates all the state governments, Buhari will face both political and economic challenges (AC Vol 56 No 8). Having promised to work for all Nigerians, including those who voted against him or didn't vote at all, he will have to work hard to win the support of this oil-producing region, which still earns the country 95% of its foreign receipts. After the exit of the APC's **Rotimi Amaechi** as Rivers State Governor, the new government faces fresh agitation and mixed messages from militants in the Delta.

Some former militants, enriched by generous security contracts with the outgoing government, have offered a conditional welcome to his successor. Others regard Buhari as an illegitimate usurper of Jonathan, his predecessor and the Delta's first President, and have threatened mayhem if any of the special deals offered to the region – such as the costly amnesty programme for former fighters – are unpicked.

COOKING BOOKS

With revenue already squashed by the world price crash, the new government wants to re-establish calm and stability in the country's oil and gas industry. That means tackling the highly organised oil theft cartels, which carry away over 100,000 barrels per day (bpd) with the connivance of some senior military officers and business people. Finding a way to do that without sparking another round of conflict in the region will take pragmatism and some strong local political allies.

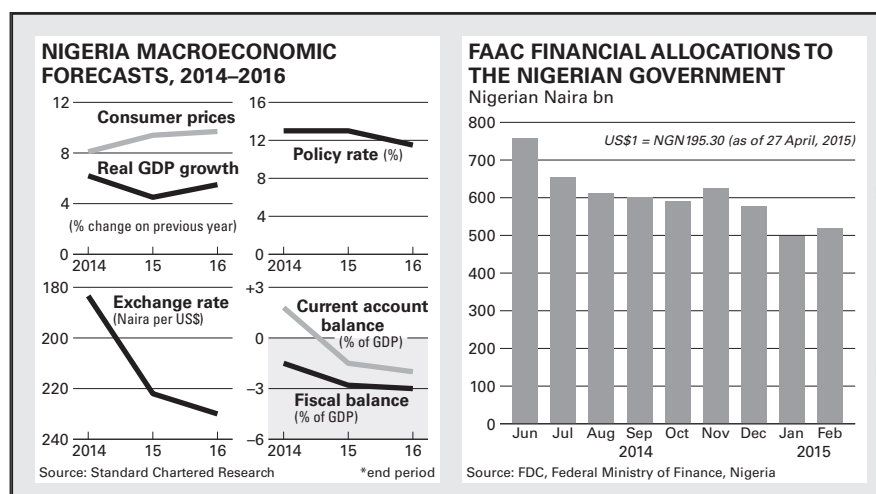
At the same time, the government has to win the confidence of the international oil companies and the fast-growing local ones. Investment in the local oil industry has been falling in relative terms for the past decade, partly because of international trends such as fracking and oil substitution, and partly because of uncertainty about planned new taxes and royalties.

Nationalists in the APC applaud the building up of local companies which, with government encouragement, have been buying up onshore oil assets from their big foreign counterparts. However, they criticise some of the sales for opacity and crony capitalism. Although some sales have been shrouded in allegations of corruption and political favouritism, APC advisors give little indication of policy towards such transfers other

than to insist all future deals will have to meet far higher standards of probity and accountability. Many of the leases on the transferred blocks, such as OML 29 and 245, come up for renewal over the next couple of years, at which point the government will be able to review the operating and fiscal terms, one industry expert pointed out.

More widely, the new government wants to resolve the impasse over the Petroleum Industry Bill, stuck in the National Assembly after multiple revisions for over five years. APC insiders talk of unbundling the state-owned Nigerian National Petroleum Corporation (NNPC) and proceeding with reform episodically. Restructuring the oily behemoth will be the first priority, they say. That is likely to mean clear lines of responsibility and management or even corporate bodies for production, refining, pipelines and distribution. This will be followed by the reform of fiscal terms, taxes and royalties. Maximum efficiency and accountability are the watchwords, we have been told. This will start with the release of the PriceWaterhouseCoopers audit of NNPC revenue management and an early announcement, perhaps on 29 May, about a system of public disclosure of accounts and transactions. NNPC management is already bracing itself for a purge and reshuffle, as well as some structural changes. The APC manifesto proposes that the Petroleum Minister should no longer sit on its board of directors.

More radical reforms, such as selling the NNPC's stakes in oil block joint ventures, are also being mooted: the



attraction is that such sales could raise much-needed revenue for the government and reduce its obligations to provide finance for the joint ventures with the multinational oil companies. Yet Buhari, who set up the NNPC when he was Oil Minister in the late 1970s, is not seen as an enthusiast for such privatisation. Nor are his allies, who say that private ownership, whether Nigerian or foreign, will not necessarily stop skulduggery. All seem agreed that a strongly independent regulator and ombudsman are essential to reform.

Most recently it was the Central Bank of Nigeria Governor, **Godwin Emefiele**, who floated the idea, in an interview with the London daily *Financial Times*, of the NNPC selling equity stakes (AC Vol 55 No 4). He suggested that it could raise as much as \$70 bn. from selling 30% of

its assets. That the idea was voiced by Emefiele will make it no more acceptable to the APC, many of whose leaders have been sharply critical of his performance as Governor since he took over the CBN from the widely praised **Sanusi Lamido Sanusi** last year (AC Vol 55 No 4).

In particular, questions are being asked about the highly restrictive regulations on foreign exchange transactions that Emefiele introduced and the narrow band of beneficiaries of those new rules. Equally, there is widespread concern about the run down in foreign reserves, now at less than \$30 bn. or four months of imports. Some of it has been spent on trying to prop up the naira.

Agriculture would benefit from naira devaluation once the wider economy adjusts, says Citi's Cowan. In any event, another devaluation is likely later in the

APC TO LEAD WITH A LEANER TEAM

At their Spring Meetings in Washington, officials at the International Monetary Fund and World Bank expressed surprise that Nigeria's incoming officials were willing to cooperate with their outgoing counterparts and also that the newly victorious opposition had put together a competent team of economic advisors so quickly. Whether such compliments will be enough to dissipate Nigerian officials' historical scepticism about Fund and Bank will be clearer in the coming months.

Styling itself a social democratic party, the soon-to-govern All Progressives Congress is committed to a mixed economy and plans to boost sharply social welfare for the 20 million poorest people. APC leaders are practical politicians, most of whom have held senior positions in state governments or civil service posts in the federal government.

Significantly, **Ifueko Omoigui-Okauru**, who formerly chaired the Federal Inland Revenue Service, was in the APC advisors' team at the Washington meetings. Also in the team were **Abba Kyari**, a cerebral banker whose friendship with Buhari dates back to the 1970s, and **Adebayo Olawale Edun**, a former Commissioner for Finance in the Lagos State government.

Certainly, Omoigui-Okauru and Wale Edun have been named as contenders for the Finance or Planning portfolios. Crucially, the APC team showed its commitment to market reform and a lack of interest in dirigiste strategies once associated with Buhari.

Other influential economic thinkers on the APC side include Vice-President-elect **Yemi Osinbajo**, a former Justice Commissioner and Attorney General in Lagos State (AC Vol 56 No 4); Professor **Adedoyin ('Doyin') Salami** of Lagos Business School, who has also served on the Central Bank of Nigeria (CBN) Monetary Policy Committee; **Nasir Ahmed El-Rufai**, the Kaduna State Governor-elect, and former Minister for Abuja and Director of Bureau for Public Enterprises, has strong pro-market views on accelerating growth (AC Vol 56 No 7).

Most APC economic advisors want to see government restructured, with fewer but more effective ministers and wider-ranging civil service reform. One plan is to split the Finance Ministry's planning and budgeting functions and put them in a separate ministry of planning and budgeting; another is to reduce the CBN to its core function of monetary policy-making and banking supervision, leaving some of its more grandiose goals to economic ministries in the cabinet. That also raises the future of Governor **Godwin Emefiele**, much criticised by senior APC figures.

Although Emefiele, who was appointed by President **Goodluck Jonathan** a year ago, has tenure, he will face tough questions about his stewardship of the Bank. Whether these involve sins of commission or omission or no sins at all, he will have to address rising concern about reports that substantial oil revenue is still to be transferred into the Federation account, which falls under CBN supervision. ●

year should the parallel market value of the currency fall significantly again. Few in Abuja want to second guess the naira-dollar exchange rate but many bankers argue that it is not worth spending more foreign reserves on defending it at its current level of \$1=N200. They add that a positive early performance by the new government – the speedy announcement of a technocratic cabinet and clear policies on boosting accountability – could lift the currency more than pumping in more reserves.

POWER OVER POWER

The legendarily unreliable power industry holds back growth and investment. Although Jonathan's government completed the break up and sale of the old state-owned power company, the private companies which bought these assets have their own financial and technical struggles and complain about the lack of a reliable gas supply to run the generators. The APC aims to triple the country's 4,000 megawatt power generation within its first four-year term. In relative terms, that ambition ranks with what economic stars such as China

and South Korea have achieved.

Buhari's first step in that direction is likely to be the privatisation of the Transmission Company of Nigeria. Some of the biggest problems in the system are caused by badly maintained inter-connectors and transmission networks. It's less clear what the new government will do with those privatised electricity companies still in financial trouble. Last year, the CBN and local banks arranged for a power sector fund of over N200 bn. to bail out some of the shakier companies. The Chairman of the Nigerian Electricity Regulatory Commission, **Sam Amadi**, says the incoming government could easily change course.

ENDING GAS FLARING

The government may review power company compliance with commitments under the privatisation agreements. It may also try to crack down on gas flaring: Nigeria declined to join this month's endorsement by industry and governments, including **Angola, Cameroon, Congo-Brazzaville and Gabon**, of the World Bank's 'Zero Routine Flaring by 2030' initiative.

Attracting investors into the gas industry and ending flaring will require rapid agreement on gas tariffs and operating conditions, which in turn will determine electricity prices.

Private investors are also being sought for the fuel sector. Recent disputes between the federal government and local fuel marketers over payments and subsidies have worsened shortages. Regardless of whether Buhari presides over the privatisation of the four rickety state refineries, three of which he had built when he was Oil Minister in the 1970s, he is said to back investors such as **Aliko Dangote** and his refinery project near Lekki, just outside Lagos (AC Vol 54 No 18). This week, Dangote opened discussions with **United States**-based Blackstone for finance on the 650,000 bpd refinery project, which is targeted initially at the regional as well as the domestic market. Investors are showing growing interest in Nigeria since the elections, according to **Peter Enti** of Nubuke Investments. In turn, he believes, that will mean progress for neighbouring countries, where Nigerian banks and companies are expanding. ●

KENYA

Shame about the list

President Kenyatta is gutting the anti-corruption bodies after purging mostly his deputy's allies from public life

Since early March, the Jubilee government has been riven by charge and counter-charge over corruption. President **Uhuru Kenyatta** appeared to silence his critics by publishing a 'list of shame' of 175 allegedly corrupt government officials on 31 March. That took many people by surprise but now that the two remaining commissioners of the Ethics and Anti-Corruption Commission (EACC) have been dismissed, the President's motives and the underlying issues are becoming clearer.

The latest corruption controversy began in early March when the EACC brought to court a batch of criminal prosecutions relating to the Anglo-Leasing affair of over a decade ago (AC Vol 45 No 11). Anglo-Leasing was possibly Kenya's biggest ever theft of public funds. US\$1 billion was stolen in a false procurement scam in which many senior politicians profited. The scandal destroyed the anti-corruption credentials of President **Mwai Kibaki's** government, and severely damaged the global image of Kenya when the anti-corruption czar, **John Githongo**, resigned and went into

exile in 2005 (AC Vol 46 No 18).

For all that, Anglo-Leasing seemed ancient history. Until, that is, the EACC conducted an investigation in the second half of last year.

Now, it seems, the EACC is being punished for its conscientiousness. It was also the EACC which gave the President the list of shame and with it, a chance to brush up his anti-corruption credentials with the public. Some cynics have attributed Kenyatta's late flurry against corruption to the need to show a clean face when **United States** President **Barack Obama** comes to visit, as expected, later in the year. Either way, no pundit in Kenya really believes that the government has turned over a new leaf against corruption and Kenyatta's coalition partners have bitterly pointed out that the list is largely peopled by individuals connected to Deputy President **William Ruto**.

On 22 April, the National Assembly voted 130-52 to approve a Justice and Legal Affairs Committee report recommending the dismissal of the EACC Chairman, **Mumo Matemu**, and his deputy, **Irene Cheptoo Keino**. A third

commissioner, Professor **Jane Kerubo Onsongo**, had resigned at the beginning of April following an alleged campaign of intimidation by senior government officials.

The harassment of EACC commissioners shortly followed the publication of the list of shame. The 175 officials named include cabinet and principal secretaries, county governors, senators and senior civil servants. The EACC drew up the list from a dossier it had presented to Parliament. However, we hear, names were added on the President's instructions. The list became the keynote of his second annual State of the Nation address on 26 March. Scandal after scandal has dogged the Jubilee Coalition government and this looked like an attempt at a reckoning.

Civil society activists say there have been 37 major corruption scandals since Kenyatta took power. They include a 26 bn. Kenya shilling (\$275 million) school laptop computer scheme; the \$4 bn. standard gauge railway project, which has been riddled by claims of dubious tendering (AC Vol 55 No 4); a bribery scheme implicating officials of the Independent Electoral and Boundaries Commission (AC Vol 55 No 25); the KSh100 mn. 'hustler jet' scandal linked to Ruto's mid-2013 African shuttle diplomacy to drum up support against the International Criminal Court (ICC, AC Vol 54 No 16); procurement scams at both national and county levels; and a long list

of land-grabbing rackets featuring senior politicians and government officials.

Kenyatta initially scored well with the public. An opinion poll which followed his March speech and came during the Islamist militant attack on students at Garissa University College, which began on 2 April and over which his government has been strongly criticised, still had him at 49%, 20 percentage points clear of his nearest rival, **Raila Odinga**, head of the opposition Coalition for Reforms and Democracy (AC Vol 56 No 8).

It has, however, been lost on nobody that most of the big fish on the list are allies of Ruto, among them Labour Ministry Cabinet Secretary **Samwel Kazungu Kambi**, Energy Cabinet Secretary **Davis Chirchir** and Ruto's Chief of Staff, **Marianne Kaitany**. While Ruto's Kalenjin supporters in his United Republican Party (URP), partner in the governing Jubilee Coalition, are said to have complained bitterly about what they consider deliberate targeting of their ethnic kin, Ruto himself has maintained a puzzling silence.

Kenyatta's handlers got the word out that the President had spent several hours consulting with his deputy before tabling the list in Parliament. Ruto subsequently gave a thumbs-up in support of the war against corruption, saying that the government would spare nobody in its efforts to clean up the system. However, the Kenyan media have reported Ruto as implicated in several scams, making a defence of his beleaguered allies more difficult. There is also speculation that, in view of his ongoing trial at the ICC, he must play possum in the face of the Kenyatta faction's political ascendancy, at least for now.

UNDER SIEGE

As a sense of siege takes hold of Ruto's URP, dissenting forces in its Rift Valley stronghold have begun to coalesce. Notable among them are Bomet County Governor **Isaac Ruto**, once a close ally (but no relation) of the Deputy President. In recent times, Governor Ruto has harshly criticised his namesake's politics, accusing him of political arrogance and high-handedness. Isaac Ruto's new-found friendship with the Senator for Baringo, **Gideon Moi**, youngest son of former President **Daniel arap Moi**, is still in its infancy (AC Vol 39 No 25). It will likely become a force to be reckoned with if William Ruto's woes persist and the Kalenjin politicians begin considering their options.

Kenyatta also seems to have used the list to rid himself of excess baggage that he inherited from President **Mwai Kibaki's** government. The most prominent casualties among the securocracy include **Francis Kimemia**

(AC Vol 55 No 5). Formerly Cabinet Secretary under Kibaki Kimemia was a powerful security official said to have been instrumental in the outcome of the March 2013 elections. With Kimemia gone and the likes of his replacement in the security slot, **Mutea Iringo**, relegated to less influential positions, Kenyatta can concentrate on building a machine within the bureaucracy whose loyalties will be unquestioned.

Many have labelled spurious the allegations contained in the list of shame. Sources close to the process say the EACC dossier was hastily compiled mainly for political effect. Most of the charges are unlikely to stick precisely because they were cobbled together under pressure, rather than as the outcome of systematic investigations.

UNDER PRESSURE

The EACC's subsequent woes coincided with tabling the list of shame. That appeared to be part of an attempt by the Jubilee government to coopt the Commission and direct its work in directions that would not be too politically expensive. In late March, Keino and Onsongo held a press conference at the EACC offices accusing senior government officials of harassing them. They alleged that they, along with Matemu, had been summoned to the Office of the President at Harambee House. While there, they had had been pressured into resigning by a team composed of the Solicitor General, **Njee Muturi**, once Kenyatta's personal assistant, alongside the President's Advisor on Constitutional Affairs, **Abdikadir Hussein Mohammed**; and the Chairman of Parliament's Justice and Legal Affairs Committee, **Samuel Kiprono Chepkong'a**.

None of those named have denied the allegations. Indeed, Chepkong'a recused himself from leading his Committee's subsequent probe into the competence and integrity of the EACC commissioners – the one that culminated in the dismissals.

The sacked commissioners trace their troubles to the opening of the Anglo-Leasing prosecutions in March. The Commission's woes have included deep budgetary cuts, threats of eviction, tension between the Secretariat and the commissioners, and leaks claiming that commissioners and senior managers at the Secretariat had themselves engaged in dodgy deals. All this began to emerge after the Anglo-Leasing cases came to court.

That is not to say that the EACC itself is squeaky clean. Some observers believe that the government nominated to it only people it believed could be subjected to pressure. Matemu's appointment was delayed for more than a year by the

last Parliament because of questions about his role as a legal officer at the Agricultural Finance Corporation, where he was accused of taking bribes to write off loans. He denies those allegations. He appealed against the objection to his nomination in the Court of Appeal and won.

Few expected any great show of rigour from the EACC, given the fate of its predecessor, the Kenya Anti-Corruption Commission, chaired by **Patrick Loch Otieno Lumumba**. The KACC was hastily disbanded in August 2011, after many members of parliament publicly acknowledged their nervousness at PLO Lumumba's take-no-prisoners approach.

Nor has the EACC Secretariat escaped scrutiny over the integrity of some of its senior officials. Its Deputy Chief Executive and Chief Operations Officer, **Michael Kamau Mubea**, led the Anglo-Leasing investigations. While we are told that Mubea played by the book as far as the investigations were concerned, eyebrows were raised when late last year, he approached several key Anglo-Leasing suspects, **Deepak Chamanlal Kamani**, **Rashmi Chamanlal Kamani** and their father, **Chamanlal Vrajilal Kamani**, to negotiate a side deal in which in exchange for immunity, they would return money procured from the security contracts awarded to them.

Mubea's suspension casts a shadow on the Anglo-Leasing cases already in court, calling into question the integrity of the investigations. If the battery of lawyers lined up for the defendants deploy that strategy, it is quite likely that the cases will end up in the same place as they did on the two previous occasions the government unsuccessfully attempted to prosecute them.

CUTS IN SECURITY

While the EACC stepped on many toes when it revived the Anglo-Leasing cases, there are fears abroad that powerful cliques within the government mean to dismantle institutions dealing with accountability. Severe budget cuts dog the Auditor General's office, while the courts have curtailed the Ombudsman's abilities to enforce their own recommendations.

Most notable is the disbanding of Parliament's Public Accounts Committee. Like the EACC, it has been sunk by allegations of corruption levelled against its members. Some link its misfortunes to the fact that it was about to table a report on the embezzlement of Ksh2.9 bn. in pre-election funds from the Office of the President. Former Security Permanent Secretary Iringo and senior officials in the Office of the President are believed to be mentioned in the report. It remains to be seen whether a reconstituted PAC will revive that report. ●

CONGO-KINSHASA

EU adopts 'weak' code

The European Parliament is set to ratify a code on conflict minerals, putting it at odds with US legislation and angering campaigners

In the week of 18 May, the European Parliament is set to ratify the European Commission's long-awaited proposal for a system to ensure the responsible supply of 'conflict minerals' from the Great Lakes region. The aim is to prevent the trade in such minerals – mainly tin, tantalum, tungsten and gold – from benefitting smugglers and warring militias in Congo-Kinshasa but the proposal has fallen far short of the expectations of the groups which originally campaigned to bring it about. Under pressure from the industries consuming the raw materials, the EU has adopted a voluntary system and not the stringent approach exemplified in the United States' 2011 Dodd-Frank Act (AC Vol 55 No 20). The USA now requires US companies to carry out due diligence on the sourcing of their minerals to guarantee their traceability.

The EU's legislation sets up a self-certification system. It will require large

companies with more than 500 employees to disclose information on supply-chain due diligence. It will establish an approved list of 'responsible' smelters and refiners which can assure transparency and certainty to downstream companies as to the ethical origins of the minerals. The new system will only come into force after a transitional two-year period in order to allow time to set up a third-party audit system and for importers to become familiar with their obligations.

The new code was supported mainly by Christian Democrat and Conservative Members of the European Parliament, who insist it will provide the necessary protection. It was vehemently opposed by Socialist and Green MEPs, who wanted a system with binding standards at all stages in the supply chain, including a requirement that end-users such as the computer industry and mobile telephone producers certify the conflict-

free origin of their tantalum and other relevant raw materials. The vote in the International Trade Committee (ITC) which opted for the less stringent option was carried by 22 votes to 16.

French Green MEP Yannick Jadot, who is Vice-President of the ITC, found the vote 'disastrous for the European Union because there is no guarantee that commercial products, whose manufacturing depends on these minerals, are not linked to conflicts'. He added, 'European smelters and refiners only account for 5% of the global market.' He also said that the only way to ensure that the rules applied throughout the world and not just in the EU was to enforce the requirement on end-users to be legally responsible for ensuring the conflict-free origins of their products.

There is a risk, say Jadot and the non-governmental organisations which lobbied for tougher rules, that with only EU refiners being subject to restrictions, end-users could source materials in countries such as China and Malaysia, where similar constraints do not exist. 'The Committee wasted a ground-breaking opportunity to tackle the deadly trade in conflict minerals', said the British NGO Global Witness. It believes the new regulations will have virtually no impact on the sourcing behaviour of companies. ●

SUDAN

Enhancing elections

The opposition call to stay away worked. The government cannot pretend it won a credible mandate

Long queues of enthusiastic citizens stood patiently in the scorching sun waiting to vote in Sudan's first democratic elections for 18 years. The year was 1986. Fast-forward to 2015 and even the government has had to admit that most people on the electoral register didn't vote.

During the parliamentary and presidential elections on 13-16 April, *Africa Confidential* visited several polling stations. At none did we see queues like those at the matches played by the two top soccer teams, El Merrikh and El Hilal, or at weddings, including at the new Wedding Hall in Amarat, just round the corner from the National Congress Party headquarters, from where you can hear the music which the ruling NCP once tried to ban. Other places which drew longer queues than the elections included Amwaj restaurant on Airport Road, where the grilled chicken is legendary, or outside the electronics shops

in the Souk el Arabi. Indeed, the *sitt el shai* (tea lady) opposite polling stations, where men sat down to discuss almost anything except the elections, drew far bigger crowds than the polling stations.

When AC visited the polling station at El Itahad (Unity) School in Khartoum Two, there were more builders doing repairs than voters. A woman monitoring the vote for a non-governmental organisation close to the regime said turnout was high. Another official then sidled up to make sure we realised that wasn't true. In fact after two days, turnout at that centre was 10%, as opposed to 61% five years ago, when there was no boycott by a united opposition. An official monitoring group gave daily press conferences at the Friendship Hall in central Khartoum, claiming things were going really well.

They weren't. The NCP's relentless claims of improved relations with Egypt and the Gulf and criticism of the United

Nations-African Union hybrid Mission in Darfur shows the party is 'terribly injured', said a senior oppositionist. The combination of opposition boycott, Western shunning and Arab distancing – and even the ambivalent AU endorsement – deprives the regime of legitimacy.

Even the official turnout announced on 27 April was only 46.4%. The NCP Political Secretary, **Mustafa Osman Ismail**, who says things the party doesn't want others to admit, told the independent, Netherlands-based Radio Tamazuj that turnout was low because the electoral register contained 'millions of names that were not revised such as names of dead and citizens who have become South Sudanese nationals' (AC Vol 52 No 7).

The AU Election Observer Mission had merely 20 people who arrived only on 10 April and did not visit all Sudan's states. The 17 April statement by its leader, **Nigerian** ex-President **Olusegun Obasanjo**, said turnout was 'generally low'. Then, at a meeting at the United States Institute for Peace on 23 April, he said that 'anywhere' 40% turnout could be 'tolerable' but in Sudan, 'I don't believe we got 35%'. Oppositionists put it far lower. The AUEOM, which did not plan to reject the results, got around the turnout conundrum by concluding that the results 'would reflect the expression of the will of

the voters'. At USIP, Obasanjo explained that they had chosen the phrase 'will of the voters' to avoid saying 'the will of the people'. This triggered laughter but the Sudanese opposition is less amused by the AU's willingness to ignore its own recommendations.

The AU Pre-Election Assessment Mission in March consisted of an AU Political and Electoral Affairs Officer, **Idrissa Kamara** of **Sierra Leone**, with independent experts from **Guinea Bissau**, **Malawi**, **Tunisia** and **Zambia**. They categorically recommended that the AU should not send observers: 'In view of the prevailing situation in the country and the negative impact the conduct of these elections would have on the national dialogue process, including the potential for increase in violence, it is the considered view of the assessment team that deploying an AUEOM under the circumstance would not be viable and effective'.

Obasanjo lectured at USIP for nearly half an hour on how African leaders could give up power. He skirted around why the AU should have gone against its own report which 'to say the least, was not complimentary' to Sudan's election process (AC Vol 56 No 8). Yet Obasanjo did explain that this was a decision which the AU Peace and Security Council made only on 8 April, five days before polling was due to begin. That suggests serious disagreement. He added that the Sudanese opposition had wanted the elections postponed and was correct in disagreeing with the regime's claim that that would be unconstitutional: 'We saw nothing in the constitution or the law' that prevented a postponement.

After years of presenting himself as a loyal dissident even when a minister, **Ghazi Salah el Din el Atabani** leads the Reform Now Movement (AC Vol 54 No 9 & Vol 50 No 13). Before Obasanjo's 17 April press conference, Ghazi told us that he had acknowledged to Obasanjo that he knew he would have to endorse the elections but that it was also important to reflect the lack of human rights and he suggested using the word 'enhance'.

Lo and behold! The AUEOM statement said that 'freedom and fairness attached to the 2015 elections in Sudan would have been enhanced had these basic freedoms and human rights been fully respected'. In Washington, Obasanjo again used the word twice. The NCP regime has been trumpeting the AU endorsement.

Western governments were less impressed. Although **China** and **Russia** endorsed the elections, the Troika (**Britain**, **Norway**, the **USA**), **Canada** and the European Union criticised them strongly: 'Troika members regret the Government of Sudan's failure to create a free and fair elections environment'. Noting the 'lack of a credible national dialogue' (ostensibly the NCP's great project), the statement ended, 'We condemn the acts of violence during the election period and continue to support those Sudanese who wish to peacefully advance a comprehensive and legitimate political process of dialogue toward an end to the conflict, meaningful governance reform and long-term stability'. Khartoum read this as a declaration of support for the opposition and hauled in the Troika ambassadors.

The European Union's High Representative for Foreign Affairs and

Security Policy, **Federica Mogherini**, had already announced on 9 April that, given Khartoum's refusal to attend the promised preparatory meeting with the opposition in **Ethiopia**, the 'failure to initiate a genuine national dialogue one year after it was announced by the Government of Sudan is a setback for the welfare of the people of Sudan... We therefore chose not to engage in support of these elections'. That such a strong statement could wend its way through the EU bureaucracy was surprising, said one insider. It also surprised Ambassador **Tomáš Ulicný**, not known for antagonising his hosts. 'With the European Union commitment to the people of Sudan unwavering, the EU Ambassador is confident that the EU statement will not significantly impact relations with Sudan,' he declared.

Buoyant after its election boycott, the opposition Sudan Call Forces want to maintain Western interest, as do human rights and democracy campaigners. Both Amnesty International and Human Rights Watch have detailed regime abuses during the election period. Obasanjo repeatedly cited Amnesty on the regime's infractions.

A 27 April report by Conflict Armament Research may also focus minds. Investigating armaments used by 'Islamic State' in Kobane, **Syria**, it found weapons with exactly the same markings, including obliterated serial numbers, as some used by **Riek Machar Teny Dhurgon's** and other Khartoum-supplied rebels in **South Sudan**. It also found Sudanese-made ammunition with a similarly short custody chain, suggesting it was exported directly from Sudan. ●

THE PRESIDENT'S NEW CLOTHES

With an official turnout of less than half of the registered voters in the 13-16 April elections, President **Omer Hassan Ahmed el Beshir** consoled himself with a dictator-level majority of 94.5%. Armed with an official 5,262,487 votes and resplendent in robe and turban, the jubilant Field Marshal brandished his stick as he declared that 'the Sudanese people' had given the world, 'especially the colonial powers', a 'lesson in integrity'. He would now 'eliminate the terrorists and the insurgents': he was referring to the opposition with which he is supposed to be holding the National Dialogue.

As before, his National Congress Party has a safe parliamentary majority: 323 of 425 seats. The NCP allowed the rump of **Mohamed Osman el Mirghani's** once powerful Democratic Unionist Party to win 25 by not standing against it in its areas. The other seats are held either by NCP dissidents or by 'tawali' parties ('appendages'), a term coined by the NCP's godfather, **Hassan el Turabi**.

Once merely tolerated by the National Islamic Front (now NCP) to keep the army on side (a role the President later handed to Vice-President General **Bakri Hassan Salih**), Omer el Beshir is now the man his former masters have to please. Much jockeying for position will ensue, little of it in public. Some, such as ex-VP **Ali Osman Mohamed Taha** or ex-security supremo **Nafi'e Ali Nafi'e**, told their constituents in the Northern and Nile states to vote for 'independents' (i.e. NCP disgruntled), we understand.

Others seek a different way to make their mark. Turabi abandoned his renewed affiliation to the opposition and backed the government's ill-fated National Dialogue. That left him isolated, so he is now loudly offering to mediate between Houthi rebels and government and Islamist forces in **Yemen** (AC Vol 56 No 7). That Yemen initiative does 'not seem serious', a senior Middle East diplomat told *Africa Confidential*, and **Egypt** and **Saudi Arabia** are 'not taking it seriously'. Sudanese sources see it as an attempt to regain lost ground at home.

Some of the regime's quarrels are personal, some about interpretations of Islamism, but the most serious divisions remain between those who see the need for reform for the sake of survival and the 'bitter enders'. Opposition unity and the success of the election boycott shows the Islamists' strategy of dominating the opposition as well as the government has failed. Many Islamist insiders believe the regime needs a 'soft landing' but Omer's sabotage of his National Dialogue with the real, that is mainly secularist, opposition makes this impossible. The Islamists need an exit strategy for Omer but the International Criminal Court warrants against him on charges of genocide, war crimes and crimes against humanity remain a major obstacle. The elections have not, as it expected, strengthened the regime. ●

BURUNDI

Pierre nears the precipice

Now that the ruling party has backed the President's bid for a third term, hopes for a peaceful election are fading fast

The latest attempt by a two-term president to flout the constitution and stay in power got formally under way on 25 April. The congress of the ruling party, the *Conseil national pour la défense de la démocratie-Forces de la défense de la démocratie* (CNDD-FDD), decided to back President **Pierre Nkurunziza** as candidate in the presidential election due on 26 June. The opposition's reaction has been furious.

Opponents of the third term accuse the government of deliberately misreading the constitution, manipulating the electoral register and influencing the electoral commission and constitutional court (AC Vol 56 No 4). The day after the announcement, thousands took to the streets of Bujumbura in protest and police shot at least six people dead. Some 300 civil society groups and political parties have pledged to continue protesting in spite of a government ban on demonstrations. Given the widespread access to arms and the presence of rebel militia across the border in **Congo-Kinshasa**, many are wondering how far the situation could unravel.

UNCONSTITUTIONAL

Nkurunziza's claim that a third term would be legitimate relies on the fact that in 2005 he was elected by Parliament, not the electorate. A provision of the 2000 Arusha Peace Accords, included in Article 302 of the constitution, stipulated that, 'Exceptionally, the first President of the Republic of the post-transition period is elected by the National Assembly and the Senate meeting in Congress by a two-thirds majority of its members.'

Even though elsewhere the law specifies that no president may be re-elected twice, the Nkurunziza camp claims that Art. 302 allows the present incumbent to stand again. Critics make the obvious point that if this argument held water, Nkurunziza would not have attempted – unsuccessfully – to amend Art. 302 last year (AC Vol 55 No 8). The meaning of the 2005 constitution was perfectly clear, a constitutional lawyer told *Africa Confidential*. The President was elected by Parliament in 2005 only as a strictly temporary expedient. The constitution's limit of two terms for any one president is stated unambiguously in Art. 96.

The constitutional court, however,

which will have the final say, was appointed by a Senate dominated by the CNDD-FDD and is very unlikely to stand in Nkurunziza's way. Meanwhile, the *Commission électorale nationale indépendante* (CENI, electoral commission) has distanced itself from the debate and is focusing on the administrative arrangements for the election.

DISCORD

A far more pressing concern for Nkurunziza is the turmoil his candidacy has caused in his party. On 20 March, 17 high-ranking party officials wrote urging him to respect the constitution and not to seek a third term. The signatories included the President's former personal Spokesperson, **Léonidas Hatungimana** aka **Muporo**; former party Spokesperson **Onésime Nduwimana**; and several provincial governors (AC Vol 50 No 18). They claim their petition has since attracted up to 300 party members, dozens of whom have been expelled, including Hatungimana and Nduwimana.

This came shortly after the president had dismissed Major General **Godefroid Niyombare**, head of the intelligence service, the *Service national des renseignements* (SNR). This came in February after he had produced an intelligence briefing, which then leaked, outlining the substantial international opposition to any move towards a third term. It detailed trenchant disagreement by **Belgium, Britain, the United States**, the European Union, the World Bank, the International Monetary Fund and the Roman Catholic Church. It also said the CNDD-FDD did not wholeheartedly back a third term. A further 120 senior officials are reported to have been expelled from the party, imprisoned or forced into hiding in recent months, ensuring that trouble-makers were kept at bay or out of the picture during the party congress.

Opponents of Nkurunziza were also involved in springing the charismatic former Chairman of the CNDD-FDD, **Hussein Radjabu**, from prison, we hear (AC Vol 48 No 1). He had been serving a 13-year sentence since 2007 on charges of fomenting rebellion after a falling-out with the President. Before his arrest, Radjabu was considered among Burundi's most powerful politicians. Some think that only his status as a Muslim prevented

him from becoming President, although he left secondary school without a certificate, a condition of standing for the presidency.

Nkurunziza tried to quell anger in the party at the extremely high levels of corruption by sacking last November the two men most widely blamed for it, his closest allies, Gen. **Adolphe Nshimirimana**, head of the SNR, and Gen. **Alain Guillaume Bunyoni**, Director of the Civil Cabinet at the presidency. Nshimirimana has a reputation for violence. The sackings were strictly cosmetic, however. Both men still work inside the President's office and have not, insiders say, lost any influence or power.

The most damaging criticism of Nkurunziza comes from CNDD-FDD members and others who say that he is not only damaging his party's prospects but sabotaging the Arusha Accords. The agreement and its provisions for sharing power between Hutu and Tutsi have wide support in both communities. An Afrobarometer survey published in February found that 62% of those surveyed opposed a third term.

Catholic Archbishop **Evariste Ndayagoye** issued a statement opposing the term-limit extension and urged political leaders not to manipulate the constitution or undermine the Arusha Accords. The Church's role has grown enormously in Burundi on the strength of the credit it gained as mediator during the civil war and its opposition is a major obstacle for the President.

Opposition is so widespread that it has made some unlikely alliances. The two principal coalitions to emerge are the five-party *Alliance des démocrates pour le changement au Burundi* (ADC-Ikibiri) under the chairmanship of a veteran of the *Front pour la démocratie au Burundi*, **Léonce Ngendakumana**, and the *Rassemblement national pour le changement* (Ranac). On 16 April, ADC-Ikibiri said it was in talks with other opposition parties to pick a single presidential candidate and said **Agathon Rwasa** of the *Forces nationales de libération* would be the strongest challenger. Despite this, the ruling party remains the clear favourite to win the elections. Many doubt the durability of the opposition coalitions, while their organisational strength is in doubt as a result of the years spent in exile by many of their leaders since 2010. The CNDD-FDD, meanwhile, has the strongest organisation and enjoys a huge support base in rural areas.

LONG CAMPAIGN

Nkurunziza faces an increasingly hostile environment before the elections. Voting begins with legislative and commune elections on 26 May but continues until

August, with the presidential poll on 26 June, the Senate election on 17 July, a second round of the presidential election (if necessary) on 27 July and local council elections on 24 August. This leaves ample time for the situation to deteriorate further, with the parliamentary and presidential elections expected to be especially volatile.

Fearing violence, more than 24,000 Burundians are reported to have fled to Rwanda and Congo-Kinshasa in recent weeks. Diplomats say tens of thousands more are expected to leave in the coming months and it is uncertain if Rwanda will be able to house so many during the protracted polling period. A particular concern among the refugees is said to be the threat posed by the *Imbonerakure*, the CNDD-FDD's youth wing. The *Imbonerakure* is regularly accused of harassment, intimidation and violence against opposition activists, and rumours

of extra-judicial killings are widespread. The militia staged militaristic celebrations at the CNDD-FDD congress, including a ten-kilometre '*toyi toyi*' (protest dance) apparently designed as a show of strength. Earlier this month, the United Nations High Commissioner for Human Rights, **Jordan's Prince Zeid Ra'ad al Hussein**, warned that the *Imbonerakure* was acting increasingly aggressively and with 'total impunity'.

KILLINGS

The *Imbonerakure* is increasingly militaristic. It is accused of operating alongside soldiers and police in killing more than 100 rebels in clashes in Cibitoke in late December and early January. Human rights groups claim many of the victims were killed in captivity. There have also been repeated reports of arms being distributed among *Imbonerakure* militants and civil war veterans who

support the CNDD-FDD.

The recent deployment of the army raises further concerns. A report by the International Crisis Group on 17 April noted that although post-war security sector reforms mean many armed units are mixed across ethnic and political divisions, war-time allegiances continue to exist outside the army's formal hierarchy. Any attempt to deploy the army against protesters could see some units and commanders refuse to follow orders, with the potential to split the military, the report notes.

Although still a distant possibility, this would represent a worst-case scenario which could see the re-emergence of the armed factions that fought in the civil war and precipitate a major crisis. Burundi's aid partners and neighbouring countries will now be under intense pressure to step up mediation efforts and avert disaster. ●

CONGO-KINSHASA

The best man not standing

Moïse Katumbi has said he won't stand for President but many forces are at work trying to persuade him to change his mind

Supporters of the Katanga Governor, **Moïse Katumbi Chapwe**, seem unwilling to take no for an answer after his many refusals to stand for the presidency. The calls grow in strength even though he is widely believed to fear assassination if he went for the country's highest office. President **Joseph Kabila** still seems intent on finding a way to stay in power, even though the constitution forbids it and a growing coalition of political forces hopes his fellow Katangese, Katumbi, can stand in his way (AC Vol 56 No 7).

The most recent sign of this trend was the decision by the influential Katangese party, the *Union nationale des fédéralistes congolais*, at an extraordinary congress held on Easter Sunday in Lubumbashi, to put up its own candidates in all the forthcoming local, provincial, parliamentary and presidential elections. Unafec is one of seven parties in the coalition supporting Kabila, the *Alliance pour la majorité présidentielle* (AMP). Unafec's Chairman, the Speaker of the Katangese provincial Parliament, **Gabriel Kyungu wa Kumwanza**, created a sensation by declaring he would support Katumbi for the presidency.

Kyungu, who defied police attempts to stop him attending the meeting, opposes the division of the country into 26 provinces, which Kabila decreed in

March. Katanga is supposed to be divided into four new provinces: Tanganyika, Upper Lomami, Upper Katanga and Lualaba. Katumbi also opposes the reorganisation, which appears to be based only on Kabila's desire to fragment Katangese opposition to his plans.

DAMNED IF YOU DON'T

Nobody doubts Katumbi's popularity or the growing rift between Kabila and his Katangese political base. A huge crowd in Lubumbashi greeted Katumbi just before Christmas, when he returned from London after receiving treatment for what some of his relatives told journalists was poisoning. In 2007, Katumbi said that the landing gear of his private jet had been sabotaged in an attempt on his life. (An aviation expert told *Africa Confidential* that such sabotage would have been unlikely to cause a fatal crash.) Some pundits have been reasoning that if he faces the risk of assassination whether or not he stands for national office, he may as well take the plunge.

Unafec's decision to stand puts further stress on the AMP coalition, which is led by Kabila's *Parti du peuple pour la reconstruction et le développement*. The PPRD is already weakened by acts of defiance from other coalition partners, such as **Pierre Lumbi Okongo's**

Mouvement social pour le renouveau. About 90% of Katanga's electors voted for Kabila in the 2011 election, about 30% of his total poll. Any split in the Katanga vote would therefore weaken him electorally.

Unafec is not alone in appealing to Katumbi. In mid-March, traditional leaders of the future Tanganyika Province urged him to become its Governor. The answer he gave them was the same one he gave to the foreign and local journalists who continually ask him whether he will stand: 'Politics is not a job for me. One has to know how to come and how to go. I'm taking a little break and I shall continue to serve the Katangese people.'

In December, Katumbi warned Kabila, in powerful terms, that he risked a popular uprising if he persisted in his plans to stay in the presidency. He recently moderated his tone. On 8 April, during a visit to Kalemie (Tanganyika) with the Interior Minister, **Evariste Boshab**, and the Defence Minister, **Aimé Ngoy Mukena**, Katumbi said he accepted the redivision of the country, even though he had earlier voiced concern that the 2015 budget had not accounted for the immense costs involved in setting up 15 new provincial capitals and the associated infrastructure.

Katumbi insists he will work within the PPRD alongside those who share his 'pro-democracy ideals' at the party's next congress. He has serious rivals if he is indeed thinking of seeking the leadership. These include the Secretary General, Boshab, the National Assembly Speaker, **Aubin Minaku**, and the dreaded boss of the domestic intelligence service, the *Agence nationale de renseignements*, **Kalev Mutond**.

For the time being, Katumbi seems set to allow his governorship to expire in June, as determined by the provincial reorganisation, and to distance himself from the political fray. The confused and aggressive situation in the PPRD, combined with Kabila's difficulties, is leaving Katumbi open to attacks that he wants to defuse. He has said he wants to take a break and make a tour of the country but denies that this would be the start of a campaign for the presidency. After his break, he declared, if he has announcements to make, he will make them.

POPULARITY EARNED

Unusually for a Congolese politician, Katumbi has a record of concrete achievements in office which underlie much of his great popularity in the province. He saw through the construction of the Lubumbashi-Kasumbalesa road and has won the confidence of both miners' trades unions and mining companies, which he has supported in representations to central government over unexpected taxes and other government policies they don't like. He opposed a 2013 government ban on the export of copper and cobalt concentrates. He supported the intention behind the ban – to increase the value-added of the minerals by processing them at home – but like the companies, he insisted that there was no point in a ban so long as the country lacked the electricity needed.

Of even greater concern to the mining companies is the government's plan to introduce a new mining code and a 50% tax on windfall profits. Katumbi supports the companies against these plans. They

realise, however, that it could be fatal to him for them to voice their support for him openly.

If Katumbi did decide to run, it would not be plain-sailing. He would have to strike alliances. He may be popular but the people of Central and Western Congo – the current provinces of Bas-Congo, Kinshasa, Bandundu, Equator, Eastern

Kasai and Western Kasai – see him as a man of the east, like the Kabilas, father and son. Many believe that after 18 years of rule by an easterner, the next President ought to be from the west. Katumbi might overcome this obstacle by forming an alliance with a prominent politician from the west in order to broaden his appeal. ●

ROOTS OF A GOVERNOR

Moïse Katumbi Chapwe is the son of **Nissim Soriano**, a Jew with **Italian** citizenship from the **Greek** Mediterranean island of Rhodes, and **Virginie Katumbi**, a Bemba from Congo-Kinshasa. He was brought into business by his elder brother, the tycoon **Raphaël Soriano Katebe Katoto**, who owns a castle near Bruges, **Belgium** (AC Vol 51 No 12). They were involved in import-export business and expanded in **Zambia** under the protection of the late President **Frederick Chiluba**, who was also Bemba. They traded maize flour, fish, emeralds and copper in the region but also arms to the late **Jonas Savimbi's** then rebel movement, the *União Nacional para a Independência Total de Angola*, according to several published reports.

Katumbi's immense fortune grew rapidly after his Mining Company of Katanga acquired three copper and cobalt mines (Kinsevere, Tshifufia and Nambulwa) from the state-owned company *Générale des carrières et des mines* (Gécamines) for only US\$1 million. MCK sold them to **Australia's** Anvil Mining in 2006 for \$61 mn. (AC Vol 49 No 6).

Yet Katumbi has not purchased his local popularity. He is loved partly because he chairs the highly successful *Tout Puissant Mazembe* Football Club and partly because he has improved Katanga's social and economic infrastructure, with road, public transport and educational projects (AAC Vol 5 No 5). He claims no ideology, except to run the Province like a business. He also renamed the *Place de la poste* in Lubumbashi, *Place Moïse Tshombé*, in memory of Katanga's 1960s' secessionist leader (AC Vol 51 No 15). He even bought and restored Tshombé's black limousine.

Only a politician, and an astute one at that, could be regarded as a champion of the mining industry by both its owners and its miners. The workers like Katumbi's social policies and the owners can enlist his help in practical matters of policy, especially in disputes with central government, often over taxes.

Governor Katumbi balances his ethnic support carefully and has support from the Sempia socio-cultural association, which groups traditional Bemba leaders. Representatives of the Lunda and the Balubakat people also support him, so long as he does not back Katangan independence. ●

ZIMBABWE

Illegal gold exports

Chinese business people are accused of smuggling gold out of the country with the connivance of senior ruling party officials

Securocrats and political bigwigs in President **Robert Mugabe's** Zimbabwe African National Union-Patriotic Front (ZANU-PF) are colluding with Asian entrepreneurs, mainly from **China**, to export US dollars, gemstones and gold illegally, *Africa Confidential* has learned. The government is now in a quandary. It urgently needs all the foreign exchange and tax revenue it can get but moving against the smugglers could incur the wrath of their senior protectors.

Mugabe is sitting on stacks of

documents implicating several of his close lieutenants in deals involving smuggling diamonds and gold, and direct wire transfers of cash to offshore bank accounts in **Mauritius**, the Middle East and other places in Asia, say sources in the Reserve Bank of Zimbabwe, the government and ZANU-PF. Shadowy companies controlled by political heavyweights were bringing some of the money back into the country as investment. 'Fidelity Printers and Refiners has prepared a number of files on the Chinese concerning

externalisation of gold. We realise that every Chinese entrepreneur who has so far been implicated in shady deals has either a political godfather from high up in ZANU-PF or within the military. These are very corrupt relationships,' said a senior RBZ official.

Fidelity is a subsidiary of the RBZ responsible for gold purchases and refining (AAC Vol 3 No 2). It used to print the local currency until it was abandoned in 2009 in favour of the US dollar. Chinese nationals now operate the largest number of small-scale mining operations in the country but very few of them were selling their gold through Fidelity, said a Fidelity source. 'We have done the statistics. They are now sitting in the office of the President.'

There was a standing order that any prosecution of Chinese nationals, even for petty crimes, had to be referred to the Zimbabwe Republic Police Commissioner General, a ZRP source told AC. 'As a result,

the Chinese are getting away with a lot of crimes,' he said. The ZRP has set up a Chinese desk at its headquarters which handles all cases involving Chinese nationals and those from other Asian countries. In early April, the RBZ reported to police a case of illegal externalisation involving a Chinese company. Although the ZRP Spokesperson, Senior Assistant Commissioner **Charity Charamba**, confirmed a report had been made against Chinese diamond firm Jinan Mining, she declined to give details (AC Vol 55 No 10).

Jinan externalised US\$546 million through BancABC, a commercial banking unit of ABC Holdings which was last year bought by former Barclays Chief Executive Officer **Bob Diamond**, according to the *Financial Gazette* (AC Vol 55 No 8). The money was part of proceeds from diamond mining in Chiadzwa. Jinan, which is owned jointly by the government-controlled Zimbabwe Mining Development Corporation (ZMDC) and unidentified Chinese investors, brought the money back into Zimbabwe as funds for investment and donated \$100 mn. to the National Defence College.

However, the country was still to become poorer after \$446 mn. was then transferred to **Botswana**, where ABC Holdings is headquartered. The RBZ Governor, **John Mangudya**, who took over from **Gideon Gono** last May, is bitter over the role played by BancABC in facilitating the transaction, we hear. 'He has personally summoned the bank's

executives for an explanation but realises the case involved senior figures within government and ZANU-PF,' said an RBZ source. 'While a report has been made to the police, the file has also been given to President Mugabe for action.'

BancABC officials have refused to discuss the issue, citing client confidentiality, while the Jinan Deputy Managing Director, **Tapiwa Goronga**, a former senior ZMDC official, told the media the transaction was under police investigation, which precluded him from making any public comment.

The Defence College was built by China at a cost of \$98 mn. In return for financing the project, the government gave Anjin Investments (which may be linked to Jinan) one of the most lucrative diamond concessions in Marange (AAC Vol 3 No 12). Anjin has refused to account for its operations there and has not remitted anything to government since it started operations. 'The impression is that the Chinese are untouchable,' one ZRP officer confided.

Despite failing to act on the externalisation of foreign currency by members of his government, the military and Chinese interests, Mugabe's government is beginning to feel the worsening liquidity crunch. In early April, Finance Minister **Patrick Chinamasa** suspended bonuses for civil servants for 2015 and 2016, saying the government did not have the money. The ensuing furore forced Mugabe to reverse the decision on 18 April, Independence Day, saying he was 'disgusted' by Chinamasa

who, he said, had not consulted the cabinet on the issue. Although Chinamasa said he would comply with the directive, he indicated that government was struggling to raise cash for monthly salaries, pensions, medical aid and other pressing national commitments.

The salary bill accounts for 90% of government expenditure. Although officially, recruitment was frozen during the Government of National Unity that included **Morgan Tsvangirai's** Movement for Democratic Change, numbers more than doubled just after ZANU-PF won the August 2013 elections and the GNU ended, rising from 250,000 to 553,000 civil servants.

The Commissioner General of the Zimbabwe Revenue Authority, **Gershem Pasi**, last year warned of 'serious shrinkage' in revenue. 'Things are not well out there,' he said. Zimra, whose motto is 'We are here to serve', has issued garnishment orders, which compel regular payments, against the bank accounts of companies with tax arrears. It failed to recover any money, though, as most of those companies are struggling and some are on the verge of collapse. It then took the unprecedented decision to force the companies' debtors to pay Zimra directly, not their creditors, even though there is no legislation to support this. In a statement just after Independence Day, a visiting International Monetary Fund team said economic prospects remained difficult. 'The external position remains precarious and the country is in debt distress'. ●

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POINTERS

Mozambique

FRELIMO'S HIT PARADE

■ The campaign of intimidation against ex-President **Armando Guebuza's** political enemies has suddenly ended after his resignation as President of the governing *Frente de Libertação de Moçambique* (Frelimo) on 29 March. The stream of dirty tricks included, some believe, the murder of lawyer **Gilles Cistac** (AC Vol 56 No 5).

The editor of the independent newspaper *Savana*, **Fernando Lima**, a frequent critic of Guebuza, had earlier received a threat saying he was next in line after Cistac. The Director of the independent online service *Canal de Moçambique*, **Fernando Veloso**, and academic economists **João Manuel Ferreira dos Santos Mosca** and **Carlos Nuno Castel-Branco**, all of whom had been critical of Guebuza's policies, were viciously attacked on social media by a Facebook entity, 'Calado Calachnicov' ('Silent Kalashnikov'; AC Vol 55 No 8). The anonymous figure had threatened Cistac. The other men were slandered as public enemies and spies in articles in some state-owned media, as well as pro-regime private news outlets.

A campaign against Guebuza's enemies was led by a political attack unit dubbed 'G-40', run by former presidential Spokesman **Edson Macuácuá** and ex-Transport Minister **Gabriel Muthisse**. The group's nickname came from a list of party-approved commentators, circulated to news editors who were guaranteed to sing Guebuza's praises. Editors were told to interview only those on the list.

G-40 initially concentrated its attacks on Guebuza's critics in Frelimo who are not of African origin, such as old-guard Frelimo leaders **Jorge Rebelo** and **Sérgio Vieira**. G-40's excesses are fuelling the appetite of a growing group in Frelimo to prosecute corrupt individuals, with the partial aim of helping plug the holes in state finances (AC Vol 56 No 8). Guebuza's influence is by no means finished, however. He retains strong support in Parliament. We also hear the police have been dragging their feet on the Cistac investigation and even declined the testimony of an eye-witness who claimed they could identify his killers.

South Africa

BRICS ON THE ROCKS

■ Designed as a radical alternative to the World Bank by the BRICS group countries of **Brazil, Russia, India, China** and South Africa, the much-vaunted New Development Bank is falling badly behind schedule, say BRICS' diplomatic sources. Most of the deadlines to get the NDB going

have been missed, as BRICS members struggle with domestic political and economic problems and China's priorities change (AC Vol 55 No 20).

Some BRICS members, especially South Africa, fear that China has decided to put its energies into the Asian Infrastructure Investment Bank, which was launched in October, at the NDB's expense. Over 50 countries have signed up as founding members of the Chinese-based AIIB and Beijing has invited each of its BRICS partners individually to join. All have indicated they will, *Africa Confidential* understands, albeit with some reservations.

Western countries and their multilateral lending institutions see the AIIB as a threat. **United States** President **Barack Obama** criticised **Britain** last month for its 'constant accommodation' of China after it joined the AIIB.

The economic struggles of BRICS members have been mounting, which would affect the NDB's prospects. South Africa's economy is at a standstill, Brazil's President **Dilma Rousseff** faces economic challenges and a massive corruption scandal in state oil giant Petrobras, and Russia's economy has contracted sharply.

India's economy is rebounding but new Prime Minister **Narendra Damodardas Modi** has had little favourable to say about BRICS. Despite its own economic woes, China remains the overwhelming economic force in BRICS and the partiality for the AIIB worries South Africa more than other members: it had fond hopes of concessional finance from this quarter.

Burkina Faso

THE CODE BREAKERS

■ Supporters of the *ancien régime* are resisting a new electoral code which bans many of them from standing for election. The National Transition Council has excluded from October's polls anyone involved in last year's efforts to change the constitution to enable the then President, **Blaise Compaoré**, to stand for a third term.

Those most affected are members of the *Congrès pour la démocratie et le progrès*, the former ruling party (AC Vol 54 No 10). Under the uncertain hand of **Léonce Koné**, the CDP is trying to re-invent itself. Like other partisans of the exiled ex-President, it finds it hard to shake off suspicion that it will act as a stalking horse for the military strongman's return.

Also up in arms over the new code is the three-month-old *Nouvelle alliance du Faso*, a vehicle for Blaise's former Foreign Minister. Gendarmerie General **Djibril Yipèné Bassolé** is reputed to have Middle Eastern backers with deep pockets (AC Vol 56 No 4). Nafa is brim-full of former CDP bigwigs and the transitional government is keeping them under close watch. Nafa has tried to adopt the image of a mass

movement by staging a demonstration in Bobo Dioulasso, calling for the freedom of the ex-CDP leaders who were arrested there and setting up support committees demanding the return of the exiled Bassolé. These tactics come straight out of the Blaise playbook.

Meanwhile, the Minister for Territorial Administration, Decentralisation and Security, Colonel **Auguste Denise Barry**, has been arresting swathes of former regime officials for 'economic crimes'. Barry is very much the right-hand man of the transitional Prime Minister, Lieutenant Col. **Yacouba Isaac Zida**, and also the charismatic face of the transition. He was the key speaker at a rally in Ouagadougou in defence of the new electoral code.

Tanzania

LNG PLANT HELD UP

■ The immediate future of the liquefied natural gas project may rest with one of Africa's richest people, Tanzanian businessman **Mohammed Gulam Dewji**, whose fortune is estimated at over US\$1.25 billion (AC Vol 54 No 17). The owner of the preferred site for the planned LNG plant may become a little richer.

When it was chosen, the site on the coast between Lindi and Mchinga Bay was not obviously owned by Dewji's Mohammed Enterprises Limited (AC Vol 55 No 6). It had not been developed, which meant the state could have revoked the title and granted it to the state oil company, the Tanzania Petroleum Development Corporation (TPDC), which was charged with acquiring land for the project.

Dewji, who holds the Singida Urban seat for the governing *Chama cha Mapinduzi* (CCM), resisted such a move with the support of President **Jakaya Kikwete**, we hear. If the TPDC acquires the site, it will probably be at a price several multiples of the Ministry of Lands evaluation.

Until a deal is struck, the Statoil and BG-led consortium involved has no access to the site to complete critical studies. The CCM had hoped to demonstrate progress on natural gas to the electorate in time for October's polls, banking on the Mtwara-Dar es Salaam gas pipeline being ready. However, the TPDC has said that won't be until November at the earliest. Announcing progress on the LNG project may serve instead.

Acquiring the land alone will not make the project happen. The Oil and Gas Association of Tanzania (OGAT) says the companies' final investment decision has been pushed out to 2018. Most pressing is legislation to govern midstream operations, including LNG. Yet the most recent version of the Natural Gas Bill, in preparation for at least six years, was withdrawn just before it was due to be presented in the last Parliament. Further delay is likely until the new government has settled in.

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BLUE LINES

The Conservative Party's narrow win in Britain's general elections on 7 May evoked little interest in Africa but it will have some effect on policy. Policy outside Europe barely got a mention in the election campaign, except in the context of the EU's failed policy on migration, in particular the thousands of people fleeing war and poverty trying to cross the Mediterranean to southern Europe. Cameron's government is set to tighten immigration rules further, including self-defeating visa restrictions on foreign students that encourage so many Africans to study in the United States or Asia. Although all the main parties spoke of the growing importance of African economies, none could produce any new or imaginative policies on how to boost ties with the continent.

Nevertheless, some British-Africa ties have been reinforced. After Labour leader Ed Miliband resigned after his party's defeat, one frontrunner to lead the party is Chuka Umunna, whose late father was Nigerian and who takes a strong interest in British policy on Africa. Cameron's victory is also a personal victory for his election advisor Lynton Crosby, who formerly advised Zimbabwe's Morgan Tsvangirai. There are mixed lessons for other political consultants selling their services in Africa: US President Barack Obama's fated election strategist David Axelrod advised Miliband, albeit with less success. However, Axelrod's team is still celebrating the victory of its star Nigerian client Muhammadu Buhari last month.

BURUNDI

The military moves against Nkurunziza's third term bid

The latest attempt to defy a national constitution has hit the buffers as army officers claim to have thrown the President out of office

The announcement by ex-Chief of the Army Staff Major General Godefroid Niyombare on 13 May that he and a group of senior officers had overthrown President Pierre Nkurunziza was met with jubilation by crowds in the streets of Bujumbura. Niyombare declared that a 'committee to establish national concord' had removed the President because of his 'defiance' and 'arrogance' towards those who had advised him not to stand for a third term of office.

Nkurunziza was attending a summit on his country's political crisis in Dar es Salaam when Niyombare and his fellow officers struck. Several activists and diplomats regard Niyombare as a competent and professional soldier and had expected the army, or at least part of it, to act as the protests against Nkurunziza mounted. About 20 people had been killed, mainly by the police, in protests in the week before Niyombare's putsch.

The immediate question asked in Bujumbura was to what extent the Niyombare group would be able to carry the rest of the security forces with it. He was flanked by three generals when he declared his putsch and said the police and the army were behind him. Until late on 13 May, military and civilian loyalists to Nkurunziza were insisting their man was still in charge.

Niyombare's credibility rests both on his opposition to Nkurunziza's third term bid and his status as the first-ever Chief of Army Staff from the majority Hutu population. After his appointment in 2006, his insistence that appointments should be

based on professional merit, not the officer's ethnicity, did much to help stabilise the country after a decade of guerrilla war from 1995-2004. A colleague was reported as saying that Niyombare is 'equally respected by Hutu, Tutsi, Southern and Northern officers'.

After six years as Army Chief of Staff, Niyombare was appointed principal security advisor to the President. After a brief spell as Burundi's ambassador to Kenya, the President summoned him back to Bujumbura to appoint him head of the domestic intelligence service, the *Service national des renseignements*. But Nkurunziza sacked him in February after he issued an intelligence briefing strongly advising against Nkurunziza's project to defy the constitution and stand for office again (AC Vol 56 No 9). Since then, activists in the CNDD-FDD and military officers have been expecting Niyombare to make a move against Nkurunziza.

Even before Niyombare's action, international condemnation of Nkurunziza's third term bid was reaching a crescendo, and foreign donors were freezing funding for the elections. Embarrassed by the police's role in shooting dead eleven peaceful demonstrators, Belgium and the Netherlands had suspended their 5 million euro police training programme. Other appeals to Nkurunziza to postpone the elections were pouring in from all points of the compass, including the African Union, the US, and the European Union.

The political crisis in Burundi is the latest test of efforts by sitting Presidents to change their country's constitutions

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and stand for a third term. Just over six months ago, **Burkina Faso's** President **Blaise Compaoré** fell from power when popular fury defeated his attempt to get the National Assembly to endorse his bid for another term (AC Vol 55 No 22). Other Presidents seeking to stay on past their legal limit include **Congo-Brazzaville's** **Denis Sassou-Nguesso**, **Congo-Kinshasa's** **Joseph Kabila**, and **Rwanda's** President **Paul Kagame**. Others, like **Uganda's** President **Yoweri Museveni**, have used the overwhelming parliamentary majorities of their ruling parties to change their constitution to end term limits.

Reluctant to intervene in the affairs of member states, Chairwoman of the African Union Commission **Nkosazana Dlamini-Zuma** has kept criticism of these moves generally discreet. Then, on 7 May, she made a statement pleading for the Burundi elections to be postponed as concern grew about the worsening confrontation. Foreign governments, mostly Western, were providing US\$19 million to help support the elections. The parliamentary polls were due on 26 May and the presidential election on 26 June.

The crisis suddenly worsened on 5 May when, as expected, the Constitutional Court ruled in favour of Nkurunziza's bid for a third term. However, when the Court's Vice-President, Judge **Sylvère Nimpagaritse**, fled to Rwanda shortly afterwards, he said that most of the Court's judges did not believe the bid was lawful. They ruled in Nkurunziza's favour only after receiving death threats, he said.

To back his bid, Nkurunziza gave the feared *Imbonerakure* youth militia free rein, especially in the countryside, to attack his opponents. The *Imbonerakure* operate, according to witnesses, in concert with police. Sporadic grenade attacks on the police by unidentified people added to the tension. The Nkurunziza government was conflating the grenade attacks with the peaceful demonstrations in order to discredit them, civic activists said.

Pressure on the media in the run-up to Niyambore's coup was intense, including the continuing forced closure

of three independent radio stations, while social media and internet services were suspended.

The leader of the opposition coalition, the *Alliance démocratique pour le changement au Burundi* (ADC-Ikibiri), **Léonce Ngendakumana**, said that guns and police uniforms had been distributed to the *Imbonerakure*. The leader of the opposition *Forces nationales de libération*, **Agathon Rwasa**, said police and *Imbonerakure* were in the midst of a manhunt for FNL officials in the northern city of Ngozi.

HOPES FOR ARMY

Before the Niyombare-led putsch, hopes in the opposition that the army might act as a brake on the President were widespread. It had been deployed in Bujumbura since 27 April, to the relief of residents who consider it more neutral than the police. The Defence Minister, General **Pontien Gacyubwenge**, who is Tutsi, had declared recently that 'nobody' can require the army to contravene the Arusha Peace Agreement of 2000 or the Constitution (AC Vol 52 No 11 & Vol 41 No 17).

As the putsch neared, the leader of the Tutsi-dominated *Union pour le progrès national* (Uprona), Charles Nditije, a Hutu, said the opposition was planning to 'corner' Nkurunziza, for which the prospects looked poor to many political observers. The seven opposition presidential candidates looked certain to split the vote against Nkurunziza. Rwasa was thought to be the best unity candidate that the opposition could have fielded but he did not want to share power with Uprona. If the opposition ended up calling for a boycott of the elections, as it did in 2010, that was likely to have given Nkurunziza another free run at the presidency.

Opposition from within the CNDD-FDD was being purged. It was never a party known for strong internal democracy and leaders such as Second Vice-President **Gervais Rufyikiri** and National Assembly Speaker **Pie Ntavoyohanyumana** were cleared out of senior party posts by Nkurunziza.

For many people in Burundi, opposition to Nkurunziza's bid for a third term meant defending the Arusha Agreement. Not only does it set presidential term limits, it also guarantees representation for the minority Tutsi, with quotas in the army, police and civil institutions that have broad support. Many felt Arusha was under threat when the pro-CNDD-FDD Radio Rema began to incite hatred of Tutsi by claiming that the campaign against a third mandate was cover for a Tutsi plot to regain their lost power (AC Vol 51 No 13). In February, Nkurunziza gave a speech declaring that Tutsi wanted

a return to power, as in the time of the military dictatorship if 1966-1993. Most of the 50,000 people who have recently fled the country are Tutsi.

Many of those opposed to Nkurunziza's plans, especially well-wishers abroad, deplored the opposition's inability to unite. It is not as if there was not enough social and economic frustration about his rule, they said. The government's record on health and education is disastrous and the extreme corruption at the top is well-known and much deplored throughout society.

One of the most recent cases concerns the disappearance from the national budget of 39 billion Burundi francs (\$25 mn.) which the United Nations paid towards salaries and expenses of the Burundian soldiers serving in the African Union Mission in **Somalia**. Some people in or close to the President's Office have been plundering the country's resources for years (AC Vol 55 No 7).

The clamour of diplomats, foreign leaders and government ministers was not getting through to Nkurunziza. Earlier, the United States Assistant Secretary of State for Democracy, Human Rights and Labor, **Tom Malinowski**, urged Nkurunziza to allow peaceful criticism, while the US Ambassador to the United Nations, **Samantha Power**, said that Nkurunziza had violated the Arusha Agreement. Belgian Foreign Minister **Didier Reynders** declared that those who commit violence or human rights violations will be held personally responsible. **China** and **Russia**, both Permanent Members of the UN Security Council, thwarted attempts to increase pressure on Nkurunziza. They consistently block what they call interference in other countries' internal affairs.

'GOD'S GIFT'

Despite all the pressure, Nkurunziza refused to budge. Those who know 'Peter', as many call him, say he often does not even listen to ministers in cabinet meetings. They say he can't concentrate for long periods and appeared more concerned about the fortunes of his Hallelujah football club than the business of government.

Because he narrowly escaped death during the guerrilla war, Nkurunziza, who is a 'born-again' Christian pastor, was convinced that God has chosen him to become Burundi's leader.

Such is the political disarray that – without or without a military putsch – the chances of a credible election over the next month in Burundi look remote. The latest military intervention could give all sides a breathing space if, and it's the most important condition, the interim regime can hold together the armed forces and the security services. ●

CHAD

Winning battles, losing wars

Chad has won friends by taking the war to Boko Haram but seems unable to conquer its domestic demons

President **Idriss Déby Itno** made many regional leaders jealous when his army managed what none of the others could do – to rout the Islamist militia *Boko Haram* in a series of battles that began last January. Yet it is not only cynics who are contrasting this badge of honour with the shame of an impoverished domestic economy, and the appropriation of what little wealth there is by the President and his family. (AC Vol 54 No 11). However, Déby has also won some respite through a massive debt-forgiveness package announced at the end of April.

The decision to launch a Blitzkrieg against *Boko Haram* on 17 January, just before an African Union summit on the issue, was sudden but not surprising. Last October, Déby had tried to broker talks between the **Nigerian** government and political figures believed to be close to *Boko Haram*'s leader, **Abubakar Shekau**, aka **Abu Mohammed**. This was meant to start with a series of confidence-building measures but they failed. It was then that Déby decided only military action would break the logjam.

By early February, the Chadian offensive against the Islamists was going well in Cameroon. At the same time, Nigerian President **Goodluck Jonathan** was becoming increasingly

worried by the growing public support for the opposition presidential candidate, **Muhammadu Buhari**, and he decided to regain the initiative by postponing the elections and using the intervening period to try to end the attacks in the north-east (AC Vol 56 No 4). Jonathan undertook to compensate Déby for the cost of Chad's counter-terrorist offensive, *Africa Confidential*'s sources suggest. However, it would be a mistake, they insist, to think that Déby launched the military campaign only for financial reasons.

Although *Boko Haram* has affected Chad less than Cameroon, **Niger**, or Nigeria, attacks were multiplying around Lake Chad and there was no reason to suppose they would fade away. Niger was under increasing attack and many of Chad's imports come by road from Maiduguri, in Nigeria, or from Douala, Cameroon, via Kousséri. *Boko Haram*'s growing strength implicitly threatened both routes.

Other domestic factors had entered the equation. Social pressures in Chad have been rising since the collapse of the international oil price. Inflation has increased, as have shortages, and demonstrations by young people in the towns of Doba, Moundou and the capital, Ndjamen, were brutally put down. Déby's self-interest in acting

against *Boko Haram* has been clear. Not only would it alleviate some hardships for the population, it also could help barons of the regime to remedy substantial financial losses. Jihadist attacks had halted livestock exports to Nigeria, hitting senior Chadian officers in the pocket.

SHORT-TERM VICTORY

Four months after the offensive began against *Boko Haram*, the situation on the ground is mixed. In tactical military terms, Niger and Chad's forces performed well and neutralised hundreds of *Boko Haram* fighters. Eleven towns were liberated: Fotokol in Cameroon, Bosso in Niger, and Gambaru, Wuiru, Logomani, Dikwa, Damasak, Gachagar, Djabalam, Abadam and Malam Fatori in Nigeria. These gains remain fragile, though.

The Nigerian army's performance fell far short of that of Chad or Niger, observers say. Chadian troops are not numerous enough to hold the places they have cleared of *Boko Haram*, so much depends on incoming President Buhari acting on his promise of reform so that his military gives a better account of itself in the field and deploys serious numbers (AC Vol 56 No 9). The state of Buhari's relations with Déby and Niger's President **Mahamadou Issoufo** is unclear: they may not be as close as they need to be. The prospects for Nigerian military cooperation with Cameroon look poor and no Cameroonian troops are allowed on Nigerian soil, a legacy of the dispute over the Bakassi Peninsula (AC Vol 48 No 25).

To hold the areas retaken from the Islamists, the governments must restore local people's faith in them. Nigeria's record here is poor and international

FORGIVENESS, ITS OWN REWARD

President **Idriss Déby Itno** may have his own reasons for going to war with the jihadists, but he expected to be rewarded and it came to pass. In March, **French** Foreign Minister **Laurent Fabius** visited Ndjamen to congratulate him on his military campaign against *Boko Haram* and promised French support for extensive debt-forgiveness by the International Monetary Fund and World Bank. On 30 April, Fund and Bank duly announced that Chad would be forgiven US\$1.1 billion in foreign debt under the Highly Indebted Poor Countries (HIPC) programme. The move not only proves the depth of French support for Déby but is also intended to show other countries how, in certain cases, military action can outrank good governance and democracy when it comes to being rewarded by international institutions and Western governments. The **United States**, we understand, is a silent but strong supporter.

Western support was not the only factor in the HIPC success. Chad's Minister of Finance and Budget, **Kordjé Bedoumra**, made impressive reforms in his Ministry and in managing public finances. It is unlikely, however, that a President with such a strong reputation for capricious spending as Déby will keep to the rules, especially if Bedoumra wins his bid to become President of the African Development Bank, where he previously served for 30 years. Bedoumra may want to return to the bank so as to avoid watching his reforms collapse amid Déby's spending whims. Déby was expected in Paris on 14 May to lobby President **François Hollande** to support Bedoumra's candidacy. The AfDB President will be chosen at the bank's annual meeting on 28 May in Abidjan.

After neglecting the non-oil sector for years and spending without any decent planning, Chad faces a financial crisis that would require drastic changes and savings. Yet this comes at a time when the inner circle around Déby is increasingly willing to grab whatever money is available before it reaches state coffers. Nobody in Ndjamen can now avoid the sight of Déby's cousins, sons, brothers and sisters in key government departments. Getting to know them has become the key strategy for many. ●

aid to help rebuild the devastated towns cannot reach them because of security risks and the lack of transport infrastructure. In Cameroon, the government announced an ambitious plan to re-assert state authority in the far north but few expect it to have much impact. In Niger, lack of funding has become a key issue since the international community has failed to grasp the magnitude of the crisis in the south, say humanitarian aid logistical experts. Stabilisation programmes are urgently needed and the European Union's Sahel strategic plan is woefully out of touch with present realities, they say. Chad appears less affected but that could quickly change.

Extirpating *Boko Haram* in the long term will be no easy task, say military and other experts. The militia has grown roots in northern Cameroon and southern Niger, and the recent tactical defeats there do not mean the war is over. In Chad, *Boko Haram* recruited purely among the Buduma people, a small minority group settled around Lake Chad. The danger to Chad is smaller but if Déby wants to reduce it further, social and economic programmes in this especially underdeveloped region would help. Yet in cabinet, the constituency

favouring jobs and reconstruction is far outnumbered by devotees of a military solution.

The military implications for Chad of this new front in the counter-terrorism war are still working through. The Armed Forces Chief of Staff, Gen. **Brahim Seid Mahamat**, told an April press conference that 71 Chadian soldiers had been killed and 416 wounded. Every week, 6 billion CFA francs (US\$10 million) are spent on Chadian troops in northern Cameroon and there is no guarantee Chad will be reimbursed. Déby also has to consider the political cost of his casualties. Most Chadian troops fighting *Boko Haram* are Zaghawa (Déby's ethnic group) and Goranes. Compared with other casualties, deaths of Gorane troops are costly in financial compensation. If the toll continues to climb, there could be tension in the army or the Presidential Guard, which is nowadays called the *Direction générale des services de sécurité et des institutions de l'Etat*.

On the plus side for Chad, the military campaign provides opportunities to redefine relations with neighbouring states. Cameroonian President **Paul Biya** has consciously neglected the north and remains suspicious of the

home area of those who tried to take power from him in 1984 (AC Vol 56 No 8). Déby did not endear himself to Biya when he endorsed the *Séléka* rebels in **Central African Republic** in 2012-13. Biya hosted the ousted CAR President **François Bozizé** and his family for several months. By intervening alongside Cameroon's *Bataillon d'intervention rapide* in northern Nigeria, the Chadian army has helped to thaw relations between Déby and Biya, although there is still considerable mistrust in Yaoundé. Niger and Chad had already developed much warmer relations based on shared economic interests, their common involvement in northern Mali and their shared fear of the intentions of jihadists in adjoining southern **Libya**.

For Déby himself, the key issue is less next year's elections than maintaining social calm. Thanks to his military engagement against *Boko Haram* and his role in a regional alliance that may yet turn its attention to Libya, Déby is convinced that the world, led by **France** and the **United States**, will turn a blind eye to electoral fraud. Yet many fear that radicalism could grow and protests over the many hardships could end in uncontrollable riots and the country's own Arab Spring. ●

MOROCCO

Outward bound

Morocco has been busy buying influence in Washington, extending it in Francophone Africa and tightening its grip on Western Sahara

Officials and business leaders are celebrating their successful but costly campaign to outflank regional rival **Algeria** in the long dispute over Western Sahara. Morocco has also bested Algeria's key allies, including African Union Commission Chairwoman **Nkosazana Dlamini-Zuma**. The struggle has all but destroyed the five-nation *Union du Maghreb arabe*, while disagreement over whether Algiers or Rabat takes the lead in reconciling warring factions in **Mali** and **Libya** damages peacemaking. Billions of dollars have been lost from trade because the border has been closed since 1994 (AC Vol 43 No 6).

King Mohammed VI ('M6') has demanded a more active foreign policy from his diplomats and more aggressive marketing of Morocco Inc. among Western allies and in the widening zone of regional influence that Rabat promotes as Greater North-West Africa (GNWA, AC Vol 56 No 6). This has created a bonanza for United States' and other lobbying

firms working furiously to deepen the isolation of the Algerian-backed Polisario Front independence movement. The most recent country to renounce the Saharawi Arab Democratic Republic (SADR) was Mauritius, in 2014. It seems a long time since Morocco withdrew from the Organisation of African Unity in 1984 after Polisario was admitted two years earlier (AC Vol 52 No 3).

M6's strongest links south of the Sahara are with **Senegal's** President **Macky Sall**, **Ivorian** President **Alassane Dramane Ouattara** and **Gabon's** President **Ali Ben Bongo Ondimba**. Morocco's big three banks are pushing the GNWA strategy. Attijariwafa Bank (AWB), BMCE Bank International (ex-MediCapital Bank and at times operating through Bank of Africa) and *Banque centrale populaire* have invested heavily in opening branches and buying assets (AC Vol 50 No 1). Results for 2014 show that one dirham in four of the Big Three's profits came from their African subsidiaries. While their growth strategies are not driven solely by the

Palace, many of the businesses most involved in GNWA are closely associated with the ruling elite, the Makhzen. AWB's major shareholder is the *Société nationale d'investissement* (SNI) conglomerate, majority-owned by the Siger/Ergis royal holding company headed by the monarch's Private Secretary, **Mounir el Majidi** (AC Vol 53 No 10). AWB is a hard-headed business with a clear view of the national interest, reflected in last month's admission of Chief Executive **Mohamed el Kettani** to France's *Légion d'honneur*.

Official maps designate the GNWA as all of Africa north of **Congo-Kinshasa's** southern border and west of **Egypt** and **Sudan**. An assertive GNWA policy has made Royal Air Maroc central to African transport. Headed by another Makhzen business leader, **Driss Benhima**, RAM provided virtually the only air link to **Guinea**, **Liberia** and **Sierra Leone** during the Ebola epidemic (AC Vol 40 No 16). Also acting on the belief that business growth depends on moving beyond Morocco, Groupe Addoha and other major property firms are building housing across the region, while independent publisher Eco-Médias established a business weekly, *L'Economiste du Faso*, in **Burkina Faso** in 2013.

Grumblings are coming from south of the Sahara about Morocco's failed promises to mobilise large funds and leverage contacts in the Gulf and Europe

to finance infrastructure and other long-term projects. 'We were led to expect more,' one cash-strapped **Cameroonian** official told *Africa Confidential*. Casablanca bankers say they are finding it hard to move beyond 'plain vanilla' deals, despite their expertise in mounting complex transactions at home. The Casablanca Finance City initiative is an attempt to create a hub with which to attract Western investment in GNWA countries. 'We are finding it hard to get over the message that Casablanca can be a hub for European investors,' lamented one executive.

DIPLOMATIC BAGGAGE

Salaheddine Mezouar, who has been Foreign Minister since his *Rassemblement national des indépendants* in 2013 replaced Istiqlal as the governing coalition partner of the *Parti de la justice et du développement*, is trumpeting diplomatic achievements south of the Sahara. He is seen as more effective than his PJD predecessor, **Saad Eddine el Othmani**, and increasingly, more influential than royal foreign affairs advisor **Taieb Fassi-Fihri**. He is ably supported by the high-flying Minister Delegate **Mbarka Bouaida**. She has been an RNI member of parliament since 2007 and chaired multiple parliamentary committees since 2010, before being appointed Minister in October 2013. Born in 1975 at Lakssabi, near Guelmim in the Sahara, she is being tipped as the first female prime minister.

Mezouar's weight in implementing policy reflects M6's greater confidence in RNI than Islamist PJD ministers. From the Palace, the highly experienced Fassi-Fihri remains most active on Saharan issues (AC Vol 53 No 6). The King's boyhood friend and political counsellor, **Fouad Ali el Hima**, currently seems to be ascendant in the Palace pecking order, intervening abroad on an ad hoc basis.

Another key figure is the Managing Director of the *Office Chérifien de*

Phosphates, **Mostafa Terrab**. He is one of M6's preferred policy people, a charismatic public intellectual who seems to spend his life on aeroplanes while heading the kingdom's single biggest revenue generator. The national phosphate company's political role was shown by revelations on the US website Politico that OCP had given US\$1 million to the Clinton Foundation to support the Clinton Global Initiative Middle East and Africa Meeting, held in Marrakech on 5-7 May. OCP flies the flag for everything from popular festivals to think-tank extravaganzas, as do other Makhzen businesses, led by AWB and SNI.

With security an ever-present concern, one of the King's favourites, the head of the intelligence agency, the *Direction générale de la surveillance du territoire*, **Abdelatif Hammouchi**, is also in the ascendant. M6 was not deterred by Hammouchi's arrest by an investigating magistrate in Paris last year for alleged 'complicity in torture'. That put **French** contracts in jeopardy, including the planned Tangier-Casablanca high-speed train (*Train à grand vitesse*, TGV) mega-project. The stand-off ended only after the *Charlie Hebdo* attack in January. M6 and French President **François Hollande** may loathe each other but they need each other, too.

Hammouchi's powers have expanded. In March, the new *Bureau central d'investigations judiciaires* – a 'Moroccan Federal Bureau of Investigation' – was set up under his tutelage, rather than that of Interior Minister **Mohammed Hassad**. For long one of M6's most trusted officials, Hassad's stock has declined recently and the BCIJ may reduce the role of the Interior Ministry's agencies with responsibility for counter-terrorism, the *Direction générale de la sûreté nationale* and the *Brigade nationale de la police judiciaire*. BCIJ head **Abdelhak el Khiam** and his deputy, **Hicham Baali**, were poached from the BNPI.

Security sector reform could improve the government's dismal human rights record in Western Sahara, which has taken its toll on Morocco's image. A recent official admission that the 'Saharan provinces' have not been well managed or properly developed, despite money flooding in for years, points to the possibility of new thinking to tackle the whole issue. Industry remains dominated by Phosphates de Boucraâ's phosphate output, which is sold by OCP, and factory-fishing controlled by local magnates and foreign licensees.

Rabat is committed to implementing the Saharan development programme outlined last year by the head of the *Conseil économique, social et environnemental*, **Nizar Baraka**. CESE, a royal council, has plans for Morocco to invest up to \$18 billion there in the next decade (AC Vol 55 No 3). Following Rabat's sub-Saharan expansion model, major corporations are being encouraged to pile into the former Spanish colony. The fancy **Swiss** think-tank Crans-Montana held a costly Africa-focused conference in Dakhla in March. The head of the employers' group, the *Confédération générale des entreprises du Maroc*, **Miriam Bensalah-Chaqroun** is the country's most credible business leader. She has since led a major new private sector investment drive for the territory.

The Saharan economy remains central to Morocco more as propaganda than reality and the King's determined refusal to compromise is expensive. AU heavyweights South Africa and Nigeria continue to line up with Algeria in supporting the SADR. Last June, **Mozambique's** ex-President **Joaquim Chissano** became Dlamini-Zuma's Envoy to the Sahara, prompting Mezouar's recent angry letter to the United Nations Secretary-General **Ban Ki-moon** which rejected any AU involvement. Even if the UN agrees with him, the issue is not going away. ●

MOROCCO

Sufism's soft power

The monarch uses the country's long Sufi tradition to help its foreign policy and neutralise its enemies

The effort by King Mohammed VI to extend Moroccan influence in West Africa depends in part on the country's historic Sufi ties with *turuq* (brotherhoods or orders) across the region. The spiritual dimension and the King's status as a religious leader – *Al Amir al Mouminin* (Commander of the Faithful) – are elements in Rabat's

goal of creating and maintaining a zone of influence in what it calls Greater North-West Africa (GNWA, See other Feature).

Outgoing **Nigerian** President **Goodluck Jonathan** quickly understood the potency of King Mohammed's spiritual reach when in March he made what many felt was an ill-judged attempt to appeal

to Muslim voters during the presidential election campaign. Abuja officials asked if Mohammed (aka 'M6') would take a telephone call from Jonathan. The Palace in Rabat not only refused on the grounds that it was too close to Nigeria's polling day but unusually, made the refusal public, too. That damaged Jonathan politically while underlining M6's status as heir to the Sharifian line in the revolt against the Ottoman Empire and as a spiritual leader beyond Morocco's borders.

The penetration of the region by Moroccan Sufism (*Tasawuf* in Arabic) is led by *Al Tariqa al Tijaniya*, founded in Fes in the early 1780s by an **Algerian**, **Sidi Ahmed el Tijani**. Away from the glitzy contract signing that typifies

Morocco's recent assault on GNWA markets, Morocco puts on its Sufi face during M6's visits south of the Sahara.

When mixing with allies in the Gulf, however, M6 may, literally, wear a Salafist (fundamentalist) hat, although personal ties with close friends such as Abu Dhabi Crown Prince **Mohamed bin Zayed al Nahayan**, and gestures such as sending jets to bomb **Yemen** as part of the **Saudi Arabian**-led anti-Houthi force, probably count for more in attracting Gulf investment (AC Vol 56 No 10).

Salafism seeks a 'purer' Islam that goes back not only to the Koran but, supposedly, to the earliest believers. **Mohamed Allal el Fassi**, who founded Morocco's *Hizb el Istiqlal* (Independence Party) in 1944, considered himself a Salafist, while leading an irredentist nationalist movement seeking freedom from **France**. M6's father, the late **King Hassan II**, incorporated Salafist ideas into his reworking of *Al Amir al Mouminin*'s role as he clung to power in the 1970s-80s.

Salafism has been appropriated by jihadist groups this century, most recently Al Qaida and Islamic State, which have gone to war with official Morocco. Leaders such as **Omar el Haddouchi** and **Mohamed Fizazi** have been tightly controlled since the suicide bombings in Casablanca in 2003 when *takfiri* (accusing others of apostasy) preachers incited jihadist cells and have been coopted since their release from prison (AC Vol 52 No 9). Fizazi famously preached in a mosque attended by M6 in 2014 and while this has not stopped hundreds of Moroccans from going to fight with *Jabhat el Nusra* (Support Front), IS and other Islamist groups in Iraq and Syria, it may have reduced the flow (AC Vol 55 No 16).

Eyebrows were raised when the religious establishment, the *Conseil supérieur des Oulémas* (Ulema High Council), organised what many Moroccans see as an unprecedented conference on Salafism on 2 April. The Ulema sought to underline a Salafist tradition that formed part of Moroccan official ideology before

jihadist opponents, influenced by Saudi *Wahabi* thinking and the post-9/11 climate, turned to violent opposition in 2003. Their overtures were judged a partial success.

MYSTICAL TRAPPINGS

Moroccan observers believe that M6 is more comfortable in mystical Sufi trappings. Sufi politics work best for the monarchy in neighbours with long-established networks of *turuq* and relaxed relations with Rabat, such as Senegal. Some in Mauritania, where relations are edgier, still see Moroccan *turuq* and *Al Amir al Mouminin* as having designs on their country and supporting the dominance of the Arabic-speaking elite over the black African population. Such mistrust is encouraged by the Algerian security services, which fear cross-border *turuq* could project Moroccan influence within Algerian *zaouiās* (Sufi lodges). President **Abdelaziz Bouteflika** has worked with some success to integrate *zaouiās* into his ruling coalition.

In Morocco, Sufi values have been used to build social and political cohesion. This can have an international face, such as the Gnaoua festival in Essaouira from 14-17 May, when the fashionable Atlantic site will rock to Gnaoua rhythms that reference deep trans-Saharan Sufi traditions.

Less reassuring for M6 is the Islamist opposition movement *Al Adl wal Ihsane* (Justice and Charity), which also incorporates Sufi elements in its ideology but this time, against the monarchy. AWI has survived the death in 2012 of its founder, **Sheikh Abdessalam Yacine**, and the failure of its alliance of convenience with the leftist youth-led *Mouvement du 20 février*, formed in the 2011 Arab Spring. Yacine's doctrine is still the central tenet of Adliste philosophy for leader **Mohammed el Abbadi**, the head of the *daira essiassiya* (Politburo), **Abdelwahed el Moutawakil**, and Spokesman **Fathallah Aarsalane**. They say it is rooted in Sufism's emphasis on moral education and spiritual preparation

but Yacine and AWI also draw on Salafist thinking and a taste for organised activism. Thoughtful Adlistes such as Moutawakil observe that while Sufism is essentially a quietist tradition, AWI's distinctly unquiet activism questions the ruling Makhzen (elite) and those it coopts, most notably AWI's greatest rival, the Muslim Brotherhood-inspired *Parti de la justice et du développement* (PJD), which is now in government.

Under Yacine, AWI was seen as a direct challenge to the monarchy. Its leaders claim to have ever more followers but it is widely questioned whether the party has any momentum. Critics include disillusioned *20 février* members, many of them women, who say a reason for separating after 18 months of uneasy alliance in government was the Adlistes' darker, fundamentalist side.

MAKHZEN TARGET

Key targets for AWI militants include Salafists and the PJD, as well as the Makhzen, which they see as irredeemably corrupt. While they pose no real challenge to Makhzen rule, the Palace encourages these competing tendencies to fight each other in a very North African game of divide-to-rule. M6 is ready to listen to Islam in its many forms – liberals such as Paris-based philosopher **Ali Benmakhlof** have also preached to the King – and M6 has personally promoted socially liberal reforms, centred in recent months on an abortion law. He is often seen working to moderate all sides in heated debates.

As *Al Amir al Mouminin* seeks to carry on commanding the faithful, he must balance his heritage of, and potential challenges from, Salafism and Sufism. He has to work with a government led by the 'moderate Islamist' PJD and he has to avoid alienating a Francophone elite that includes the ranks of educated women who keep the wheels of business in Casablanca and the government in Rabat turning. Such delicate balancing acts are a major feature of modern Moroccan kingship. ●

SOUTH SUDAN

Revenge culture

Threats of sanctions and prosecution have done nothing to stop the rival combatants from a new round of attacks before the rainy season

A government offensive to dislodge the rebels from their Unity State stronghold before rains make roads impassable for its mechanised forces has triggered a mass exodus

of civilians from south of Bentiu over the past month. The United Nations reports over 100,000 people fleeing the area in a single week. Fearing a repeat of the destruction wrought during a

government attack in January last year, the International Committee of the Red Cross and *Médecins sans frontières* evacuated international staff before the expected onslaught, and some UN employees also left.

The latest round of threats of personal sanctions and international prosecutions against some of the combatants' leaders has done nothing to slow the conflict (AC Vol 56 No 5). Over 50,000 people have been killed and 1.5 million driven from their homes since this conflict started in December 2013. The national army, the Sudan People's Liberation Army, still loyal

to President **Salva Kiir Mayardit**, appears to have launched another offensive in the Lou Nuer areas of north-east Jonglei. Not only are civilians likely to be caught in the crossfire but more farmers will be driven from their fields during the main planting season. This will mean more food shortages and damage to the local economy when half of the population already relies on food aid.

The United Nations Office for the Coordination of Humanitarian Affairs warned on 11 May that 'over 300,000 civilians who are in need of emergency relief, including food aid and medical services, do not currently have access to such life-saving assistance'.

RAINY SEASON

Although the rains will end much of the current fighting, the situation for displaced civilians will grow worse. Aid agencies are scrambling to help the millions now displaced, particularly in the makeshift and flood-prone protection of civilians (POC) sites around UN camps. There seems to be less urgency among international officials newly drafted to assist regional peace efforts (AC Vol 56 No 10). Some may mistake a respite in the fighting after the rains start for progress. The mediation effort by the Inter-Governmental Authority on Development has become 'IGAD Plus', bringing in **Algeria, Chad, Nigeria, Rwanda, South Africa, China** and the Troika (**Britain, Norway, United States**), as well as the African Union, UN and European Union. That is unlikely to speed up talks.

It certainly hasn't been the case since the League of Arab States joined those attempting to negotiate humanitarian access to opposition-held parts of **Sudan**, where the Triumvirate of UN, AU and LAS has made no progress whatsoever in the two years since it was established.

Juba had previously refused to accept the Troika's participation in the negotiations. It argued that the Troika was biased having been behind recent UN Security Council threats of targeted sanctions against individuals obstructing peace. However, given that IGAD depends on Troika funding to pay for the Addis Ababa-based talks, that wasn't a sustainable position.

US Secretary of State **John Kerry's** visit to Juba this month provoked anger from regime-loyalists but it prompted a new round of regional diplomacy by the Juba government, perhaps to appear conciliatory before the next round of talks.

Kerry's offer of US\$5 mn. to help to establish a hybrid court to try war-crime suspects prompted outrage from the government. Some independent activists argued that such a court would

undermine the peace process. That is the same argument behind the AU's controversial decision to withhold the findings of its investigation into human rights abuses (AC 56 No 6). Kerry lambasted the leaders, saying they 'need to come to their senses. They need to sign an agreement that's real'. He added that he was 'fed up with this avoidance of responsibility'.

'IGAD will now think of a different and innovative approach to solve the conflict,' chief negotiator **Seyoum Mesfin** announced at the end of April, explaining the need for a new team. Mesfin, **Ethiopia's** former Foreign Minister, maintained that 90% of differences between the two sides – the governing Sudan People's Liberation Movement and Riek Machar Teny Dhurgon's SPLM-in-Opposition – had been resolved but conceded that 'some issues are still a deal breaker.'

Both sides seem convinced that their opponents can't afford to keep on financing the fight. Despite the impending economic meltdown, neither side appears sufficiently aware of the dangers of mortgaging future oil revenue. A formerly staunch government supporter told *Africa Confidential* that nobody in office seemed to understand basic economics and didn't worry because they believed that the *khawajas* (Westerners) would always make up any shortfall. Although the UN has the power to impose personal sanctions when the Secretary General gives the word, none have yet been implemented. Some say it's because they wouldn't work, others that the UN may think that both leaders lack enough authority over their own forces to command them to lay down their arms. Putting them under assets freezes and travel bans – the customary UN personal sanctions – would not have the desired effect, they say.

VIRTUAL ANARCHY

Last month, the South Sudan Council of Churches issued a statement deploring the continued fighting and the absence of the rule of law: 'In many parts of the country there is virtual anarchy, with no effective government. The culture of revenge reigns supreme and the longer the war continues, the more deeply this culture will be ingrained.' It emphasised the need to address the mistrust of the parties and to bring them together to discuss the needs of the people and the future of the nation in a forum 'less polarised and less politically charged than other processes'.

Another new forum has emerged. **South Africa's** African National Congress announced it was facilitating an intra-SPLM dialogue. However Commander Riek boycotted an initial meeting this

month between the SPLM and the group of Former Detainees. The ANC initiative followed a meeting in Arusha hosted by **Tanzania's** governing party, *Chama cha Mapinduzi* (AC Vol 56 No 2) in January. The risk is that the warring factions will use these new negotiating forums simply to delay substantive talks.

General Salva last week sacked several key generals, including the Director of Prisons and Correctional Services, Lieutenant Gen. **Abel Makoi Wol**, and the Fire Brigade Commissioner General, Lt. Gen. **Aru Manchot**, accused of tribalism and infighting. He also dismissed Major Gen. **John Lat**, Director for Procurement at the Defence Ministry, and its Under-Secretary, Lt. Gen **Bior Ajang Duot**, who was Deputy Chief of Staff for Logistics before Independence in 2011. Both are accused of corruption. This attempt to win favour with donors by clamping down on members of his own Dinka ethnic group may well backfire as it leaves Gen. Salva with ever fewer trusted kinsmen around him. It risks being seen as too little, too late by those wondering why he still has not revealed the names of the 75 officials whom in 2012 he accused of embezzling billions of dollars (AC Vol 53 No 20).

WEAK STRONGMAN

The President's problems in controlling the army and his dependence on **Ugandan** troops and Sudanese rebels to counter the rebellion within his own ranks, highlight his weakness as a military strongman, despite his government having the region's highest military expenditure. In April, the Stockholm International Peace Research Institute revealed that last year, South Sudan spent \$1.08 billion – over 60% of its net oil revenue – on the military. That was almost double its annual expenditure in the interim period before Independence.

Fearing further incursions into the UN's sites for protection of civilians, as happened recently in Bor and last year in Akobo, combined with their general unsuitability for civilian habitation, UN Secretary-General **Ban Ki-moon** told the UNSC that UN agencies were currently considering 'the option of assisted voluntary relocations of internally displaced persons'.

While some possible sites were discounted owing to a lack of security and basic services, three were identified: Leer in Unity, Akobo in Jonglei and Pagak in Upper Nile State – all currently controlled by SPLM-IO. The fact that two of these towns appear to be in the path of imminent government assaults indicates a worrying lack of up-to-date intelligence on the ground, a shortcoming that has constantly hamstrung the UN Mission in South Sudan's operations in this complex environment. ●

UGANDA

The runaway gravy train

The history of the Standard Gauge Railway reveals rivalry between Chinese state companies as well as blatant corruption in Kampala

Ballooning costs and a flurry of accusations among the highest officials in the Ugandan government are taking a severe toll of the Ugandan part of East Africa's biggest infrastructure project, the Standard Gauge Railway. Much as it has in **Kenya**, the grandiose scheme, which has extraordinary potential to transform trade in the region, has become bogged down in opaque deals, litigation and delays.

On 30 March, President **Yoweri Museveni** signed deals with China Harbour Engineering Company Limited (CHEC) to build the project, in spite of its chequered reputation and lack of experience. Under the terms of the deal, the Export-Import Bank of China (Exim) would provide loans of US\$3.2 billion to cover the cost of detailed designs and contracts for the first stage of the line.

The SGR is the most ambitious infrastructure project in East Africa in a century and is likely to be the most expensive ever undertaken by Uganda. The new line will run from the Kenyan port of Mombasa on the Indian Ocean to **Rwanda** and **Burundi** via Uganda, supplementing a narrow gauge network laid in the colonial era (AC Vol 55 No 4 – see map).

The project could offer enormous opportunities to the landlocked countries of East Africa. East African Community projections say the network could cut freight costs from \$0.20 a tonne per kilometre to \$0.08. The new lines are also expected to halve journey times and diesel freight trains should run at speeds of up to 80 kilometres per hour. The costs involved are colossal. The first stage of the Kenyan section from Mombasa to Nairobi is expected to cost around \$3.6 bn. for 609 km. of track. The exact figures for the Ugandan leg of the journey have been harder to pin down. At one point the figure proposed by CHEC was said to be just \$1.2 bn., but this then increased to \$6.9 bn. The most commonly cited figure in Ugandan media and by the government is now \$8.5 bn., though many expect this to rise further.

PROCUREMENT TANGLES

Even by Uganda's standards, the procurement process for awarding the SGR has been messy. The government originally signed a Memorandum of Understanding with another **Chinese**

state-owned company, China Civil Engineering Construction Corporation, in January 2012 to upgrade the rail network east of Kampala. In June 2014, however, the government terminated its MoU with CCECC and said it wanted to switch the project to CHEC. The State Minister of Works at the time, **John Byabagambi**, claimed CCECC's feasibility study was inadequate and that the MoU only covered an upgrade of the narrow gauge network, not the construction of the SGR. He denied the MoU amounted to a contract and said the project would need to be re-tendered to ensure it was in harmony with other countries contributing to the SGR network.

The dispute has revealed significant differences within the governing National Resistance Movement (NRM) over the status of CHEC and its suitability. Led by Byabagambi, the Ministry of Works and Transport has championed CHEC for about two years. Other cabinet members, including the Attorney General at that time, **Peter Nyombi**, have opposed Byabagambi. Throughout the first half of 2014 Nyombi wrote several letters to the Ministry of Transport and Works urging it not to terminate the deal with CCECC warning of unnecessary and expensive litigation. He was supported by State Minister of Ethics and Integrity, **Simon Lokodo**, and Minister of Justice and Constitutional Affairs, **Kahinda Otafiire**, who wrote to the President in August warning that CHEC was not qualified.

Nevertheless, Byabagambi went ahead and in response, CCECC sued the government, the case reaching the High Court in Kampala in July 2014. This appears to have taken Byabagambi by surprise. Just weeks earlier, he had written to the Attorney General saying the Chinese ambassador had given him his assurances that the case would not proceed. As a state-owned company, CCECC would need the embassy's clearance to take the government to court and the Chinese ambassador had told Byabagambi this had not been granted.

CCECC's decision to go ahead and sue anyway reflects fierce competition between Chinese state-owned firms bidding for contracts in East Africa. Beijing frowns on such disputes and is looking to consolidate its resources to reduce competition. In March the Chinese government unveiled its 'Made in China 2025' strategy that

will reorganise thousands of state-owned enterprises and should avoid disputes like this one.

On 23 July last year, the High Court overturned Byabagambi's decision to cancel the CCECC's MoU, ruling it was 'irrational, high-handed, arbitrary, unreasonable, clothed in procedural impropriety, ultra vires, and not in public interest'. The next day Byabagambi hired a private law firm to plan an appeal, in an apparent attempt to bypass obstructions from the Attorney General. He was subsequently persuaded by colleagues in cabinet to abandon this effort in favour of a negotiated settlement. After these negotiations failed, CCECC again took the case to court, only to withdraw this in January stating it did not wish to jeopardise future projects with the Ugandan government.

The back and forth surrounding the contracts for the SGR has substantially delayed the project. Regional governments originally set a deadline of March 2018 for the completion of the regional lines of the SGR. In February 2014, Museveni instructed Byabagambi to prepare 'bankable SGR projects' within six months. The contractual disputes mean agreements over who will construct the new lines, along with detailed designs and financing are only just being agreed. The tortuous process of acquiring land and resettling communities that live along the route has not even begun yet. In a statement to parliament in April, Prime Minister **Ruhakana Rugunda** seemed to suggest further negotiations would still be needed, saying the deals Museveni signed in Beijing last month were not final and only regarded 'general credit and principles'.

KEPT IN CHEC

The government's obstinate commitment to CHEC has raised repeated allegations of corruption in Ugandan media. In addition to the litigation risks, there are few obvious reasons why CHEC was chosen. The company has little experience of railway construction in Africa, while CCECC's pedigree dates back to the construction of the Tanzania-Zambia Railway in the 1970s.

Not the least suspicious aspect of the deal is the mysterious ballooning of the project cost. CHEC initially quoted \$6.9 bn., but it now stands at \$8.5 bn. One source told *Africa Confidential* that these new contracts include several dubious-sounding line items, including a \$65 mn. discretionary 'allowance' for the Ugandan National Roads Authority. Ugandan media have also reported \$40 mn. will be spent on converting an army engineers' barracks in Tororo into a polytechnic for the Uganda People's Defence Force, a figure that sounds remarkably high.

In September, it emerged that CHEC

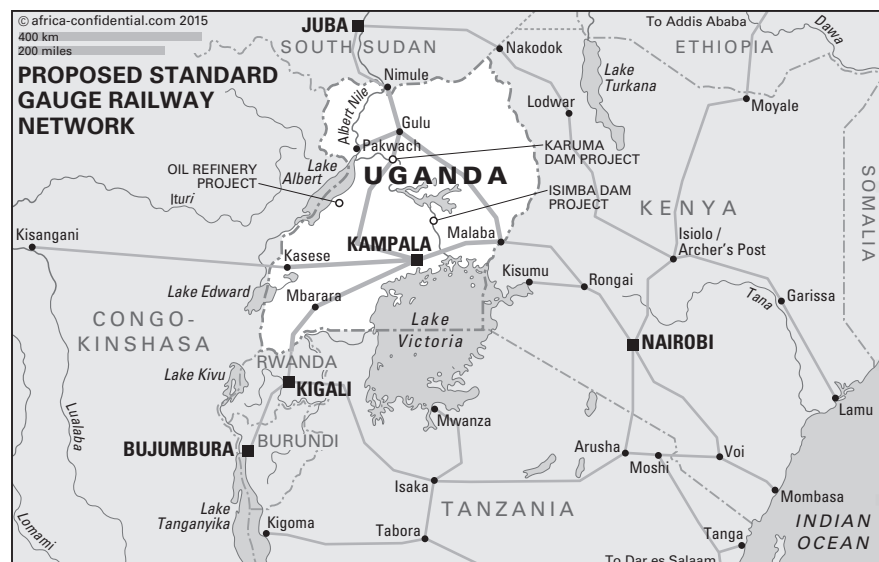
was on a World Bank blacklist for its involvement in fraud and corruption related to road construction projects in the **Philippines**. The blacklist precludes the company from participating in any World Bank-funded projects until at least 2017. Byabagambi dismissed the allegations saying, 'I don't have that information because on the World Bank website, whoever is banned is hung there and CHEC is not there.' Yet even the most cursory due diligence would reveal that CHEC is indeed blacklisted. Its parent company is China Communications Construction Company, and all the latter's subsidiaries, including CHEC, fall under the World Bank's restrictions.

On the Uganda side, none but the mighty are involved. Museveni initially presented himself as above the disputes between Byabagambi and Nyombi, suggesting both the Chinese companies could be involved in the project. Since then, however, evidence has appeared that he weighed heavily in favour of CHEC on several occasions. In August, a letter from Byabagambi to Nyombi emerged in the media. Its gist was that Museveni had chaired a long meeting on the issue and he had not opposed terminating the CCECC deal. The president has since become increasingly vocal in his annoyance with CCECC. In a meeting at State House in October, he threatened to expel the company's country manager, Dai Young, warning: 'You came here to do business, not politics; if you are not willing to cooperate, leave the country.'

Museveni's position on the matter seemed to become clearer after a cabinet reshuffle on 1 March 2015. Byabagambi – the persistent champion of CHEC – won promotion from state minister to Minister of Transport and Works. He replaced **Abraham Byandala**, who initially signed the CCECC MoU and is now demoted to minister without portfolio. Nyombi's reward for espousing the cause of CCECC has been removal from the cabinet; he is replaced by his more pliant deputy, **Fred Ruhindi**.

SUB-ROSA

The President's support of CHEC is thought to have been influenced in part by the role of prominent US lobbyist **Rosa Whitaker**. Whitaker is the president and chief executive of the Washington-based African trade consultancy Whitaker Group and previously had a respected diplomatic career as the first ever Assistant US Trade Representative for Africa under Presidents **Bill Clinton** and **George W. Bush**. According to a letter from Museveni to Byandala in September 2012 that has been widely circulated in local media, the President said Whitaker had 'brought to us' CHEC and 'It is, therefore, wise that you deal with CHEC'. CHEC also offered



to train Ugandan military engineers. The letter also states that Whitaker made further assurances that CHEC wanted to help Uganda secure concessional loans from China for both the rail project and a new port on Lake Victoria. When asked about her role, Museveni said only that it was 'confidential'. She has denied any impropriety, saying she received no fee and only introduced the company to the government on the basis of 'a shared vision' of African infrastructure development.

SCRUTINY ON STRIKE

Attempts to uncover the allegations of wrongdoing have been led primarily by a group of five MPs, made up of both NRM 'rebels' and members of the main opposition Forum for Democratic Change (FDC). The five MPs wrote to the Exim Bank of China in October urging it not to agree to the loan and warning that future governments would not be liable to repay it if the allegations of corruption were not resolved. After months of campaigning, the MPs successfully pressured the Speaker of Parliament, Rebecca Kadaga, to establish a select parliamentary committee to investigate the scandals surrounding the SGR.

The committee hearings have since led to several sensational revelations. When the five rebel MPs testified they produced documents that further indicated that Museveni ordered the contract be switched to CHEC. Letters were also shown in which the former Permanent Secretary in the Ministry of Works, **Charles Muganzi**, directed the contracts committee at the ministry to waive normal procurement laws when reviewing the CHEC proposal. When Muganzi himself appeared before the committee in a closed-doors session in January, he was reported by the *Daily Monitor* to have said that one of the two Chinese companies had distributed \$1 mn. among 16 government officials to influence the tender. The *Monitor* said

these claims were made by the chair of the select committee **Kafeero Ssekitooleko**, but strangely both he and Muganzi subsequently denied anyone had been bribed.

Despite these disclosures, the committee has been subject to repeated allegations of political bias. Its seven-seat membership is dominated by members of the NRM or NRM-leaning independents and the rebel MPs have repeatedly requested the committee be reconstituted. They have been particularly critical of its decision to hold Whitaker's hearing in private. The committee said this decision was made after a directive issued by the president, raising allegations of executive interference. The committee's findings were due to be presented in a final report to parliament in January but this has since been delayed on two occasions. Few expect it to have to any real consequences.

ESCALATION

Regardless of the lack of scrutiny or the complicated machinations, can Uganda afford such an expensive project? The rebel MPs say the \$8 bn. figure that the government now bandies about has in fact risen to \$11.4 bn. thanks to further hidden costs in procurement. They warn this has significantly undervalued the project. Having previously expected to pay \$9.3 mn. per kilometre of track, the inflated costs mean this has now risen to \$12.4 mn. This compares with roughly \$5.9 mn per kilometre for the Kenyan section of the network.

In December, the Ministry of Transport said Uganda would have to borrow a total of \$13.8 bn. to fund the SGR. Treasury officials have cautioned that such high borrowing could bankrupt Uganda, which has a gross domestic product of only \$25 bn. per year. The SGR is just one of several major infrastructure projects the Ugandan government has either agreed or is planning to finance with Chinese loans.

Others include the corruption-plagued Karuma dam, estimated to cost around \$1.65 bn., the \$556 mn. Isimba dam, and a planned \$400 mn. upgrade of Entebbe International Airport. It is possible concessional Chinese finance will also be sought to finance the \$3.5 bn. Ugandan Oil Refinery project, we hear (AC Vol 56 No 5).

Any one of these projects is vast by the standards of the Ugandan economy, and it is likely some will have to be abandoned or delayed until funding becomes available. The \$3.2 bn. agreed between Museveni and Exim Bank of China at the end of last month far exceeds the debt ceiling of \$2.2 bn. the International Monetary Fund agreed with Uganda in January for 2015.

These liabilities will be added to a total external debt bill of more than \$6.65 bn. Museveni has dismissed concerns over borrowing saying revenues from future oil production will be the answer to all these problems. Many argue, however, that mortgaging the anticipated oil windfall at a time of low prices may prove to be quite a gamble. ●

SOUTH AFRICA

Maimane wins leadership

The Democratic Alliance has voted in its first black leader and hopes for big gains in the 2016 local elections

The emergence of **Mmusi Maimane**, a 35-year old priest from Soweto, as the dapper new leader of the opposition Democratic Alliance after its party congress in Port Elizabeth on 10 May has given the DA a quick political boost. Fluent in six national languages, Maimane has a speaking style that draws heavily on his religious training, though occasionally he injects a political sting. As leader of the DA caucus at the opening of Parliament in February, Maimane told President **Jacob Zuma** that he was a 'broken man presiding over a broken country' (AC Vol 56 No 4). It was a jibe all the more poignant because Maimane hails from a family which strongly supports the governing African National Congress (ANC).

Maimane's leadership campaign had the strong support of outgoing party leader **Helen Zille**, who had suddenly announced in April that she was stepping down before the party congress. However, she will stay on as Premier of Western Cape, where the provincial government has one of the best records on providing services.

It seems that as a white leader of an opposition party in South Africa's racially-charged politics Zille, who has made plenty of enemies within and outside the party, had hit a political ceiling. Under her leadership, the DA's share of the national vote rose to 22.2% in last year's elections, from 16.7% in 2009 (AC Vol 48 No 10).

Zille believes that Maimane, who can speak from personal experience of the inequities and oppression of the apartheid era, will bring in enough black support to mount a credible national challenge to the ANC.

Maimane's first substantive political test will come next year with local elections. The DA is targeting Johannesburg, Tshwane (Pretoria) and Port Elizabeth: winning control of these

cities would set up the party well for the general elections in 2019. With the ANC facing growing criticism for its record on service provision, the DA believes it could take Gauteng if it can win over the province's black middle class.

Maimane beat the outgoing DA Federal Chairman and academic-turned-politician, **Wilmot James**, for the DA leadership but exposed some of his weaknesses – a lack of political experience and inconsistencies on policy – in the process (AC Vol 38 No 16). Now he will face pressure to assert his leadership and show that he is not a puppet of the party's white male old-guard. That means he will have to broaden his inner circle of advisors, drawing in those who have been sceptical of the DA's political roots and direction, despite their criticism of the ANC's performance. Maimane's talk of South Africa as a start-up nation, which must nurture small businesses and young entrepreneurs, could win support at a time when, the DA says, over 65% of black men under 35 are unemployed.

Maimane's political home, Gauteng, ensured his victory. It is the DA's most important province, sending 40% of the 1,500 voting delegates to the leadership conference. Maimane was a city councillor in the Johannesburg Metro area in 2011 and then the DA candidate for the Gauteng premiership in 2014. Some 100 million rand (US\$8.39 mn.) was spent on this campaign, which helped to raise the party's national profile although the state broadcaster, the South African Broadcasting Corporation, declined to carry live coverage of the election as the party had requested.

Some of Zille's opponents in the party, including **David Maynier** and some of the members of parliament who were part of James's election team, had been pushing for a clear reshaping of policy at the top, we hear. Some now talk about the risk of the party adopting an

'ANC-lite' approach to issues.

James, 61, had quarrelled badly with Zille. Some believe that his plan is to keep the leadership seat warm for the former parliamentary leader, **Lindiwe Mazibuko**. Another young but determined politician, Mazibuko also fell out with Zille and took study leave at Harvard University. She is due back in South Africa in 2017.

Maimane's campaign was boosted by Zille's media helpers and brains trust, including her trusted confidant, **Gavin Davis**, and young gun, **Geordin Gwyn Hill-Lewis**. **Athol Trollip**, the party's leader in the Eastern Cape, who wants to be the next mayor of Port Elizabeth, won the post of DA Federal Chairman after allying himself to Maimane.

Maimane will be a harder target than Zille for the ANC and radical opposition parties such as the Economic Freedom Fighters. Zille is routinely dismissed as a privileged white person who does not understand black concerns. Although Zuma is under growing fire over corruption allegations, Maimane will have to develop a more positive message alongside the relentless attacks on the governing party. Perhaps the biggest threat to Maimane's success would be for the ANC to replace Zuma, in 2017 or earlier, with a leader such as Deputy President Ramaphosa, who can better appeal to the country's fast growing black middle class.

For Maimane, one of the first priorities as leader would be to raise money for the party. James, with his international network, was one of the most effective fundraisers. Maimane, with his mentor Zille, will be targeting South Africa's corporations and wealthy individuals who are growing increasingly hostile to the ANC.

Such funders will demand a price: a tougher, more market-oriented policy. Currently, the DA has conditionally endorsed the ANC's social democratic National Development Plan. South Africa's corporate barons worry that growing support for opposition parties such as the EFF and the trades union-backed United Front are dragging the ANC to the left and that the right lacks a credible counter-balance. Some already see the sharp-suited Soweto priest as playing that role. ●

MALI

MNLA on the back foot

The latest battle for territory between pro-government forces and militants threatens Mali's fragile peace process

The main Tuareg secessionist group, the *Mouvement national de libération de l'Azawad*, has been losing ground – literally and politically – to pro-government forces. The government-backed *Groupe autodéfense touareg imghad et alliés* last week seized Ménaka from the MNLA. Despite a United Nations appeal to GATIA to withdraw from this remote town near the **Nigerien** border, it has not budged. Most local people warmly welcomed GATIA's expulsion of the MNLA.

In May 2015, the MNLA and its ally, the *Haut conseil pour l'unité de l'Azawad* pushed the army out of Kidal, capital of Mali's north-eastern region, and went on to seize other towns, inflicting heavy casualties on the army (AC Vol 55 No 11). Yet by occupying Ménaka, outside their north-eastern heartland, they found themselves in charge of a town with an unsympathetic population. Its loss is the MNLA's biggest military setback in the past year and revives tensions that could derail the peace process. It came just as the MNLA and HCUA were on the verge of signing the Algiers peace deal, painstakingly brokered over the

past eight months (AC Vol 56 No 5). As a result, the Tuareg rebels might refuse to sign and go back to the battlefield. The MNLA counter-attacked in an unsuccessful effort to retake Ménaka. It next attacked army posts in Léré and Ténenkou, 900 kilometres to the west, killing at least ten troops but losing 20 of its own fighters.

In the hope of preventing a drift back towards generalised conflict, the United Nations peacekeeping operation, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali*, needs to avoid the impression of partiality in demanding GATIA's withdrawal. Minusma's neutral image was badly dented when secret film appeared to show **Rwandan** police in blue helmets shooting demonstrators in Gao in January.

The fight for Ménaka highlights the limitations of the Algiers peace process, which excludes the civilian population of the north. Among the Ifoghas clan of the Tuareg, which lives mainly around Kidal, there is strong support for autonomy or even independence for a northern Azawad entity. It took

leaders almost two months to overcome resistance there to their compromise and confirm that they would sign the 1 March Algiers peace deal, which gives substantial autonomy but not independence to the north.

The opposite is the case in the rest of the north, in towns such as Niafunké and Timbuktu in the west, and Gao, Ansongo and Ménaka in the east. These communities are more ethnically diverse, including not only Tuareg and Arabs but Songhai, Peul, Bozo, Bambara and Bella people, many of whom support a united Mali. These towns saw some of the highest turnouts in the December 2013 elections for the National Assembly.

The fate of the MNLA in Ménaka is a reminder that the north is not a single region or society with a united point of view. GATIA draws most of its support from the Imghad, a strand of the Tuareg who largely inhabit the Gao-Ménaka region. Part of their opposition to an independent Tuareg state of Azawad comes from the likelihood that it would be dominated by the Ifoghas nobility, which has held other Tuareg sub-groups in subjection, and allied armed groups. GATIA's main commander, General **Elhadj ag Gamou**, is an Imghad from the Ménaka area. GATIA is part of a wider umbrella, the *Plateforme*, that brings together armed groups recruited from northern communities that tend to favour continued Malian unity, such as the Ganda Koy and Ganda Izo and part of the *Mouvement arabe de l'Azawad*. ●

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POINTERS

Algeria

ROAD TO OBLIVION

■ A spate of trials linked to the East-West Highway, reputedly the world's most expensive road thanks to bribery and contract inflation, sent 16 public officials and intermediaries to prison. At the same time, last week saw an unrelated trial of fallen billionaire **Abdelmoumen Rafik Khalifa**, his second, where alleged links between corrupt politicians and businessmen were aired.

Few believe that the prosecutions, the fruit of years of investigation by the military intelligence agency, the *Département du renseignement et de la sécurité*, mark a genuine clean-up of the state. Algeria now has an even greater reputation for corruption than when President **Abdelaziz Bouteflika** took over in 1999.

The conduct of the trials has not reflected well on the judiciary. Khalifa gave a polished performance in front of a floundering judge. At the Highway trial, the authorities installed a big screen outside the *Tribunal d'Alger* and the public saw a former official testify 'the motorway cost US\$11 billion, to which one should add \$5 bn. worth of corruption'. A former Transport Ministry Director of Planning, **Salim Rachid Hamdane**, said he had been held incommunicado for four days and tortured. Luxembourg-Algerian businessman **Medjdoub Chani** said police had urinated on him after he asked for a shower. He was convicted and got ten years. Another source involved in the case told *Africa Confidential* he had been threatened to stop him mentioning any names in court, including even the minister responsible for the project, **Amar Ghoul** (AAC Vol 3 No 5). Officially an opposition figure, Ghoul is in reality part of the inner ruling circle known as *Le Pouvoir*.

The court also heard claims that the Chinese main contractors, CITIC-CRCC, had bribed Chani, Ghoul and his alleged associate, **Tayeb Kouidri**. CITIC-CRCC and another contractor were each fined 5 million dinars (US\$500,000).

Eritrea/China

SAM PA'S PALS IN ASMARA

■ The secretive Chinese business executive **Sam Pa** (aka **Xu Jinghua** and other aliases) shares an intriguing past with Eritrea's equally publicity-shy leaders. This emerged from a new report from the **United States** Department of Defense's Africa Centre for Strategic Studies. China International Fund, China Sonangol and other shadowy concerns feature strongly in *The Anatomy of the Resource Curse: Predatory Investment in Africa's Extractive*

Industries by **JR Mailey**. It describes Pa as a Chinese former intelligence agency operative behind a network of companies formed in the 1980s with the Eritrean People's Liberation Front (EPLF) as it fought for independence.

The report says half the shares in a joint venture called Ascot Investments Limited, incorporated by Pa in 1988 in Hong Kong, were divided between the later-dissolved Berlin Ltd., a holding company then used by Pa – and an alias that Pa then used, **Ghiu Ka Leung**. The remaining shares were held by Eritreans **Vaerini Mokonen**, a businessman, and **Ermias 'Papayo' Debessai**, once the EPLF's Europe representative and later, Ambassador to China.

Ghiu Ka Leung and Debessai, an EPLF founding member and on its Central Committee in the 1970s-80s, also jointly owned and controlled a second joint venture, Longhorn Investments. The companies were meant to provide arms and finance to EPLF guerrillas, our own sources say.

Once a close friend of President **Issayas Aferworki**, Debessai was sent to prison for corruption, released and then gaoled again. His defenders say he was a victim of Issayas's dictatorial tendencies. A court convicted him of embezzling state funds using the clandestine company and of hiding US\$1.2 million in bank accounts in **Britain**, Hong Kong and **Singapore**. Eritrea's Marxists, like those in Tigray and elsewhere in **Ethiopia** in the 1980s, were considered Maoists and had close relations with Beijing. Debessai was reportedly one of 90 senior party members and businessmen arrested in a corruption scandal in the government's largest commercial enterprise, the Red Sea Trading Company.

South Africa

PART OF THE UNION

■ The biggest trades union, the 365,000-member National Union of Metalworkers of South Africa, is confident of reversing its expulsion from the Confederation of South African Trade Unions. On 18 May, NUMSA is due to go to the South Gauteng High Court to try to set aside Cosatu President **Sdumo Dlamini's** November decision to expel it.

The same court ruled on 11 May that Cosatu must hold its long-awaited Special Congress in July. If NUMSA wins reinstatement, the elections that take place at the Congress could see the current, pro-Jacob Zuma leadership replaced by new, more left-wing leaders. From the point of view of the governing African National Congress and President **Zuma**, that could be highly damaging politically, especially with crucial local government elections just around the corner.

Dlamini is a close ally of Zuma and of the SA Communist Party leader, **Blade**

Nzimande, both of whom have been at loggerheads with NUMSA leaders and seven other unions. The Congress has been a key demand by the expelled unions and Cosatu's ousted General Secretary, **Zwelinzima Vavi**.

Vavi's only way back to his old job is not through the courts but via an appeal to the Congress, according to Cosatu's constitution. Dlamini and his faction argue that NUMSA cannot attend the Congress because Cosatu now has a new metalworkers' union, the Liberated Metalworkers' Union of South Africa (Limusa), and there is no place for another. Dlamini's problem, however, is that Cosatu's rules state that only a Congress and its members can expel an affiliate and that procedure was not followed for NUMSA. If it fails to win reinstatement, one NUMSA insider told *Africa Confidential*, the union already has a mandate from its members to form a new union federation.

Mozambique

CRIME STILL PAYS

■ Surprisingly strong criticism has been poured on the annual report of Attorney General **Beatriz Buchili**, even by the state news agency, *Agência de Informação de Moçambique*. Last week, Buchili told Parliament the overall crime rate had risen by over 10%, with murder rising 12% to 1,223 deaths. Although well below the murder rate in neighbouring **South Africa**, the figures cause great alarm. Many assassinations are by paid killers. AIM commented that despite many statistics, the report mentioned no names and was 'very disappointing'.

Buchili failed to mention the clearly political assassination of Judge **Dinis Silica**, gunned down in his car at Maputo traffic lights in May 2014, or **Gilles Cistac**, the lawyer shot dead on 3 March (AC Vol 56 No 5). Police claimed to have arrested two people in the Cistac case in April but nothing has been heard since. Buchili was clear, however, that policing has to change. She said the country needed a 'a Criminal Investigation Police of integrity... with highly specialised training and adequate scientific means of investigation'. The current *Policia da Investigação Criminal* (PIC) is answerable both to Buchili's office and the Interior Ministry, where insiders believe many of the 'fixes' that interfere with justice are made. The only thing to do is separate the police from the Ministry and the influence of the governing *Frente de Libertação de Moçambique*, they say.

Kidnapping was down slightly, at 42 cases, but the abduction of mainly Asian businessmen had spread to Beira, Nampula and Inhambane. Anger about the police has been building and public expectations of radical action by President **Filipe Nyusi's** government are high.

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BLUE LINES

The new President of the African Development Bank, who was being elected as we went to press, will face harsh financial and political conditions after a decade of economic growth on the continent averaging 5-7% a year. Outgoing AfDB President Donald Kaberuka combined a capacity for strict financial management with experience in government and strong views on development.

Kaberuka's successor will struggle to match his record as commodity prices slump and security crises plague some of Africa's biggest economies, such as Egypt, Kenya, Libya and Nigeria. The AfDB's Chief Economist, Steve Kayuzzi-Mugerwa, agrees with the World Bank's and International Monetary Fund's lowered forecasts for African growth of 4.5% this year.

Growing private investment raises new questions about the AfDB's role. Kaberuka presided over a tenfold expansion of its private sector operations. He was also sharply critical of IMF and World Bank policy in Africa. This year in Addis Ababa, Kaberuka praised the decision by Ethiopia's late Prime Minister Meles Zenawi to disregard advice from the Bretton Woods Institutions in favour of adapting policies from fast-growing Asian economies, such as China and South Korea. Asia's rising economic power also raises more questions about the role of the World Bank and even the AfDB, at a time when China is setting up development banks for Asia and the BRICS group (Brazil, Russia, India, China and South Africa).

NIGERIA

Buhari sets out his agenda

Against a chaotic economic backdrop, the new President promises to make government accountable and re-establish the rule of law

Popular expectations of new President **Muhammadu Buhari** were stratospherically high before his 29 May inauguration in Abuja – all the more so because chronic fuel shortages, increasing power cuts, billowing state debts and mounting pay arrears have haunted the final weeks of outgoing President **Goodluck Jonathan's** government.

Buhari's immediate answer to this is a laconic, 'expectations are too high.' We hear, though, that his speech in Abuja's Eagle Square will give Nigerians and foreign officials, including **United States** Secretary of State **John Kerry**, both a reality check and a promise of positive change. The attack on grand corruption will go beyond rhetoric and Buhari is set to spell out how he will call the state oil corporation, which he helped to establish over 30 years ago, to account (AC Vol 56 No 9).

There is no shortage of worldly and smart thinkers in the ranks of the victorious All Progressives Congress (APC) but their success in transforming good ideas into practical policy will depend critically on more mundane matters, such as overhauling the civil service (AC Vol 56 No 9). So the choice of Buhari's Chief of Staff and the new Secretary to the Federal Government will provide a key signal. These appointments and the ministerial ones that follow in the next few days will give an idea of the leadership style of Buhari Mark II. For constitutional reasons alone, he will not be able to resort to the diktats and decrees that were available to Buhari Mark I (military leader, 1983-

85). He will be sorely tried by some of the egotistical politicians who are claiming credit for his impressive win in the presidential election.

At every turn, Buhari insists it will not be business as usual. In his meeting with state governors last week, when they complained about their depleted treasuries, he told them to be realistic. He added, we hear, that they should not expect much influence over his choice of federal ministers. That was something of a shock to the governors, some of whom, in Lagos, Rivers and Kano, preside over budgets bigger than some smaller African countries.

Buhari's cabinet list will surprise many people, party insiders say. On 22 May, Buhari suddenly left for London, ostensibly to rest before his toughest assignment in his 72 years (see Feature). His allies say he had to get away from the frenzied lobbying of politicians and interest groups eyeing prominent positions in his government and to draw up the final lists of aides and ministers. His unscheduled sojourn took several party barons unawares, which may have been part of the intention.

After General (retired) Buhari sets out the ethos and goals of his government, his colleagues say his priority will be to ensure that state institutions work effectively, carry out agreed policy and are held accountable. The failure of the Petroleum Ministry to produce a credible audit of the Nigerian National Petroleum Corporation (NNPC) over the past five years typifies the state of most ministries.

Doubtless the APC's Abuja summit

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to debate policy on 20-21 May was an important preparatory step. It also offered a glimpse into the workings of the APC. Star of the show was **Nasir el-Rufai**, Governor-elect of Kaduna State and lead speaker on the panel that explored ways of reforming the country's dysfunctional public service. As a former head of the privatisation bureau and Minister of the Federal Capital Territory, El-Rufai knows of what he speaks. His session at the Transcorp Hilton was packed: his attacks on outgoing President Jonathan ('one of my favourite subjects') and the 'evil' NNPC drew much chuckling and cheering.

El-Rufai came to prominence many years ago on the platform of the People's Democratic Party, like many of the familiar faces in the new governing APC. Other former PDP leaders due to play roles in the new government include former Vice-President **Atiku Abubakar** and former or serving state governors **Abubakar Bukola Saraki**, **Rabiu Kwankwaso** and **Rotimi Amaechi**.

In 2013, El-Rufai released a tell-all memoir, which many assumed would end his political career. His landslide victory in the governorship elections points to the unpredictability of Nigeria's partisan politics. Seven years ago, he was in exile, returning home only when Jonathan took over. Five years ago, he was a loud critic of Buhari's presidential ambition. Today, he is one of the most powerful members of the new order, drawing on his tumultuous experience in government.

SURFACE CALM

For the APC, which has swept to victory in the House of Representatives and the Senate as well as most of the states, the war is over but the battles are just starting. Since it was founded in 2013, the APC's goal has been clear: to end the decade-and-a-half rule of the PDP. It took just two years to achieve that.

The raggedy state of the PDP after its electoral collapse means that most of the APC's battles will be fought within its own ranks. One of the APC's greatest strengths has been to present a united

front but there is plenty of convulsion behind the scenes. Insiders explain how the APC's campaign struggled with funding, especially in the six weeks that followed the election postponement. They also talk of scrambling to find a coherent response to the PDP's rabidly offensive style and of how good fortune was an ally as much as the dismal record of incumbent President Jonathan.

Even the policy summit at which El-Rufai shone drew its own share of gubnology. A meeting of the party's governors coincided with the opening day of the policy summit: that suggested that not all party leaders had agreed to the plan. Yet generally, the summit helped the party to foster its reputation for valuing ideas and innovation. The brains behind it was former Ekiti State Governor **Kayode Fayemi**, Director of the campaign organisation's policy team and the strategist who organised the widely praised primary elections that crowned Buhari as presidential candidate in December without undue rancour from his rivals.

MACHIAVELLIAN

For now, the unknown in the APC is the role of **Bola Ahmed Tinubu**, self-styled national leader of the party. Until the founding of the APC, Tinubu was the leader of the Action Congress of Nigeria, one of the three parties that merged to form the APC. As ACN leader, he commanded the politics of the south-west, historically the bastion of opposition politics. His first battle was for the vice-presidency. In the days following Buhari's election as presidential candidate on 6 December, speculation mounted that Tinubu had the vice-presidential slot. That would have broken the unwritten rule that precludes having presidential and vice-presidential candidates from the same religion (like Buhari, Tinubu is Muslim). Eventually Buhari settled for **Yemi Osinbajo**, a professor of law and Pentecostal pastor, who is seen as Tinubu's candidate (AC Vol 55 No 25). Osinbajo served as Commissioner for Justice during Tinubu's first term as Lagos Governor in 1999-2003.

During the three-month campaign, observers watched for signs of a Tinubu wobble. Reports of his absence triggered speculation about his attitude to Buhari. At the end of the day Tinubu delivered. On the strength of Buhari's alliance with Tinubu's political machine, he won the majority of votes in five of the six south-west states in the 28 March elections. Previously, Buhari had failed to win a majority in any south-west state.

Yet with the national stage before him, Tinubu is having to struggle for relevance. His name features in most

debates surrounding the election of principal officers to the lower and upper chambers of the National Assembly, as well as the appointment of ministers and presidential aides. Arrayed against him are activists and officials who accuse him of a domineering style. Working in Tinubu's favour are his machine and a knack for building alliances and working out compromises. He tells journalists that he is simply an adept talent spotter, preparing the country's next generation of leaders. A former associate likens him to Gen. **Ibrahim Babangida**, the military leader in 1985-1993, who ran rings around the political and military elite.

MAKING THE TRANSITION

Apart from Tinubu, the future of the APC will be hugely influenced by the state governors. When the party was launched, it had only nine. That rose to 14 when five PDP Governors defected late in 2013. Then the party emerged from the 11 April governorship elections with 22 seats in the 30 states where elections were held. Elections will be held in the remaining six states over the next four years. Progress on education and health services, as well as transport, will depend mainly on the state governments. Their record will shape the APC's standing almost as much as Buhari's national leadership.

In the first week of June, the National Assembly will see last-minute power plays, when legislators convene to elect their principal officers, such as the president of the Senate and speaker of the House of Representatives. The APC has 59 senators, lacking the two-thirds majority to elect new officers without consulting the PDP. Although the PDP lacks the votes to elect its own candidates, it has enough members to push votes towards its preferred APC candidates. The APC is divided over zoning, the practice of sharing political offices among Nigeria's six regions. Buhari insists he will not interfere in the selection of these Assembly officials.

Apart from managing such internal rivalries, the APC will have to adjust quickly from its opposition mindset, at least at national level, to one of problem-solving and perhaps, pragmatism. It will have to make that shift under the most testing conditions. A week before the inauguration, the APC's National Publicity Secretary, **Lai Mohammed**, issued a statement: 'Never in the history of our country has any government handed over to another a more distressed country.' Looking at lengthening queues for fuel amid ever more frequent power cuts while banks reduced their services, few people disagreed with such sentiments. ●

NIGERIA/BITRAIN

Delta, dollars and Downing St

Concerns about stability and commercial interests informed the sudden meeting between President Buhari and Britain's Prime Minister

Security, crime and migration topped the agenda when Nigerian President-elect **Muhammadu Buhari** met United Kingdom Prime Minister **David Cameron** at 10 Downing Street on 23 May. Aside from congratulating each other on their recent election wins, the two leaders discussed stepping up British training for and intelligence cooperation with Nigeria's military, as well as tougher action against organised crime, said a Downing Street official.

Cameron also offered technical aid for the new government's anti-corruption reforms after Buhari's inauguration on 29 May. During his last stint in government, as military leader in 1983-85, he led one of the country's toughest-ever anti-corruption campaigns which spared neither Nigerian nor foreign targets. Cameron also knows that the fate of what is set to be the biggest company on the London Stock Exchange, the merger between Royal **Dutch Shell** and **BG**, valued at around £200 billion (US\$308 bn.) depends substantially on developments in Nigeria.

Nigeria produces more than 12% of the company's global business, say Shell officials. Some oil experts say Nigeria has historically been one of the top three revenue-earners for Shell. The country is the world's fifth largest natural gas exporter and twelfth biggest oil producer. The new Shell-BG company, with stakes in both, will be the biggest foreign company in the country.

Buhari's sudden visit to London, billed as a private trip, didn't get into the details of his plans to crack down on corruption but British and other foreign companies are watching developments extremely closely. Their concern is twofold: with an effective anti-corruption strategy, Nigeria could prove a much more complicated place in which to do business; a serious crackdown on corruption will also have heavy political and security consequences, especially in the Niger Delta.

Some Nigerian journalists delightedly reported how the outgoing Oil Minister (and former director of Royal Dutch Shell's Nigerian subsidiary), **Diezani Allison-Madueke**, had hastily booked herself on to the same flight to London as Buhari. The two did nothing more than exchange pleasantries, say sources in the Buhari's All Progressives Congress. Many in the APC are calling for a full investigation into Allison-Madueke's tenure at the Oil

Ministry as soon as the new government takes over. They want an investigation to cover the provisional findings of PriceWaterhouseCooper's forensic audit of the state-owned Nigerian National Petroleum Corporation, as well as such deals as crude oil swaps, the allocation of oil lifting contracts, the management of the fuel subsidy scheme and the sale of NNPC assets to private companies.

Although the new government wants to focus on fixing electric power and on reform of the corrupt oil and gas sector, Buhari's associates have told *Africa Confidential*, the political calls for a thorough probe into the NNPC and its top officials could prove irresistible.

For the biggest companies and their business associates, a brand new, honest oil regime would add another layer of complexity as market conditions get tougher. Western consumers have seen some benefits from the 50% fall in world oil prices over the past year but the international oil companies' margins are getting squeezed (AC Vol 56 No 9). As market analysts reckon that prices will stay low for the next five years or so, company strategists are focusing on financial as well as political risks. For oil companies such as Shell, Total, Exxon and Chevron, the state of the Niger Delta over the next few years will be a critical factor.

Together with the South-East, the Delta remains the surviving bastion of outgoing President **Goodluck Jonathan's** People's Democratic Party (AC Vol 56 No 8). According to the disputed figures from the Rivers State electoral officer, some 95% of the vote there in March went to the PDP candidates. Their rivals in the APC are determined to overturn what they claim is outright fraud (AC Vol 56 No 7).

Another difficulty for the new government is the integration of former Delta militants into the the PDP. For example, **Prince Farah Ipalibo** ('**Dagogo Farah**'), a former 'general' in the Movement for the Emancipation of the Niger Delta (MEND), is now a PDP member of the Rivers State House of Assembly. Many militants see membership of the PDP, which will control all the state governorships in the Delta, as a way of ensuring access to state coffers and of consolidating their support base. Such are the stakes in the Delta that clashes between rival parties over contract awards and political access could flare again into a shooting war, as they did before the amnesty of 2009.

Those clashes shut down about a third of the country's oil and gas production.

As Buhari's electoral triumph hits home, militant groups are working out which way to jump. It seems that veteran nationalist **Edwin Clark** and the influential Ijaw Youth Council want to negotiate a coexistence deal with the APC. However, those gang leaders who argue that the APC won the elections as part of an elaborate northern plot will stay with the PDP (AC Vol 56 No 5). They include **Ateke Tom**, **Dokubo-Asari** and 'Pastor' **Reuben Wilson**, and are close to the new PDP Governor of Rivers State, **Nyseom Wike**.

The wealthiest and most astute militant leader, **High Chief Government Ekpemupolo**, alias **Tompolo**, sat the elections out without offering public support for either side. **Victor Ben Ebikabowei** aka **Boyloaf**, a former militant sponsor of Jonathan's successor as Bayelsa State Governor, **Timipre Sylva**, says he's disappointed with Jonathan and won't welcome him back to his home state.

Efforts to stop oil and gas theft, which costs at least \$3 bn. a year, will involve not just taking on the local and foreign gangsters who run the racket but also the senior naval and military officers who facilitate it. Likewise, gangsters and state security officials have been colluding in piracy operations in the Gulf of Guinea, now one of riskiest areas for shipping. Jonathan's strategy was to win over militants such as Tompolo and Asari with big security contracts. Tompolo now has his own mini-navy (AC Vol 56 No 3). New contenders are coming up. Younger militants are trying to replace their elders. After getting payments from the amnesty programme, they now see the end of the programme and no immediate alternative.

Much of the Delta's traditional economy has been decimated by the oil and gas industry, which has created few jobs in its wake. For many militants, the most lucrative deals were the security contracts awarded by Jonathan. However, younger fighters have little time for the older generation of militants whom they regard as having benefited from the Jonathan era but having done little to improve conditions in the Delta.

The interests of the older militant leaders are threatened by the incoming government's reform plans for the armed forces, which include reviewing many of the private security contracts. Visiting Rivers State just before his London trip, Buhari said he would not tolerate 'an army within the army and police within the police', which his political allies interpreted as a serious crackdown on rogue military officers but also a message to the militants and their security companies. ●

SOMALIA/SOMALILAND

Polls poser for politicians

A delay to the elections is damaging Somaliland's democratic credibility as Mogadishu's electoral timetable takes a knock

Somaliland's reputation for dependability and as the most democratic entity in the Horn of Africa has been on the slide since Parliament decided this month not to go ahead with June's planned elections. The unelected clan elders who constitute the upper house of Parliament, the *Guurti*, extended the mandate of both President **Ahmed Mohamed Mohamud Silanyo** and Parliament to April 2017.

Not that this is a surprise. All of Somaliland's elections have been postponed for one reason or another (AC Vol 44 No 10). The latest two-year extension came after the National Electoral Commission decided on 3 May that the election would have to be postponed till June 2016 to allow for adequate preparation. The *Guurti* went one better than that and even than the governing *Kulmiye* (Peace, Unity and Development Party), which was ready to go to the country in November 2016. Almost no one would dispute that the NEC needs the extra time to complete electoral registration but both the opposition and the governments which provide aid see two years as too much.

Only three parties are allowed to exist at any one time and the opposition *Wadani* and UCID (Justice and Welfare Party) reacted furiously (AC Vol 54 No 3). The Wadani Chairman and House of Representatives Speaker, **Abdirahman Mohamed Abdullahi 'Irro'**, called on his supporters to protest peacefully, which they did, though boisterously.

The United Nations Secretary General's Special Representative for Somalia, **Nicholas Kay**, a British former Ambassador to Congo-Kinshasa and to Sudan, urged the Parliament on Twitter to reconsider. That earned a rapid and prickly rebuke, reminding him that Somaliland doesn't need foreigners to tell it how to manage its affairs. Although the UN's effectiveness in Somalia is diminishing, Somaliland politicians might need to worry about the reaction of hitherto loyal donors who are members of the unfortunately-named Democratisation Steering Committee (DSC), which includes the European Union, Britain and the United States, among others.

In a strongly-worded press release on 14 May, the DSC warned the delay could damage its relationship with Somaliland.

Although Somaliland has never succeeded in receiving international recognition of its independence, a demand at the centre of its foreign policy since the 1990s, it has excellent relations with several donors. That has always been based on the notion of making progress towards becoming a fully-functioning democracy. If progress slows or reverses, good relations with donors follow suit.

The reason for the postponement, the pundits say, lies with Silanyo's deteriorating health and the consequent preparations for the succession in *Kulmiye*. Silanyo, 79, is believed to be ill and often appears drowsy in meetings. Party power-brokers want time to select a strong candidate from the Isaq clan to succeed him. They fear that if he won a new term and then died in office, his less popular deputy, **Abdirahman Abdullahi Ismail 'Saylici'**, a Gadabursi, could serve nearly a full presidential term after he took over.

Chief among those jostling to take President Silanyo's seat are the *Kulmiye* party Chairman, political veteran **Muse Bihi Abdi** and Foreign Minister **Mohamed Bihi Yunis**. The man seen as the real power in government, the Minister of Presidential Affairs **Hirsi Ali Haji Hassan**, is unlikely to secure enough support to take the presidency. While he has ample money from religious sources and clerical support, he is unlikely to gain the popularity to mount a campaign on his own.

MOGADISHU MOVES

The pro-independence faction is enjoying the political infighting and the chronic ineffectiveness on display in Mogadishu for nearly a year because it makes Somaliland look more stable by comparison. Mogadishu could be expected to enjoy the dent in Somaliland's reputation caused by the poll delay but it has its own problems.

President **Hassan Sheikh Mohamud** has said many times that he is committed to holding one-person, one-vote elections throughout Somalia on time, i.e. by August 2016. Yet electoral institution-building is slow, while the Islamist militia *Haraka al Shabaab al Mujahideen* still dominates a large swathe of the country. That makes elections all but impossible. There was a little progress in that nine people were nominated to the National

Independent Electoral Commission: Parliament should confirm them early next month. Yet Somalia's partners in the UN and Western governments represented by the European Union, Britain and the USA, no longer talk of 'one person, one vote' and now speak of a 'democratic transition' and of 'progress towards' democracy. That is because they want two things. Firstly, to be able to present elections which will inevitably be far from one person, one vote as significant progress. Secondly, to keep up pressure on Hassan and his cronies not to angle for a delay.

In political circles, a number of different options are being discussed for the election – or selection. The first and least popular at present is simply to run a selection process where clan elders choose members of parliament who then choose the president, as happened in 2012. Variations on this model propose selection processes based in member states (Puntland, Jubaland, etc.) or for clan groupings from each district to choose their MP.

Others propose to extend the current Parliament and government term for two to three years to allow them to set up the conditions for a proper election. Under a scheme backed by leading 'secular' MPs, Parliament's mandate would be extended but the President would step down, to be replaced by an interim leader until elections could be held in a few years. Many believe this could be extremely disruptive.

US Secretary of State **John Kerry** left no doubt about his view when he went to Mogadishu on 5 May, on his way from Kenya to Djibouti and then Saudi Arabia (AC Vol 56 No 10). Although it was the first visit by a US Secretary of State and an important public relations moment for Hassan, Kerry delivered a strong message, we hear. Washington would not stand for any kind of term extension and Somalia must have a change of government in 2016. He added that the federal government and the member states need to work cooperatively together.

The challenges for Mogadishu are considerably greater than those facing Hargeisa. There is no serious prospect of Somalia holding elections in which most people can vote in 2016. The political scene in Mogadishu is deeply divided and there may even be an attempt to impeach the President, which could take up to four months (AC Vol 56 No 4). The process of creating federal member states is far from complete and the Central Regions Conference has been going on since April, causing a number of spats with Puntland over who has the right to govern north Mudug (AC Vol 56 No 2). ●

BURUNDI

The President digs in

The murder of an opposition leader will keep tension high right up to polling day. Nkurunziza is sticking to his course

The assassination on 23 May of **Zedi Feruzi**, leader of a small opposition party, the *Union pour la paix et le développement*, signalled a major deterioration in the political climate. Having trounced the attempted coup, President **Pierre Nkurunziza** is purging the ranks of his own party and is determined to intimidate the opposition into silence, many believe (AC Vol 56 No 10). Yet protests still go on.

Feruzi and his bodyguard were killed in what looked like a professional killing in the Ngagara district of Bujumbura by men in a car. There has been speculation about Nkurunziza's involvement based on Feruzi's close ties with Nkurunziza's arch-enemy, **Hussein Radjabu**, his former second-in-command during the guerrilla war who recently escaped from prison (AC Vol 47 No 12).

After the killing, opposition activists suspended their United Nations-brokered talks with the government. The opposition is convinced a campaign is under way to kill the leaders of the campaign against Nkurunziza's third term. **Belgian** lawyer **Bernard Maingain** claimed in early May that defectors from the domestic intelligence service, the *Service national de renseignement*, had informed him about a secret government plan to inflame

tension between Hutu and Tutsi people (AC Vol 53 No 3).

Civil society leaders said they would resume talks only if credible investigations into Feruzi's murder are held. The UN Special Envoy, **Saïd Djinnit**, is putting a lot of faith in continuing dialogue and hoping that the authorities will stop arresting opposition figures, respect the right to demonstrate and authorise independent radio stations to resume broadcasting. Much of their equipment was destroyed by police officers and the pro-Nkurunziza *Imbonerakure* militias after the coup attempt. The European Union also expressed support for Djinnit's efforts.

The local and parliamentary elections were postponed till 5 June but the presidential election scheduled for 26 June is set to go ahead. The government is using the delay to purge more of the anti-third-term elements from the ruling *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie*. There have been reports that the CNDD-FDD is seeking to remove people opposed to the third term from the candidates' lists.

Bujumbura remains under siege. The centre of the city is closed to demonstrators and the university and many schools are shut, as are banks,

shops and markets. The security of the polls will be difficult to guarantee in the capital and even in the main provincial towns. Demonstrations took place in Tutsi neighbourhoods but also in Kanyosha, stronghold of the *Forces nationales de libération's* Hutu leader, **Agathon Rwasa**. In addition to Feruzi's assassination, grenade attacks killed three people in the centre of Bujumbura on 22 May. Some demonstrations took place in the provinces but police and *Imbonerakure* easily dispersed them.

Buoyed by the indifference, if not the active support, of the governments of neighbouring countries, Nkurunziza is hanging tough on the third-term issue, even though the two-term constitutional limit is clear. The UN has not condemned the idea of a third term. Belgium, however, has said it will freeze all development aid in the event of Nkurunziza taking a third mandate and the **United States** and European Union have appealed to him to respect the constitution.

ARMY WEAK

The defeat of anti-Nkurunziza elements in the army has strengthened the President's hand. The military no longer protect demonstrators from the police. Against this background, the chances that the opposition will boycott the polls as they did in 2010 are growing.

There are fears that some former FNL fighters might resume the guerrilla war and unite with army deserters angered by photographs apparently showing the effects of the beating and torture of one of the authors of the coup attempt, the former Defence Minister, General **Cyrille Ndayirukiye**. ●

ZIMBABWE

Bye-bye unity

The opposition boycott should have made the bye-election campaigns easy for the ruling party. Instead, they are exposing deep splits and rancour

The campaigns for the 16 bye-elections on 10 June have not been the expected easy ride for the Zimbabwe African National Union-Patriotic Front, even though the Movement for Democratic Change (MDC) factions have left the field clear. Intense rivalry for the ZANU-PF nomination in some seats has raised the spectre of fresh factionalism that the expulsion of sacked state Vice-President **Joice Mujuru** was supposed to have brought to an end. In others, some ill-considered remarks on tribalism by

President **Robert Mugabe** could prove a turn-off.

In Harare East, which MDC's **Tendai Biti** narrowly held in 2013, the nomination rows slipped into farce. Backed by ZANU-PF political commissar **Saviour 'Tyson' Kasukuwere**, banker **Terence Mukupe** won the party primary but when First Lady **Grace Mugabe**, an increasingly important figure in the party, favoured the losing candidate, **Mavis Gumbo**, the nomination court acquiesced. The High Court then ruled that both names would have to appear

on the ballot paper. Too late, the ZANU-PF Politburo ruled that Mukupe was the official candidate.

These developments pitted **Ignatius Chombo**, the party's Secretary for Administration, and the First Lady, against **Kasukuwere**, who was backed by Vice-President **Emmerson Mnangagwa** and **Simon Khaya Moyo**. This looks like a new alliance, perhaps supplanting the previously recognised cabal called the 'Gang of Four': **Kasukuwere**, Information Minister **Jonathan Moyo**, **Oppah Muchinguri** and **Mugabe's** nephew **Patrick Zhuwayo** (AC Vol 56 No 1).

One of the two ZANU-PF candidates will almost certainly win Harare East, which has been blatantly gerrymandered by floating in blocs of voters from the adjoining seat of Goromonzi South, whose own member of parliament, **Petronella Kagonye**, a close associate of disgraced Mujuru-ally

Didymus Mutasa, had unexpectedly escaped the anti-Mujuru purge (AC Vol 54 No 23). The interest is in which of the embryonic ZANU-PF factions will triumph. 'I am one of the biggest political thugs in ZANU-PF and some of these people are small thugs,' boasted Tyson as he addressed a rally. The Gang of Four seems to be giving way to Kasukuwere's shadowy Generation 40 (G40) of ambitious Young Turks, while the Mugabe loyalists coalesce around Chombo and the presidential wife. To add spice, there is still a significant unpurged residue from the Mujuru camp.

Kasukuwere warned that the purge of the Mujuru camp is far from over and on 21 May the Politburo duly expelled seven leading figures and suspended 13, with further disciplinary measures still on the cards. The expelled include MPs **Ray Kaukonde**, **Olivia Muchena**, **Dizkamai Mavhaire** and **Kudakwashe Bhasikiti**. All will be subject to recall and bye-elections in due course. It is as yet unclear whether those suspended for two to five years will also be subject to recall. Six were formally exonerated.

Kasukuwere has a lot riding on the success of the party in the current batch of bye-elections. If he fails to deliver, the knives are already sharpened and if he triumphs, he will be able to help his own supporters. This may explain why these bye-elections are being fought with such ferocity by the ZANU-PF

factions. In a BBC interview, Jonathan Moyo responded to the question as to why Mujuru and her associates had not been put on trial by claiming most of the remarks had been mere 'political banter'.

Four of the constituencies holding elections are in the second city of Bulawayo, where for decades ZANU-PF has consistently failed to gain a seat. With the MDC boycott, this should have been a golden opportunity. However, **Dumiso Dabengwa**, acting on behalf of the old, mainly Ndebele, Patriotic Front-Zimbabwe African People's Union (PF-ZAPU), has come out in support of candidates fighting on the ZAPU ticket and called on Bulawayo voters to keep out ZANU-PF.

Fortuitously, the recent declassification of **Australian** government papers under the 30-year rule revealed the Australian High Commission's assessment that Mugabe himself had been implicated in the Matebeleland Gukurahundi massacres in the mid-1980s, contrary to his repeated denials. The Politburo is still waiting for disciplinary reports from Bulawayo and the two Matebeleland provinces.

To cap it all, at the Southern African Development Community extraordinary summit on Industrialisation and Roadmap Strategy in Harare on 29 April, the scheduled discussion of

regional industrialisation policy was sidelined by the xenophobic violence in **South Africa**. President **Jacob Zuma**, supported by **Botswana's** President **Ian Khama**, pointed out that part of the problem stemmed from countries such as Zimbabwe. Their failed economic policies were exporting their self-created unemployment problem to South Africa and other neighbours. At the closing press conference, speaking as SADC Chairman, Mugabe launched into one of his historical rambles laced with remarks about 'the thieving and ill-educated Kalanga', a large ethnic minority living in Matebeleland and Botswana. This won't win votes in Bulawayo.

NO SNUB

Last week, Mugabe, in his capacity as SADC Chairman, made a familiarisation visit to the SADC Secretariat in Gaborone. Although Khama gave him lunch, the welcoming party at the Sir Seretse Khama Airport was led by Foreign Minister **Pelonomi Venson-Moitoi**, an apparent breach of protocol. Zimbabwe's state media went into overdrive explaining how this was not a snub. Mugabe then launched another public attack on his neighbouring detractors, opining that South Africa was in need of a second liberation from the shackles of white domination and should look to Zimbabwe as a role model. ●

CENTRAL AFRICAN REPUBLIC

Reconciliation for beginners

As the Bangui Forum proceeded, France's need to bow out became clearer, although it may mean turning a blind eye to corruption

All parties agreed that the just-concluded Bangui Forum for National Reconciliation was essential if the country is to have a future. Yet the gathering was supposed to start last October but convened only on 5 May. The delay says much about the shaky foundation of current peace and reconstruction efforts. Both local and international actors are to blame. After the Brazzaville Agreement of July 2014, Interim President **Catherine Samba-Panza** promised to move fast but got bogged down in controversy over her cabinet choices, especially **Mahamat Kamoun** as Prime Minister (AC Vol 55 No 17). She also had to defend herself against claims that her government had stolen US\$1 million, part of an **Angolan** cash grant. Only the intervention of the diplomat in charge of Africa policy at the

French Presidency, **Hélène le Gal**, saved her from a humiliating confrontation with the Interim Parliament, the *Conseil national de transition* (CNT).

To begin with, France didn't help, either. It applied pressure to halt the process of consulting the public but then relented. The talks went ahead in all Préfectures – some superficially, others less so – and culminated in the Bangui Forum, where all the country's problems came to one table to be thrashed out by a representative sample of the population. Samba-Panza's initial handling of the Forum was seen as less than deft. With the endorsement of French Ambassador **Charles Malinas**, she initially proposed **Jean-Jacques Demafouth** as Forum Chairperson. He is one of her closest advisors. Opposition was near unanimous. Demafouth had participated in coup attempts, had led a

bloody insurgency in the Centre-North region and at one point was in charge of the political police of ex-President **Ange-Félix Patassé**. Reluctantly, Samba-Panza had to make more neutral choices for the chairmanship and the organising committee. Nonetheless, her aim was the same: to get an extension of her mandate, which ends in August. She is unpopular with the heads of state of the key regional organisation, the *Communauté économique des états de l'Afrique centrale* (CEEAC), who have a say in who succeeds her.

The Forum brought together 700 participants for a week. Part of the uniting element was financial. Everyone received a per diem allowance, though ministers got more than others. Ministers rented their state cars to the Forum and other minor economic opportunities were exploited. Yet there were significant successes. People from different communities raised many issues and found much to agree about, reaching a host of mutually agreed recommendations.

Most of the ideas, however, suffered from two major weaknesses. Firstly, there is a lot of wishful thinking about the capacity of the state, the elites and the civil service, to implement good policies.

Past experience shows those groups are selfish, greedy, and highly resistant to transparency and accountability, noted one seasoned observer. The Samba-Panza government itself is a case in point, he added. Many parts of the country are very tense and not ready for reconciliation. Secondly, there is an unfounded assumption that funding is available for all the projects and plans. For example, what education and health services now exist are entirely foreign-funded and there are no local institutions ready to take up these functions.

Samba-Panza got what she wanted from one of the Forum commissions, a proposal that her term of office be extended right up to the elections. It was also mooted that the CNT Speaker, **Alexandre-Ferdinand Nguendet**, and Prime Minister Kamoun stay on. It is not yet known if this proposal will be adopted in the Forum's final report.

Malinas has been pushing hard for the elections, originally planned for this August, to take place at the end of the year. The electoral commission, the *Autorité nationale des élections*, is spending money liberally to help achieve this objective but even its leader has doubts. 'If everything goes very smoothly, elections can be held in March 2016,' ANE Chairman **Dieudonné Kombo-Yaya** told the CNT two weeks before the Forum. At the meeting, he changed his mind and announced that they could be held at least three months earlier.

Donors have been meeting in Brussels this week and, according to one delegate, France is making reconstruction funds dependent on early elections. That meeting was decided in March at the

International Contact Group in **Congo-Brazzaville** and has two big items on its agenda: how to pay civil service salaries, since the Bangui government cannot (although ministers seem to get richer by the day) and how to fund the elections. Pledges have covered less than half of the estimated cost of US\$44 million.

As for the fighters on both sides, there was good news and bad news. Just before the Forum met, all armed groups agreed to demobilise the children in their ranks and over succeeding weeks, a steady flow of hundreds of teenagers moved towards the United Nations' forces, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation en République centrafricaine* (Minusca) for processing.

FRAGILE PEACE

Reconciliation between the armed groups themselves is much more fragile. Anti-Balaka representatives at the Forum fought among themselves on the first day, and *Séléka* representatives were rejected by their factions for signing documents under pressure from the Forum steering committee. Other hitches arose. Anti-Balaka delegates were asked to read a statement thanking **Chadian** President **Idriss Déby Itno**, as Chairman of CEEAC, for his help to CAR. This was too much for a movement that believes that *Séléka* was created by Déby with the express aim of destroying the country. Some *Séléka* fighters encamped near the CNT demonstrated because the government had not kept its promise to pay their food allowance.

A collateral victim of these blunders was the senior politician **Abdou Karim Meckassoua**, who saw his passport

confiscated a couple of days after the Forum (AC Vol 52 No 18). Once favoured by many parties as a possible Prime Minister, he seems to have been a victim of his political enemies in the transitional government. Names being mentioned are the Public Security Minister, **Nicaise Samedi Karnou**, and the Prosecutor General, **Ghislain Grésengué**. Now, Meckassoua faces a lengthy legal process to get his document back. The French Ambassador is trying to get him to forget the incident but he wants a formal statement he did nothing wrong, we hear.

French interest in CAR has been shrinking as fast as Paris can manage it. The outlines of this policy became clear during the visit of Elysée Palace Africa supremo Le Gal last October. The main priority is to end the French military's peacekeeping mission, *Opération Sangaris*. It costs 250 mn. euros (\$272 mn.) a year, encourages a neo-colonialist image of French intervention and is seen as the wrong kind of military engagement at a time when *Boko Haram* presents a far more urgent regional problem. Then there is the recent humanitarian and public relations disaster of the revelations of some French troops raping or otherwise sexually abusing local children. While these factors hasten France's retreat, they also bode ill for the conduct both of the elections and of Bangui's politicians.

Samba-Panza is due to meet French President **François Hollande** this week. While some want him to pressure her to honour the rule of law and be more accountable, she knows she can exploit France's desire to leave the stage as soon as possible. ●

EGYPT

Taxing tensions

The government's promises of tax-free investment sit ill with a Finance Ministry desperate to increase revenue

President **Abdel Fatah el Sisi** has thrown his weight behind a campaign to launch a strong economic recovery by attracting billions of dollars of private investment. This includes events such as March's Egypt Economic Development Conference in Sharm el Sheikh and a World Economic Forum regional conference in the same Red Sea resort next May. However, while El Sisi seeks to convince investors that they will be able to do business with no red tape and with rock-bottom taxes, his Ministry of Finance needs as much tax revenue as it can get in order to bring down a fiscal deficit stuck at

well over 10% of gross domestic product.

During April, the tension between these two approaches came to a head as business lobbies, with implicit support from the Investment Ministry, protested against the Finance Ministry's plans to levy a new tax on share dividends and capital gains. The legislation allowing the new tax was passed at the start of El Sisi's presidency in mid-2014 but the latest row was sparked off by the publication of executive regulations spelling out how the tax would be collected. The capital gains tax rate was set at 10%, to be charged on the

disposal of listed or unlisted securities, and the dividend tax was to be levied on earnings above £10,000 (US\$1,315) per year or 5% for investors that hold 25% or more of the shares in the company paying the dividends.

Critics, including the head of the Egyptian Stock Exchange, complained that the procedures for calculating and collecting the tax were opaque and over-complicated, and there were protests at a stipulation that shareholders with annual turnover of £5 million or more would pay the standard income tax rate on dividend income, which is to be revised down from 25% to 22.5%.

The disquiet about the tax brought to an end a purple patch for Egyptian equities. The main EGX30 index had been the world's best performer in 2014 and the momentum carried through into 2015, with the index rising above 10,000 in early February for the first time since the 2008 global financial crisis. By the end of April, it was

sinking towards 8,000. There were dire warnings that things would get even worse when Saudi Arabia opened its doors to foreigners wanting to invest in its stock market, thereby opening a new arena for regional competition. The Finance Minister, **Hani Kadri Dimian**, was subjected to a barrage of criticism from media commentators. In response, the government said that it would review the proposals and on 18 May, it was announced that the cabinet had decided to postpone the introduction of the tax by two years, triggering a rebound in share prices that propelled the EGX30 back over 9,000.

SETBACK

This was the second setback that Dimian had suffered to his tax-raising plans. In March, the government scrapped a 5% tax surcharge on corporate and personal income over E£1 mn. per year, a measure that he had introduced in July 2014, supposedly for three years. Dimian had embraced the decision to lower the top income tax rate to 22.5% but on condition that it was applied across the board. He now faces a battle with the Investment Ministry, which wants to accord preferential tax rates for investors in special zones, in particular the proposed Suez Canal Economic Development Region, which is one of El Sisi's flagship projects.

As a liberal economist whom the

International Monetary Fund holds held in high esteem, Dimian is undoubtedly familiar with the argument that higher tax rates do not always deliver more tax revenue and that governments need to weigh up the risk of deterring investors through setting up globally uncompetitive tax regimes. However, many successful emerging markets charge capital gains tax and withholding tax on dividends, and one of the biggest concerns of foreign bankers and businesses looking at Egypt is the size of the budget deficit. (Another is the chronic shortage of foreign exchange.)

The spectacle of a wealthy elite forcing a policy U-turn on a measure that it didn't like is unlikely to impress the majority of Egyptians, who face further cuts in energy subsidies and who have had to submit to hefty increases in indirect taxes, including a recent hike in cigarette prices. The head of the IMF's Egypt mission, **Chris Jarvis**, expressed disappointment at the scrapping of the new tax, which he described as fair and necessary to raise revenue (AC Vol 55 No 12). The postponement 'will mean that more of the cost of reducing the budget deficit will now be paid by people who are less able to afford it,' he told the news agency Bloomberg.

The dividends and capital gains tax would have, of itself, boosted total budget revenue by only about 1% but the loss of credibility suffered by

the Finance Minister means that this setback could have wider implications. Business lobbies will be emboldened to seek further concessions, for example in the long delayed introduction of value added tax and in the implementation of a property tax law, which has finally taken effect after being watered down. Dimian will also face more resistance from consumers to any fresh efforts to cut subsidies or increase excise.

GULF AID

One of El Sisi's first steps on becoming President was to instruct Dimian to cut the deficit target for the 2014/2015 fiscal year (July-June) from 12% to 10% of GDP and to approve fuel price rises to achieve this. The deficit in the previous fiscal year was 12.8% but would have been around 17% without the inclusion in the revenue account of more than \$13 bn. in Gulf Arab grants. After nine months of the current fiscal year, the actual deficit was 9.4% of GDP, higher than it was at the same stage of 2013/14 but without the benefit of Gulf grants. The Gulf states are helping Egypt in other ways, notably through shoring up depleted foreign exchange reserves with \$6 bn. of deposits with the Central Bank of Egypt in April but little of the new aid pledged will show up in the revenue ledgers of the state budget. The Finance Minister's daunting task has just become a little bit harder. ●

EGYPT

Crashing car barriers

A new free trade regime threatens car-makers. Some are trying to keep global competition at bay

This month, Mercedes-Benz became the first of several major motor-manufacturers which are expected to halt assembly work in Egypt. Under the country's trade treaty with the European Union, duties on imported, fully-assembled vehicles are being progressively phased out by the end of the decade. That makes local assembly uneconomic. A large share of such factories belongs to politically-influential owners, such as the Ghabbour and Masreya families, who are looking at other ways of staying in business, say sources in Cairo. The families, which also control automotive retail markets, are intent on using their influence to protect their positions.

Last December, Egypt notified the World Trade Organisation that it had initiated a 'safeguard investigation', under which imports of products can be

temporarily halted if they are believed to be potentially or actually causing serious injury. It stopped what it said were unsafe vehicle batteries coming in. This measure is one of the only ways that imports can be halted under WTO rules. The next day, the head of the Trade and Industry Ministry's Anti-dumping Department, **Ibrahim el Segeiny**, announced that battery manufacturer Chloride Egypt had complained about a sudden surge in imports, saying it decried this rise as a threat to the industry. 'Dumping' or the sudden import of a massive quantity of one product at extremely low prices, is not allowed under WTO rules.

Auto industry specialists believe both these complaints have no substance and are in reality efforts to stop imports that local products cannot compete with on price. So long as local industry was

protected by tariffs, such measures were not necessary. Observers are now waiting to see whether local manufacturers can depend on the regime's support in using these methods to preserve their profitability.

A sign that the feeder industries to the assembly plants, such as battery-makers, can't weather the storm of international competition was evident in the absence of any auto projects at Egypt's much-vaunted investment summit in Sharm el Sheikh in March. Without tariffs to protect them, these industries may go to the wall. Mercedes said its parent company, Daimler, sold its minority stake in the Egyptian **German Automotive Company**, previously a joint-venture between local business people and Daimler, to National Automotive Co. (Natco), the 'strategic partner in Egypt of the production and distribution network of Mercedes-Benz passenger cars'. EGA is now turning to assembling cars and producing components for other companies. It says it will continue to supply Daimler, albeit minimally, by producing and exporting brake discs for it and Mercedes says it will maintain its after-sales services in Egypt.

Local assembly in the region is not

dead, however, as Mercedes has said it plans to relocate its assembly plants to **Algeria**, where local assembly remains viable because of the comparative privileges and facilities offered to the auto industry. This month, Algeria adopted new regulations on the import and sale of motor vehicles, which effectively restrict foreign vehicle imports and provide an incentive to maintaining dealers' distribution networks. In other words, Algeria now offers similar protection to what Egypt used to. Egypt's Bavarian Auto Group, the agent for BMW, said in a statement that rumours that BMW would follow Mercedes in ending local assembly were false. BMW already has products that are wholly imported from abroad, giving it a competitive advantage in order to defer a possible decision to leave.

Egypt's new treaty obligations with the EU under the Euro-Mediterranean Agreement also pose a threat to stakeholders associated with 'grey market' or unofficial imports. While Cairo imposed high tariffs and duties, some businesses got around them by importing finished vehicles to Gulf countries, where tariffs and duties are lower than Egypt's, and then re-exporting them to Egypt, ducking the tariffs and selling them for less than locally-assembled vehicles. The Greater Arab Free Trade Area was founded in 1998, grouping 17 Arab countries (including Egypt, **Libya**, **Morocco**, **Sudan** and **Tunisia** in Africa). That enabled Egyptian firms to exploit the tariff differential between Egypt and

the Gulf countries. **Raouf Ghabbour**, the Chief Executive Officer of Ghabbour Auto, Egypt's sole distributor of the East Asian companies Hyundai, Mazda and Geely, has called for lower tariffs on car imports from Asia and the **USA**.

UNVIABLE

Even **Karim Ghabbour**, President of the local Mercedes vehicle assembler, Manufacturing Commercial Vehicles Co. (MCV), has publicly acknowledged that the sector is currently 'economically unviable'. He has hinted at developing non-trade barriers. He said that to attract foreign investors to manufacture in Egypt and export, factory production would need to be at least 200,000-300,000 cars per year, while the current output of local factories ranges between 10,000 and 30,000.

Ghabbour's company was established in 1994 to represent Mercedes in the commercial vehicle sector after Daimler purchased two factories from the Ghabbour Auto Group. MCV was part of a 2010 US Foreign Corrupt Practices Act case over a joint-venture with Arab American Vehicles (AAV), a subsidiary of the Arab Organisation for Industrialisation, which is affiliated to the Egyptian military. According to the US Department of Justice, Daimler made improper payments to help secure contracts with government customers for the purchase of Daimler vehicles. After the overthrow of President **Mohamed Hosni Mubarak** in 2011, promises were

made but never fulfilled that the names of officials allegedly bribed in the case would be published.

Karim's statements appear to signal a drastic change in the Ghabbour family's tune. This January, Ghabbour Auto announced it would be investing US\$1.5 billion in two new factories, signalling confidence in the sector but providing few details of this proposed expansion. This followed the Stock Exchange's suspension of trading in Ghabbour Auto's shares until it provided more information to the market about its planned rights issue, which it said it expected would boost the company's capital by \$134 million. Questions have been raised over whether this was effectively a ploy by a cash-strapped company to have shareholders pump new cash – even devalued Egyptian pounds – into it. The whole sector has been badly hit by a recent cap on dollar deposits imposed by the Central Bank of Egypt that heavily restricted the sector's access to imports.

Egypt's ailing auto sector has at times been so short of credit it has had to operate on a cash-only basis. In mid-2013, when Egypt's credit rating declined, MCV lost its letters of credit guarantees for advance car purchases with its facility in Germany, which covered half of the cars it imported, one former MCV employee told *Africa Confidential*. One respected industry insider told us he saw no realistic prospect of the sector surviving 2020, which is when Egypt is obliged to phase out customs and tariffs to zero. ●

SOUTH AFRICA

Uneasy lies Zuma's head

The President's rivals are using the ANC's expected poor showing in the coming local elections as a rallying call against him

Next year's local government elections are widely seen as likely to be the most competitive since the end of white-minority rule in 1994 and that has got leaders of the governing African National Congress seriously worried. They fear that President **Jacob Zuma**'s poor image and diminishing urban electoral appeal could cost the ANC the key major metropolitan cities of Johannesburg, Pretoria (Tshwane) and Port Elizabeth (Nelson Mandela Bay). In last year's general elections, the party won 49% in Pretoria, 48.81% in Port Elizabeth and 51% in Johannesburg. ANC leaders are worried that Zuma will cost them the black urban middle-class and youth votes. If the ANC lost these areas while holding on to the KwaZulu-

Natal city of Durban, it would mean that with Cape Town controlled by the Democratic Alliance (DA), opposition groups would govern the political and financial centres of the country.

That would turn the ANC into a largely rural party. Zuma's opponents within the ANC worry that members associate him with corruption and the collapse of governance at the local level and that now that they have more ideological options, they may vote for other parties. The ANC's internal, private surveys over the past few months confirm the likelihood of losing the three large metro areas if Zuma remains leader, *Africa Confidential* understands. Zuma is strongly associated, the surveys suggest, with those that the public

blame for the 'service delivery' failings that have characterised so many ANC-run towns.

Party strategists see a particularly strong threat in the DA, whose charismatic new leader, the black, Soweto-born **Mmusi Maimane**, could hurt them far more than his predecessor, **Helen Zille** (AC Vol 56 No 10). **Julius Malema**'s Economic Freedom Fighters (EFF), which won 6.35% of the vote in last year's elections, could also make further inroads into the ANC's majority.

The victory of the Democratic Alliance Students' Organisation at the Student Representative Council leadership elections at Fort Hare University is an indicator of what's going on. Fort Hare is an ANC stronghold where former presidents **Nelson Mandela** and **Oliver Tambo** studied. The ANC had sent national heavyweights such as its and the country's Deputy President, **Cyril Ramaphosa**, to campaign there. The DA's triumph was one of the ANC's most embarrassing, and telling, political losses in the Eastern Cape since 1994. The Democratic Alliance Youth group already leads at the Nelson Mandela

Metropolitan University (once Port Elizabeth University), another ANC former stronghold in the Eastern Cape.

The Auditor General's last municipal audit – for the 2012/2013 financial year – reported that only 9% of the 319 municipalities and municipal entities inspected had received clean audits, with 11.6 billion rand (US\$972 million) in irregular spending during the financial year. Preliminary audits for 2014/2015 look worse, sources in Auditor General **Thembekile Kimi Makwetu's** office told AC.

ANC-run municipalities are frequently paralysed by political infighting over local ANC branch positions. Control of local branches offers almost automatic appointment to public office. With that, comes power over local state contracts, jobs and development funds that ANC councillors have to use for patronage. Since 2007, ANC candidates are elected on slates linked to the leading candidates. If that person loses, everyone on the slate loses. ANC battles at the local level are often no longer between competing individuals but between competing slates. That applies in Durban/eThekweni. It has a budget of over 35 bn. rand. That offers huge state procurement possibilities, and opportunities to appoint officials and to invest in favoured areas. The pro-Zuma faction sent in officials from the State Security Agency to 'monitor' proceedings at the rescheduled eThekweni conference 3 May, delegates said (AC Vol 56 No 8). Some complained that it constituted an abuse of state resources and it was 'intimidating' to deploy SSA agents at an ANC party conference.

The ANC is now clearly paralysed by two internal conflicts: one a proxy battle over its presidential succession and the other over the candidates for councils. At times, these two battles intertwine. A new attempt is afoot to get Zuma to leave before his term ends. This time, it's spearheaded by the ANC Parliamentary Caucus but with the support of the ANC's Gauteng provincial leadership, including Premier **David Makhura** and the key ANC mayors of Bloemfontein, Johannesburg and Pretoria (AC Vol 55 No 11). The Gauteng ANC has already formally resolved to back Ramaphosa to succeed Zuma as both ANC and South African president.

The ANC Parliamentary Caucus fears that the public see the leaders of the EFF and DA as fresher and younger and will see Zuma as ageing, tired and corrupt. They also worry that the expelled Secretary General of the Congress of South African Trade Unions (Cosatu), **Zwelinzima Vavi**, could form a new labour-based party for next year's

local government elections.

As he tries to put down the latest and seemingly more serious rebellions against his leadership, Zuma has asked that the ANC National General Council scheduled for June be postponed till October or November. Traditionally, the NGC brings all branches together mid-way between party national conferences and evaluates policies and the leadership. The ANC Parliamentary Caucus is mobilising to use the NGC meeting to discuss asking Zuma to stand down early. The President also has problems with the ANC Youth League. Last year, Zuma stopped the elections taking place at the ANCYL conference because of fears delegates would elect a pro-Ramaphosa leadership (AC Vol 55 No 17). Now, the elective component of the conference has been postponed indefinitely, we understand.

PLAYING FOR TIME

Zuma is also planning to propose at the NGC that the term of the ANC presidency, which ends at the national conference in 2017, be extended until 2019, the year of the general elections. Zuma will argue that the ANC needs to align its vote with the general elections. If his party's term is extended, it will give him additional time to strengthen his position and pick his own successor as national presidential candidate, as well as ensure his financial and legal security after he leaves.

Members of the ANC Parliamentary Caucus have responded to this suggestion with alarm. They also argue that on Zuma's watch, the party has had several breakaways, from the Congress of the People (Cope) and the EFF to the looming split in Cosatu. Unions affiliated to Cosatu which oppose Zuma, particularly the National Union of Metalworkers of South Africa and seven others, are planning to form an alternative trades union federation. The NUMSA group also plans to form a new workers' party, which may contest the local government elections next year. That prospect has struck fear into the hearts of the ANC Parliamentary Caucus and members in the Gauteng and Eastern Cape provinces, where NUMSA has massive potential support. In Cosatu, NUMSA had even been sceptical of the possibility of Ramaphosa taking over from Zuma, although it totally rejects Zuma's leadership.

The fewer municipal seats the ANC wins, the less patronage it has to bestow. Amid a struggling economy which is unlikely to recover in the medium term, ANC representatives who lose their seats in elections will have fewer career options, given that many do not have professional skills

outside politics. It is therefore in their interest to have a party leader who can garner the votes – and get them re-elected with at least the same seats as at previous elections. Ramaphosa's supporters have been quietly rallying support across the party, canvassing branch by branch, identifying key party leaders and securing their support. His own vast private business holdings are proving useful for patronage, we have been told. That option is not available to Zuma.

The ANC Parliamentary Caucus is turning against the Speaker of Parliament and ANC Chairwoman, **Baleka Mbete**. She is one of Zuma's preferred successors, together with his ex-wife, **Nkosazana Dlamini-Zuma**, head of the African Union Commission. Mbete's ineffectual handling of Zuma's state-of-the-nation address to Parliament in February, when the intelligence service jammed mobile telephone reception with the apparent support of ANC members of parliament, appears to have lost her credibility among the party's parliamentary power-brokers (AC Vol 56 No 4).

MBETE DOUBTS

Some in the ANC Parliamentary Caucus doubt that Mbete would be able to unify a fractured ANC post-Zuma but the Zuma camp believes, some of its supporters tell us, that only the prospect of the ANC's first female president can hold Zuma's enemies at bay, although Dlamini-Zuma's association with her ex-husband counts strongly against her.

Zuma appears not to believe that Ramaphosa will protect him, or his family and allies, from criminal investigation. Mbete has warned those who want to oust Zuma before his term ends. 'There are people there in Parliament who've allowed themselves to become part of a whole huge "Zuma must go" agenda', she said at the ANC Limpopo provincial general council in Polokwane.

Last November, Zuma acknowledged that the ANC was in trouble while delivering his keynote address at the ANC Youth League consultative conference. However, he was stopped and prevented from explaining further when ANC Secretary General **Gwede Mantashe** and his deputy, **Jessie Duarte**, interrupted and called him publicly and humiliatingly to order.

Zuma had earlier stated, 'There are many people who will want the ANC to disappear and they are trying everything, because there's no alternative'. He continued, 'The Youth League has been shaken and also the mother body has been shaken. We admit that the organisation is in trouble.' ●

KENYA/SUDAN

Ethics question for Obama

Some 17 years after the bombing of US Embassies in East Africa, relatives of those killed and local staff injured still await compensation

On his first trip to Kenya as United States President in July, **Barack Obama** will walk into a bitter controversy over successive United States governments' failure to compensate victims or their families after *Al Qaida's* August 1998 bombing of the US embassies in Kenya and **Tanzania** (AC Vol 39 No 19). Legal representatives of the local staff and their families say they have received nothing, other than money to cover hospital and burial expenses. The US Department of Justice (DOJ) appears to be backtracking on an agreement to use funds earmarked in a US court judgement on 1 May, they add.

In court was one of the world's largest banks, BNP Paribas (ex-*Banque nationale de Paris*, privatised in 1993). After pleading guilty last July to laundering money for **Sudan**, **Cuba** and **Iran**, BNP was fined US\$140 million and sentenced to five years' 'probation' and to forfeit \$8.83 billion. The forfeit is deemed to belong to the citizens of the three countries involved, all under US terror sanctions. US law allows criminal proceeds to be seized to compensate victims, in this case victims of the

Sudan and Iran government's terrorist acts. Last July, a US court found that *Al Qaida* could not have committed the East African attacks without Sudan's and Iran's help (AC Vol 55 No 16).

In November 1997, the then US President, **Bill Clinton**, imposed sanctions on Sudan for terrorism and human rights abuses. After this, BNP 'rushed in and came to the assistance of the Government of Sudan to become the sole correspondent bank in Europe for the Sudanese Central Bank and all major commercial banks in Sudan, including *Al Shamal*, a bank used by *Al Qaida* and controlled by **Usama bin Laden**,' said a lawyer for the victims, **Gavriel Mairone**.

BNP (slogan: 'The bank for a changing world') admitted it falsified records to frustrate the sanctions, deceive regulators and illegally transfer \$190 bn. to Sudan, Iran and Cuba. BNP's lawyers, Sullivan and Cromwell, negotiated a plea bargain that kept individual names out of the judgement, though the Statement of Facts agreed by all sides makes it clear senior BNP figures were involved in the sanctions busting.

This month's sentencing of BNP was expected to trigger compensation for local victims of the embassy bombings. These killed 224 people and injured nearly 5,000 but only embassy employees or their immediate families qualify, a total of 819 claimants. The US government had announced the compensation, known as remission, last July, and victims requested 29% of the judgement granted them (of the \$8.83 bn.).

'The DOJ told us, "Yes, you should petition for remission",' Mairone told *Africa Confidential*. 'Two days before the May hearing, the DOJ said: "The money is going to the victims but we don't know who they are".' It then opened a website where claimants harmed by Sudan in 2004-12 could apply but this appeared to exclude earlier bombings. The website, run by a California company, was unsecured, which could compromise the safety of claimants, said Mairone, and the DOJ conceded the process could go on 'for years and years'.

This month's developments have again dashed victims' hopes. 'We were in court and we thought that was the day our pain would be all in the past', **James Babira Ndeda**, told us, 'Families are broken'. A Kenyan computer analyst at the Nairobi Embassy, Ndeda suffered a fractured skull and other injuries and now, after receiving death threats, lives in the USA, where he helps to coordinate the claimants. Many of them are 'destitute', said Mairone. 'The breadwinners went: we have widows waiting', said Ndeda. ●

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POINTERS

Senegal

STUDENTS OF SEPARATISM

■ Student protests at inadequate facilities are reminding many of the long-running and still unresolved campaign for Casamance's independence from Senegal (AC Vol 55 No 17). The University of Assane Seck, in Ziguinchor, was set up to answer charges that the government in Dakar had neglected higher education in the south.

Yet it is short of staff and the target of repeated complaints from the mainly *Casamançais* student body.

Grievances include inadequate food, poor academic facilities and limited access to Wi-Fi internet access. The rhetoric used in student protests draws heavily on a more general sense of frustration in Casamance, the scene for years of a low intensity but disruptive conflict led by the separatist *Mouvement des forces démocratiques de la Casamance*.

A deal between striking students and an exhausted university hierarchy saved the last year from having nothing to show. Now students have effectively closed down the campus again. This time, leaders started a protest march to walk to Dakar, 270 kilometres to the north. Students only made it to Bignona, 30 km. away, before reaching police roadblocks.

On his visits to Casamance, President **Macky Sall** has always singled out higher education as an area for investment. Assane Seck is ripe for expansion with World Bank funding now available and new centres of learning opening up in Kolda, north-east of Ziguinchor. Yet students say the promises count for little given current conditions on campus.

Displays of student militancy are nothing new in Senegal. In Casamance, though, there are still reminders of the role a disaffected intelligentsia played in turning public opinion against the state in the 1970s and 1980s. Arrests and warnings from the government will need to be accompanied by concrete measures.

Guinea

MASSACRE? MOI?

■ January saw the birth of a new party – *Forces patriotiques pour la démocratie et le développement* (FPDD). The similarity to the name the last military junta gave itself, the *Conseil national pour la démocratie et le développement* (CNDD), was not accidental. The FPDD's leader is Captain **Moussa Dadis Camara**, who from December 2008 to December 2009 led a regime best-known for the massacre of 157 people in the main Conakry stadium on 28 September, 2009 (AC Vol 50 No 20). Camara, who has been in exile in **Burkina**

Faso, says he is not responsible for the atrocity; most Guineans differ.

On 8 May a supposedly spontaneous march by a few hundred women took place in Nzérékoré, Dadis's principal fief, demanding his return. Three days later he declared, from Ouagadougou, his intention to run for the presidency. In December 2009, Dadis lost power after his aide-de-camp **Aboubacar 'Toumba' Diakité** shot him in the head during a heated discussion over who should take the blame for the stadium massacre.

If Dadis believes the time is ripe for a glorious return to Conakry, 26 human rights and civil society organisations don't. They united to call his candidacy 'an insult to the victims'. Most ascribe his sudden interest in Guinean politics to the fact that he needs a new home now that his friend **Blaise Compaoré** has fallen from power. Dadis lost his bodyguards and the means to conduct a lavish lifestyle in the upscale Ouaga 2000 area when Compaoré fled the country. Compaoré thought so highly of Dadis that he sent the pillar of the security state, General **Gilbert Diendéré**, to go with Dadis when he went home to bury his mother in 2013.

Although nobody seriously believes Dadis has a chance of winning the election, scheduled for 11 October, there are ominous rumours that he is attempting to revive a private militia he used to run in Forestiere Province.

Nigeria/Switzerland

CASH FOR LOOT

■ The Swiss lawyers who brokered Nigeria's much-criticised immunity-for-cash deal with **Mohammed and Abba Abacha** last July are major beneficiaries, it has emerged. The two sons of the late dictator **Sani Abacha** promised to repatriate hundreds of millions of dollars in return for a pledge by the Nigerian government not to prosecute them or any member of their families. The agreement, which has just been published in the Nigerian media, was commissioned by ex-President **Goodluck Jonathan's** Attorney General, **Mohammed Adoke**, the man who signed up the OPL 245 deal on behalf of Abuja (AC Vol 55 No 7).

The Geneva asset recovery lawyer **Enrico Monfrini** collects 4% of all the money recovered from Switzerland under the deal signed last July. Estimates of the amounts repatriated by the Abachas from Switzerland before the deal was struck have been around the US\$700 million mark, which could potentially put Monfrini's share at \$28 mn. Monfrini has worked on tracing \$2.4 billion in Abacha loot in other investigations. The agreement shows another payday was agreed with **Christian Lüscher**, partner at the Geneva-based law firm CMS Von Erlach Poncet Ltd: he gets 2.8%, subject

to a cap of \$28 mn., of the sums recovered and transferred to Nigeria.

Over a dozen local civil society groups are asking the administration of President **Muhammadu Buhari**, the **United States**, **Switzerland**, **Britain**, the World Bank and other stakeholders in ongoing Abacha loot litigation to repeal the 'obnoxious agreement'. They complain that the document conceals the identities of 'affiliates', who could be anywhere from 100 to 1,000 individuals or corporate entities. The document also revealed that the Nigerian government had also pledged in return for the money being repatriated to end all assistance to foreign governments and entities which were seeking redress against the Abachas. The only exception is the US, where a legal agreement is already in force.

South Sudan

MILITARY BALANCE

■ President **Salva Kiir Mayardit** has finally found a sympathetic regional forum to offset his growing isolation as international unease mounts over South Sudan's continuing bloodletting. Fighting in **Burundi** saw the 15-18 May International Conference on the Great Lakes Region moved to Luanda and the drama of an ongoing coup attempt resonated nicely with Lieutenant General Salva's narrative of facing down an attempted coup by his ousted Vice-President, which has met scepticism elsewhere.

Convened to discuss the regional 'security and humanitarian situation', the summit brought together some of Africa's longest serving leaders, including **Angola's José Eduardo dos Santos**, **Rwanda's Paul Kagame** and **Uganda's Yoweri Museveni** – all firm fans of extended presidential terms, the issue that sparked the latest Burundi violence.

Leaders gave Salva Kiir vocal support in his fight against **Riek Machar Teny Dhurgon** and resolved that the Troika (**Norway**, **United Kingdom**, **United States**) should play no mediation role. That contradicts the African Union welcome for Troika support in an expanded Inter-Governmental Authority on Development initiative, 'IGAD Plus' (AC Vol 56 No 10).

The national army, the Sudan People's Liberation Army, last week captured Riek's hometown, Leer, allowing it to retake the crucial Thar Jath oilfield in Unity State before the roads become impassable. Yet this intended knock-out blow against Riek was offset by the Shilluk warlord in Upper Nile, Major Gen. **Johnson Olony Thobdak**, again changing sides (AC Vol 56 No 6). He took most of the SPLA's armour and heavy equipment with him, allowing rebels to seize the state capital, Malakal, besiege the only functioning oilfield at Paloich and cause a mass exodus of **Chinese** oil workers, potentially halting all oil exports.

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BLUE LINES

With just six months before the climate change treaty talks in Paris, Africa is battling to coordinate an effective negotiating strategy. Governments should muster the political will, says the Africa Progress Panel (APP), to push harder to defend the interests of a continent that contributes least to global warming yet suffers most from it through drought, desertification and increasingly frequent flooding.

In its latest, 180-page report, the APP, under former UN Secretary-General Kofi Annan, says the treaty should stipulate phasing out the estimated US\$600 billion a year subsidies on fossil fuels. 'They should be pricing carbon out of the market through taxation, not subsidising a climate catastrophe,' says Annan. The European Union, China and the United States have improved their position on fossil fuels but Australia, Canada, Japan and Russia have withdrawn from serious dialogue, says the APP.

Most importantly for Africa, the report argues there should be no trade-off between growth and low-carbon development. It sets out research showing how the pioneering technology being developed for low-cost, renewable energy in storing and distributing solar, wind and mini-hydro electricity could give Africa an even bigger economic boost than the introduction of mobile telephone technology two decades ago. Priorities might include redirecting over \$21 bn. spent annually on subsidising loss-making utilities and electricity consumption to connecting remote areas and developing renewable energy.

AFRICAN DEVELOPMENT BANK

A double first for Nigeria

New Bank President Akinwumi Adesina takes over as his predecessor warns that its funding strategy needs radical change

Bow-tied and beaming, Akinwumi Adesina seemed to sum up the spirit of Nigeria's revival. His election as President of the African Development Bank in Abidjan on 28 May was a clear victory based on a determined campaign and it was helped by the view that his country now has a government that will use its economic muscle constructively. On the following day, many African presidents and Asian and Western foreign ministers flew to Abuja for the inauguration of President Muhammadu Buhari.

Adesina is the first Nigerian to win the AfDB presidency. He won the first round of voting and stayed ahead in all the subsequent rounds, evidence of his presentational skills and of the backroom lobbying. He is the first AfDB President not to have held office as a finance minister or central bank governor, and the first to come from the 'big three' of Egypt, Nigeria and South Africa (AC Vol 55 No11). Among Francophone states, there was a feeling that it was time for an AfDB President who spoke the language of Molière.

ICI ON PARLE FRANÇAIS

Adesina had an answer for that too. He spoke mostly in French in his first speech after the election, referring to the five years during which he had worked in Abidjan in the 1990s. Beyond his bilingualism, his courting of France with multiple trips to Paris surely helped. He spoke warmly of the rival candidates and he is not expected to rock the boat. 'Africa's best days are ahead,' he told the meeting. 'I will be a responsible, focused, hard-working president.'

He thanked Nigerian ex-President Goodluck Jonathan for having proposed him and Ghana's Finance Minister Seth Terkper for seconding him, thanked Uganda and then embraced Ngozi Okonjo-Iweala, Nigeria's outgoing Finance Minister. Okonjo-Iweala, a former Managing Director of the World Bank, had given heavyweight support to Adesina's candidacy. Immediately his speech ended, she rushed on to the stage to propose a vote of thanks to outgoing AfDB President Donald Kaberuka.

'Un discours rassembleur' (a rallying speech), observed one delegate. Yet other Francophone delegates were less pleased. In fact, Adesina is more international technocrat than Nigerian politician, although he served as Agriculture Minister under President Jonathan. Initially, Jonathan had been planning to appoint a northern candidate to that portfolio but the then Central Bank of Nigeria Governor Sanusi Lamido Sanusi insisted that Adesina, a Yoruba from the south-west, had the knowledge and experience to kick start Nigeria's 'green revolution'.

When asked why a candidate from a small country had not won, Kaberuka responded quickly: 'We choose candidates not countries, unlike other multilateral development banks.' Trained in the United States as an agronomist, Adesina ran the Alliance for a Green Revolution in Africa (Agra), funded by the Rockefeller and Gates Foundations and highly rated by the United Nations. That helped to sway the non-regional vote. Regarded as one of the few surviving technocrats in Jonathan's cabinet, he is credited with reforming Nigeria's

MALI	4	MADAGASCAR	5	MOZAMBIQUE	6	ZAMBIA	7	COTE D'IVOIRE	8
Desert war, Bamako rumbles		Impeaching number one		How far to push Guebuza		Prosecuting the prosecutor		SOUTH AFRICA	9
Shaky peace talks and growing Wahabi influence leave the government looking out of its depth.		The accident-prone President's problems may see the ex-President return to centre-stage.		Probes into the outgoing government's spending target Guebuza and his allies.		Some corruption cases could be dropped if the government gets to sack its chief prosecutor.		CAPE VERDE	10
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notoriously corrupt fertiliser distribution system to the benefit of small farmers, a fitting achievement for a man who grew up in rural poverty.

There will be plenty of continuity with the Kaberuka era. Adesina wants to do more to build rural infrastructure, and his argument that farming is a business not an aid project fits with two other main pillars of Kaberuka's strategy: loans and backing for the private sector, and economic growth that reaches the poorest people.

Also at the AfDB will be newly appointed Executive Director **Bright Okogu**, a former International Monetary

Fund economist and a Nigerian Budget Director who, a decade ago, helped Okonjo-Iweala to arrange their country's debt write-off by Paris Club creditors.

BROAD SUPPORT

Eight candidates – from **Cape Verde, Chad, Ethiopia, Mali, Nigeria, Sierra Leone, Tunisia and Zimbabwe** – were all vying for the bank presidency, so some delegates feared a drawn out and acrimonious election. Yet Adesina won a good share of regional votes – that is, from African countries, which own 60% of the Bank. The non-regional voters (the mainly Western and Asian countries which own the other 40%) wanted a quick and decisive outcome. They wanted to make sure they could work with the new president on replenishing the soft-loan African Development Fund, which is due in October.

When the non-regionals' favoured candidate, Cape Verde Finance Minister **Cristina Duarte**, who was bidding to be the first woman in the job, won less than 3% of the regional vote, they switched to Adesina. When Ethiopia's **Sufian Ahmed** failed to win support from the Francophone bloc, his regional supporters, including **Rwanda**, also switched to Adesina (AC Vol 56 No 7). A meeting between Adesina and **Augustin Matata Ponyo Mapon**, Prime Minister of **Congo-Kinshasa**, at the Abidjan Sofitel probably helped, too. Like Kaberuka, Adesina wants Congo to

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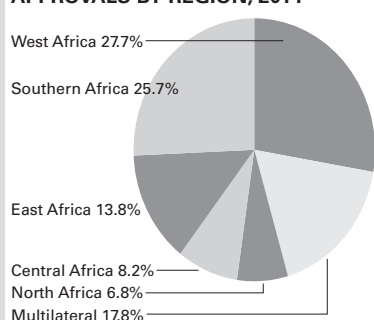
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build the Inga Dam, which would be one of the world's biggest hydro-electricity projects (AC Vol 56 No 2).

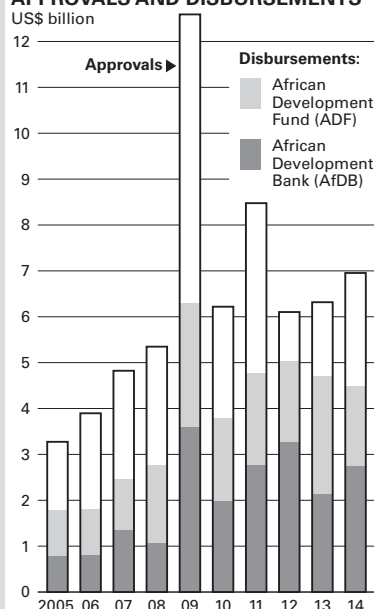
Francophone countries were dismayed by France's refusal to back Chad's **Kordjé Bedoumra**, Finance Minister and former top AfDB official, *Africa Confidential* hears. When the voting reached the final three candidates, including Bedoumra, Duarte and Adesina, a French ambassador was overheard saying, 'all three would make good presidents'. In previous elections, Paris has assiduously backed the Francophone candidate (**Morocco's Omar Kabbaj**, 1995-2005, and **Senegal's Babacar N'Diaye**, 1985-95, and was initially concerned that Kaberuka, who grew up as a Rwandan refugee in Uganda but worked for many years in Côte d'Ivoire, was not Francophone enough. Such colonial considerations are gradually losing relevance.

AFRICAN DEVELOPMENT BANK GROUP ACTIVITY

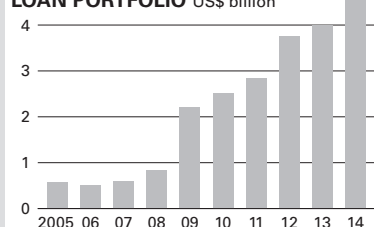
AfDB GROUP LOAN AND GRANT APPROVALS BY REGION, 2014



APPROVALS AND DISBURSEMENTS



OUTSTANDING PRIVATE SECTOR LOAN PORTFOLIO



Source: African Development Bank Group

BANK FINANCES FACE BIG NEW DEMANDS

Outgoing President **Donald Kaberuka** leaves the African Development Bank in decent shape, with a tripled capital base of US\$100 billion and disbursements of \$6.95 bn. in 2014. Paid-in capital and reserves dropped slightly to \$8.67 bn. Under his tenure, the Bank lent \$28 bn. for infrastructure. The gleaming **Henri Konan Bédié** bridge in Abidjan, over which delegates were whisked to the meeting at the Hôtel Ivoire, was built with an AfDB loan of 58 million euros (\$65.46 mn.). In 2014, the operating turnover was up 15.3% over the previous year, despite the disruption caused by the move from Tunis to Abidjan and a difficult year for the African economy. It maintains its 'triple A' credit rating.

However, a warning sign for the new management was the fall in net income, down by about 15% last year. Fewer than half of the \$7.6 bn. loan and grant approvals were from the soft-loan African Development Fund, which is the Bank's main source of funding for the 34 poorest countries. ADF operations fell by just under a third last year, which will concentrate minds at its replenishment talks in October.

The AfDB's return to Abidjan, which had been speeded up on the urging of the Ivorian government, exceeded budgeted costs, which are still rising. Refurbishment of headquarters in Abidjan's Plateau district and replacement of staff who chose not to move from **Tunisia** are still not complete.

Since the Arab uprisings prompted ratings agencies to downgrade the credit status of two of the Bank's biggest borrowers, **Egypt** and **Tunisia**, the AfDB has reined in new lending to North Africa. Infrastructure projects accounted for 55% of the total, followed by finance (17.9%) and agriculture (10.8%).

The private sector loan portfolio has grown from a few hundred million to nearly \$5bn., including a \$247 mn. investment in **South Africa's** Transnet and \$282 mn. in **Aliko Dangote's** refinery project in **Nigeria** (AC Vol 52 No 24 and Vol 56 No 9). The AfDB disbursed \$223 mn. to fight Ebola in **Guinea, Liberia and Sierra Leone**, winning particular praise from Liberian President **Ellen Johnson-Sirleaf**. ●

ADIEU KABERUKA

Speeches at the annual meeting both paid tribute to Kaberuka's achievements and raised questions about the harsher economic conditions ahead. Africa has gained economic influence while riding boom-and-bust cycles in global commodity and financial markets.

At the opening ceremony, Kaberuka listed four priorities for the AfDB's next decade: to maintain its strong financial position, diversifying funding sources; to keep its business model continually under review through his decentralisation policy, with more staff in field offices ('Development isn't possible by remote control,' Kaberuka said); to champion the weak, promote gender equality and build a united African position for the climate change talks in Paris this year; and to ensure that funding for the sustainable development goals to be negotiated this year comes primarily from domestic sources, supplemented by official aid.

All that means a busy schedule for Adesina, who takes over on 1 September and will lead the Bank in talks at the UN that month, the World Bank and IMF meeting in **Peru** in October, and the Climate Change treaty meeting in December. Although the AfDB has a ten-year strategy running up to 2022, new presidents often revise such plans. He wants to direct more bank attention to getting money for farming and rural development for those countries that struggle to raise private funds.

Kaberuka's most telling comment was that the AfDB's funding model would have to change. Multilateral development banks are creatures of the Bretton Woods system established in 1945, he said. China's creation of the Asian Infrastructure Investment Bank, which has now brought in a bevy of Western country shareholders, has shaken things up. 'I've asked my staff to look into that and see what we can do differently,' he added.

External financial flows to Africa hit a record US\$200 billion last year, four times their level of 2000, with foreign direct investment up 5% at \$60.4 bn., just below the total for remittances, the AfDB reports. A third of all FDI went to just four countries and official development assistance, estimated at \$55.2 bn. last year, has declined steadily since 2000. Aid remains the biggest source of external finance for Africa's poorest countries and assisting them is the Bank's priority.

'The development finance community needs to look at themselves as agents of development,' says **Daniel Zelikow**, a public finance specialist at JP Morgan. He argues that the AfDB and others should help governments to put funds to better use and mitigate risk, covering commodity price, interest rate and weather-related

CASH FOR POWER AND TRANSPORT

Struggling to raise money to finance power stations, roads and water projects, African governments are looking at how to use the tens of billions of government savings held outside the continent in safe but low-yielding assets such as **United States** Treasury bills. African central banks have reserves of well over US\$500 billion. The AfDB estimates the continent's infrastructural needs \$95 bn. a year but it is raising only around \$45 bn. of that.

One of outgoing AfDB President **Donald Kaberuka's** pet projects, which should reach financial close in June, is the Africa50 Fund, an attempt to close that funding gap. 'At its heart is an innovative hybrid model', which relies on sovereign guarantees from African member governments, while the fund operates as a commercial entity, explained project chief **Tas Anvaripour**.

Staff are being recruited from top infrastructure financiers globally. The Africa50 Fund's project developer can take projects from the drawing board through feasibility studies and secure long-term contracts, such as coal or power purchasing agreements for a power plant. Using government guarantees to mitigate risk should bring in more international capital, such as pension funds.

Kaberuka has pushed the Bank to move on **Congo-Kinshasa's** Inga Dam. Prime Minister **Augustin Matata Ponyo Mapon** received the red carpet treatment at the Abidjan meetings, sharing a stage with three presidents. 'The project has been moving much faster now that the Prime Minister's office has taken over from the Minister of Energy,' said a source close to the talks.

The AfDB head of infrastructure development, **Alex Rugamba**, agrees. The process had stalled because of the three consortia, two included companies that had been debarred by the World Bank and AfDB. The bidding round is being relaunched and those companies are likely to be dropped. It may now include a clause stipulating the maximum price for the power per kilowatt/hour. Some political considerations will come into play and the Dam announcement could well be used by President **Joseph Kabila** in his efforts to extend his term of office (see Pointer).

Beyond the mega-projects, getting Africa's untapped billions into the banking sector is another challenge that can help banks build up the capital base needed to pay for better infrastructure. **Carlos Lopes**, who heads the United Nations' Economic Commission for Africa, told delegates about **Brazil's** Conditional Cash Transfer scheme, under which families received social security benefits only if their child had attended for a minimum number of school days and got their mandatory vaccinations.

'But this contributed collaterally – not by design – to formalising a whole swathe of people who were out of the system, because they also needed a bank account to receive the benefits,' explained Lopes. 'It forced both the banks to open branches and people to start saving money, eventually taking loans.' He believes that mobile telephones can help Africa to leapfrog one step further in the world of finance. ●

risk for Africa's agricultural market. If they act 'more like insurers than lenders', they will help to bring in private funds, he argues. Such ideas are to be mooted at the International Conference on Financing for Development in Addis Ababa in July.

ASIA PULLS THE CROWDS

Asian economic experts drew big audiences at the meetings. They included former World Bank Chief Economist **Justin Yifu Lin** and **Helen Hai**, who opened the successful Huajianshoe factory in Ethiopia's new export processing zone. Their arguments chimed with more coherent policies for industrialisation and diversification. 'Think of **Robert Walpole**, the Prime Minister, who did so much for **British** manufacturing. Think of **Alexander Hamilton** in the United States' [who helped create the industry protection act in the 18th century], said **Hippolyte Fofack** of Afreximbank. 'Africa

will need its own industrial activists.'

For **Jaehoon Lee**, President of SGI Consulting, who elegantly summed up **South Korea's** economic planning achievements to a packed hall, this doesn't mean just technology transfer but the embedding of that knowledge within African countries. 'That means serious investment in human capital, in particular engineers who can manipulate that technology, and strong vocational training.'

Yet some of the recent eurobond launches were highly questionable, Jaehoon told AC: 'Ethiopia has taken its \$1 bn. eurobond and put it into the industrial zones – that's great,' he said, but he sounded alarms about countries such as **Ghana** and **Zambia** using sovereign loans to finance consumption, rather than on things that would generate returns over time. 'They need to invest that money to make more than the 8.5% rate that they got.' ●

MALI

Desert war, Bamako rumbles

Shaky peace negotiations in the north and growing Wahabi influence in the south suggest the government is increasingly out of its depth

As the government and various northern-based rebels prepare to sign another 'final agreement' in Bamako on 20 June, alarm is growing about the deterioration of security across the country. Western governments and the United Nations pin hopes of progress on this latest accord's political and military provisions, negotiated between Bamako officials and ostensibly nationalist militias. Yet the political and economic allegiances of the Tuareg nationalist groups, such as the *Coordination des mouvements de l'Azawad* (CMA), formed last year, remain complex and obscure. Some Tuareg nationalists and their allies evidently have continuing links with jihadist forces such as *Ansar Eddine* and *Al Qaida* in the Islamic Maghreb, which French and Chadian special forces drove out of northern Mali two years ago (AC Vol 54 No 21). Since then, French special forces, with quiet support from Netherlands' intelligence officers, have been fighting running battles against elements of those militias and their ideological offshoots.

The commercial stakes are clearer: control of some of the most lucrative trans-Sahel smuggling routes for people, arms, drugs and cigarettes. On 14 May, Nigerien and French forces seized weapons and a staggering 1.5 tonnes of drugs from an Islamist convoy in Niger. For Islamist radicals, Mali is also strategically important as one of the weakest states in the region as well as a good source of illicit revenue. That weakness is now permeating beyond the breakdown of government structures in the north to create growing insecurity in the south.

No one has yet claimed responsibility for the two attacks against the peacekeepers of the *Mission multidimensionnelle intégrée des Nations Unies au Mali* (Minusma) on 20 and 25 May in Bamako. Some local journalists report that at least the second attack, in which a Bangladeshi UN peacekeeper was killed and his colleague badly injured when their UN vehicle was attacked heading out from the airport, could have been by an Islamist group now set up in Bamako. The UN has no legal right to investigate such attacks and local police have said nothing about their own investigations into the shootings. A popular view in Bamako is that the

attacks were in retaliation for what many see as the West's favouritism towards those who want an independent state of Azawad, as a Toureg homeland which would encompass most of northern Mali.

When the alliance of pro-government Tuareg and Songhai fighters who oppose independence for northern Mali, the *Groupe d'autodéfense touareg imrad et alliés*, attacked Ménaka, on the Niger border, on 27 April, the UN pressed it to leave (AC Vol 56 No 10). After talks in Algiers, UN Special Representative **Mongi Hamdi** announced on 5 June that as a part of the wider accord due to be signed on 20 June, all sides had agreed to allow UN forces to take over Ménaka until government forces could regain control there. However, representatives of Gatia and its political wing, *Plateforme*, insist that's not going to happen as they don't trust the UN's ability to enforce provisions keeping the CMA and their allies out of Ménaka, the north's second-biggest town.

Many Malians sympathise with that view: they conclude that the UN's failure to deal robustly with the nationalist groups suggests a bias towards them. Popular and political support for UN operations in the north has fallen sharply. In the corridors of Bamako's Hôtel Amitié, now appropriated for sole UN use, officials ponder how to win back favour. Minusma's mandate comes up for renewal this month and its current terms are problematic. Some UN officials argue that because it doesn't allow its contingent to take on the armed groups, it is simply trying to slow down a deteriorating situation. UN forces may not be seen as neutral but they are criticised vehemently by all sides.

CONSPIRACY THEORIES

Conspiracy theories abound in the capital. One dates the problems back to former French President **Nicolas Sarkozy**, who opened up discussion about an Azawad autonomous region before the overthrow of President **Amadou Toumani Touré** in 2012 (AC Vol 53 No 7). Then, French security officials were accused of collaborating with armed Tuareg nationalists who eventually teamed up with jihadist fighters to take over the three northern regions.

All this puts the UN in an invidious

position. Its mission in Mali is now the UN's most dangerous in the world. So far, 49 Chadian and Nigerien peacekeepers have been killed by hit-and-run attacks and land mines. Such casualties have earned Minusma little support from Malians; indeed, a front-page editorial in the Bamako daily *L'Indépendant* on 27 May suggested that attacks on UN staff in Bamako could be retaliation for the UN's failure to protect the country and the constraints that it puts on Mali's military. 'The patience of the Malian people has a limit', it says. 'Minusma has always let these movements [Tuareg nationalists etc.] settle where they want and launch attacks everywhere, and have held back the administration from redeploying.'

The latest Bamako shootings follow the attack which killed five people at La Terrasse nightclub in the city's lively Hippodrome area on 7 March, for which the Islamist *Al Mourabitoun* claimed responsibility (AC Vol 56 No 1). Business people and diplomats are getting more critical of the government's lack of precautions against terrorism in the capital. Police now mount night-time checks on vehicles.

MISSED CALL

Scepticism about President **Ibrahim Boubacar Keïta** (IBK) is something northerners and southerners share. His lack of dynamism has earned him the nickname '*appel en absence*' (missed call). 'I voted for that man twice,' one angry Bamakois told *Africa Confidential*, 'and I consider it a complete waste of two hours of my life.'

There is even some nostalgia for the ousted President Touré, who is seen as having made some political progress despite the corruption swamping his government and, finally, the army. Business people complain that corruption under IBK is doing even worse damage, with most contracts going to the inexperienced but well-connected while the government has lost all impetus to tackle the country's deepening political divisions.

Until recently, Bamako remained largely free of the political and criminal violence of the north. With the latest attacks, that seems to be changing, along with the political and religious climate. Many radical mosques are springing up in place of bars and shops around the capital. There is a sharpening ideological battle between the adherents of the traditionally dominant Sufi Islam and the proselytisers of Salafist doctrines, largely financed by Saudi Arabian groups. Wahabi domination of the *Haut conseil islamique* signals the growing influence of hardline Islamist doctrine. However, there are signs of a belated Sufi fightback in southern towns such as Ségou. It's not

clear how growing Islamist influence in the south is linked to the continuing strength of armed Islamist groups in the north. Some Wahabi figures have criticised the government's campaign against jihadists in the north as 'sending

Muslims to kill Muslims'.

Such sentiments show both the difficulty of the government's security efforts and how the failure of its predecessors to deal with the crisis in the north has allowed a new crisis with its

own dynamics to develop in the south. With over 100,000 people having fled fighting in the north since 2012 and many seeking refuge in the capital, the country's old regional separation seems to be eroding. ●

MADAGASCAR

Impeaching number one

Accident prone President Rajaonarimampianina's problems may see ex-President Ravalomanana return to centre-stage

Eighteen months of political quarrels came to a head when Parliament voted on 26 May to impeach President **Hery Rajaonarimampianina**. Since he took office in January 2014, he has fallen out with almost everybody, including many in his own party and his original military backers (AC Vol 56 No 2).

Rajaonarimampianina was elected with the support of coup leader and Transitional President **Andry Rajoelina** and his party, *Miaraka amin'ny Prêzida Andry Rajoelina* (Mapar, AC Vol 55 No 3). Once in office, however, Rajaonarimampianina distanced himself from the key actors of the Transition and found himself with no party or members of parliament. The party he set up in May 2014, *Hery Vaovao ho an'i Madagasikara* (Hery's New Forces for Madagascar), is an empty shell. Instead, he has cobbled together precarious alliances with the main parties, Mapar and *Tiako-i-Madagasikara* (TIM, 'I love Madagascar'; former President **Marc Ravalomanana's** party), and bribed flip-flopping independents, who make up more than a third of MPs, to get important bills through.

Ironically the event that led to parliamentary mutiny was, in principle at least, meant to appease rather than incense. The Malagasy Council of Churches, the *Fiombonan'ny Fiangonana Kristianina eto Madagasikara*, organised the *Assises nationales de réconciliation* (National Conference for Reconciliation) in early May to promote healing after the 2009-13 crisis. The country was plunged into political and financial chaos after the ousting of Ravalomanana in a coup (AC Vol 50 No 6). However, the FFKM recommendation to dissolve all existing political institutions, with the exception of the presidency, was anything but conciliatory. Sensing that attack was its best defence, the National Assembly impeached Rajaonarimampianina before he could dissolve it.

Present at the vote were 125 of the 151 MPs and 121 voted in favour of the

motion, four against. Officially, they accuse the President of having violated the constitution, notably by meddling with Parliament and by failing to appoint the *Haute cour de justice* (High Court). The motion has been filed at the *Haute cour constitutionnelle* which, in the absence of a High Court, will rule on the case. Some lawyers argue that the High Court could in fact sit, since seven of its eleven members are officials holding specific posts, such as the President of the Supreme Court.

Rajaonarimampianina filed his defence on 2 June. As well as defending his record in office, he flagged up a number of irregularities regarding the impeachment vote. These include the count – some witnesses say there were not enough MPs present to make up the two-thirds majority required – and also, how it happened: late at night and in a secret rather than public ballot. The Constitutional Court has two weeks to deliver its ruling.

Legal technicalities aside, many of the accusations levelled by both sides are true. Rajaonarimampianina has meddled more than he should with Parliament and reforms are taking longer than anticipated. The Assembly hardly fares better: absenteeism is high and its most vocal advocacy to date has been to claim perks such as diplomatic passports and four-wheel-drive vehicles for its members. Whatever the Constitutional Court decides, this latest political imbroglio bodes ill for the island. If impeachment is upheld, Madagascar will need a new president. If it is struck down, there is a risk that Rajaonarimampianina could retaliate and dissolve the Assembly, leading to new legislative elections.

BAD TIMING

The timing is particularly bad for tourism, which used to be the second most important cash earner before the 2008-13 crisis but is struggling to get back to its heyday. With the high season about to start, a new political crisis could

lead to large numbers of last-minute cancellations. Many worry that there is neither the budget to organise new elections nor the appetite for them among electors, even if they were coupled with the forthcoming municipal elections on 31 July. Mayors then elect senators.

Officially, the international community is sticking to the mantra of national sovereignty and political stability. Privately, few are surprised by recent events and concede that the impeachment of the President would lead to donors withdrawing the support they are only just reinstating. Foreign investors remain wary, too.

A couple of big names could gain from these early political reshuffles, however: Ravalomanana, who came back last October after more than five years in exile in South Africa, and Rajoelina. They have made no secret of their ambition to get back in the game and they have the means to make that happen. They have both kept a loyal support base and have enough personal wealth and connections in the army, business and church to make a difference. In fact, many saw the hand of Ravalomanana in the decision of the National Conference for Reconciliation: its composition and sources of funding were never made public but the FFKM, the main Protestant church, of which Ravalomanana is Vice-President, is rumoured to have accounted for 60% of its members.

Ravalomanana's return to the political stage is particularly impressive considering that he still has three charges to his name: two for embezzlement and one for killing protestors on 7 February 2009 during the coup. The former could easily be amnestied but not the latter, although since he was tried in absentia, he is entitled to a retrial. Given his popularity, few will be willing to take that on. On 22 May, he was elected President of his TIM party. His wife, **Lalao Ravalomanana**, is running for Mayor of Antananarivo in July and he is now offering himself as mediator between President and Parliament, even though TIM legislators appear to have been at the forefront of the impeachment motion. His solution – a non-aggression pact.

Even if President and National Assembly agree to cohabit until the end of their terms in 2018 – a solution also put forward by the political think-tank *Sehatra Fanaraha-maso ny Fiainam-*

pirenena (SeFaFi, *Observatoire de la vie publique*) – a number of questions remain. Who would enforce such a pact? What would be the consequences of breaking it? How will anything get done if neither party is willing to compromise? Its only

merit would be to buy the country time: time to run peaceful municipal elections and finish re-installing all its democratic institutions; time to get international funds flowing again and regain investors' trust; and time to address the chronic

level of poverty. The hope is that Madagascar can have another stab at reconciliation and re-establishing some political stability. Without that, its deep-seated economic problems are unlikely to ease. ●

MOZAMBIQUE

How far to push Guebuza

Probes into the outgoing government's spending target Guebuza's allies and raise questions about the IMF's standards of scrutiny

Actions within the governing *Frente de Libertação de Moçambique* differ on how far to take the investigations into the previous government's murky deals. Some want former President **Armando Guebuza** and his family to be prosecuted to set an example before the country's natural resources bonanza gets under way. Others say the political cost of prosecuting him would be too high for Frelimo. Yet another faction wants sanctions against Guebuza and some recompense for the abuses it suffered under his rule.

New President **Filipe Nyusi** and his allies are conscious of the risk that their economic resuscitation plan could be diverted by a drawn-out post-mortem on the Guebuza era, not to mention the political ructions that could surface. At the same time, they insist the country must re-establish the rule of law and accountability in government. An early casualty of those efforts is likely to be Guebuza's police chief, **Jorge Khalau**. We hear that three contenders are in the frame to take over this key job: the most likely is **José Weng San**, Police Commander in Zambezia Province, before that, in Maputo and known locally as 'the Chinese'. The others are **Zacarias Cossa** and **Carlos Joaquim Rungo**.

Continuing leaks of information about corrupt deals are building momentum for more investigations. The most vulnerable of Guebuza's 'yes' men, former Finance Minister **Manuel Chang**, who negotiated a shipyard deal for the state fishing company *Empresa Moçambicana de Atum SA* (Ematum) in France, may take the fall (AC Vol 54 No 22).

Guebuza himself is lying low, aiming to protect his personal wealth and that of his family but waging a quiet fight-back through associates and political allies. A power vacuum in the party while Nyusi tries to consolidate his presidency is holding back action on the corrupt deals. If this crisis is not managed well, Frelimo

could split badly, with factions using violence to defend their interests.

While Frelimo debates whom to prosecute, foreign governments and institutions are divided over their response to the storm of corruption stories. Some take a harder line on accountability, others – eyeing a tide of resource contracts and competition from Asia – want to be more pragmatic. Western governments know their influence in Mozambique will decline as the income from oil, gas and coal rises.

ROCKETING LIABILITIES

Nyusi's economic inheritance is ominous: public liabilities have rocketed. External debt has doubled to US\$6.1 billion, the level at which debt relief was granted to Mozambique under the Heavily Indebted Poor Countries programme in 2001. Last year, domestic borrowing exceeded external debt servicing for the first time. Borrowing will increase to cover declining foreign assistance and to finance a budget deficit of \$1.8 bn., equivalent to 11.1% of gross domestic product. The International Monetary Fund warns against taking on additional debt and has asked the government to consider projects more realistically from the point of view of both economic viability and poverty reduction (AC Vol 54 No 23). Many ask what the IMF was doing when the Guebuza government took on the latest wave of debilitating debt over the past three years.

The most controversial of the projects is a bridge across Maputo harbour to Catembe, the site of a Dubai-style vision of a new city that will host the new Parliament (AC Vol 56 No 8). The \$725 million bridge and associated road, financed by China's Exim Bank and built by the China Road and Bridge Corporation, is reckoned to be priced at more than double the commercial rate. The project is also thought to be facilitating irregular payments. Other questionable projects

include a \$72 mn. presidency complex, a \$125 mn. **Brazilian**-built international airport at Nacala that may receive only three commercial flights a week and a \$250 mn. luxury hotel, built as a public-private partnership with Chinese investors.

Ematum, backed by a \$850 mn. commercial bond that was also used to purchase patrol boats, is causing the most anger. Many view the arrangement as a form of theft that has built up debt for future generations (AC Vol 55 No 13). Local anti-corruption activists and some Western governments ask why the IMF voiced no criticism of this unsustainable project and accepted government explanations at face value. Critics say a recent IMF communication was only a paper exercise to make the numbers add up: proper audits and value analysis could show abuse of public interest and also, where funds have gone.

Some regard this as a failure of leadership by the IMF and accuse it of hiding behind a book-keeping exercise, abdicating its stated role of upholding financial accountability and informing markets and investors about the credibility of local governance. It may be that the Fund has given up demanding accountability because of demands for more local sovereignty: if so, that raises big questions about its future role.

DISUNITED EUROPE

The IMF has thrown the issue back to Western governments which, it says, are welcome to take it up with the Maputo government. Governments in the Group of 15 budget support group (previously the G-19 before **Belgium**, the **Netherlands**, **Norway** and **Spain** withdrew in protest over Ematum and other breaches of agreed practice) are deeply divided over how far they can take the issue in pushing the government for satisfactory answers. The support group has frequent, major disagreements on how to proceed (AC Vol 55 No 3).

There is something of a northern versus southern Europe division in the G-15. **Italy** and **France**, whose *Constructions mécaniques de Normandie* (CMN) SA, built the boats for Ematum, favour flexibility but it is the northern governments, Frelimo's oldest and most loyal supporters, which are taking the hardest line on accountability. Western aid budgets are also coming under

increasing scrutiny at home. The IMF now says that many public projects are based on unsound practices that include contracts which have not been tendered for and that the terms, transactions and entities concerned have still not been disclosed.

The Ematum deal was managed outside government channels and originated within the then President Guebuza's family through personal connections with French-Lebanese businessman **Iskandar Safa**, whose company Abu Dhabi Mar LLC owns the CMN shipyard in Cherbourg. Abu Dhabi Mar is a holding company partly held by Safa's Prininvest and has taken over shipyards from Greece to Germany, as well as building luxury yachts in the

United Arab Emirates. The arrangement via Guebuza's relatives explains the unusual nature of Ematum, whose business rationale as a fishing company was an afterthought to the bond issue – and transaction fees – that financed it.

This is not the only public liability that Guebuza is accused of creating through discretionary decisions outside official channels. Italian prosecutors' investigations of Italian energy giant ENI (*Ente Nazionale Idrocarburi*) and its former Chief Executive Officer, **Paolo Scaroni**, identifies Guebuza in telephone recordings offering tax concessions and free land in return for unspecified favours (AC Vol 55 No 21).

ENI eventually gained a partial waiver on the 32% capital gains tax on its

\$4.2 bn. sale of an interest in the Rovuma Basin Area 4 liquefied natural gas project to the China National Petroleum Corporation in 2013. That resulted in a \$900 mn. discount on a \$1.3 bn. tax bill. Another energy sector transaction in the same year, the \$2.43 bn. sale of energy assets by Anadarko Petroleum to **India's** Oil and Natural Gas Corporation, was charged the full levy of \$778 mn.

Disclosure of the investigation by Italian newspaper *Il Fatto Quotidiano* (*The Daily Fact*) has led to demands in local independent media for Guebuza to account for himself and for Attorney General **Beatriz de Consolação Mateus Buchili** to investigate (AC Vol 56 No 10). Many more details should emerge in the coming weeks. ●

ZAMBIA

Prosecuting the prosecutor

Some corruption cases could be dropped if the government succeeds in sacking its chief prosecutor Mutembo Nchito

Activists, oppositionists and now Western governments are alarmed at the Lusaka government's efforts to dismiss the suspended Director of Public Prosecutions, **Mutembo Nchito** (AC Vol 56 No 7). After his defenders claimed that the DPP was being forced out unconstitutionally, some governments are seeking assurances that the rule of law is being observed. Representatives of the European Union, Britain's Department for International Development and the **United States** worry that several important anti-corruption cases might be dropped.

The next chapter in the saga was due to open on 11 June, when the Lusaka High Court is to conduct a judicial review of the decision by the Tribunal investigating Nchito to sit in camera. Former Chief Justice **Annel Silungwe** heads the Tribunal, assisted by two other retired chief justices, **Matthew Ngulube** and **Ernest Sakala** (AC Vol 53 No 13). The last two clashed with Nchito during his time prosecuting corruption cases under the late presidents **Levy Mwanawasa** and **Michael Sata**. Nchito asked them to recuse themselves for having a conflict of interest but they refused.

President **Edgar Lungu** wants Nchito out because he is the last remnant of what was called the 'cartel', the small group of advisors and ministers around Sata. Lungu is also indebted to ex-President **Rupiah Banda**, who is still

on trial over a **Nigerian** oil import deal that the state claims was corrupt.

Attorney General **Likando Kalaluka** responded to Nchito's plea for his Tribunal to be held in public by arguing that the case should be heard in secret to preserve the dignity of the DPP's office. Justice Silungwe agreed, adding that it needed secrecy because of 'irresponsible journalism'. To sceptics, that was code for *The Post*, the opposition newspaper owned by **Fred M'membe**, Nchito's business partner. M'membe was also a staunch supporter of Sata.

The judges' insistence on a secret hearing has raised widespread suspicion about about their case against Nchito. He was initially charged with planting drugs on civil rights activist **Brebnor Changala**, a supporter of ex-President Banda, and of forging a High Court ruling. Those charges were quickly dropped. Now the main case against him is that he abused his office by improperly refusing to prosecute certain cases.

Another case the Tribunal is likely to consider is the tortuous affair of the funding of **Zambian Airways** by a loan from **Rajan Mahtani**, a **Zambian-Asian** businessman and supporter of Sata (AC Vol 39 No 15). Nchito and his brother **Nchima Nchito** owned the airline in conjunction with Banda's other major political enemy, M'membe. Banda's ferocious battle with the Nchito brothers over **Zambian Airways** dates back to 2008.

On 2 June, police arrested **Mahtani** over allegations concerning misappropriated funds of the governing Patriotic Front. However, they decided to charge him with illegally transferring share certificates of **Zambezi Portland Cement** to his own company in 2006 and then released him on bail. Some believe Lungu's and Banda's supporters are trying to intimidate Mahtani into testifying against Nchito.

Banda wants the charges against him and his son **Henry Banda**, relating to the improper diversion of funds linked to an oil deal with **Nigeria** between 2010 and 2012, to be dropped as soon as possible. Until now, the **Nigerian** government has shown little interest in helping **Zambian** prosecutors with the case. That could change under the new government of President **Muhammadu Buhari**, which is pledged to fight corruption at all levels (AC Vol 56 No 11).

Henry Banda is staying abroad until the threat of prosecution has been removed. The Anti-Corruption Commission has asked the Lusaka High Court to order **Rupiah Banda** to present his defence in his trial on the **Nigerian** charges.

Anti-corruption activists and Western governments see the effort to sack Nchito as a blow against the rule of law and anti-corruption prosecutions. If Lungu succeeds in pushing out Nchito, the case against Banda could either drag on inconclusively or, more likely, be dropped altogether. For civic activists and oppositionists, that would risk a return to the era of impunity of the late President **Frederick Chiluba**. Then, weak prosecutors and judges failed to tackle growing and blatant state and government corruption. When the weight of evidence looked irresistible, Chiluba was finally dragged to court but won an acquittal in 2009 (AC Vol 50 No 25). ●

CÔTE D'IVOIRE

The election gets messier

Two new alliances of opposition politicians are creating problems for President Ouattara's campaign

Once President Alassane Dramane Ouattara had announced last year that he would seek a second term, he was the clear favourite to win the election due this October, given the strengthening economy and the disarray among his opponents. That has started to change this year with dissidents emerging from within Ouattara's own camp, while his long-standing foes, the followers of former President **Laurent Gbagbo**, are regrouping. There are signs that Gbagbo, currently in a cell at the Hague awaiting trial for crimes against humanity at the International Criminal Court (ICC), is trying to guide some of his new-found allies in their campaign against Ouattara.

Indeed, the latest alliance of odd bedfellows, the *Coalition nationale pour le changement*, has come together for two main aims: to demand the release of Gbagbo and to ensure determined opposition to Ouattara's pursuit of a second term. Very little else seems to unite the twelve politicians who signed the CNC's founding charter at Abidjan's Hôtel Belle Côte on 15 May (see Box).

This complicates both the political landscape and Ouattara's chances of victory. His strategy was to repeat his winning formula of the 2010 election: to team up his *Rassemblement des républicains* (RDR) with the formerly ruling *Parti démocratique de Côte d'Ivoire*, the party created by Independence leader **Félix Houphouët-Boigny**. Blessed by PDCI leader and former President **Henri Konan Bédié**, this alliance is known as the *Rassemblement des houpouëtistes pour la démocratie et la paix*. The RHDP came to power in April 2011, when election loser Gbagbo was finally driven out of the presidential palace following five months of violent resistance (AC Vol 55 No 2).

However many in the PDCI were unhappy with Konan Bédié's decision last September to endorse Ouattara for another term. In their view, the PDCI should have put forward its own presidential candidate and got Ouattara and his party to back its choice. After months of rumblings, four leading figures parted company with Bédié in protest: former Foreign Minister **Amara Essy**; the ex-Prime Minister and former leader of the Truth and Reconciliation Commission, **Charles Konan Banny**;

a former Vice-President of the National Assembly, **Jérôme Kablan Brou**; and a former leader of the PDCI youth wing, **Kouadio Konan Bertin** (AC Vol 56 No 2). All of them are in the new CNC grouping except seasoned diplomat Essy, who last year joined the *Mouvement pour la démocratie en Côte d'Ivoire*.

The second major group facing Ouattara is the *Alliance des forces démocratiques*, which boasts twelve parties in its ranks. The biggest is Gbagbo's old party, the *Front populaire ivoirien*, now run by **Pascal Affi N'Guessan**.

Although these opposition alliances are far from coherent, the new alignments could make the elections much closer. So Ouattara will have to work hard to win in the first round. He knows that should the elections go to a run-off, there is a chance that the two opposition alliances – united in their determination to oust him but little else – could corral their combined supporters to win the presidency. On paper, they have the numbers if they draw in enough disaffected PDCI supporters. They will also need political organisation and a really strong candidate to pull it off. That is more questionable. Nevertheless, Ouattara cannot afford to be complacent. He will need a strong campaign team, likely to be headed by the same man who secured victory in 2010, **Amadou Gon Coulibaly**, now Secretary General to the Presidency.

In campaign mode, President Ouattara repeats his mantra that his country is back and open for business. A former Deputy Managing Director of the International Monetary Fund, he unfailingly impresses investors and bankers when extolling his country's economic resilience and restructuring plans, in French or fluent American-accented English. His technocrat Prime Minister, **Daniel Kablan Duncan**, is another diplomatic asset. However, probing questions are being asked about other members of team Ouattara and their associates. For example, the Deputy Secretary General to the Presidency, **Thierry Tanoh**, was sacked as Chief Executive Officer of Ecobank in March 2014 after a stormy extraordinary general meeting of shareholders heard a damning report by PriceWaterhouseCoopers on breaches of governance standards (AC Vol 54 No 19).

Tanoh then pursued actions against

Ecobank in a commercial court in Abidjan which the bank is contesting. As the legal battle intensifies, a major Ecobank shareholder told *Africa Confidential* that the protracted case risks bringing Côte d'Ivoire's judicial system into disrepute.

A former minister under scrutiny is **Adama Bictogo**, who resigned in 2012 amid accusations of misappropriation of compensation payments to the victims of the Trafigura toxic waste scandal (AC Vol 50 No 18). His burgeoning business empire includes online visa application processing and health insurance registration, through his company *Société nationale d'édition de documents administratifs et d'identification* (SNEDAI, AC Vol 56 No 8). Bictogo also organised the RDR congress that anointed Ouattara as its candidate in March.

With the president's wife, **Dominique Ouattara**, his brother, **Téné Birahima Ouattara** (known as 'Photocopie' because he's so like his brother), and other members of his family in business and politics, complaints abound that the Ouattara clan is turning Côte d'Ivoire into a family business. In fact, the country has long thrived on patronage politics.

In the RDR, there is a growing determination to block the ascent of former rebel leader, ex-Prime Minister and current President of the National Assembly, **Guillaume Kigbafori Soro** (AC Vol 48 No 20). Should Ouattara be incapacitated for any reason – and there was a host of rumours about his health last year – Soro would become interim President. Everyone knows that Soro wants to be the next elected president. He has already spent a fortune on advertising the fact. Yet his name also appears in several United Nations reports about human rights abuses during the civil war.

Undaunted by that, Soro remains a hero to many of the northern militia fighters and he is now trying to seize control of the country's most efficient election winning machine, the RDR. This puts him on a collision course with **Sidiki Konaté**, the former Tourism Minister and former Gbagbo-supporter who was also once Soro's political ally. Yet Soro's biggest fight is with **Hamed Bakayoko**. As Interior and Security Minister, Bakayoko, 59, has cultivated excellent relations with the security forces and was recently elevated to the post of *Grand Maître* of the country's Freemasons.

Ouattara has turned the Soro-Bakayoko feud to his advantage, projecting the image of mediator and statesman, above political bickering. Nonetheless, he has many serious issues to deal with. The national army, the *Forces républicaines de Côte d'Ivoire* (FRCI), is a group of loosely connected former rebels, traditional hunters known as Dozos, freelancers

CNC: WHO IS WHO?

'Crabs in a bucket' is one of the descriptions used to describe the new alliance, the *Coalition nationale pour le changement*. Signatories under its founding charter include those of **Laurent Akoun**, Secretary General of the faction within the *Front populaire ivoirien* that allies itself with its former leader, ex-President **Laurent Gbagbo**, in power between 2000 and 2011 (AC Vol 55 No 15). Another is that of **Mamadou Koulibaly**, the firebrand leader of the self-declared progressive but heavily Gbagbo-aligned *Liberté et démocratie pour la République* (Lider, AC Vol 54 No 24). The previous leader of the Gbagbo faction of the FPI, **Aboudrahmane Sangaré**, is also part of the CNC.

Then there is **Kouadio Konan Bertin** ('KKB'), 42, National Assembly member for the *Parti démocratique de Côte d'Ivoire* and the former leader of its youth wing. KKB has declared his intention to stand against Ouattara, 'with or without the PDCI'. Another PDCI dissident is **Charles Konan Banny**, 73, banker, former Prime Minister and head of the failed *Commission dialogue, vérité et réconciliation*. Banny and Bertin resist what is known as the 'Daoukro Appeal', the call by PDCI leader and former President **Henri Konan Bédié** to line up the party behind the candidacy of President Ouattara. It was launched in Bédié's home town of Daoukro last September. Others signatories include veteran **Jean-Jacques Béchio**, **Martial Joseph Ahipeaud** of the *Union pour le développement et les libertés* and another firebrand, **David Samba**.

Former Foreign Minister **Amara Essy**, 71, another disgruntled PDCI heavyweight, first appeared to throw in his lot with this anti-Ouattara crowd but then thought better of it. Essy, who reportedly has the support of the influential – and rich – Baoulé planters in the centre of the country, home to the first and second presidents (**Félix Houphouët-Boigny** and **Konan Bédié**) will stand as a presidential candidate on his own. Curiously, he was in the **Netherlands** visiting Gbagbo at the time the charter was signed in Abidjan; some Ivorian reports claim he carried a letter from South African president **Jacob Zuma** to his old pal Gbagbo. Essy has found an ally in the formidable figure of **Emile-Constant Bombet**, a former Internal Affairs Minister. The two men served as ministers at the time of Houphouët's death in 1993, when the Prime Minister was one **Alassane Dramane Ouattara**.

Another notable absentee on 15 May was **Pascal Affi N'Guessan**, leader of the other, non-Gbagbo, FPI. This raises interesting questions about who is actually running the CNC, directly or by remote control. Some fingers point towards that ICC cell in the Hague. Gbagbo himself cannot run against ADO and the CNC needs one candidate to mount a really credible challenge. ●

and regular soldiers. Restructuring this mess is long overdue, as is the removal of former rebel commanders (com-zones) from the higher echelons of the army. They still engage in all manner of racketeering, their preferred business model when they ran the northern part of the country into the ground between 2002 and 2010, says the latest UN Group of Experts' report in April. Lieutenant Colonel **Issiaka Ouattara** (Wattao) runs a gold mine at Gamina, near Daloa, says the UN, while Lt. Col. **Martin Fofie Kouakou** was found to have his own arms cache in Korhogo, including enough heavy weaponry to outgun the FRCI.

The issue of former combatants and their complaints continues to bedevil the

country. Some 13,000 have not taken part in the UN-sponsored Disarmament, Demobilisation and Reintegration programme, which ends on 30 June.

Low-level violence persists in the west, especially based on title deed issues and exacerbated by cross-border attacks from **Liberia**. Even though their frequency has decreased (the last attack occurred in January), people living in the area say violence could flare up at any time. The UN report identifies a regional network of radical pro-Gbagbo elements planning to destabilise Côte d'Ivoire.

The insecurity is also a result of the failed reconciliation process, a failure due in large part to the widely held view that Ouattara's government and the ICC are

engaged in 'victors' justice'. Gbagbo and his lieutenant **Charles Blé Goudé** are in the Hague. His wife **Simone Gbagbo** was hastily convicted in Abidjan earlier this year and this month sees another trial, this time against nine officers of Gbagbo's security forces accused of human rights abuses. Similar abusers from Ouattara's camp are promoted or left alone.

All these issues have been allowed to fester and they could make Ouattara's second term a rocky one. The war between Soro and Bakayoko may well be fought across the various factions of the security forces, past and present. No Ivorian needs reminding of the dangers of having groups of armed men beholden to political and business operators. ●

SOUTH AFRICA Money worries

Deepening financial problems in the African National Congress could hamper its campaigning for next year's local elections

The governing African National Congress is in such dire financial straits that it could not pay staff salaries at the end of May. So it is looking to rich black economic empowerment (BEE) tycoons and companies for short-term donations to plug the hole in its finances. The ANC Treasurer General, **Zweli Mkhize**, personally telephoned wealthy businessmen such as **Patrice Motsepe**, **Robert Gumede** and **Cyril**

Ramaphosa's Shanduka Group, to seek help in addressing the shortfall, we hear. Calls were also made to the **Gupta** brothers – **Ajay**, **Atul** and **Rajesh** – who are closely allied to President **Jacob Zuma** and his family (AC Vol 52 No 5). This is despite the embarrassing row that erupted two years ago when it emerged that the Gupta brothers had secured access to an airforce base near Tshwane for private jets ferrying visitors to the

wedding of their 23-year-old niece, **Vega Gupta**, a scandal dubbed 'Guptagate'.

The ANC's financial problems led it to introduce a new policy at last month's National Executive Committee meeting that members must pay an 'attendance fee' of 300 rand (US\$24) to attend NEC meetings. The ANC is also planning to retrench staff across the country to save costs. Its staff are, not surprisingly, disgruntled about the news that there will be no increase in their salaries this financial year. Usually, private companies in South Africa give annual increases of at least the inflation rate and more when they are doing well. The gap between the emoluments that top ANC politicians vote for themselves and how they treat their party workers is seriously damaging morale. The row over the R246 million upgrade to Zuma's Nkandla homestead

seems further to have undercut public sympathy for the party and its leadership (AC Vol 56 No 11).

This week, Zuma received an inflation-linked salary increase, which opposition parties heavily criticised. Public sector unions negotiated a three-year salary deal late last month which saw their wages increase by 7% this year, backdated to April 2015, and they will receive increases equivalent to inflation +1% in the following two years.

The ANC plans to push a bill through Parliament which would provide greater public funding for all parties with elected representatives. The party has seen a decline in its donations and income from large BEE groups, which have slowed in line with both the economic slowdown and the ANC's declining image.

On 1 May, new BEE codes of practice came into force under which companies tendering for government contracts would get fewer BEE points if their shareholders were community trusts or employee groups, rather than having individual owners. Following a public outcry, the codes were withdrawn. The ANC leadership had backed the codes on the assumption that individual beneficiaries would be more willing to give some of their income to the ANC than would community and employee shareholder

groups. In the past, money has been paid to the ANC through state-owned enterprises using complicated schemes whereby a BEE company is awarded a tender or contract and the company then pays a portion of the resulting income to the ANC as a 'donation'.

On 1 February 2014, the ANC's investment company, Chancellor House, sold its 25% stake in Hitachi Power Africa, which supplies the state-owned power utility, Eskom. The deal left HPA without any BEE shareholding, which is a prerequisite for securing Eskom contracts. HPA was given until next month to regain its empowerment position or face penalties.

LOCAL ELECTION BATTLE

Next year's local elections, which will decide the control of major metropolitan areas such as Johannesburg, Tshwane and Port Elizabeth, could constitute the toughest and most expensive electoral battle the ANC has faced. On its left will be the former ANC Youth League President **Julius Malema's** Economic Freedom Fighters (EFF) and on the right will be a Democratic Alliance (DA) rejuvenated by the election of its first black leader, **Mmusi Maimane** (AC Vol 56 No 10).

ANC strategists fear that Maimane and his party could reduce the ANC's

majority and form a counterbalance to the EFF's Malema, especially if South African big business channels massive sums to the DA. Even if the DA and EFF can't win control of the big cities, they could push the ANC vote below 50%, so it would have to enter a coalition with one of the opposition parties.

The National Union of Metalworkers of SA (NUMSA), the largest affiliate of the Congress of South African Trade Unions, and seven other Cosatu member unions are ending their substantial funding to Cosatu and the ANC, via membership dues, as they plan to set up a new left-wing workers' party (AC Vol 56 No 10). The loss of trades union contributions will further undermine ANC fundraising before next year's key local polls. Afterwards, parties will have to prepare for the far more demanding – in terms of cash and organisation – national and provincial elections in 2019.

Mkhize and the ANC General Secretary, **Gwede Mantashe**, are searching for a long-term solution to the party's financial problems. One source that top party officials were tapping were those millionaire business people who rose through the ranks thanks to ANC largesse. So far, though, these rising commercial stars have shown a stubborn reluctance to repay the favour. ●

CAPE VERDE

Hair shirts of the Atlantic

After 40 years of Independence and political change, the government is continuing the revolutionary tradition of low pay for its leaders

The idea was simple, attractive and at one with the socialist sensibilities of the country's liberators 40 years ago: the President would earn no more than, say, a doctor. Yet the Marxist-inspired nationalist movement that fought for liberation from Portuguese colonial rule in **Guinea Bissau** and Cape Verde, the *Partido Africano para a Independência de Guiné-Bissau e Cabo Verde* (PAIGC), no longer exists (AC Vol 52 No 19). After a coup in Bissau in 1981, its Cape Verdean branch split off and dropped the 'G'. The *Partido Africano da Independência de Cabo Verde* is currently in power and in trouble for abandoning its egalitarian principles. Yet the PAICV has a capacity for renewal and may yet regain lost ground by the time of next year's elections.

In March, PAICV-dominated Parliament, the *Assembleia Nacional*,

almost unanimously approved a bill aimed at reforming the political institutions. Ponderously named the *Estatuto dos Titulares de Cargos Políticos* (Statute of Political Office-Holders), its most eye-catching feature was a salary increase for the top three officials. The president, currently **Jorge Carlos Fonseca** who is also supported by the opposition *Movimento para a Democracia* (MpD – presidents may not belong to parties); the Speaker of Parliament, **Basílio Mosso Ramos** (PAICV); and the Prime Minister, **José Maria Neves** (PAICV) would all get a massive 65% rise (AC Vol 52 No 17). This would give the President the princely sum of 280,000 escudos (US\$2,675) per month.

Leaders' pay has been frozen since 1997 but this was still enough to cause outrage in the wake of an agricultural crisis, the eruption of the country's largest

volcano, on the island of Fogo ('Fire'), last November and the Ebola scare. The economy was hit hard and tourism receipts fell by 20% as cruise ships and visitors from Europe stayed away. The government announced a round of belt-tightening.

Two days after the pay rise became law, the public descended on the imposing, Stalinist-style parliamentary building in the capital to voice their anger. Protests swiftly spread to other islands and the vast diaspora. An unprecedented 5,000 people were said to have taken to the streets of Praia, whose population is estimated at 138,000. Some newspapers even started to print the word 'revolution' on their front pages. Yet the people merely called on Fonseca to veto the law, which he did, on 9 April.

The streets had not only spoken, they had laid bare political fissures, particularly within the PAICV. The party's new President, **Janira Hopffer Almada** (known as JHA), who is 36, charismatic and ambitious, made it clear that she resolutely opposed the increases. She took part in the protests, prompting MpD leader **Ulisses Correia e Silva** to accuse her of demonstrating with the people whose jobs she was supposed to provide: she is Minister for Youth, Employment and Human Resources Development.

Her position also put her on a collision course with her own Prime Minister and immediate predecessor as party President, Ramos, and with **Felisberto Vieira (Filú)**, a veteran member of parliament and co-founder of the PAICV whom she resoundingly defeated for the post last December. As Vieira called the new law 'a national imperative', JHA went public, saying it was 'indecent and inopportune', leaving media to quip that this was clearly a case of 'one party, two discourses'.

Cracks had to be papered over urgently. This was done in late April, when a special meeting of the National Council, the PAICV's highest decision-making body, declared that its unity had been maintained and the incident had taught the party to communicate better. The knives were out but well hidden.

The opposition MpD, 25 years old and hoping to return to power after 15 years in the political wilderness, fared no better. Correia e Silva suffered for having twisted and turned once too often over the pay law and for trying to deny he had changed his mind. JHA made capital of the MpD's support both of the original bill and then the presidential veto by saying that, unlike the MpD, 'In our party people can think for themselves.' Correia did not endear himself to his party members, either.

However, hot on the heels of the salary controversy came the announcement that the government was putting money behind the ultimately unsuccessful campaign of a key government figure, the internationally respected Finance

Minister, **Cristina Duarte**, to become the next director of the African Development Bank at its annual summit (AC Vol 55 No 11). The MpD got some of its fire back by denouncing Cape Verde's lobbying as a wasteful move for someone who had been mishandling the economy.

The street protests saw the arrival on the scene of a youth movement which is not unlike Senegal's *Y'en a marre!* ('We've had enough!', AC Vol 53 No 3). It is called MAC#114 (*Movimento de Acção Cívica*): the number refers to an internal parliamentary rule designed to maintain the institution's honour. Its leader **Rony Moreira** is a Praia-born, Lisbon-educated sociologist, who says he was expelled from the PAICV for being too radical. Moreira hogged the limelight in March and April, threatening to take to the streets again if parliamentarians were going to challenge the presidential veto. MAC#114 now has another target in sight: the 'stratospheric' salaries of directors of other government bodies, including the national airline and many regulatory agencies, who earn up to seven times the presidential salary.

SHAKE UP

Many think MAC#114 could shake up the country's moribund politics if it can take the lead on high unemployment, especially among the young, rising crime in Praia and Mindelo, and the drugs problem – both consumption and transshipment. Defence Minister **Rui Semedo** called drug trafficking 'a major concern', after his country took part last year in a maritime exercise on narcotics interdiction off West Africa

with the navies of **Mauritania, Morocco, Senegal, France, Portugal, Turkey, the Netherlands** and the **United States**.

MAC#114 could also make political capital out of the seepage of corruption into public administration and politics from the multiplicity of deals with Angola on defence, telecommunications, banks and oil product distribution. Many of these involve **Angola's** top businesswoman, **Isabel dos Santos**, daughter of President **José Eduardo dos Santos**. Many seek explanations for Cape Verde's use of 7,500 hectares of land in Angola's Kwanza Sul Province to produce cereals for the archipelago. Luanda has long taken an interest in all its small Lusophone neighbours, where it aspires to (Guinea Bissau) or actually enjoys (**São Tomé and Príncipe**) the status of friendly big brother. So far, however, Angola has not helped Cape Verdeans to regain confidence in their own political institutions.

Some claim, however, that MAC#114 is nothing more than a front for JHA and her wing of the PAICV. As the party approaches the anniversary of Independence and 40 years of liberation politics on 5 July, she seems to be renewing the PAICV enough to ensure its relevance and continuity, situating it well for next year's presidential and parliamentary elections. If it wins, she will follow in Neves's footsteps again and become Prime Minister. She will also inherit his very modest salary, just like President Fonseca, whose popularity has remained intact. He will seek a second term in office. ●

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POINTERS

Ethiopia

WIN BIG, WIN ALL

■ The Ethiopian People's Revolutionary Democratic Front is set to become what its critics have long accused it of being: a government without an opposition (AC Vol 56 No 8). That is what the provisional results of the general elections on 24 May suggest. According to the National Electoral Board of Ethiopia (NEBE), the EPRDF and its associated parties have won every single one of the 442 seats in the federal House of Peoples' Representatives (of a total 547) for which results had been declared as *Africa Confidential* went to press.

The lone opposition member of parliament in the outgoing House, **Girma Seifu**, did not run again after his Unity for Democracy and Justice (UDJ) imploded during the run-up to the elections (AC Vol 56 No 4). Ethiopia's first-past-the-post system sealed the opposition's fate: in the capital, candidates from the *Semayawi* ('Blue') party and the Medrek coalition garnered close to a third of the popular vote but did not win a seat.

EPRDF candidates carried all of Addis Ababa, where opposition campaigners had repeatedly clashed with police before the elections. The remaining 105 seats are in rural constituencies, where chances of an opposition victory are slim. In the elections to the regional State Houses, too, the Front is yet to leave a single seat to another party. The final results are expected on 25 June.

The EPRDF had campaigned on its strong economic record and it promises to build the 'developmental state' envisaged by its late leader, **Meles Zenawi**. On election day, EPRDF supporters – which the party organ, *Addis Raey* ('Vision'), once described as an 'electoral army' – went door-to-door to bring out the vote. The embattled opposition had little to offer but infighting and theatrics, and it went from a single seat – 'less than a sports car', as the popular joke used to go – to none at all.

Prime Minister **Hailemariam Desalegn's** position in the party has strengthened, thanks to the EPRDF's sweeping victory and the relative calm of the election period. He is no longer just the compromise candidate and stop-gap solution that he appeared to be after the death of Meles. Yet Hailemariam is unlikely to make radical changes to his cabinet or allow much liberalisation of the political system, which could give the opposition more space. A major reshuffle in the name of 'leadership renewal' has brought a younger generation of EPRDF politicians

into office in recent years. Even Finance Minister **Sufian Ahmed** may keep his job after losing his bid for the presidency of the African Development Bank last month (see Feature).

Some 59 observers from the African Union, too few to cover more than a few of the constituencies, pronounced the electoral process 'credible'. Opposition candidates beg to differ. Both **Merara Gudina**, chairman of Medrek's Oromo Federalist Party, and Semayawi President **Yilkal Getnet** have refused to accept the election results. They have lodged a long list of complaints, including the harassment of supporters and unlawful detention of designated election observers. Neither of them has much trust in the impartiality of the Electoral Board, so it seems unlikely that they will challenge the results in court. There is talk of a protest campaign of 'civil disobedience', although that would be likely to meet a robust security response.

Congo-Kinshasa

TALKING LONGER TERM

■ Having failed to get Parliament to change the constitution to give him another term in office, President **Joseph Kabila** launched a new 'political dialogue' on 1 June – apparently to extend his current term. The first item on the agenda will be managing the electoral calendar: the local and provincial elections in October and presidential and parliamentary elections in November 2016.

The dialogue was initiated with **Félix Tshisekedi**, the son of the President's long-time rival, **Étienne Tshisekedi wa Mulumba**, whose *Union pour la démocratie et le progrès social* (UDPS) claimed victory at the 2011 presidential election, which was marred by fraud and won by Kabila (AC Vol 55 No 13).

According to Kabila's spokesman, **Lambert Mendé Omalanga**, Félix Tshisekedi proposed the dialogue but critics suggest that the switch in tactics is more about pressure and inducements from the presidency than a real change of heart in the UDPS. After the 2011 polls, the party refused to recognise President Kabila's legitimacy.

The plan envisages a two-year transition period in order to restore 'a climate of peace' after the clashes and repression surrounding the anti-third-term demonstrations in January, according to senators. Félix would be rewarded with the job of Prime Minister in a future transitional government. That could worsen schisms within the already battered UDPS. To some it seems like a parody of his father's role as Premier alongside the late President **Mobutu Sese Seko** in the 1990s.

Under the deal, the current constitution would be frozen and eventually, a more consensual one would be adopted. To buy Kabila more time, all the elections would

be postponed except the provincial ones. That's because the provincial parliaments elect senators and Kabila wants to remove ageing **Léon Kengo wa Dondo** from his position as Senate President (AC Vol 48 No 11). Under the current constitutional rules, Kengo will become interim President if the elections are not held as scheduled in November 2016. Kabila was angered by Kengo declaring that a third term would go against the spirit of the constitution and the peace accord negotiated in **South Africa** a decade ago, we understand.

The government's other pretext to postpone the polls is their purportedly huge cost, officially estimated at US\$1.2 billion for local, provincial and national elections. That cost, which many question, comes on top of the budget for decentralisation and the creation of new provinces. It is unlikely that there would be enough aid funds to pay for this and the International Monetary Fund suggests the government could raise much of the money from more effective domestic taxation.

Led by **Belgium** and **France**, Western governments say the local and provincial elections could be postponed without disrupting the political system. Indeed, the *Commission électorale nationale indépendante* (CENI) announced on 2 June that the registration of candidates would be postponed. Those governments also point out that United Nations Security Council Resolution 2211 of 26 March stressed the importance of holding the presidential and parliamentary elections on schedule.

Kabila's delaying tactics have not yet been accepted beyond Félix Tshisekedi and his allies. Other important parties, such as **Vital Kamerhe's** *Union pour la nation congolaise* and the *Mouvement de libération du Congo* of **Jean-Pierre Bemba Gombo**, whose trial at the International Criminal Court opens in September, as well as many grass-root UDPS members, oppose any coalition with Kabila that extends his tenure.

Civic activists are also worried because time is running short. They argue that there is an urgent need to update the electoral register. About three million people who were under 18 in 2011 have yet to be registered. The health of the CENI Chairman, Father **Apollinaire Malu Malu**, is also cause for concern. He had a stroke at the beginning of the year and is no longer able to walk or to work for long hours.

The National Assembly is yet to replace him. According to an unwritten convention, Malu Malu's replacement should be a religious leader. Some activists are proposing a Protestant bishop or the leader of the *Communauté islamique en République démocratique du Congo* (Comico) **Sheikh Ali Mwinyi M'Kuu**. He is a staunch supporter of Kabila and his appointment could trigger another political controversy.

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BLUE LINES

A turbulent few weeks for international justice. First, Sudan's President Omer el Beshir arrived in South Africa on 13 June for the African Union summit despite his indictment by the International Criminal Court for genocide. He left barely two days later as the Pretoria High Court deliberated on the South African government's legal obligations to arrest him.

It has emerged that foreign ministers at the AU summit had earlier called for the ICC's charges to be dropped against both Kenya's Deputy President William Ruto and Omer el Beshir. They also called for the UN Security Council to withdraw the referral of Sudan to the ICC. Last December, ICC Prosecutor Fatou Bensouda told the UNSC that she had 'hibernated' work on the Darfur investigation due to lack of international cooperation.

And on 20 June, British officials arrest Rwanda's spy chief General Emmanuel Karenzi Karake on a Spanish arrest warrant issued under European Union rules. Rwanda condemned his arrest on war crimes charges as outrageous, given his role in the military force that stopped the genocide.

Britain had little choice once Spain had submitted the warrant but to detain Karenzi and test the charges in court. If they are as weak as Kigali and others maintain, the court will throw them out and Karenzi will be on his way back to Kigali. If the London court finds merit in them and approves Karenzi's extradition for trial in Spain, yet another politically charged case will be in the making.

MALI

A peace deal, against all odds

The much delayed signing of a new accord between north and south offers a chance to defeat the jihadists and sideline the secessionists

Three days after presiding on 20 June over the signing in Bamako of a peace agreement between northern rebels and President **Ibrahim Boubacar Keïta**, **Mongi Hamdi** was in New York trying to drum up support at the United Nations Security Council to prolong the peacekeepers' presence. The UNSC has to decide before 30 June whether to renew the mandate for the 7,000-strong *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali* (Minusma), which is headed by **Tunisia's** Hamdi, the UN Secretary General's Special Representative for Mali.

With **France** backing Hamdi, drawing up the resolution to extend the mandate and strongly arguing for more UN resources for Mali, Minusma is almost certain to be extended, despite growing doubts about its performance and arguments over its role. Paris, which has promised to bolster the security of the UN Mission, wants 40 extra military observers to monitor the latest ceasefire but stops short of proposing sanctions against those who break the agreement.

Caught between Mali's own army, which appears to have contracted out much of the fighting in the north to state-backed militias, and French Special Forces whose main task is to pursue Islamist fighters into the Ifoghas Mountains, the UN peacekeepers have been struggling to hold the line as political conditions deteriorated. With 36 peacekeepers killed and 150 wounded, the UN Mission has the highest fatalities of any peacekeeping operation apart from **Somalia**.

Some want Minusma to be given a more robust Chapter VII mandate, giving it the authority to go on the offensive against armed groups. Its current task is mainly to protect civilians from attack, support dialogue and ensure the implementation of the peace agreements. Others strongly oppose such an escalation of the UN role, arguing that the core responsibility for security has to rest with Mali's army and the French forces. Added to which, political support for the UN has tailed off dramatically within Mali, especially in the south, where many politicians accuse the UN and France of favouring the northern rebels of various hues, from nationalists to jihadists (AC Vol 56 No 12).

So, the UN was particularly keen to present the peace accord of 20 June as a success. The signing ceremony, replete with extravagant embraces between President Keïta and **Mahamadou Djeri Maïga**, deputy leader of the *Mouvement national de libération de l'Azawad* (MNLA), is being seen as an important but not irreversible step in healing the fractious relations between north and south.

This year, antagonism between Keïta's government in Bamako and northern militias seemed to be hardening. There has also been a spate of terrorist attacks and explosions in the south. Much scepticism surrounded the negotiations but for now, an agreement seems in almost everyone's interests, at least in the short term.

The deal provides for the creation of elected regional assemblies but does not offer the political autonomy for Azawad – northern Mali – that successive rebel

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movements have demanded. Already one splinter from the main rebel groups, an outfit known as MNLA Europe, has dismissed the agreement as 'despicable' because it fails to deliver the autonomy for which they had fought. This reflects growing tension within the Tuareg and Arab groups in the north.

Algeria's Foreign Minister, Ramtane Lamamra, who has played a leading role in the negotiations and will chair the implementation committee, was the most optimistic, hailing 'a new beginning, a new destiny for Mali,' (AC Vol 55 No 3). In fact, a framework agreement was signed in May in Algiers but the *Coordination des mouvements de l'Azawad* (CMA) would only initial it and demanded further amendments, such as targets for recruiting more northerners into the military and more devolution for the region. The success of the agreement will in part depend on how far the rebel forces can be integrated into the national army and how many northerners can find jobs and training in the public sector.

COMPLICATION

A further complication developed around the role of a pro-government militia, the *Groupe d'autodéfense touareg imrad et alliés*, which had seized Menaka, on the border with Niger, from the CMA on 27 April. GATIA's Deputy Secretary General, **Haballa ag Hamzatta**, initially faced down pressure to hand Menaka over to the UN. A group of GATIA leaders, together with their political wing known as *Plateforme*, returned to Bamako from the Algiers peace talks saying they wanted nothing to do with the peace accord. Bamako officials and the mediators were simply pandering to the northern rebels and ignoring the needs of the Malian people, they insisted.

GATIA was set up by General **Elhadji ag Gamou**, a Kidal-born Tuareg who quickly rose up the ranks of the national army. Because he sides with government, pro-Azawad groups consider him to be a traitor to the north.

Many people also blame him for the Malian army's defeat in Kidal in May 2014. Then, the army, without alerting the French military or UN peacekeepers,

attacked the rebel MNLA's positions during a visit by the then Prime Minister, **Moussa Mara** (AC Vol 55 No 12). In the rebel fight back, the Malian army was pushed out of Kidal and other key towns in the north.

Back in Bamako, Ag Gamou rallied several small Touareg and other groups into one. All manner of political and commercial deals were struck. Some say Arab groups, such as the loyalist faction of the *Mouvement arabe de l'Azawad* (MAA), were promised safe passage for drug trafficking between **Libya** and Niger in return for their support. The *Coordination des mouvements et forces patriotiques de résistance* (CMFPR) also joined in, along with members of the Songhai ethnic group. So GATIA was born to 'defend the population': its main foe is the Ifoghas Touaregs, those who make up most of the pro-Azawad and Islamist groups.

In April, a split in the MNLA between Colonel **Mohammed ag Najem and Bilal ag Acherif**, nephew of veteran jihadist **Ansar Eddine** leader **Iyad ag Ghali**, weakened the MNLA forces in Ménaka (AC Vol 55 No 6). GATIA used this opportunity to take the town back from its enemy. Its victory, in which it killed a dozen CMA fighters, prompted celebrations in the south.

Southerners, including army officers, seem unconcerned about the growing power of GATIA, as a government-funded and powerful militia group that adheres to no discernible guidelines (because it is unofficial) and controls key towns in northern Mali. Ag Hamzatta and other GATIA leaders insist they are not funded by the army. Instead, says Hamzatta, wealthy northerners who support national unity back GATIA to fight separatists and jihadists. That means the separatist MNLA, the anti-government faction of the MAA, headed by **Sidi Brahimi Ould Sidati**, and the *Haut conseil pour l'unité de l'Azawad* (HCUA). These are the main groups in the CMA and 'they have been hiding in the forests and mountains.' Supporters in Libya contribute vehicles, money and fighters, we were told.

However, no one in Mali or beyond believes that the army does not support the group. This was confirmed by a senior officer who quipped that supporting a militia group (meaning the Touaregs) in the past had gone terribly wrong for the army, so why shouldn't this go wrong too? Although the army is widely believed to support GATIA, it is able to keep some distance from the group's actions and escape accountability.

While the army and GATIA cooperate, the rebel side has been fragmenting. Of the Tuareg nationalist groups, the HCUA is battling to push the MNLA out of the limelight. It wants to show that the

MNLA is disorganised and undisciplined, and that France and the West should work with it instead. The HCUA decided to exclude 'Islamic' from its name in the hope of distancing themselves from those Islamist fighters that France and its allies are trying to overwhelm. One insider claims this is just a subterfuge: when French aircraft bomb encampments belong to *Al Qaida* in the Islamic Maghreb, HCUA recruits rush to their aid with doctors and medical care, we were told. A central figure in the HCUA is **Inawalene ag Ahmed**, a former customs boss in Tessalit. Now his job is to transfer funds from AQIM to the HCUA, we hear.

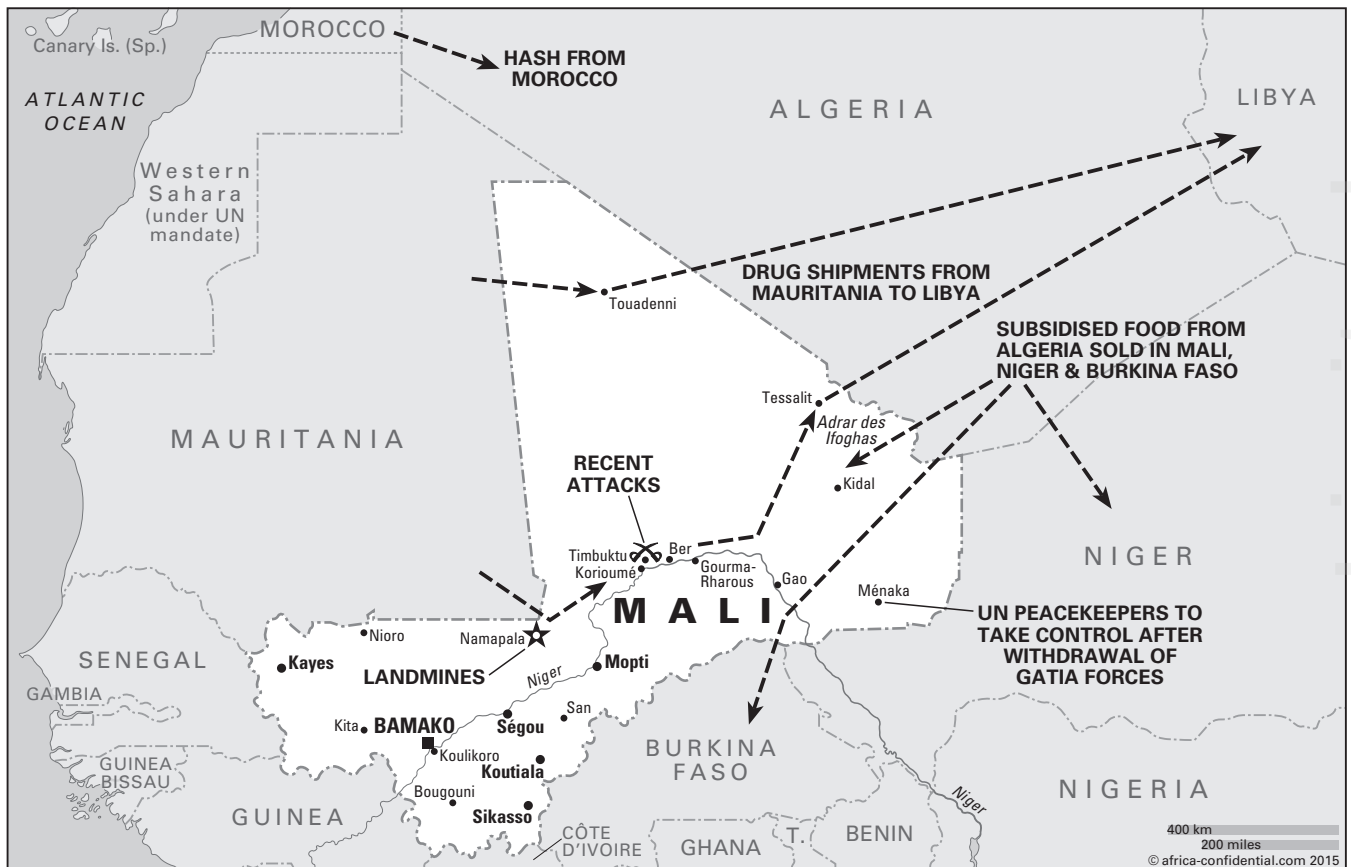
FLUID ALLIANCES

This fluidity in political and commercial alliances in the north baffles many outsiders. With its links to the region dating back to the anti-colonial struggle, when northern Mali was a rear base for the *Front de libération nationale*, Algeria is one of the few countries whose diplomats can unravel the tangled threads. However, Algeria's own military officers and local officials are often deeply implicated in the numerous smuggling rackets across the region.

For UN peacekeepers, negotiating security deals with a changing cast of militia leaders has become a daily necessity. In Timbuktu, UN officials negotiate each day with fighters to prevent attacks on the town. Last month, militia were again at the gates of Timbuktu, ready to attack. Although the UN has kept them out of the historic city, the militia have been terrorising the nearby towns and villages, and making roads impassable. The road to Gourma-Rharous, 110 kilometres east of Timbuktu, is impossible to drive along. There are daily reports of lorries being attacked and their contents stolen.

This year, UN peacekeepers negotiated the release of a truck driver who had been taken by CMA rebels, along with 6,300 mosquito nets sent by the Ministry of Health. At Ber, 53 km. east of Timbuktu, the army has long since left the town and the CMA is in control. At Korioumé, 8 km. south of Timbuktu on the banks of the River Niger, militia in three pick-up trucks attacked the tiny settlement and overwhelmed its army guards. They wanted control of the area so they could gain free passage across the river.

One of the biggest threats is landmines. On 28 May, Minusma's Force Commander, Major Gen. **Michael Anker Lollesgaard** of **Denmark**, and Police Commissioner **Abdounasir Awale**, a **Djiboutian**, were in a convoy of **Burkinabè** soldiers when one of the vehicles hit a landmine. Three peacekeepers were wounded. The mines are laid along routes which convoys



have already travelled, so that they are attacked on their return journey. The improvised explosive devices are often made by young men recruited from rural camps by *Ansar Eddine* or its affiliates. A young man can get 400,000 CFA francs (US\$683) to make and lay an IED.

Now militiamen are targeting towns further south towards Bamako. Namapala, on the border with Mauritania, is a flashpoint. The UN wants another 850-strong battalion from Burkina Faso to secure that area. It has become an important staging post for Arab drug traffickers who control the Mali-Mauritania border route and a relatively new armed group, the *Force de libération du Macina*, based on the Fula (Fulani) ethnic group, are working this area with them. Trafficking

drugs, arms and even cigarettes, together with the battle over smuggling routes, is a key part of the conflict. For nationalists and jihadists alike, it means big money to fund their operations. It costs CFA22 million for an escort for a shipment of drugs from the Mauritanian border to Libya, says a northern source.

A Toyota pick-up costs some CFA25 mn., so those in the business are keen to ensure that their contraband will have safe passage across the Sahara. Hashish from Morocco is a big earner for these groups, as is food coming from Algeria, where goods such as pasta are heavily subsidised. Some are then sold in Mali, Burkina Faso and Niger.

One of the drug kingpins at the centre of this trade is a reclusive Touareg

millionaire businessman who has a cousin at the top of the MNLA. He organises the trafficking from his home along the Mali-Algeria border. He operates along routes through Tessalit, also a favourite of traffickers and situated on the same border, and along the route connecting the salt mines at Taoudenni, close to the Mauritanian border. His career – combining business acumen, political connections and a sense of military strategy and logistics – is typical of many at the top of the smuggling business. For decades, trafficking has thrived on and reinforced conflict, and has provided a vital source of funding for political agendas of various hues. It will take more than a diplomatically worded peace deal to disrupt the traffickers. ●

CENTRAL AFRICAN REPUBLIC

Risks of a hasty exit

France wants to leave as quickly as possible and is risking long-term instability to make sure its short-term goals are met

France is exercising its immense political and economic influence in Central African Republic, insisting on strict adherence to what many are calling an unrealistically rapid election process. A constitutional referendum is set for 4 October, the first round of parliamentary

and presidential elections for 18 October, the second round for 22 November and the announcement of the final results, after any appeals have been heard by the Supreme Court, is scheduled for 16 December. Thus, by the end of the year, CAR will supposedly have a new,

legitimate government. Many think this is fanciful.

Paris hopes to encourage the transitional government of President Catherine Samba-Panza to achieve all this by promising to turn a blind eye to its misappropriation of funds and inappropriate procurement procedures. That may not be enough to secure the transition to stable and legitimate government, however.

Most political actors and observers doubt whether the election preliminaries can be completed in time. Work on the electoral register should have started by February but nothing substantial

had been achieved by early this month. The electoral commission, the *Autorité nationale des élections*, headed by **Dieudonné Kombo Yaya**, has ceded its role to the Interior Minister, **Modibo Bachir Walidou**, who is close to the French Embassy in Bangui. The ANE has spent a huge amount of money on its own members without demonstrating great urgency in the performance of its duties.

Walidou's political neutrality is suspect. Samba-Panza, who is not allowed to stand for the presidency, supports **Marcel Djimassé**, one of his closest relatives and current advisors, as presidential candidate. Djimassé used to be right-hand man to a former Prime Minister and later Vice-President, Professor **Abel Nguendé Goumba** of the *Front patriotique pour le progrès*, who died in 2009 (AC Vol 46 No 6). There are fears in Bangui that Walidou may favour friends and relations of the interim President and the cabinet in election-related contract awards. One persistent rumour is that the son of one of the highest-ranking politicians has left a good job in Paris to set up a company in the capital which will be engaged to computerise the electoral roll.

Finance for the election preparations is also in question. Notwithstanding the donor conference in Brussels in late May, a significant percentage of the election budget is still missing, though money may arrive later. International diplomats complain that the government received about US\$100 million from **Saudi Arabia**. It chose to spend 13 billion CFA francs

(\$22 mn.) on surveillance equipment to monitor mobile telephone calls and did not put a penny into the electoral process.

There is also disquiet about the claim that all CAR refugees will be able to vote. The Bangui Forum for National Reconciliation and the ANE had claimed that all displaced people and refugees would be able to vote (AC Vol 56 No 11). Many of those in refugee camps may not be CAR citizens and establishing their nationality and electoral registration, especially during the rainy season – normally up to October and November – when roads are virtually impassable, will be very difficult.

AMBITIOUS DDR

The fevered rush towards elections is obscuring more fundamental priorities, such as security, some critics say. The United Nations Secretary General's Special Representative, **Senegalese** General **Babacar Gaye**, is forgetting the lessons of past failed disarmament, demobilisation and reintegration efforts in CAR, some argue (AC Vol 52 No 19 & Vol 55 No 17). Funds have been lacking for Gaye's ambitious DDR programme but already *Anti-Balaka* militia members in Bangui are sporting the uniform of the national army, the *Forces armées centrafricaines* (Faca). *Séléka* fighters are doing the same in Birao, in the north.

Gaye seems to be under the impression that simply putting fighters in Faca uniform will cool local grievances and spread the will for national reconciliation.

He is criticised for naivety. Gaye seems intent on processing thousands of fighters through DDR before the armed forces have been re-established and their *modus operandi* drawn up. The UN is acquiescing in this strategy because of fears that its *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation en République centrafricaine* (Minusca) may face increasing security problems in rural areas. More intense fighting could be the result of meetings between *Séléka* and *Anti-Balaka* hardliners in June in Cotonou, **Benin**, where ex-President **Michel Djotodia** is living (AC Vol 55 No 2). By hastily starting DDR, the UN also risks upsetting the 65-strong, year-long European Union Military Advisory Mission (EUMAM RCA), launched in March. The net result of all these internecine battles has been to emphasise the clout of France at the expense of the UN.

CREDIBILITY

Some wonder if France risks losing long-term gains by pursuing short-term advantage. If the elections end up lacking credibility and a venal interim government damages reconciliation, France and the UN may end up by having to send the peacekeepers back when they've only just left the country.

Some 300 French troops departed in March and by the end of this month, the French military contingent should have fallen from 1,700 to 900. Some have been advised not to unpack, as they could well be back not long after the elections are over. ●

ERITREA

Let my people stay

Eritrean refugees are at the heart of Europe's migration crisis but a divided European Union is at odds about how to deal with them

Once, European countries were happy to gently chide the Asmara government for the oppression of its impoverished people, but the flotillas of its people sailing across the Mediterranean have caused panic in Brussels.

The numbers are rising sharply. The report of the United Nations' Commission of Inquiry on Human Rights in Eritrea released on 8 June says that several hundred thousand Eritreans have fled the country since 2002, including senior government and military officials.

According to the UN High Commissioner for Refugees, by the middle of last year there were 357,400 Eritreans registered as refugees outside the country, which has a population of just over 6 million. Last year, Eritreans

put in 48,400 new asylum applications in Europe, more than double the figure for 2013. Athletes from the country's national teams are particularly keen to leave. More than 50 players from the national football squad alone are thought to have absconded during international tournaments in the past five years.

Behind the desperate urge to flee the country lie extrajudicial killings, torture, rape, indefinite national service, forced labour and sheer poverty, according to the UN report.

Eritrea's regime has long been infamous for its isolation. During a deadly drought in 2006, President **Issayas Aferworki** expelled **American**, **British** and **Irish** non-governmental organisations from the country, earning

international condemnation. The UN found Eritrea was providing support to the **Somali** Islamist insurgents, *Al Haraka al Shabaab al Mujahideen*, in 2009, and UN sanctions and an arms embargo have been in place ever since.

All that is changing. In late March, **Neven Mimica**, the European Union Commissioner for International Cooperation and Development, told Reuters news agency that the EU would try to address social and economic exclusion in migrants' countries of origin in a bid to halt the crisis.

The EU then announced a new development aid package of 312 million euros (US\$350 mn.). The funds, due to run to 2020, are about triple the 2009-13 package. The EU says that Eritrea has engaged in the Khartoum Process, a regional group designed to curb human-trafficking, and that marks a 'significant shift' in Asmara's foreign policy. This, presumably, is what merits the higher sums offered in aid, which will be administered by the EU office in the country's capital.

Some European governments, under

THE MEN ISSAYAS DEPENDS ON

After a failed coup in January 2013, President **Issayas Aferworki** moved to secure his regime by cracking down on dissent and radically restructuring the military (AC Vol 54 No 4). He deployed trusted officers to key positions in government.

Issayas has held office since Eritrea's de facto Independence from **Ethiopia** in 1991, which was internationally recognised after a United Nations-supervised referendum in 1993. A wave of arrests after the failed coup increased uncertainty and instability, and caused more people to leave the country. The report of a year-long United Nations Commission of Inquiry on human rights on 8 June noted a 'marked spike' in the number of people leaving the country in the final months of 2014.

The President's moves to shore up the regime included appointing General **Sebhat Ephrem**, Defence Minister since 1995, as Minister of Energy and Mines in 2014. Officials still in good favour are thought to include Brigadier Gen. **Simon Gebredengel**, whom Issayas left in charge when he went to **Qatar** in 2012 and is Number Two at the National Security Office; Brig. Gen. **Teklai Kifle 'Manjus'** (who has been accused of involvement in human-trafficking); Brig. Gen. **Haile Mehtsum**, a medical doctor; Brig. Gen. **Fitsun Gebrehiwot**, Chief of Staff of the Navy; and Brig. Gen. **Hadish Efreem**, Special Forces, who is believed to have led the counter-attack against the mutinying soldiers in January 2013.

Other heavyweights include **Yemane Gebreab**, Director of the Political Affairs Department of the ruling People's Front for Democracy and Justice, known as the President's political advisor and his staunchest political and ideological ally. **Hagos Gebrehiwot** is Director of the PFDJ Economic Affairs Department and in charge of economic policy. This March, **Yemane Gebremeskel**, formerly Director of the President's Office and his main political advisor, was made Information Minister, a post left vacant since the defection of **Ali Abdu Ahmed** in November 2012. ●

domestic political pressure to reduce the number of migrants, play down the severity of the human rights situation in Eritrea, making it easier to reject asylum applications. **Denmark**, **Norway** and **Britain** have sent delegations to Asmara in the hope of improving relations and sending Eritreans home. The Danish Immigration Service, which advises Copenhagen's Ministry of Justice on the legitimacy of asylum applications, released a controversial report late last year that deemed it safe for Eritreans to be sent home. Britain's Home Office put out a similar report in late March, just before the British general election in which migration was a major issue.

The UN report, however, claimed that captured illegal emigrants face mistreatment by the authorities and imprisonment for as long as three years.

After **Syrians** escaping their civil war, Eritreans are the most numerous arrivals on European shores. About 5,000 leave Eritrea illegally every month, most of them bound for Europe, causing growing concern in Brussels. So far, there are plans to grant asylum in the EU to just 40,000 Eritreans and Syrians, and even that figure is controversial.

UNDERGROUND RAILROAD

The dangerous journey out of Eritrea begins with clandestinely slipping across the country's border with **Sudan**. Better-off Eritreans can pay about \$5,000 in bribes to leave the country safely, but most run across the border under the cover of darkness, risking a shoot-to-kill policy that the UN inquiry said may still be in place.

Israel, once the preferred destination of Eritrean refugees, is now reported to be deporting them to **Rwanda** and **Uganda**, possibly in exchange for military hardware. Israel's Interior Minister, **Gilad Erdan**, was quoted as threatening

2,000 Eritrean and Sudanese in the Holot detention centre with indefinite imprisonment if they did not agree to relocate to 'a third country', said to be **Rwanda** and **Uganda**. Kigali and Kampala deny the practice goes on.

News agency reports from Israel said refugees who took the deal would receive free travel to their destination, \$1,500 and a work permit. In reality, the permits they receive only allow them to stay in **Rwanda** for three days, activists have said. One group of refugees, an activist told *Africa Confidential*, was picked up from Kigali airport and then promptly smuggled over the border to **Uganda**. From there, they are likely to start the perilous journey to **Libya** and on to **Europe**.

The UN report is based on 550 interviews and 160 written submissions. The Eritrean government refused the report's authors' invitations to comment, and denied them access to the country. The report laid the blame for the human rights abuses at the door of a wide variety of Eritrean institutions, including: the Eritrean Defence Forces, the National Security Office, the Eritrean Police Force, the Ministry of Information, the Ministry of Justice, the Ministry of Defence, the ruling People's Front for Democracy and Justice, the Office of the President, and the President himself.

President Issayas puts the blame for the emigration crisis on the country's flagging economy. 'The problem is that for the same set of skills, the salary you get [in Eritrea] and abroad is different, so you can't stay here and work,' he said in an interview on state television. Asmara officials also claim that the numbers are inflated by **Ethiopian** refugees passing themselves off as Eritrean in order to improve their asylum prospects in **Europe**.

Although the Eritrean economy is in a dire

state, it has a booming mining industry. A series of potential gold, copper, silver and zinc deposits hold the promise of untold riches for the government in years to come.

The country has only one operational mine – the Bisha copper mine owned by **Canadian** firm Nevsun Resources – but two more are expected to come onstream next year (AC Vol 54 No 17). An unconfirmed report says that the government may have earned up to \$750 mn. in taxes and royalties from Bisha since 2011. The government part owns the mine. Another Canadian firm, Sunridge Gold, is set to start production at its Asmara gold mine, while **Australian** firm South Boulder Mines is due to begin potash extraction at Colluli. The appointment of General **Sebhat Ephrem** to the mines portfolio in the cabinet is a measure, many say, of the growing importance of this lucrative sector of the economy. Issayas would not entrust it to any pair of hands he judged less than totally safe.

FORCED LABOUR

The mining companies, aware of Eritrea's massively increased media profile in recent weeks, have gone to great lengths to deny any unethical behaviour. At a presentation at London's Chatham House on 17 June, mining company representatives rejected allegations that they have used forced labour. Human Rights Watch claimed this month that forced labour and army conscripts were routinely used at mines, especially in the early stages of development.

Diplomats and NGO representatives view the prospect of greatly increased revenue to a government with such a strong reputation for repression with alarm. They believe it will reduce Asmara's already low susceptibility to international pressure. ●

UGANDA

Drawing the battle lines

Museveni is making sure of electoral victory in 2016, but more and more rivals and defectors are chipping away at his support

Speaking on YouTube on 15 June, **John Patrick Amama Mbabazi** declared his intention to secure the governing National Resistance Movement's presidential nomination, in place of President **Yoweri Museveni**. Many suspect that when, inevitably, Museveni defeats him for the nomination, he will launch an independent campaign and try to split the NRM by calling on his loyalists in its top ranks and in the security forces to join him.

Mbabazi was dismissed as Prime Minister in September after it became clear that Museveni had reneged on a reported deal that he would transfer the presidency to him before 2016. Since then, there has been almost daily speculation that Mbabazi would challenge Museveni for the top job, although until now he had kept quiet (AC Vol 55 No 21).

Mbabazi took to Twitter on 7 May (@AmamaMbabazi) to quash media suggestions that the two men were patching up their differences. Then, on 23 May, he appeared as the guest of honour at the wedding of **Barnabas Tinkasiimire**, one of the four MPs known as the 'NRM rebels'. He and the other three – **Wilfred Niwagaba**, **Theodore Ssekikubo** and **Muhammad Nsereko** – were kicked out of the NRM in 2013 for obstructing the president's legislative agenda (AC Vol 54 No 19). Mbabazi was the driving force behind a failed attempt to have them removed from Parliament altogether but his new alliance suggests a further recalibration of the forces opposing Museveni.

Many thought it possible that Mbabazi would seek the allegiance of Uganda's opposition groups and stand as a unity candidate, but his effort to win the NRM nomination suggests this is unlikely. Although some within the main opposition party, the Forum for Democratic Change, had in recent months indicated they were willing to work with him, many cannot trust him. In various roles, including attorney general, security minister and then prime minister, Mbabazi was a major scourge of the opposition.

It now looks as though Mbabazi will try to split the NRM, recalling the defection of the FDC's founder, **Kizza Besigye**, from the party in 2001. The government has been purging Mbabazi loyalists in the NRM Secretariat and the security forces over the past nine months.

The party has been running a major re-registration process for members which will also entail the likely removal of Mbabazi supporters. The process could also be used to block Mbabazi from participating in the party primaries.

Among the main battlegrounds between the emerging factions will be Mbabazi's home district of Kigezi. Mbabazi's Bakiga ethnic group, which is predominant in the region, has previously block-voted for Museveni, and the President will be unwilling to let such an important constituency escape him without a fight.

PROSECUTIONS

Now that Mbabazi has declared he is standing, he can expect to face a wave of corruption allegations and prosecutions designed to undermine his credibility, we hear. Although Mbabazi is exposed, most cases against him would also damage Museveni allies. One example is the National Bank of Commerce, of which Mbabazi was a principal shareholder and director. The bank closed in 2012 after a group of minority shareholders sued its directors for allegedly conspiring to divert the company's assets. Although a court dismissed the case in September 2014, an appeal is still pending. Reopening the case now, however, would be not be welcomed by the bank's other majority shareholders, who include the current Prime Minister, **Ruhakana Rugunda** (AC Vol 53 No 11).

But Mbabazi's enemies may try to resurrect the long-dormant Temangalo scandal. A parliamentary investigation in 2008 determined that Mbabazi had used his position as security minister to influence the National Social Security Fund to buy land from him at a rate far exceeding the valuations of independent surveyors. The probe found Mbabazi had violated sections of the leadership code but the affair did not prevent his elevation to prime minister.

Considering the risks facing Mbabazi and his slender prospects of success against Museveni, there is considerable puzzlement about his long-term strategy. Some still believe that he wants to lead a grand anti-Museveni coalition and create a new force in Ugandan politics, although few seriously think he can bring unity to Uganda's fractious opposition. His support base outside the NRM is untested.

One analyst suggested to *Africa*

Confidential that Mbabazi's sights may be set further ahead than the 2016 election with the aim of presenting a viable alternative to Museveni and his family in the 2021 election. According to this theory, Mbabazi would be aiming to create splits in the NRM which would militate against either Museveni's son, **Muhoozi Kainerugaba**, or his wife, **Janet**, standing in 2021 (AC Vol 54 No 19). The First Lady announced in May that she would not seek re-election as MP or Minister for Karamoja Affairs in 2016 in what some see as an attempt to remain above the political fray and prepare the ground for her own presidential bid. This coincided with a series of fawning articles in the state-controlled *New Vision* newspaper in recent months praising her accomplishments and extolling her leadership qualities.

DIVIDED AND OPPRESSED

Uganda's official opposition, meanwhile, remains divided and oppressed. Since November a coalition of civil society and opposition groups has been campaigning for the introduction of long-sought after electoral reforms. The reform proposals came out of a national consultation process and include the reinstatement of presidential term limits, removing the President's powers to appoint the chairman of the Electoral Commission, and limiting the security forces' role in the election. The process was intended to engage all civil society and political groupings but was largely snubbed by the NRM.

On 30 April, the government sent a Constitutional Amendment Bill to Parliament that ignored all of the opposition's core demands. Among the amendments was a proposal – widely ridiculed outside the NRM – to rename the Electoral Commission the 'Independent Electoral Commission' but without undertaking any changes that would make it independent.

Unsurprisingly, the new bill has provoked widespread anger among the opposition. On 2 June the FDC threatened to prevent the election from taking place unless a new electoral commission was constituted along with a new electoral roll. How the party intends to do this is unclear and early talk of a boycott appears to have subsided after receiving a lukewarm response from other opposition parties.

The government is keeping a firm lid on any sign of protest. On 14 May police arrested Besigye and the Lord Mayor of Kampala **Erias Lukwago** after they held a meeting with other activists to discuss the electoral reform campaign. Both have been detained on several occasions since, at least partly so as to deter others.

On 10 June leaders of the main

opposition groups gathered at a hotel in Kampala to announce that they had formed an electoral coalition to challenge Museveni. Called the Democratic Alliance, it has most of the main opposition parties and several smaller groupings including: the FDC, the Democratic Party, the Conservative Party, Jeema party and others. The parties say they are considering fielding a joint presidential candidate, but many doubt its durability. Previous attempts at a cross-party alliance have foundered amidst infighting and it is difficult to see which candidate could unite such a disparate group.

As the main opposition party, the FDC is hardly a symbol of unity. It is expected to choose an electoral candidate at a conference in September, but appears unable to choose between its two leading men: Besigye and Major General **Mugisha Muntu**. Besigye has led the party to defeat on three previous occasions, but remains the most popular political leader outside the NRM. Some factions in the FDC, however, were dissatisfied with his leadership in 2011 and are uncomfortable with the prospect of becoming a party built around one personality.

In 2013 the FDC's presidency passed to Muntu, a former army chief who fell out with Museveni over the President's politicking in the military. Besigye and Muntu have differences on strategy. Muntu has previously said the party should participate in the election whether or not electoral reforms have taken place. He hopes to be the party's flag-bearer, but he is thought to lack both charisma and the support base to secure the nomination. Muntu's long-time rival and former leader of the opposition, **Nathan Nandala-Mafabi**, was elected Secretary-General on 13 June, which will boost the Besigye camp at Muntu's expense.

SCARCE UNITY

The two longest-running parties, the DP and the United People's Congress, are unlikely to bring any greater unity to the table. DP leader **Norbert Mao** has been among the principal agitators for electoral reform, but the party will not support a boycott or disrupt the elections. Mao continues to face internal challenges led by his rival **Samuel Lubega**, who re-joined the party in March 2015 after standing in the presidential election as an independent in 2011. He says he now plans to challenge Mao for the party ticket, while further competition may yet come from Lukwago.

The UPC looks in little better shape after **Jimmy Akena** was declared leader and presidential candidate in party elections on 2 June, replacing outgoing leader **Olara Otunnu**. The vote was hotly disputed after votes from some

districts were not counted, prompting Akena's supporters to storm the party headquarters in Kampala. Akena is the son of Independence leader, the late **Apollo Milton Obote**, and his election is considered a victory for the party's old guard. He is thought to be close to Museveni and the party is yet to sign the Democratic Alliance protocol, though Otunnu attended the launch ceremony.

One independent, Professor **Venansius Baryamureeba**, who is not party to the Democratic Alliance, has already declared his candidacy, further undermining opposition unity. Baryamureeba is the ambitious Vice-Chancellor of Makerere University and, like Museveni, of Banyankole ethnicity. He has a minimal political base and is unlikely to present a significant challenge, but some think he is looking to build his profile with an eye on the 2021 polls.

CRACKING DOWN

True to form, the government is preparing several pieces of legislation designed to undermine the opposition before the election. In addition to the Constitutional Amendment Bill two other contentious bills came before parliament in April and May. The Anti-Terrorism Act, passed last month, broadens the definition of terrorism and creates new powers for the police to confiscate assets suspected of funding terrorist outfits. The real target is believed to be opposition party funds.

Still awaiting parliamentary approval is the 2015 non-governmental organisation bill, which has attracted widespread criticism. The law would have all NGOs re-register within six months of passing and would place activists under far tighter supervision from a government-controlled NGO board. In its opening statements, the bill makes a clear distinction between NGOs supporting the delivery of services such as water, education and health, and those engaged in 'subversive' activities. This seems to be aimed at the NGOs engaged in accountability and governance issues, especially on oil and electoral reform.

Activists argue these laws are part of a long-running campaign to restrict the political environment and civil society freedoms. They follow on from the 2013 Public Order Management Act (POMA), which gave the police sweeping powers to veto or break up political meetings. It was under these provisions that Besigye and Lukwago were arrested in the past month, in what activists claim was a characteristically selective application of the law. **Dickens Kamugisha**, who runs the African Institute for Energy Governance, said, 'I am sure the [NGO] bill is a continuation of the POMA that was put in place to keep eyes on those opposition figures deemed to pose a

threat to the powers that be.'

There are also widespread fears that security forces and informal militia are being mobilised to help ensure the NRM's electoral victory through violence. Several independent sources told *Africa Confidential* that weapons have been distributed to NRM-backed gangs in preparation for the vote. These include the faction of the NRM Poor Youth which is loyal to Museveni, and up to 15,000 *boda-boda* (motorcycle taxi) drivers. Groups of *boda-boda* drivers have played a notable role in past elections, gathering intelligence on opponents and enforcing the vote.

The primary role for coordinating political mobilisation and enforcement ahead of the election, we hear, falls to soldiers deployed under the National Agricultural Advisory Services, an initiative aimed at boosting agricultural productivity. Responsibility for NAADS was passed from civil servants to the Ugandan People's Defence Force in June 2014 on the pretext that the soldiers would bring better managerial discipline to the programme, although the initiative continues to be dogged by allegations of incompetence and corruption. Our sources report that these soldiers will take responsibility for the network of tens of thousands of so-called Crime Preventers, who since 2011 have been recruited and trained to provide voluntary security services in the villages. Civil society organisations worry these groups lack accountability and fear their mobilisation is merely formalising NRM-backed vigilante groups like the Kiboko Squads, named after the long batons they wield.

The increasingly repressive tactics point towards growing insecurity at the heart of the NRM. The President's waning support, the defection of key allies and a succession of popular uprisings against ageing African leaders in recent years have left the party feeling vulnerable. Reflecting these anxieties, we hear that since 2009 the majority of military units in Kampala have been replaced by the elite Special Forces Command, which is under the command of Museveni's son Muhoozi.

Further reshuffles of the military top brass were reported in May aimed at consolidating the NRM's hold and reducing the influence of renegade General **David Sejusa**. Sejusa fled the country in 2013 after a letter he wrote came to light claiming that Museveni was planning to transfer power to his son Muhoozi. But he returned to Uganda from exile in January after reportedly striking a deal with Museveni that he would stay silent (AC Vol 56 No 2). Since then he has begun openly campaigning for a change in government and was arrested this week at an 'unlawful' rally. ●

SIERRA LEONE

The discord lingers on

The constitutional crisis over the vice-presidency drags on while an unwelcome spotlight falls on the President's affairs

A full explanation of why Vice-President **Samuel Sam-Sumana** was summarily removed from office in March has just emerged. President **Ernest Bai Koroma** feared he was building support for a bid to succeed him as President, political sources in Freetown have told *Africa Confidential*. Koroma was alarmed because his deputy was courting important factions of the governing All People's Congress (APC) and building up momentum. Without fully considering the consequences, Koroma summarily dismissed Sam-Sumana, from whom he has long been estranged, even though he did not have the constitutional power to do so. It has left a legal quagmire that the courts show no sign of sorting out (AC Vol 56 No 6).

Initially, Sam-Sumana sought an injunction in the Supreme Court against his sacking which could only, according to the constitution, follow a formal procedure conducted by Parliament alone. Koroma claimed that 'Supreme Executive Authority' permitted him to sack Sam-Sumana and appoint **Victor Bockarie Foh** in his stead. The Freetown courts are reluctant to defy political authority and so took their time in addressing the point.

On 6 May the court pronounced that it would be unsafe for it to demand the removal of Foh from the vice-presidency. Chairing a panel of five judges, Acting Chief Justice **Valesius Thomas** saw 'very grave consequences for the whole nation' if the office of the Vice-President were left vacant. Few were surprised by the verdict, even though it left open and unanswered the important questions: whether Sam-Sumana was legally sacked or his successor legally appointed.

The case continues, although it took a bizarre turn when, early this month, Sam-Sumana sacked his lawyer, **J. Blyden Jenkins-Johnston**, claiming he had acted against his interests. He lost confidence in his lawyer after discovering that President Koroma had paid him a visit, *Africa Confidential* has learned. Veteran barrister Jenkins-Johnston retaliated by claiming that Sam-Sumana was relying on advice from a famous London barrister, **Geoffrey Robertson** QC, to 'micro-manage' and 'manipulate' him. Robertson is the founder and joint head of London's Doughty Street Chambers and a former President of the

United Nations-backed Special Court for Sierra Leone. Sam-Sumana is now represented by lawyer and opposition politician **Charles Margai** who, like Sam-Sumana, supported Koroma when he was first elected in 2007 but has since fallen out with him.

Koroma is leaving nothing to chance and the government has reportedly allocated 3 billion leones (US\$720,000) to its legal team of specially-hired counsel. Some local media have bitterly commented that this is more than the combined total Koroma allocated to District Health Management Teams in six of the districts worst affected by Ebola through the entire period of the outbreak (AC Vol 56 No 2). Koroma could have used government lawyers in the Ministry of Justice for his defence but many believed he could not risk a confrontation with his Attorney General, **Frank Kargbo**. He is a former human rights lawyer and was Executive Secretary of Sierra Leone's Truth and Reconciliation Commission. He had already voiced unease about both Sam-Sumana's sacking and the appointment of Foh in his place.

FOH'S PAST

New details have also emerged about the choice of Foh, Finance Minister in the much despised Armed Forces Revolutionary Council junta of 1997-98. The late President **Siaka Stevens**, founder of the APC, sacked Foh from the civil service in the early 1980s for the alleged theft of public funds. While Sam-Sumana himself has a questionable reputation from his less than straightforward past dealings with at least two sets of United States' businessmen, he was never brought to court.

One of Sam-Sumana's aides, **Momoh Kemoh Konteh**, was filmed in an *Al Jazeera* television sting operation apparently taking cash for access to the Vice-President (AC Vol 53 No 20). He was tried and acquitted, and last February, Koroma appointed him to chair the National Telecommunications Commission. *Africa Confidential* previously reported that US businessmen **Mark Heiligman** and **Ed Sandridge** had paid Sam-Sumana close to \$500,000 in the expectation of favours at the time of his and Koroma's election in 2007 but had got nothing in return. Although the contributions were illegal, none of

this caused Sam-Sumana reputational damage or problems with the police at the time.

Sam-Sumana has since then come across as a shrewd and sure-footed politician, astutely building a base within the APC aimed at a presidential bid in 2017. Koroma may have given up his ambition of changing the law to allow him to stand for a third presidential term but he still wants to anoint his successor. He has now been telling foreign visitors that he is grooming **Kaifala Marah**, his Finance Minister, and **John Bonoh Sisay**, his cousin and the Chief Executive Officer of the mining company Sierra Rutile, to succeed him.

Before he was expelled from the APC in March Sam-Sumana counted among his supporters the late **Kainde Gladys Bangura**, a respected veteran APC activist who played a crucial role in reviving the party's fortunes after it was sent into oblivion by the military coup of 1992. She was expelled from the party on the same day as Sam-Sumana, accused like him of 'fomenting violence'. Sam-Sumana has also been supported by **Jengo Stevens**, son of Siaka. In a crude bid to steal Stevens's loyalty, Koroma has appointed him Assistant to the Vice-President. The political battles within the APC continue with more fervour than does the log-jammed legal contest.

KOROMA'S ASSETS

Far from increasing his power in the party, Koroma's handling of Sam-Sumana and the succession issue has encouraged his enemies in the APC to assault his reputation. When he took office in 2007, it is believed, Koroma's mandatory declaration of assets to the Anti-Corruption Commission itemised only his villa at Goderich, Freetown, along with less than \$100,000 in the bank. In 2011, he demolished the house and built a much swankier mansion in its place. He has also built houses in Makeni and acquired several valuable properties in Freetown, we hear.

One particular acquisition raises legal issues. Last year, the extensive property of the defunct National Diamond Mining Company (NDMC), which had been valued by experts consulted by a parliamentary committee in 2013 at \$12 mn., was bought for \$1.2 mn. by another party acting, according to impeccable sources, on behalf of Koroma. There was no open or public bidding for the property, which includes twelve mansions and dozens of acres of prime land in Freetown, and no process for disposal of the state assets. Koroma has also acquired extensive property belonging to Aureol Tobacco Company, a semi-government-owned enterprise.

A former insurance manager, Koroma

has made no secret of his wish to retire in wealth and engage in expanded business on leaving office. He has helped his brothers and sisters, who were previously broke, to become millionaires. One of them, **Thomas Koroma**, was before the courts on a theft charge which his brother had dismissed after he became President.

A US embassy cable of 2013, which *Africa Confidential* has seen, claims that Koroma has a 10% stake in the Sierra Leone holdings of the Swiss company Addax Bioenergy, which started work in the country in November 2011. Addax, a sugarcane-based ethanol company, that is part of AOG, parent company of Oryx Petroleum. Addax has invested tens of millions of dollars in a sprawling sugar plantation in Koroma's home district of Bombali. Koroma is also believed to have stakes in African Minerals Limited, whose majority ownership recently passed from **Vasile Frank Timis** to a Chinese conglomerate (AAC Vol 4 No 9).

In March 2012, Koroma sold the government's shares in the world's richest titanium mines, operated by Sierra Rutile, for \$17.5 mn. Experts contended at the time that the shares could have fetched many times that amount. It is widely held in Freetown that Koroma now owns a chunk of those shares.

Claims of shady business dealings on Koroma's watch have also surfaced in connection with Ebola-related contracts, which were the subject of a government audit report released early this year (AC Vol 56 No 4). Focused on the management of Ebola funds between May and October 2014, the audit found that 30% of \$19 mn. of internally generated funds spent to combat Ebola could not be accounted for. It found that the contract for the purchase of 20 ambulances for \$1.1 mn. was 'inappropriately entered into' with a shell company called Kingdom Security Logistics, ostensibly based in Dubai, **United Arab Emirates**, but which belongs to Koroma's squash-playing

Lebanese friend Mahmoud Bahsoon and his brother **Walid Bahsoon**, owner of the Freetown-based Premier Logistics and Supplies, Ltd.

Koroma offered the contract to Mahmoud Bahsoon while the two were playing squash and the President then telephoned the then Minister of Health, **Miatta Kargbo**, to arrange for an advance payment of 50% of the contract to Bahsoon on the following day, AC has learned. The money was disbursed even before the contract documents were put together, we hear. The company charged the government additional costs of \$360,000 over the \$1.1 mn. to air-freight 17 of the 20 ambulances. Yet only 16 have been delivered.

Another audit in process is likely to uncover more malfeasance and the talk in Freetown is that the indefatigable Auditor General, **Lara Taylor-Pearce**, who originally uncovered the ambulance contract, is under intense pressure to tone down her findings. ●

BURUNDI

Nkurunziza ploughs on

The President's insistence on persisting with the elections annoys the AU. The EU is considering sanctions

Local and parliamentary elections are still set to take place on 29 June but the presidential poll will only be held on 15 July after President **Pierre Nkurunziza** conceded a delay at the request of the African Union. He has conceded little else and tension and violence remain high.

On 21 June, the United Nations appointed the **Senegalese** diplomat who mediated in the **Central African Republic** crisis, **Abdoulaye Bathily**, to replace **Saïd Djinnit** (AC Vol 56 No 4). The former AU Commissioner for Peace and Security had resigned from the Burundi job on 11 June after the

opposition accused him of bias towards the President. Up to now, mediators seem more concerned with the conduct of the elections and the possibility of an opposition boycott than the issue of Nkurunziza defying the constitution by seeking a third term of office (AC Vol 56 No 11).

The AU Peace and Security Council considered threats by 17 opposition parties to boycott the elections just before the AU Summit on 14-15 June in **South Africa** (AC Vol 56 No 13). It has called for consensus on election dates and for peaceful elections. Nkurunziza rejected an AU offer to deploy human rights observers and military experts to monitor the disarmament of militias,

DO AS I SAY, NOT AS I DO

Perhaps the most dangerous aspect of the Burundian crisis as viewed from the **Rwandan** capital, Kigali, is the unwelcome spotlight on third – and unconstitutional – terms of office. Rwandan President **Paul Kagame** has started to lay the groundwork for constitutional changes to allow him to stand again, beyond the currently permissible two terms (AC Vol 56 No 6). In an interview with **China** Central Television, Kagame said presidential terms were just 'one problem among many' in Burundi and President **Pierre Nkurunziza's** inability to deliver for his people was more important: 'If your own citizens are telling you we don't want you to do this or to lead us, it is because they are saying you are not delivering much to us. So how do you say I am staying anyway whether you want me or not? This is a serious problem'. Kagame's failure to turn up at an East African Community special summit in Dar es Salaam to discuss the Burundi crisis was interpreted as evidence of his annoyance with Nkurunziza.

Fears of renewed conflict in Burundi have caused around 25,000 mainly Tutsi people to flee to Rwanda and about twice as many to Tanzania. Rwanda's Foreign Minister, **Louise Mushikiwabo**, has expressed her concern about alleged links between the *Imbonerakure* militia associated with Nkurunziza and the anti-Kagame *Forces démocratiques pour la libération du Rwanda*, which are based in **Congo-Kinshasa** (AC Vol 55 No 14).

Kagame may have dodged the third-term issue in his public pronouncements on Nkurunziza but on 15 June, after a two-day congress, the ruling Rwandan Patriotic Front called for a constitutional change which would allow Kagame his third term in office. That would need to be approved by a referendum. A petition with more than 3.6 million signatures has been presented to Parliament to change the constitution to make that possible. Earlier, the chief spokesman for the **United States** Department of State, **Rodney D. Ford**, had declared, 'Changing constitutions and eliminating term-limits to favour incumbents is inconsistent with democratic principles and reduces confidence in democratic institutions.' The USA was 'committed to support a peaceful, democratic transition in 2017 to a new leader elected by the Rwandan people'. ●

saying that an army unit was already doing the job. Foreign Minister **Alain-Aimé Nyamitwe** has said that Burundi wants a say on the countries which would provide such observers and troops, and on their mandate. That doesn't bode well for their being on the job by 29 June.

Like the UN, the AU has not addressed the issue of Nkurunziza's right to run for a third term, which means that the dialogue it is promoting probably won't succeed. If, as seems likely, the opposition boycotts the vote, Burundi risks turning into a de facto one-party state. Candidates from Nkurunziza's *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (CNDD-FDD) would have no competitors and the presidential election would be a mere formality.

Since the beginning of June, protests and demonstrations have declined in Bujumbura, where in the most rebellious districts, such as Cibitoke, Mutakura and

Nyakabiga, police are on the offensive and shoot in the air to disperse young demonstrators trying to organise anti-third-term rallies.

Army and police patrols are extensive in the opposition strongholds of Musaga and Kanyosha districts. A spate of grenade attacks on police injured eleven on 19 June alone. Nobody claimed responsibility but the government blames the anti-third-term protestors.

On 16 June, a grenade killed **Jean-Marie Hakizimana**, about 35, a CNDD-FDD member and local leader of the *Imbonerakure* militia at Gahongore, Bubanza Province. Police suspect activists from the *Mouvement pour la solidarité et la démocratie*, whose leader, former journalist **Alexis Sinduhije**, lives in exile in **Rwanda**. Last year, Burundi issued an international arrest warrant for him (AC Vol 55 No 8).

If elections take place in such controversial conditions, one of the

main consequences for Nkurunziza may be that his election victory will not be recognised by the country's main donor, the European Union, or by the former colonial power, **Belgium**. The Belgian former Foreign Minister and former EU Development Commissioner, **Louis Michel**, who is now a member of the European Parliament and Co-Chairman of the African, Caribbean and Pacific-EU Joint Parliamentary Assembly, has called for urgent action to prevent civil war. The EU must, he said, threaten to seize the bank assets of all those responsible for the repression against the demonstrators. He also recommended the prosecution of those individuals by international courts.

On 22 June, EU foreign ministers called on EU Foreign Policy chief **Federica Mogherini** to 'start preparatory work' on possible sanctions against individuals involved in Burundi's political violence.

●

SOUTH AFRICA

Petrol projects trouble

PetroSA is the latest state-owned giant to suffer labour and financial problems, with managers first in the firing line

The Board of the state-owned Petroleum, Oil and Gas Corporation of South Africa has suspended two senior executives three weeks after the government demanded they go on gardening leave over PetroSA's poor performance, bad investments and falling income. The group Chief Executive Officer, **Nosizwe Nokwe-Macamo**, the Chief Finance Officer, **Lindiwe Mthimunye-Bakoro**, and the acting Vice-President for Upstream Operations, **Andrew Dippenaar**, received letters on 27 May telling them to go on 'forced leave' because of the way they had managed operations and that the board would be taking over.

The suspensions are part of a government effort to bring discipline into failing state-owned enterprises which are deemed strategic and core to the economy, say sources in the National Treasury and the leadership of the African National Congress (ANC). Other failing SOEs in the energy sector have been targeted for the same treatment. In March 2014, the government suspended the top four executives of Eskom, the cash-strapped state power utility, and launched an inquiry into its operations (AC Vol 56 No 7). The government is now expected to launch an investigation into PetroSA.

Nokwe-Macamo and Mthimunye-

Bakoro refused to go and threatened legal action because they were afraid they would be blamed for PetroSA's woes and sacked, company sources said. Two key members of the PetroSA Board supported them, arguing that the government intervenes unduly in the operations of SOEs over the heads of their boards.

PetroSA operates the country's gas-to-liquid refinery at Mossel Bay, the world's third-largest facility, and sells petrochemical products on domestic and international markets. The firm reported a loss of 1.65 billion rand (US\$135.76 million) in the 2013/2014 financial year. It devalued its production and exploration assets by R3.4 bn., citing continuing delays in Project Mthombo, its oil refinery project in the Coega Industrial Development Zone in the Eastern Cape (AAC Vol 6 No 6).

The company is expected to post an astonishing R15 bn. loss for 2014/2015 and now plans to dismiss 40% of its workforce. *Africa Confidential* has seen letters from PetroSA to trades unions representing its 1,800 employees which cite the company's poor performance, declining revenue and production delays as key reasons for the pending retrenchment. Its Vice-President of Corporate Affairs, **Zama Luthuli**, said these were 'last-resort' cost-containing measures.

The costs of Project Mthombo have been spiralling out of control in the same way as Eskom's projects to build new coal-fired power stations at Medupi and Kusile. Eskom is spending R240 bn. on the two long-delayed power stations, 80% of its R300 bn. ten-year budget for expanding generation capacity. PetroSA's Project Mthombo is now budgeted at R200 bn. Once built, it will be the biggest crude oil refinery in Africa and will provide security of supply for South Africa's future fuel requirements.

In 2013, PetroSA signed an agreement with **China's Sinopec** (China Petrochemical Corporation) to jointly develop the plant, with South Africa's state-owned Industrial Development Corporation providing some of the funds. However, funding has not been forthcoming from the government side, we hear, and the Chinese company has yet to commit either, waiting for its SA counterparts to move first. At the signing, the Sinopec Chairperson, **Fu Chengyu**, said the oil company would push forward the Mthombo Project as long as it was economically and technically feasible.

The government also plans to investigate Project Ikhwezi, an initiative to search for new gas for the Moss gas plant in Mossel Bay on the Southern Cape coast. This was supposed to provide a lifeline for the Moss gas project and make it viable in the future. PetroSA gets most of its revenue from its upstream operations, so the success of Ikhwezi is essential to the company's overall financial viability.

Budgeted at R11 bn., the project was meant to drill five wells to produce 40-50 bn. cubic feet of gas. However, PetroSA's 2013/2014 financial report listed only three exploration wells as functioning,

with their output well below even the most conservative projections. Refinery production had declined by 14%, which was blamed on over-runs at Project Ikhwezi. The executives, the board and Finance Minister **Nhlanhla Nene** have been in a three-way dispute over how to proceed. CEO Nokwe-Macamo and her executives blame the Board for not pushing hard enough to secure more funding from the Treasury but some of the Board do not believe the project is viable.

In January, the Treasury refused PetroSA's request to lift its foreign borrowing limit to enable it to buy the 80% stake in South Africa's largest domestic fuel retailer, Engen, owned by **Malaysia's** Petroliam Nasional Berhad (Petronas Bhd.). PetroSA has asked the Treasury to lift its foreign borrowing limit, which was rejected. The deal has now fallen through. The Treasury believed that the leadership at PetroSA was not capable of implementing its current strategy. It further believed that given PetroSA's rising debt obligations, its balance sheet would not be able to carry the debt from Mthombo and other projects.

A key part of PetroSA's strategy is to secure the ability to sell directly to consumers. Buying Engen, which operates a 45,000 barrel-a-day refinery at Mossel Bay, would have realised this aim. Petronas bought the controlling stake in Engen in 1998.

Separately, the Hawks (the Directorate for Priority Crime Investigation of the National Prosecuting Authority) are

investigating current and past senior executives for alleged misspending of R800 bn. during the tenure of former Acting CEO **Yekani Tenza**. The investigation is also looking into the acquisition of crude oil acreage, through the 2013 purchase of Sabre Oil and Gas Holding Ltd. in **Ghana**, which cost an additional \$20 mn. at the time and for which Johannesburg lawyer **George Sabelo**, a close ally of President **Jacob Zuma** and his family, was allegedly paid a 'success fee' of R 11.4 mn.

In November 2014, PetroSA's then chairperson, **Tshepo Kgadima**, another Zuma ally, was asked to leave following public pressure after a report that he was involved in fraud that led to the loss of millions of rand by investors while he was CEO and President of LontohCoal. The investigation came after a former PetroSA Chief Financial Officer, **Dalikhaya Rain Zihlangu**, submitted three affidavits to the police in November 2012 asking for an investigation.

In October 2014, Zuma unveiled plans to drill at least 30 deep-water oil and gas exploration wells within the next ten years as part of a multi-billion rand, long-term plan to exploit offshore fossil fuels along the 3,000-kilometre coastline. He said government studies had shown that the country had potential oil reserves of up to 9 bn. barrels of oil and 11 bn. barrels of natural gas (equivalent to 40 years of current oil consumption and 375 years for gas). If these were exploited, Zuma said, South Africa could extract up to 370,000 barrels of fossil fuels each day within 20 years, the equivalent of 80% of

current oil and gas imports.

On 5 June 2015, the government released hydraulic fracturing (fracking) technical regulations needed for companies to start exploring for shale gas in the Karoo. Zuma has identified fracking as a 'game changer' for the economy. New investment in exploration is estimated to be around \$5 bn. Fracking is also seen in the governing ANC as a potential financial bonanza for black economic empowerment, particularly among those close to the Zuma presidency.

PetroSA is the primary SOE involved in the expected introduction of fracking. South Africa is currently revising its minerals law, which proposed giving the state a free 20% stake in all new oil and natural gas projects and enabling it to buy an unspecified additional share at an agreed price. The bill will be finalised in August. Last week, the Central Energy Fund, which PetroSA reports to, told a closed meeting of the Parliamentary Portfolio Committee on Energy that it had been in talks with the departments of Energy and Mineral Resources for the state to put the 20% stake into new projects in PetroSA's upstream (exploration) division.

Farmers, and environmental and other civil society organisations have mobilised against fracking, saying it will harm the environment but the government is determined to press on. Although there are many good reasons for shaking up PetroSA, some see winning control of the SOEs as a step towards getting more of the likely proceeds expected from shale gas development. ●

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POINTERS

Rwanda

AN ACCIDENTAL ARREST

■ Britain's arrest of Rwandan spy chief General **Emmanuel Karenzi Karake** on charges of crimes against humanity was either an unavoidable European treaty obligation, a massive bureaucratic foul-up or a deft diplomatic move to voice disapproval of President **Paul Kagame's** campaign to change the constitution and secure a third term (AC Vol 56 No 6). Such theories were to be tested on 25 June when a London court was to decide whether to extradite him to **Spain**.

Karenzi has visited Britain many times, meeting British officials and journalists. This time, he had been in the country for about a week. He was about to board his flight at Heathrow Airport on 20 June when he was detained by immigration officials brandishing an arrest warrant from Spain. The charges relate to his role in the Rwandan Patriotic Front as it mobilised to stop the genocide of Tutsi and moderate Hutu in 1994. In 2008, a Spanish High Court judge, **Fernando Andreu Merelles**, ruled that Karenzi and another 39 RPF militants should face charges for organising reprisal attacks against the *génocidaires*, in which three Spanish aid workers were killed.

Kigali dismisses the case as politically motivated, referring to a United Nations investigation that reported that Judge Merelles had received funding to work on the indictment from the *Fundación S'Oliver* and *Inshuti*, which both strongly denied. The Spanish groups had raised funds for members of the opposition.

Kigali likens this to the case launched by France, and subsequently dropped, accusing top RPF officials of involvement in the shooting down of the late President **Juvénal Habyarimana's** jet in April 1994, which triggered the genocide.

Nigeria

A NATION IN WAITING

■ Post-election euphoria is turning to impatience as Nigeria waits for its new President to form a government and announce its policies (AC Vol 56 No 11). In fact, President **Muhammadu Buhari** has spent much of his first month on regional security, meeting his counterparts in **Chad** and **Niger** to bolster the campaign against the *Boko Haram* insurgents.

His invitation from **German** Chancellor **Angela Merkel** to this month's Group of Seven summit in Bavaria was another sign of Western support for Buhari. **United States'** officials are planning to add a stopover in Abuja to President **Barack Obama's** trip to **Kenya** and **Ethiopia** next month, we hear. Key

to those discussions is the US Assistant Secretary of State for Africa **Linda Thomas-Greenfield**, who was in Abuja for the tense week after the presidential election in March.

Meanwhile, Buhari is trying to adjust to what he describes as a virtually empty Treasury and the ruthless partisanship of local politics. The popular former Governor of Lagos State, **Babatunde Fashola**, is translating an 800-page report from the Transition Committee into an action plan for Buhari and is tipped for a key role. The former Chief of Army Staff, Lieutenant General **Abdulrahman Bello Dambazau**, looks set to be Defence Minister or National Security Advisor.

Other cabinet candidates, including nominees of **Bola Tinubu**, godfather of the victorious All Progressives Congress (APC) in the south-west, are being screened for corruption links.

State governors met Buhari on 23 June, seeking a bailout for their massive arrears on salaries and payments to contractors. There are proposals to float bonds to raise funds for the worst-hit states. Some tough decisions loom at federal level on fuel subsidies, which have become a multi-billion dollar racket, and on wider reform of the oil industry.

There is also some foreboding about what will happen when the amnesty programme, with its payments to militants, shuts down in December. For now the biggest uncertainty is the appointment of the Oil Minister: the most likely possibility is that Buhari, like President **Olusegun Obasanjo** in 1999, will take the portfolio himself to ensure full access to information on contracts and procurement but will appoint a top technocrat as minister of state to deal with the swathes of detail that go with the job. It will be that person's task to set out the programme for oil and gas sector reform, and then try to steer it through the National Assembly.

South Africa

SAVE THE CHILDREN

■ New visa regulations for children travelling to South Africa have been criticised as 'economic sabotage' by the South African Chamber of Commerce and Industry. Tourism contributes 9% to the country's gross domestic product and employs 1.5 million people. The industry believes the measure is already deterring visitors and damaging the economy. The government says the rules are meant to help fight child-trafficking.

Tourists must now apply for travel documents in person at a South African mission, where biometric details will be taken. All children travelling to the country, whether or not they require visas, must have an unabridged birth certificate with full details of both parents. If the

documents aren't in English there needs to be a certified translation.

Home Affairs Minister **Malusi Gigaba** argues that the new rules – which Sacci says are unique – will reduce child-trafficking and prostitution. Government insiders say the move is also targeted at closing loopholes that allow thousands to enter the country to work illegally. The government estimates that 30,000 children are trafficked into South Africa annually, often for prostitution. Opposition parties, human rights groups and tourism firms say the true figure is much lower.

Preliminary air travel statistics released in June already show a 32% drop year-on-year in tourist arrivals, but a clearer picture should emerge in July and August. Air **China** has postponed its agreement to fly direct to South Africa and Lufthansa has announced reduced capacity.

Swaziland

FACING SANCTIONS

■ Momentum is building in Europe for sanctions over human rights abuses in Swaziland. European Union (EU) member states voted on 21 May for a resolution urging their leaders to reconsider current trade preferences given to the African kingdom.

The resolution also called for the release of **Bheki Makhubu**, editor of *The Nation*, and **Thulani Maseko**, a human rights lawyer. Both were sentenced to two years in prison in March last year after criticising the judiciary's lack of independence. Opposition leaders have also been jailed for criticising Swaziland's absolute monarchy.

The International Trade Union Confederation condemned comments by **Barnabas Sibusiso Dlamini**, Swazi Prime Minister, who said in July last year that two union leaders who had attended the African Summit in Washington DC should be strangled on their return.

In its resolution, the European Parliament considers the banning of trade unions in October last year to be in contravention of International Labour Organisation conventions and the EU-South African Development Community Economic Partnership Agreement.

Mbabane's failure to improve its human rights standards and ensure a legal framework for better working conditions will jeopardise its access to lucrative overseas markets. The EU is the second-ranked destination for Swazi exports after **South Africa** and Swaziland had a 133 million euro trade surplus with the EU last year. Should the Swazi government ignore the EU's call, the 62 mn. euro European Development Fund's National Indicative Programme for Swaziland for the 2014-20 period could be suspended, say sources at the European Commission.

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BLUE LINES

This month, two Western powers, the United States and France, are trying to remind Africa that it hasn't been totally left out of their calculations. On 20 July, US President Barack Obama is to welcome Nigeria's President Muhammadu Buhari to Washington DC (see Pointer) and just days later, he jets off to Addis Ababa and Nairobi, where he will meet Prime Minister Hailemariam Desalegn and President Uhuru Kenyatta. Growing insecurity is on the agenda but Obama also wants to address longer-term growth.

US oil and gas imports from Africa have almost stopped due to its use of fracking technology to produce more energy locally. China, the world's biggest market for oil and gas, pushed up its trade with Africa to US\$222 billion last year. That's over three times the level of US-Africa trade. The more adventurous US officials and companies are looking for ways into Africa's retail and agricultural markets but few have found ways to build on the unexpectedly popular Africa summit that Obama hosted in Washington a year ago.

France, whose President François Hollande swung through Benin, Angola and Cameroon last week, looks equally stuck in the past. The Parisian daily *l'Opinion* described the mini-tour as 'La nouvelle Françafrique de Hollande'. France's economy still benefits critically from its skewed trading relations with its former colonies in Africa and its backing for the two CFA currency zones there which compel the member governments to keep a substantial part of their foreign reserves in Paris.

CONGO-KINSHASA

Ivanhoe rides into the elections

A dispute between a Canadian conglomerate and the Mines Ministry points to battles over the coming elections and Chinese cash

Buccaneer mine owner **Robert Friedland** claims to have discovered the world's biggest undeveloped copper mine at Kamoa, in Congo's Katanga Province. He has also brought in one of China's biggest mining companies, Zijin Mining Group, to finance the project, which is due to start producing copper in 2018.

However, the project has run into a political roadblock ahead of elections next year as top officials jockey for position and argue over the distribution of hundreds of millions of dollars of state spending and political funding. The political climate has heated up this year since Parliament blocked President **Joseph Kabila's** bid to change the constitution and get himself a third term (AC Vol 56 No 12). Late last month, Kabila launched anti-corruption investigations into some of his most powerful political rivals.

The battle over Kamoa pits Kabila and **Moïse Ekanga**, who manages China's investments in Congo-Kinshasa, against Mines Minister **Martin Kabwelulu**, who wasn't involved in Friedland's deal making with Zijin (AAC Vol 6 No 8). Now Kabwelulu says his government should get a bigger stake in the project and wants the whole deal reviewed, a process that could drag on for years. Under the terms of the deal between Friedland's Singapore-based Ivanhoe Capital Corporation and Zijin, the Chinese company would take 49.5% of Ivanhoe's Kamoa Holdings Limited for US\$412 million. It would have an option to increase its stake to 50.5% after financing a large part of the construction costs.

For Friedland, whose controversial

career took off in the emerging market boom in the 1990s and survived allegations of malfeasance in **Mongolia** and **Myanmar (Burma)**, getting the Chinese money was a massive boost to his company's standing in the markets. 'Promoting a stock is like making a movie... you've got to have stars, props and a good script,' Friedland told journalists and analysts. This time, the script started off well for Ivanhoe, after its exploration engineers started investigating the Kamoa deposit. The Zijin deal pushed up Ivanhoe's share price up by 13% soon after it was announced in May.

Kabwelulu was unimpressed. He said his Ministry hadn't been properly informed. It was the second time Zijin had run afoul of the Mines Ministry, which blocked the company's attempt to buy into another copper project in 2010 for similar reasons. The state-owned *Générale des carrières et des mines* (Gécamines) now controls those concessions, which sit unused because it can't find financing.

After news broke of the Ivanhoe-Zijin deal, Kabwelulu summoned Ivanhoe Mines' President and Chief Executive Officer, **Lars-Eric Johansson**, to Kinshasa. Then the Ministry put out a statement signed by Kabwelulu and Portfolio (State Assets) Minister **Louise Munga Mesozi** on 16 June: 'The government is going to order, shortly, a due diligence [investigation] of the Kamoa Copper SA company in order to evaluate its legal situation.'

Up to that point, Ivanhoe had skillfully navigated Congo's bureaucracy. In 2012, it offered to increase Congo's stake in Kamoa Copper SA, the joint venture company that

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holds Kamoa's permits, by 15% at fair market prices. The state already has a free 5% stake as the law demands. That proposal helped Ivanhoe to secure its mining permits relatively rapidly. Yet negotiations over the extra 15% have dragged on for years. Most of Congo's mining and exploration permits were handed out during its civil war or the transitional government that followed. Critics have questioned their legitimacy.

Ivanhoe started exploring in Congo-K in 2003. It bought the Kipushi project, with its rich reserves of copper and zinc, from another controversial mining baron, Israel's Dan Gertler, for \$150 mn. In 2011. On Kamoa, Ivanhoe insists the government has no right to block the deal with Zijin because it affects only the shares in Ivanhoe's Kamoa Holdings company and not the broader joint venture with Congo.

Kabwelulu doesn't care. Even if he can't stop the sale of the shares to Zijin, he could cause bureaucratic hassles for Ivanhoe's operations in Congo, which require regular approvals from the Ministry. He wants the Zijin transaction suspended until the government gets its 15% increase. Since these problems emerged with the Zijin deal, Ivanhoe's share price has dropped more than 27% in a month, from \$1.25 on 26 May to \$0.91 on 26 June.

Kabwelulu's threats are, in part, a clever if blunt negotiation tactic to get a cheaper price for the share purchase but

the fight also exposes divisions in the ruling elite, whose future is uncertain if Kabila's mandate ends as scheduled in December 2016.

Although Kabwelulu may have been kept in the dark about the Zijin deal, Ivanhoe insists that throughout the negotiations, it was in regular contact with Congolese officials, including Kabila and Ekanga.

One of Kabila's closest confidants, Ekanga heads the *Bureau de coordination et de suivi du programme sino-congolais* (BCPSC), which oversees the \$6.2 billion minerals-for-infrastructure agreement between Congo and China (*Africa Confidential* and *Africa-Asia Confidential* passim). The Mines Ministry insists the BCPSC has no statutory right to oversee other mining deals. Given his political position, that doesn't matter to Ekanga.

Ekanga's role in the President's inner circle has grown since the death in a 2012 aeroplane crash of his mentor, **Augustin Katumba Mwanke**, Kabila's top advisor and architect of some of the country's biggest mining and political deals (AC Vol 53 No 4). With elections less than 18 months away, Ekanga's importance to Kabila will only increase in the coming year, as the mining part of the minerals-for-infrastructure deal – the \$3.2 bn. The *Sino-congolaise des mines* (Sicomines) copper project – is due to start producing in October. Even more useful for the President is Ekanga's oversight of what will amount to \$3 bn. in infrastructure contracts.

The China deal, signed in 2007, greatly boosted Kabila after his first election. Congo needed massive infrastructure improvement after two wars and decades of neglect but its ruined economy made it nearly impossible to take on new debt. China offered vast amounts of money at low rates for something Congo had plenty of – copper. It also offered flexible terms and few conditions, unlike traditional lenders from Europe and North America. Some hailed it as an innovative model for development: nearly \$1 bn. has been

disbursed for infrastructure projects.

Many people outside the ruling *Parti du peuple pour la reconstruction et la démocratie* are far more ambivalent about the Congo-China contracts. In practice, the flexibility of the contracts has caused confusion about what projects are included in the deal. The lack of clear conditions also means weak oversight.

A December report by two local human rights organisations, the *Association d'intégrité et la bonne gouvernance* and *Initiative pour la bonne gouvernance et les droits humains*, said that residents around the Sicomines mine had been kicked off their land without proper compensation. They had lost their jobs and didn't have enough food. The Kinshasa-based rights organisation, the *Association africaine des droits de l'homme*, put out an even more damning report in February, saying it was clear that millions of dollars meant for infrastructure projects were being embezzled. Asadho's researchers went to one road in the capital that the government works agency that was set up for the China contract, the *Agence congolaise des grands-travaux*, had declared finished and found that no more than a few hundred metres were paved. 'Only motorbikes can pass,' Asadho said. The total cost of the road was \$21 mn.

To counter the bad publicity, Ekanga has been leading a charm offensive on Sicomines' behalf. He's giving tours of the mine for Western diplomats and offering accounts for the money that's been spent. There's still no independent auditing, though: it's difficult to reconcile the cash flows in different BCPSC and ACGT documents.

China Eximbank still has more than \$2 bn. to disburse for infrastructure projects. Ekanga is pushing for much of that money to flow in the coming 18 months, coinciding with election season. Drawn on state assets, it is a vast amount without any accountability. As Ekanga blocks efforts to monitor these payments, he risks major clashes with several ministers and aspiring politicians. ●

MOZAMBIQUE

The fishing deal got fishier

Politicians, generals and bankers are in the frame as more details emerge of the country's worst-ever corruption scandal and new debt mountain

At vast public expense, the government is set to rescue the controversial state tuna-fishing company, *Empresa Moçambicana de Atum* (Ematum), from imminent collapse. On 18 June, Finance Minister

Adriano Maleiane confessed to Parliament that the US\$850 million bond the government is backing was a bad deal and needed restructuring (AC Vol 56 No 12). Yet the government is still holding on to the fiction that

the tuna-fishing element of the deal is viable. There is no serious prospect of tuna fleet profits repaying even a tiny fraction of the money due on the bond, *Africa Confidential's* investigations reveal.

The tuna fleet, our research shows, was a fig-leaf designed to conceal a massive maritime protection and security deal from which senior figures in the governing *Frente de Libertação de Moçambique* expected to make vast profits. Frelimo may also have spent some money from the deal to help ensure its controversial victory in last year's presidential election (AC Vol 55

No 21). The price of some of the vessels is so unfeasibly high, say fishing and naval experts, that it may be concealing the secret purchase of other military equipment. It may also, they say, be covering up bribes and kickbacks.

The financial crisis into which Ematum has plunged the country is enormous. 'Once again, I am beginning to have nightmares about the Mozambican debt,' said **Luísa Diogo**, who was Prime Minister for a decade and before that, as Finance Minister, helped to negotiate a massive foreign debt cancellation. Maleiane told shocked members of parliament that the total debt due on the bond, which matures in 2020, will be \$980 mn. when repayments start this year. Over the next five years, at least \$235 mn. will have to be found every year and it is the public who is most likely to be stuck with the bill because Ematum can generate only risible revenue.

The deals have saddled Mozambique with what naval experts have told AC are over-priced fishing vessels and naval patrol boats. Built by **France's Constructions mécaniques de Normandie (CMN)**, the patrol boats include untested 42-metre high-speed trimarans which one naval defence expert told us were unsuitable for the often stormy seas of the southern Indian Ocean. Although the 24 fishing vessels have now been delivered, the trimarans have not and there is a severe shortage of trained crews. The interceptors remain a mystery; original announcements said Ematum would receive three. Twelve have arrived, we hear, but Ematum makes no reference to these vessels in its accounts. If these apparently missing assets have instead been re-assigned to the Ministry of Defence, it too has remained silent.

The expert thought the boats vastly over-priced. Very rough calculations using Ematum's accounts put the estimated price of each fishing boat at about \$22 mn. and the trimarans at about \$100 mn., depending on the level of equipment carried on board. The interceptors are not mentioned in the accounts.

Former President **Armando Guebuza** has attracted most of the blame and some Mozambicans, including Frelimo members, have even been calling for his arrest. Ex-Finance Minister **Manuel Chang**, who signed the Ematum deal in secret without it going through the proper channels in his Ministry or being debated in Parliament, is also in the crosshairs.

STATE GUARANTEE

Mozambique may be ill-equipped to pay the interest due on the bond but the viability or otherwise of Ematum was of no concern to investors in the bond because it came with a state guarantee. Mozambique waived its right to sovereign

immunity, meaning that it can be sued by investors if it does not pay. Last December, the International Monetary Fund deemed Ematum one of the country's two greatest fiscal risks and issued strong warnings about the potentially disastrous effect. Considered by the Fund to be sovereign debt because of the state guarantee, the \$850 mn. used up a huge chunk of the total \$1.5 billion that the government is allowed to borrow at commercial rates under its agreement with the IMF.

Last week, the IMF called for 'stronger controls' over state-owned companies in the fourth review under its Policy Support Instrument programme. This and a terse reference to 'macroeconomic policy slippages' are veiled references to the Ematum project, we understand. Behind the scenes, IMF criticism of the Ematum affair has been fierce. In order to maintain the Fund's approval, President **Filipe Nyusi's** government is to put all projects priced at over \$50 mn. through a tougher approvals process.

Under pressure from the IMF and bilateral donors, Ematum finally published its accounts on 1 June. They reveal that the company cannot make its first bond repayment, due this September, and made a loss of \$25 mn. in its first year of operation, while interest due was almost \$35 mn. Ematum managers have tried to explain the losses, citing start-up costs and an unfavourable exchange rate, but the message from the auditors was clear. Ernst and Young conclude that, 'the continuation of operations... is strongly dependent on a capital structure properly supported by the shareholders and/or by financial institutions, as well as the achievement of profitable operations in the future.' They also draw attention to the 'loss of more than half the capital' of the company. The import of the auditors' words is clear: unless there is a big bailout or an operational miracle, the company will go broke.

STATE BURDEN

The state, which as guarantor of the bond has been left holding the baby, can ill afford the repayments. It has already implemented an austerity budget this year to bring its ballooning deficit down from 10.4% to an estimated 6.5% of gross domestic product. The government is now directly responsible for repaying \$500 mn. of the loan, which it has already been forced to make provision for in the state budget.

In December 2013 Chang, then Finance Minister, announced that the government would take on \$350 mn. of Ematum's debt after controversy erupted over the fact that the deal included armed naval vessels. Ematum had been publicly presented as a fishing concern pure and simple. Chang claims privately, we hear,

21 December 2012
Proindicus incorporated.

8 January 2013
Proindicus announced in Maputo Government Gazette.

February 2013
Crédit Suisse maritime security study. Says contract already signed between Proindicus and Privinvest (at unspecified date).

28 March 2013
Tuna Fleet Development Plan submitted, with phased 15 year plan to gradually develop Mozambican tuna fishing industry. No mention of a new fleet being created.

2 August 2013
Ematum incorporated.

3 September 2013
News emerges that Mozambique has asked Crédit Suisse and BNP Paribas to arrange \$500 mn. bond.

5 September 2013
Ematum announced in Government Gazette. Iskandar Safa announces €200 mn. placed by Mozambique with CMN for 30 vessels: 24 fishing vessels, 3 HSI32 interceptors and 3 Ocean Eagle 43 trimarans to be built over a period of two years. Deal makes news in the French press.

11 September 2013
Crédit Suisse issues loan participation notes to investors.

Late September 2013
VTB Capital sell further \$350 mn. of bonds, bringing total amount to \$850 mn.

12 December 2013
Finance Minister Manuel Chang announces that \$350 mn. of Ematum loan is moved to Defence Budget, along with the 30 vessels ordered from CMN deemed to cost €200,000.

1 March 2014
Filipe Nyusi selected as Frelimo presidential candidate.

August 2014
First fishing vessels arrive in Mozambique.

24 October 2014
Filipe Nyusi announced as winner of presidential election.

December 2014
First experimental fishing expeditions.

Early 2015
Catch sold at a loss (3.3 mn. meticaís).

15 January 2015
Filipe Nyusi inaugurated as president, formally replaces Guebuza.

17 January 2015
Nyusi announces new Cabinet, Chang replaced by Adriano Maleiane.

23 January 2015
News that Mozambique has ordered three more interceptors for the navy from CMN.

29 March 2015
Guebuza forced to resign as head of Frelimo, replaced by Filipe Nyusi.

9 April 2015
Nyusi and Prime Minister Rosário cancel at the last minute their attendance at Ematum promotion event.

28 April 2015
Budget approved in Parliament, bringing down deficit.

May 2015
Final fishing boats arrive, completing fleet of 24. Amount in Defence Budget increased to \$500 mn.

1 June 2015
Ematum publishes accounts in Noticias (value of remaining order, and five fishing boats).

12 June 2015
Ematum cuts staff, Financial Director sues company for \$200,000.

18 June 2015
Finance Minister Maleiane announces re-negotiation of Ematum loan.

19 June 2015
Ematum bonds plunge to a record low, following announcement of restructuring.

September 2015
First 9% repayment due, plus interest.

that he was under duress when he signed the state guarantee for the Ematum bond, which was not lawful at the time. Parliament hastily had to pass a new law raising the limit for a state guarantee from \$6 mn. to \$500 mn.

At first, the cost of all the vessels ordered was estimated at a little under \$300 mn. This sum, the government confirmed, would buy 24 fishing and six patrol vessels. When it came out that national defence was involved, the state was forced to take on some of the cost. Now, Ematum's accounts indicate that the cost of the boats is even greater and so is the part of the deal destined for maritime security. In May, the provision in the defence budget for debt originally incurred by Ematum was quietly increased to \$500 mn. after further international pressure for transparency.

THE DEAL

One suspicious aspect of the original deal is the fact that Ematum spent all of the \$850 mn. in one go, instead of scheduling payments over time and making them conditional on suppliers meeting their obligations. The contract is with Abu Dhabi Mar LLC, based in the **United Arab Emirates**' capital and parent company of Cherbourg-based CMN. As matters stand, there is no money to pay for fishing infrastructure or to staff and train the patrol boat crews.

Ematum's Chief Executive Officer, **António Carlos do Rosário**, has no known qualifications for running a maritime organisation. He is an officer with the feared intelligence service, the *Serviço de Informação e Segurança do Estado*. Although SISE's social security fund, the *Gestão de Investimentos, Participações e Serviços* (GIPS), part-owns Ematum, Do Rosário seems to owe his job to his position in the Frelimo elite rather than to his expertise. 'This is the first experiment in Mozambique of a

company like ours,' he admitted to a local newspaper, without apparent irony.

He has not been asked, and has not defended, the extraordinary decision to spend all the company's capital so early in its history and with no provision for recurrent expenditure such as training and salaries. Ematum has already announced that it is laying off staff because of the shortage of funds and the SISE link may be affecting the zeal of government members for scrutiny. Thinly veiled threats about the personal safety of those in government judged to be too inquisitive about Ematum have already been made, according to a government source.

PRICEY BOATS

Reports from security sources in Mozambique say the single-hulled interceptor vessels – essentially, militarised speedboats – are using second-hand or refurbished materials. These interceptors cannot have cost Ematum as much as a completely new vessel: a figure of \$100,000 per boat is what our sources suggest.

Ematum's statement in its accounts that 18 vessels (15 fishing vessels and three trimarans) cost \$635.5 mn. makes little sense. Original announcements placed the value of these same vessels plus twelve more at just \$300 mn. The costs seem to be rising even though the equipment is not even brand new. When Chang announced the state was taking on the cost of the naval vessels, it was assumed that the remaining \$500 mn. from the bond issue would be used by Ematum for hiring, training and building operational capacity. Yet Ematum has made it clear that all the money was spent on equipment.

In its accounts, Ematum lists the five fishing vessels it had received at that point as its own assets. In the apparent confusion of how the assets and debt

are allocated, there is another glaring anomaly: the high value of the five fishing vessels. Ematum lists its tangible assets as worth just under \$210 mn., \$113 mn. of which covers these five vessels. This values each vessel at a highly improbable \$22.6 mn. Commercial fishing experts who have observed the boats in Maputo port say they are old models, built with re-used steel hulls and not worth more than \$500,000-\$1 mn. each at most. (Steel hulls are not used in modern trawlers because lightweight hulls permit large savings on fuel).

The figures are equally implausible when the naval vessels are accounted for. The three trimarans, which are experimental and use the latest technology, could not possibly be worth enough to make the figure of \$635.5 mn. for the trimarans and 15 fishing vessels remotely plausible. All of this has led to intense questioning about why the boats should appear to be so expensive.

MISSING EQUIPMENT

There has been speculation about why not all the vessels are accounted for in the Ematum contract and that other, secret arrangements are in place. 'It's my guess some ex-generals dreamed up a scheme to run a maritime security operation that they imagined would make them a great deal of money from protection of the offshore gas rigs,' one seasoned observer told AC. 'But they didn't plan it correctly and now they find themselves with a lot of pricey boats and no one to sail them.'

Lawyers who have looked at the discrepancies say that the logical explanation is that there is some kind of 'side contract' or additional, secret contract that accounts for the rest of the equipment. It could include, for example, the price of the reconditioned MiG-21 fighter-bombers and German radar sets that Mozambique is reported to have purchased (AC Vol 55 No 3). The state

THE ONES THAT GOT AWAY

Astonishment still governs most responses to the details of how the Empresa Moçambicana de Atum was supposed to make money. Originally, the then Finance Minister, Manuel Chang, said there had been a feasibility study but then he refused to share it. It is an embarrassingly amateur document which drew, crudely, on decades-old studies, insiders tell Africa Confidential. The country produced a 'Tuna Fleet Development Plan' in 2012, but nowhere did it suggest procuring a whole new fleet or that Ematum could generate the extraordinary revenue claimed by the government.

In 2013, the then Fishery Minister, Victor Borges, claimed a turnover of US\$200 million was feasible. Data from Mozambique's one existing large fishing ship and the 125 or so foreign boats licensed to fish its waters each year show that the country's 24-strong fleet would need impossibly large catches. In any case, eye-witnesses say the boats rarely leave port.

Desperate to show angry Mozambicans and interested foreigners something for all this trouble, Ematum invited television cameras aboard to film its operations. Yet the footage showed that most fish caught by the long-liners were marlin, a protected species. Photographs of the Ematum catches in the local press showed mostly sharks. Some are believed to be hammerheads, another protected species. This is not unusual, since tuna are predators and sharks are often in the same catch. They are worth far less, however, unless caught only for their fins, a delicacy in China but a practice widely condemned as wasteful and banned in many countries. The suspicion that the Ematum boats have been catching sharks for their fins is strong, especially since Ematum, we have learned, now has a shark-fishing licence. ●

has taken \$500 mn. of the Ematum loan into the defence budget and that suggests the money may have been used for other military purchases.

The loan participation notes issued to investors by Credit Suisse mention only 27 vessels, not 30, which could mean that from the start, the interceptors and other equipment were not intended to be openly attributed to Ematum despite being bought with the company's money.

BANKS AND BONDS

Credit Suisse managed the original bond. We hear it is considering extricating itself from the deal on the grounds that it did not realise that the bulk of the money would be spent on defence equipment. A risk for the bank is that investors may complain they believed they were investing only in a civilian fishing fleet. Evidence that the Ematum deal started life with national security in mind is strong. In February 2013, Credit Suisse produced a feasibility study for a

maritime security project to accompany a \$372 mn. state-guaranteed loan to a Mozambican company called Proindicus SA, which is jointly owned by the Interior and Defence ministries and SISE. The loan was to fund a contract already signed between Proindicus and the Abu Dhabi branch of Privinvest Shipbuilding SAL (Holding). Privinvest owns 30% of Abu Dhabi Mar and its owner is **Iskandar Safa**, the **Lebanese** businessman who is also CEO of Abu Dhabi Mar and believed to be a personal friend of the Guebuza family. The deal was a turnkey project to be paid upfront. It included the procurement of twelve interceptor vessels – the same number that has now been quietly delivered to Mozambique

What appeared to begin as a \$372 mn. loan proposal by Credit Suisse became \$500 mn. for the Ematum project, which was then topped up to \$850 mn. when Russia's VTB Capital bank got involved. It is unknown exactly when the deal with Credit Suisse was signed, but it was many

months before the official creation of the company Ematum, we hear.

When the Ematum deal was first struck, there had been much talk in Maputo security circles about government obtaining arms to defend the country and its oil resources. Many of those familiar with the deal believe that, far from being a tuna company that acquired a security dimension, this was an arms deal all along. The tuna fishing was added later on as cover, these sources say.

UNIQUE

The deal was unique in the speed at which it unravelled and the lack of forethought put into it. Many attribute this to the high level of secrecy and how rapidly Guebuza pushed it through. That is typical of bond issues in many developing countries, where powerful politicians can borrow money for pet projects, with potential corrupt benefits, and leave the consequences to future leaders. ●

EGYPT

Attacks bring 'state of war'

A new phase of Islamist violence and brutal retaliation by the regime shakes Egypt to the core

The modest security gains which President **Abdel Fatah el Sisi's** military regime could claim have all but dissolved in a deluge of violence initiated by Islamists and unmatched since the military coup of July 2013. Many believe a new act has begun. Prime Minister **Ibrahim Mahlab** says the country is now in 'a real state of war'.

The assassination of the Public Prosecutor, **Hisham Mohamed Zaki Barakat**, in Cairo on 29 June was the first act of violence which sparked retaliation. The murder especially angered the regime because Barakat was one of the chief scourges of the Islamist underground and the now clandestine Muslim Brotherhood (MB) (AC Vol 54 No 2). The Islamist success was compounded by the fact that the assassination took place just metres from the military academy and against a target who should have been afforded the highest level of personal protection.

That turned out to be only the first shot. The militant group **Ansar Beit el Makdis**, which in March declared itself the Wilayat Sina (Sinai Province) of *Da'ish* ('Islamic State', IS), staged a series of attacks across the Sinai Peninsula that killed dozens of police and military (AC Vol 56 No 6). The authorities responded ferociously with air power, including F-16 fighter-bombers, killing over 200.

The next skirmish came with a police raid on Sixth of October City near Cairo. That resulted in the deaths of nine members of the ousted MB leadership in hiding, including former Freedom and Justice Party parliamentarian **Nasser el Hafi**. Most other MB leaders are either in prison or have fled abroad. Hafi, a lawyer, had been sentenced to death in absentia on charges of belonging to a 'terrorist organisation', the MB. The Brotherhood claims that the men were arrested in a residential building and then lined up and summarily executed. Photographs the group has released appear to corroborate the claim. The authorities may already have had the men under surveillance and may have decided to shoot them out of hand as a quick and ruthless response to the Barakat murder. El Sisi had vowed that those responsible would 'meet swift justice'.

The regime's campaign will not be limited to Ansar militants or MB members. The regime sees opposition as threatening and often responds with violence. The MB has called for people to come out 'in rebellion'.

The killing of the MB leaders is being seen as only the first response of the Supreme Council of the Armed Forces. The rump of the Brotherhood operating underground will now be targeted with

even more vigour. A new 'anti-terror' law has been rushed through cabinet and will be passed by presidential decree, expanding the legal definition of terrorism greatly and presaging many more death sentences.

Barakat was an enthusiastic participant in the recent draconian actions of the Egyptian judiciary, including mass death sentences. He personally referred countless demonstrators, Islamist or not, for prosecution, including 17 witnesses to the murder of youth activist Shaimaa el Sabbagh in January by a riot police officer. Before he became Public Prosecutor in July 2013, Barakat's work at the Ismailia Court of Appeal meant he was responsible for investigating for prosecution the Wadi Natrun prison escape, when **Mohamed Mursi** and others broke out of prison during the uprisings of 2011. Mursi was sentenced to death for the escape and on 21 June, appeared at his latest trial in the red clothing of a prisoner condemned to death.

The state is now prosecuting Mursi over the 'Qatar espionage case', which is greatly exercising the popular press. The prosecution claims he passed classified documents to Qatari officials. He is accused, along with the head of his office, **Ahmed Abdel Ati**, and one of his presidential secretaries, **Amin el Serafy**, of leaking state secrets, including military intelligence and technical information on the armed forces and its equipment. Mursi is already serving a life sentence after being convicted of espionage involving the *Harakat al Muqawama al Islamiya* (Hamas) and Hezbollah. Most political observers in Cairo believe that, for now at least, the death sentence will not be

carried out because of the ex-President's high international profile. However, El Sisi promised at Barakat's funeral, 'if a judge orders a death penalty, we will implement a death penalty'.

Barakat, who will be succeeded by assistant Prosecutor General Zakareya Abdel Aziz Osman, was responsible for putting the MB's Supreme Guide, **Mohamed Badie**, on trial. He was sentenced to death in five separate cases. More and more cases are being tried in front of military tribunals, whose jurisdiction was expanded last October to cover civilians, and the new anti-terror law will keep the numbers up. On 24 June, a military court in Qena sentenced 54 people to 15 years' imprisonment. Military tribunals sit in secret and they have been passing a high number of death sentences, many in absentia.

SAUDI TRIALS

Just before Barakat's killing, WikiLeaks released secret **Saudi Arabian** Foreign Ministry documents to the local independent news outlet *Mada Masr* revealing apparent interference in

Egyptian prosecutions by Saudi Arabia. Documents appear to show that Barakat gave in to pressure to end investigations into two prominent members of the Saudi Arabian royal family. The pair had allegedly been smuggling gold and silver to Saudi Arabia in 2011 belonging to **Hussein Salem**, a Sharm el Sheikh tycoon and confidant of ex-President **Mohamed Hosni Mubarak**. One of the two has since been made an advisor, with ministerial rank, to **King Salman**.

Meanwhile, the United Nations Human Rights Council is conducting its second Universal Periodic Review of Egypt, the first since Mubarak was overthrown. The official delegation to the UPR, headed by the Minister of Transitional Justice and Parliamentary Affairs, **Ibrahim el Heneidi**, has been trying to sell the UN a vision of the junta as essentially humanitarian. Heneidi has also submitted a dossier to the Council on alleged Brotherhood violence. The Brothers are also camped out in Geneva and will present a report in public, although not to the UN Council.

Heneidi will have a hard time

explaining the recent killing of the Brotherhood leaders who were in hiding. In May alone, 23 people died in custody and there were 40 complaints of torture and 19 disappearances, according to local human rights groups. One, the Nadim Centre, reports that there have been 272 cases of police officers killing civilians since Field Marshal El Sisi took over the presidency one year ago.

US VISIT

None of this stopped the former Director of the Central Intelligence Agency and the **United States** former Defense Secretary **Leon Panetta** from visiting Cairo and meeting El Sisi at the end of May for discreet talks on shoring up the bilateral relationship.

For now, the regime retains international support, particularly in Western Europe, in spite of the human rights abuses by the security forces. El Sisi is expected soon to travel to London at the invitation of Prime Minister **David Cameron**, where it has reportedly been agreed the agenda will be 'strictly business'. ●

SOMALIA

A federal farrago

The new regional governments are generating conflicts among rivals and with Al Shabaab. That looks bad for next year's elections

The ferocity of *Al Haraka al Shabaab al Mujahideen's* Ramadan offensive has obscured growing divisions among clans – and between them and the government – over the increasing number of regional entities (see Box). While *Al Shabaab's* attacks grab the headlines, the fighting in Dusa Mareb between the Somali National Army and militias of the *Ahlu Sunna wal Jama'ah* in early June, and in Garbaharey last week, was evidence of deeper and perhaps more worrying trends. The Sufi *Ahlu Sunna* and the SNA are supposed to be on the same side.

Many supporters of the Mogadishu-centred federalism project downplay the fact that the burgeoning number of regional or federal entities is dividing Somalis in subtle and significant ways. Instead of creating a regional entity that can play a free and equal part in a federal state, the manoeuvrings are often complicating and intensifying clan rivalries, with the risk of increasing bloodshed. *Al Shabaab* is taking full advantage.

In diplomatic circles, the resentment against the Somali Federal Government

(SFG) is too often characterised as a problem between the Hawiye clan, settled in and around the capital, and other clans jealous of Hawiye access to state resources. It is not just jealousy and access to the sweetmeats of Mogadishu that underlie the bids for power; regional geopolitics are also a factor. Many of the federal entity leaders are in power only because they have implicit or explicit Ethiopian backing. The head of the Interim Juba Administration (IJA), **Ahmed Mohamed Islaan 'Madobe'**, took over the southern city of Kismayo with **Kenyan** and **Ethiopian** backing (AC Vol 54 No 18). **Sharif Hassan Sheikh Aden**, who has been close to Addis Ababa for years, already had Ethiopia's approval when he won the presidency of the Interim South West State Administration (ISWA; AC Vol 55 No 3). Like every Puntland leader since it was formed in 1998, **Abdiweli Mohamed Ali 'Gaas'** had to have the Ethiopian imprimatur (AC Vol 55 No 5).

The election of a new Federal President is planned for September 2016 and partly explains the burgeoning number of regional entities. Ambitious

politicians need them as power bases from which to launch their bids for the top office. They also serve as sources of the funds they will need to compete for the presidency, even though no one yet knows for sure how the election will be run.

All these tensions are unsettling and often play into the hands of *Al Shabaab*, as demonstrated by its resurgence at opposite ends of the country, in Puntland and Jubaland. Over the past two months, and especially since the start of Ramadan on 17 June, the Islamist militia has re-emerged as a potent force. In Puntland, it has taken advantage of how people perceive the way the West and **Saudi Arabia** have handled the crisis in **Yemen**. It has also taken opportunistic advantage of developments such as Puntland President Abdiweli's decision to stop paying his own troops so as to fill his war chest for the 2016 elections. The political situation across the regions is changing.

JUBALAND

With strong backing from Ethiopia and Kenya, Ahmed Madobe has been able to consolidate his grip on Jubaland since his soldiers and the Kenyan Defence Forces expelled *Al Shabaab* from its most important city, Kismayo, two years ago. Most international criticism and attention have concerned the corrupt trade deals, e.g. on charcoal, that Madobe has set up with the KDF (AC Vol 54 No 14). Yet critics are less vocal about the disappearance of anyone in Kismayo who has publicly protested against the Ras

Kamboni militia's monopoly of power. When bodies are found, *Al Shabaab* is blamed but many Somalis recall that Ras Kamboni worked hand-in-glove with the Islamist militia for years without ever being known to use less coercive methods than its ruthless allies.

Madobe's selection by the IJA Parliament, with the help of **Colonel Gebreh**, an active representative of Ethiopian military intelligence in Somalia, and Kenya's **Mohammed Abdi Afey** the Intergovernmental Authority on Development's Ambassador, was too much for many leading clans in the region to bear. If the Ogaden clan could have 21 seats, then the Marehan should have got more than 19, while Hawiye and Raheenweyn people considered the allocation of only nine seats each to be absurd.

Even the moderate Sharif Hassan was furious at Madobe's victory. Demonstrations took place in several towns and a motion of non-confidence against the IJA Assembly was carried in the National Parliament in Mogadishu. The political message is clear, observers warn. It is not only Hawiye who object to what they see as Madobe's *coup de force*, and such opposition could well translate into armed attacks against the IJA or opportunistic support for *Al Shabaab* in its operations against the KDF and Ras Kamboni. The IJA broke off relations with the SFG and its Parliament after the no-confidence motion. Superficial reconciliation may follow but the problem is not going away.

Flexibility is in short supply. Madobe cannot respect the interim constitution,

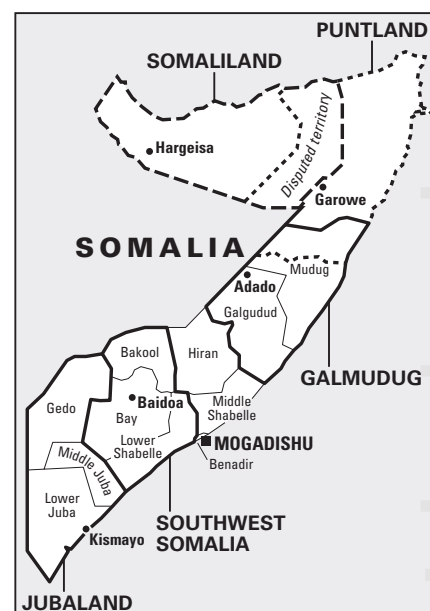
which requires consulting an assembly in the wider region, because at that level he does not have enough votes, despite his military superiority. Sharif Hassan and the Speaker of Parliament, **Mohamed Osman Jawari**, cannot speak against their Raheenweyn critics because both need clan support in next year's presidential election. Hawiye leaders feel that the SFG has been too accommodating to Madobe in its desire to keep Kenya and Ethiopia happy.

SOUTH-WEST STATE

The current situation in the South-West State is different. Sharif Hassan may want to become national President but he faces three problems. Firstly, he supported a three-region state based on Bay, Bakool and Lower Shabelle, provided the rights of the Raheenweyn were respected elsewhere (AC Vol 56 No 4). The IJA Parliament debate shows this is not always possible.

A second difficulty for Sharif Hassan is that he appointed a large cabinet and Parliament to satisfy clan claims for favours but has no money to manage the political patronage. He has been asking clans to pay for their members of parliament in a break with tradition that is causing splits to appear among Raheenweyn sub-clans, especially those settled in Bakool. Such disaffection may help explain some of the military success *Al Shabaab* has had in recent months in that area.

A third problem illustrates the sort of issue that arises when federalism is implemented on the cheap. The South-West State's border is about 15 kilometres



from Mogadishu. Tens of thousands of Hawiye moved south of Mogadishu during the Ethiopian military intervention of 2006-09 and now find themselves in Lower Shabelle. They do not want to be included in the South-West State because they will be a minority there. Similar problems exist all over the outskirts of the city.

MIDDLE SHABELLE AND HIRAN

Movement is stalled on the merger of Middle Shabelle and Hiran, which were supposed to become a regional entity, because of the differences between the two administrative regions. Middle Shabelle is populated by two ethnic groups: Hawiye/Abgal and Bantus. Other

SHABAAB'S SURGE

Al Haraka al Shabaab al Mujahideen's devastating attack on the African Union Mission in Somalia base at Leego on 26 June may mark the high point of the Islamist militia's 2015 Ramadan campaign. Unusually, confirmation of how deadly the battle was came from the **Burundian** military spokesperson in Bujumbura. Colonel **Gaspard Baratuza** admitted that over 50 of his men had been killed. Later reports suggested that as many as 70 Burundians from Amisom may have died.

After a suicide bomber's car exploded at the gates, hundreds of *Al Shabaab* fighters swarmed into the base, overwhelming the Burundian troops, killing defenders, taking prisoners and capturing large quantities of ammunition and heavy weapons. The attack came about a week after 30 Ethiopian soldiers had died in an ambush, according to *Al Shabaab* media. Unlike Burundi, however, Ethiopia did not release any figures, although footage of four wrecked Ethiopian trucks was broadcast.

The Leego attack is the most costly *Al Shabaab* assault on Amisom since an ambush in Daynille in 2011, when it killed 54 Burundian troops. A conservative estimate of the number of Amisom soldiers killed in the campaign so far is above 3,000.

Other recent *Al Shabaab* attacks were less successful. When the militia attacked a convoy of **United Arab Emirates'** officials on 21 June, twelve Somalis were killed but no UAE personnel. Every night, small skirmishes take place in the industrial area of Mogadishu. An attack on the government's National Intelligence Service Agency headquarters and training centre in north Mogadishu shortly before the Leego attack was well planned but failed.

The concentration of attacks in Lower Juba may owe much to the fact that *Al Shabaab's* leader, **Ahmed Omar Diriye 'Abu Obeida'** (Dir/Bajamal), is from the area. He appears intent on concentrating his resources against the Ras Kamboni militia of **Ahmed Mohamed Islaan 'Madobe'** in Kismayo and Kenya. The *Shabaab* regional leader for Lower Shabelle, **Mahamed Heray 'Abu Abdallah'** (Hawiye/Hawadle), is believed to be one of its best regional commanders and he has strong cross-clan support.

As well as signalling an improvement in *Al Shabaab's* intelligence-gathering, the Leego attack exploits a weakness in Amisom command and co-ordination, military sources say. There is a tendency for national contingents to stick to their own operational area and to share information with other contingents in Amisom only reluctantly. The Leego experience is the price of such policies, one observer noted. While Ramadan continues, further attacks can be expected, *Africa Confidential's* sources say, with targets in Kenya – especially during **United States** President Barack Obama's visit there – high on the Islamist militia's agenda. ●

groups make up no more than 10% of the population.

Hiran is inhabited by nine clans and the Hawadle, who control the regional capital, Beled Weyne, have no chance of getting the interim presidency if they follow the procedure set out in the interim constitution. Their leaders therefore procrastinate and argue that Hiran should get twice as many MPs as Middle Shabelle. If other stakeholders accept this idea, which seems highly unlikely, the Hawadle will get their chance to control the region.

GALMUDUG

As an outcome of reconciliation talks, it was decided that the new regional entity would keep the name Galmudug, which up to now described a small area south of Galkayo inhabited mostly by Hawiye/Habr Gidir/Saad led by a former warlord (and former Mogadishu police chief), Colonel **Abdi Hassan Awale 'Qaybdeed'** (AC Vol 48 No 9). It was also confirmed that the capital would be Dusa Mareb, the main town of Galgadud. There is consensus on the number of MPs for the Federal Parliament, 78, and the contentious issues of limiting territorial pretensions to south Mudug and of curbing the ambitions of Qaybdeed were solved.

The problems are not over, however. Firstly, Saleban leaders who are hosting the conference in Adado that just came under *Al Shabaab* attack on 18 June are unhappy about the site of the federal entity's capital and are trying to get it reconsidered. This may jeopardise other agreements reached over the past few months. Secondly, the competition for the regional leadership is largely between Islamist groups. The first candidate was General **Ahmed Moalim Fiqi** (Hawiye/Habr Gidir/Saad), who is supported by Ahlu Sheikh and is a close friend of the previous President, **Sheikh Sharif**

Sheikh Ahmed, who headed the National Intelligence and Security Agency (NISA) in 2013 (AC Vol 54 No 7). The second was **Abdikarim Hussein Guled**, a Saad and former Security Minister who is a founding member of Damul Jadiid ('New Blood, a Muslim Brother splinter group) and a close associate of President **Hassan Sheikh Mohamud** (AC Vol 55 No 3). Abdikarim was announced as the successful candidate on 4 July.

The third was **Mohamed Hashi Elmi** (Hawiye/Habr Gidir/Duduble), a former Finance Minister who is often described as a relative of **Ahmed Nur Ali Jimale** (Duduble and Chief Executive Officer of Salaam Bank) and close to *Al Itisaam*, the Salafi offspring of the *Al Qaida*-linked *Al Itahaad al Islamiya* (AC Vol 53 No 19). The worrying aspect of this, some pundits say, is that it demonstrates that between Islamists at one extreme and Ethiopia's clients at the other, there is no one to represent the middle ground.

KHATUMA

Khatuma State, in the disputed territory of Sool and Sanaag between Somaliland and Puntland, has gone a long way to undermine the credentials of the latter two entities' claims on its territory and people. Its survival is connected to the failure of the talks between Somaliland and the SFG as well as to the intransigence of the Puntland President in regard to Mogadishu. It illustrates an important point: if federalism is implemented poorly, then new federal claims for self-government will arise from each new federal entity. Federalism may just end up by dividing and sub-dividing states further and further.

PRESIDENTIAL OPTIONS

However shaky the federal administrations appear, the international community has to face a new problem: a presidential election in 2016. All players

are convinced that a new ruling team is necessary and that extension of the existing mandates, as liberally practised in Somaliland, is unfeasible (AC Vol 56 No 11). All also concur that elections are not possible at this stage, regardless of whether the security situation would permit it. Also, the Somaliland issue is still unresolved and it will crucially affect any SFG electoral process.

There are currently four options for dealing with the presidency. The first is an indirect vote by delegates selected on a district basis. Drawbacks include the fact that at least 31 districts would not be able to vote, including Somaliland, which would not participate in the poll, and those controlled by *Al Shabaab*.

A second option, pushed by the Presidents of the regional entities, is to use their parliaments as a kind of electoral college. Even assuming that all regions were included in a federal state by 2016, there remains the problem that many of the MPs in those parliaments were hand-picked by the ruler and so lack legitimacy.

A third scenario involves impeachment: the National Parliament sacks Hassan Sheikh and Speaker Jawari and elects a new leader who would have two years to prepare elections and resolve the current stalemate. Most close observers agree that the key failure of the SFG owes a lot to the poor quality of the current crop of MPs. Keeping them in power for two more years may not solve much.

The final scenario is to allow the current presidential mandate to expire and appoint a caretaker cabinet that will prepare elections. This would leave the country without a President for some months and that would be difficult to sell to most constituencies, especially considering the lengths to which people went to establish the one Somalia now has. ●

SUDAN

Why the peacekeepers stay

As the government and its allies step up attacks on civilians in Darfur, the UN and AU insist their protection force will extend its mandate

Khartoum has fought a long battle to cripple and expel the international peacekeeping force in Darfur, so it reacted angrily last month when the mission's mandate was extended for another year. The first critical vote was on 24 June, when the African Union's Peace and Security

Council voted to continue deploying the United Nations-AU Hybrid Mission in Darfur (UNAMID).

That made it almost inevitable that on 29 June, the UN Security Council would pass Resolution 2228, allocating the funds and extending the joint mission with the AU. It also shows that opinion at

the top of the AU remains deeply divided towards the Khartoum regime. Key AU officials and member states saw any plan to withdraw its peacekeepers from Darfur as an admission of defeat for the organisation, a move that would open it up to widespread criticism for abandoning the people of Darfur as Khartoum steps up attacks on the region.

Despite this, the AU has recently backed Khartoum on two key issues. The endorsement of April's elections in Sudan and of President **Omer Hassan Ahmed el Beshir's** attendance at its June Summit in **South Africa** – despite International Criminal Court warrants against him for genocide, war crimes and crimes against humanity – owed more, we hear, to the AU's objective of facing down what it

regards as Western interference in African affairs than any wide-ranging support for Khartoum. The ICC is unpopular in Africa for reasons that have nothing to do with charges against Field Marshal Omer for his regime's crimes in Darfur (AC Vol 56 Nos 9 & 13).

When it came to the crunch at the UNSC debate, Khartoum's allies **Chad, China, Russia** and **Venezuela** all raised minor points about UNAMID but none was prepared to back demands from the National Congress Party (NCP) government to end the peacekeeping mission. UNAMID faces widespread criticism mainly for its weakness in a murderous and long-standing conflict but its survival is greeted with relief by most critics. 'The issue is not so much what UNAMID does but what the government doesn't do because UNAMID's there,' said a senior aid worker who hails from Darfur.

That blames the regime squarely for the death and displacement in Darfur and is the basis for the ICC's case against Omer el Beshir; his former Defence Minister and now Khartoum State Governor, Lieutenant General **Abdel Rahim Mohamed Hussein**; North Kordofan Governor **Ahmed Mohamed Haroun Adam**; and Janjaweed (and Mahamid tribe) leader **Musa Hilal Musa**, who has recently returned to the regime fold.

BLAME

'UNAMID is obviously a failure', Darfur specialist **Jérôme Tubiana** told Africa Confidential. Yet as the situation 'might deteriorate further' without it, 'the precautionary principle somehow obliged the Security Council to renew its mandate'. The Council could certainly not afford to be blamed for worsening what it had repeatedly been told, including by its own Assistant Secretary General for Peacekeeping, **Edmond Mulet**, was a deteriorating situation for civilians – protection of whom is the first principle of UNAMID's Chapter VII deployment.

Long, detailed and largely **British**-designed, R.2228 is unusually forthright in criticising UNAMID, albeit diplomatically, and even the Khartoum regime. It earned outgoing UK Ambassador **Peter Tibber** a dressing down at the Foreign Ministry. It refers to 'ongoing democratic transformation at the national level', which means the reorganised opposition rather than Omer's victory in elections that Britain and the European Union rejected.

At the UNSC debate, ICC Prosecutor **Fatou Bensouda** criticised both the UN and the AU for failing to protect people in Darfur: 'To those who choose to forget the events that have brought us here and in particular those who have chosen to deliberately distort facts by alleging

that the International Criminal Court... imposed itself on Sudan, I would like to briefly recall some crucial facts'. That meant the UNSC's order, with African backing, for the Court to investigate those most responsible for the mass killings in Darfur – and the fact that the killing continues.

Darfur and other Sudanese activists strongly back Bensouda's efforts: 'African presidents don't enjoy credibility. They prefer national sovereignty to human dignity,' commented one senior Darfur activist. R2228 expressed 'deep concern' that 430,000 people had been newly displaced in 2014, that 2.5 million people were 'long-term Internally Displaced Persons (IDPs)' and that 4.4 million needed 'humanitarian assistance'.

Khartoum claims conditions have improved; Darfur specialists say it is the worst for a decade. Khartoum argues that most of the conflict is about ethnic clashes. Yet most of the killings are caused by the government's attacks on civilians (often through proxy militia). It also fuels conflict by driving people off their land (so that many now have to rent their own land from others). Its divide-to-rule tactics sow discord in ethnic groups (including Arabs) and political parties (buying off splinter groups).

CLUSTER BOMBS

The UNSC Resolution included a section on two 'air-delivered cluster bombs' which were discovered by peacekeepers in Darfur. These internationally banned bombs could have been dropped only government forces. No one else has air power and the sophistication of aircraft and weaponry has greatly increased since the war began.

The National Congress Party (NCP) regime has tried to reduce UNAMID numbers, especially in West Darfur, bordering Chad. Now it is to 'maintain deployment of up to 15,845 military personnel, 1,583 police personnel and 13 formed police units of up to 140 personnel each.' They come from 44 countries, 23 of them African. As in other UN forces, the range of procedures and languages doesn't always promote efficiency.

More controversial is the Resolution's insistence on UNAMID mediating between regime and insurgents, a role which Ghana's **Mohammed ibn Chabmas** opposed when he was, until 2014, UN Special Representative for Sudan and **South Sudan**. Khartoum insists that all mediation comes under the Doha Document for Peace in Darfur. The UN Resolution keeps options open, voicing 'its support for the DDPD as a viable framework for the peace process in Darfur, and for its accelerated implementation, as well as the AU High-Level Implementation Panel (AU-HIP)

mediated peace talks, and any credible moves to lay the groundwork for an inclusive, comprehensive and nationally-owned National Dialogue in Sudan'. The DDPD is mentioned throughout R2228 although AUHIP stipulated a single track for all peace talks nationwide and that was formally adopted by the AU and thereafter by the UN. That should supersede the DDPD.

FAILED PROCESS

Not only the opposition Sudan Call Forces but also more independent observers see the **Qatari**-hosted process as a failure. 'Everyone knows that the DDPD has been almost unimplemented and that its most important provisions are simply not implementable', said one. The Document was signed in 2011 and technically expired with April's elections but Khartoum has just renewed it, along with the Darfur Regional Authority, headed by **El Tigani Seisi Mohamed Ateem**, who has also just returned to the fold after briefly escaping. El Tigani was South Darfur Governor when the Arab Alliance (Tijamu el Arabi) first began marauding in the late 1980s, under **El Sadig el Sideeg el Mahdi's** elected government.

Former UNAMID Spokesperson **Aïcha el Basri** was even more scathing: 'The Doha peace agreement... is a still-born document that supports Khartoum's piecemeal strategy and prolongs war in Darfur and all over Sudan,' she told AC. 'This failed peace deal was initiated, brokered and sponsored by the United Nations without listening to what the people of Sudan want: one viable peace deal for the entire country. It's time for the Security Council to declare DDPD dead and adopt a comprehensive peace approach towards Khartoum-sponsored wars in Sudan'.

For the NCP regime, the UN Security Council's nod to the Doha process is an important concession. Cheery Ibrahim Ahmed Ghandour has replaced the frosty Ali Ahmed Kurti as Foreign Minister with the task of placating foreign governments and international organisations. Yet what looks like promotion is in fact punishment – not for the fiasco of Omer's visit to South Africa but for trying to disrupt power centres in the NCP, where he was Political Secretary. He upset Ali Osman Mohamed Taha by favouring Nafi'e Ali Nafi'e's people, we understand. He has lost the Political Secretary post along with that of Presidential Assistant, which gave him access to the Palace. 'Definitely a demotion!' observed one former insider.

Also key to the regime's image-making is new Ambassador to the UN, Omer Dahab Fadl Mohamed. From Wadi Halfa and a law graduate of the University

of Khartoum, he joined the Foreign Ministry in 1983 and has worked in the United Arab Emirates, Syria and latterly, as Ambassador to Russia, Belarus and Kazakhstan, where his tenure was cut short last month to send him to New York. He is also on the Confidential Commission

of the Organisation for the Prohibition of Chemical Weapons. He has previously served his government at the UN in Geneva and in the United States, when Major Fatih Erwa was Ambassador to the UN and leading Khartoum's propaganda counter-attack after Washington bombed

El Shifa factory in 1998 (AC Vol 39 No 17). He will find the diplomatic task even tougher this time. ●

Look online for a longer version of this article including a complete guide to the protagonists in Darfur:
www.africa-confidential.com

MALAWI

No end to Banda's odyssey

She says she can't return because it's not safe but many believe the ex-President fears arrest over the Cashgate scandal

Former President **Joyce Banda** has claimed that the government is arranging a 'mysterious accident' that will cost her her life and that's why she won't come back to her country. It's the latest of several reasons she has given for not coming home since she flew out of Chileka International Airport, near Blantyre, in August 2014 for a one-week conference on women at United Nations' headquarters in New York. The public and political commentators alike are convinced that the real reason she stays away is to avoid arrest in the Cashgate affair (AC Vol 55 No 24). Meanwhile, her People's Party (PP) is crumbling and many are convinced it will soon collapse.

The PP's former Director of Logistics and major fund-raiser, **Oswald Lutepo**, pleaded guilty to charges of money-laundering and theft of 4.1 billion kwacha (US\$8.5 million) and was convicted on 16 June (AC Vol 55 No 21). The Director of Public Prosecutions and the Anti-Corruption Bureau interviewed him before he entered his guilty plea with a view, local media said, to assessing his credibility as a potential prosecution witness against Banda. It's been widely speculated that he could receive a lighter sentence in

exchange for testifying against her. In press interviews before his trial, he said that he discussed how to use the stolen funds with Banda when she was in office, which she has strenuously denied. He is due to be sentenced on 30 July.

Since last year's **British** government-funded audit by accountants Baker Tilly, which revealed K24 bn. to have vanished from the public purse between April and September 2013, other losses have been identified (see Box & AC Vol 55 No 18). Banda divides her time between the home of relatives near Washington D.C., **United States**, and a house in Johannesburg, **South Africa**, believed to be paid for by her Joyce Banda Foundation. She shuttles between the two countries, on 90-day visas for the USA and 30-day visas for South Africa, *Africa Confidential* understands. In one press interview, she claimed there was nothing unusual about her travels and that ex-President **Bakili Muluzi**, in office between 1994 and 2004, was abroad for longer than she after he left office. This is contradicted by reports from Lilongwe that say Muluzi travelled abroad only for medical treatment and never for as long as nine months. Since the government paid for the treatment

and the travel, he had to ask permission before each trip.

Banda's recent claims that her personal safety is at risk followed attacks on her by President **Peter Mutharika**. In recent weeks, online media believed to be sponsored by her have claimed that the President, his governing Democratic Progressive Party and an intelligence chief are planning her assassination. The allegation was widely ridiculed on social media. Even Banda's staunchest supporters are losing patience, finding her justifications for her absence ever harder to defend. She is also under pressure from her former Justice Minister and Attorney General, **Ralph Kasambara**, who wants to call her as a defence witness in his trial for conspiracy to murder former National Budget Director **Paul Mphwiyo**. It was Mphwiyo's near-fatal shooting in October 2013 that caused Cashgate to come to light (AC Vol 54 No 21). Banda's spokesperson and nephew, **Andekuche Chanthunya**, has rejected the request.

JUMPING SHIP

Defectors from Banda's PP include the Vice-President for the North, **Harry Chikoma Mlekanjala Mkandawire**, who left in April over Banda's 'continued silence over Cashgate' and because she was giving the impression she was running away, he said. On 14 May, her presidential running mate in the general elections, **Sosten Gwengwe**, also jumped ship, announcing he was rejoining the Malawi Congress Party, where his political career had begun in 2009.

TOO MANY COOKS SPOIL THE BOOKS

Malawi's reputation for the plunder of public funds has grown with the publication of another damning audit of government expenditure. After leaks to the media, the government was forced to publish the **German**-funded PricewaterhouseCoopers (PwC) audit of public cash payments from the beginning of 2009 to the end of 2014. The audit was commissioned because of the frauds uncovered in the Baker Tilly audit of six months of expenditure in 2013, which became known as Cashgate.

The PwC report says 577 billion kwacha (US\$1.3 bn.) has gone astray, with the equivalent of an estimated \$357 million disappearing in 2013, when **Joyce Banda** was President. President **Peter Mutharika** was believed to be anxious to prevent the report's publication because the period under review also included his late brother Bingu's government, in which he was a minister. After it leaked from the Auditor General's office and the government was accused of hiding it, it was finally tabled in Parliament. A more detailed report, naming those who stole money with false invoices and otherwise defrauded the government, is not expected to be completed for several months.

The accountancy company analysed electronic bank statement transactions from the central bank, the Reserve Bank of Malawi, many of which involved payments for which no corresponding cheque or payment number was recorded. The RBM was unable to provide the auditors with bank statements for six consolidated bank accounts which dealt with salaries and many other types of cash payment. ●

Before Gwengwe's move had sunk in, Banda was hit by another high-profile resignation, this time by her party deputy for the South, veteran politician **Brown Mpinganjira**. His aides said it was because of Banda's poor leadership and her long absence abroad. In the past 18 months, she has lost at least six key senior party officials, including former national Vice-President **Cassim Chilumpha**, **Sidik Mia** and, most damagingly, **Khumbo Kachali** (AC Vol 54 No 4). At the time, her decision to replace him as her vice-presidential candidate with Gwengwe was seen as a strategic error. Banda has been calling Kachali to plead with him to come back to the party and has also tried to woo the former Speaker of Parliament, **Henry Chimunthu Banda**, and to coax Mia back into the fold, we hear.

The PP still has 26 members of parliament, although few have anything positive to say about their party's future. Given the propensity for Malawian politicians to switch party allegiance, it is widely believed that if Mutharika issued an invitation to PP members to join him in the DPP, many would defect, sounding the PP's death knell. Yet the DPP has been suffering internal ructions of its own, which may be holding it back from exploiting its rival's malaise. Rumours are circulating that Mutharika is unwell and a faction in the cabinet is believed to be conspiring against **Ben Phiri**, Mutharika's closest aide and special advisor (AC Vol 55 No 12). Rivalries within the inner circle at

State House are said to be running hot.

After ducking the issue, Banda's representatives claimed that she would return to Malawi as soon as she had completed a speaking engagement at Wheelock College, Boston, USA, where she received an honorary doctorate on 17 May. The expectation grew when her husband, retired Chief Justice **Richard Banda**, came back in May to help to prepare their home for her return. Shortly after Banda appeared in Boston on 3 June it was announced that she would not be going home after all.

NEW PHASE

Justice Minister **Samuel Tembenu** has said that Cashgate arrests will continue and that a new phase is opening, which could include politicians. This has seemed more likely ever since the Commander of the Malawi Defence Force, General **Henry Odillo**, and his deputy, Lieutenant Gen. **Clement T. Kafuwa**, were arrested on 11 May accused of stealing K1.9 bn. in what looks like a typical Cashgate false invoice fraud. Banda government officials, including former Accountant General **David Kandoje** and Mphwiyo, have also been arrested and charged. The military men and Kandoje are accused of involvement in the presidential jet scandal, in which South Africa's Paramount Group obtained contracts to supply the MDF and reportedly purchased the jet. The late President **Bingu wa Mutharika**, Peter's brother, secretly bought the Dassault Falcon

900EX for \$13 mn. in 2009, prompting a £3 mn. (\$4.58 mn.) cut in British aid. Banda afterwards won much kudos for saying she had sold the jet, although it later emerged that Paramount, an arms trading company, had given her free use of it (AC Vol 55 No 3).

Banda's heavy schedule of speeches and international events continues. Before appearing in London, she was a guest speaker at the International Women's Forum in Sandton, Johannesburg, in May where she received a Legacy Award for being a 'tireless advocate' of women's rights on the fringes of the African Union summit (AC Vol 56 No 13) and was honoured at the African Women of Excellence awards in June. Although only 90 minutes by air from her home, she prefers, commented one political pundit, to fly over it on the way to another international convention rather than land and face the music.

Malawi continues to suffer the absence of \$150 mn. in budget support, suspended since November 2013 over Cashgate, even though project support from the European Union and others continues to flow. If the judiciary did not already have a reputation for independence, it would need it now because resumption of the budget support is contingent on the Cashgate scandal being fully pursued. Banda continues to be 'of interest' in investigations of Cashgate, the jet, oil exploration deals, loans from India and other matters, sources in the Anti-Corruption Bureau tell us. ●

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POINTERS

Lesotho

THE SOLDIERS RETURN

■ Fear and tension have returned after the former Commander of the Lesotho Defence Force, Lieutenant General **Maaparankoe Mahao**, was shot dead on the outskirts of Maseru on 25 June (AC Vol 56 No 6). It follows the killing in May of businessman **Thabiso 'Alex' Tšosane**, another close ally of former Premier **Tom Thabane**, who earlier sought refuge in **South Africa**. Several other politicians opposing Premier **Pakalitha Mosisili** and Army Commander **Tlali Kamoli** have also fled, fearing they are on a hit list.

After an extraordinary summit on 3 July, the Southern African Development Community appointed a commission of inquiry. The SADC Chairman, **Zimbabwe** President **Robert Mugabe**, takes a keen interest and is sending intelligence agents to investigate Mahao's killing at an army roadblock. **Namibia** will join the team and South Africa will send pathologists. Few in Lesotho believe that will provide the answers they need and the opposition has not welcomed the re-appointment of South Africa's Deputy President **Cyril Ramaphosa** as facilitator of the political process.

Ramaphosa facilitated October's security accord amid the tension after Kamoli's coup attempt. February's elections brought veteran strongman Mosisili back to power less than three years after Thabane and his All Basotho Convention ousted him. ABC leaders warned Ramaphosa there would be trouble. 'The security issue was never dealt with and Cyril ignored the issue,' a senior ABC figure told *Africa Confidential* at the time. 'Cyril was in such a rush to hold an election, the urgent security reforms were never dealt with and only now they want to deal with it,' said another source.

Under Ramaphosa's accord, Kamoli had to leave the country but he returned after the elections and became Army Chief in June. 'Kamoli knows that he is in charge and no one can touch him and nothing will happen to him', AC was told.

South Sudan

WAR MARS INDEPENDENCE DAY

■ Independence anniversary celebrations on 9 July were a far cry from the mass joy when the country separated from Sudan in 2011. The civil war, in which over 50,000 people have been killed and 1.5 million chased from their homes since December 2013, rumbles on. Peace talks are deadlocked; neither government nor rebels can deliver a knockout blow.

Both sides' supporters claim to be unfairly maligned by the United Nations

Security Council 1 July sanctions against three generals in each camp. Both still deny any wrongdoing and each accuses the UN Mission in South Sudan of supporting the other (AC Vol 56 No 9). The sanctions followed an UNMISS report on 29 June detailing atrocities by government troops, including widespread rape of women and girls who were then burnt to death.

Having expelled UN humanitarian coordinator **Toby Lanzer** in June (now to head UN humanitarian work in the Sahel) for his forthright statements, the government lacks a credible plan to tackle the worsening food crisis. Aid agencies warn of widespread starvation before the harvest. Over four million people already need emergency food aid.

The fight for tactical advantage and control of the Unity and Upper Nile oil fields is likely to continue until October, when the rains end. Neither side has undisputed control there. As one takes control of the flooded oilfield hinterland and key towns, the other retakes areas previously conceded. The government recaptured Malakal in early July but **Riek Machar Teny Dhurgon's** fighters immediately seized the key Thar Jath oil installations south of Bentiu.

The return of the 'Former Detainees' and reintegration into their former roles in the ruling party was a rare political advance for the government.

Burundi

UN: 'UNFAIR, UNFREE'

■ The United Nations' election observer mission has condemned the 29 June local and legislative elections in Burundi, saying 'the environment was not conducive for free, credible and inclusive elections'. Meanwhile, dissident army generals, some believed to have taken refuge in **Rwanda**, promise to overthrow President **Pierre Nkurunziza** by force.

Most assume the presidential election on 15 July will be conducted in a similar manner. Appeals to postpone it have fallen on deaf ears as East African Community leaders appointed President **Yoweri Museveni** as official mediator between the President and the opposition. The opposition quickly pointed out the grim irony of appointing as mediator someone who has already abolished presidential term-limits in his own country, and then rejected his mission.

The UN observers noted violence and explosions, mostly in Bujumbura, plus restrictions on the media and human rights violations. Exiled generals claim responsibility for some of the violence but their strategy is unclear beyond following the coup attempt leader, Gen. **Godofroid Niyombare** (AC Vol 56 No 10).

Six days after the elections, the *Commission électorale nationale indépendante* was still unable to

produce full results. One reason, say local observers, is that the government of Nkurunziza's *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (CNDD-FDD) is embarrassed that the opposition coalition, led by **Agathon Rwasa** of the *Forces nationales de libération*, still scored up to 25% of the vote in some areas. CENI had not been able to remove the FNL and other party names from the ballot papers before polling began.

Only two candidates have been campaigning, apart from Nkurunziza. Both were co-opted from the opposition. **Gérard Nduwayo** (ex-*Union pour le progrès national*) and **Jacques Bigirimana** (ex-FNL; AC Vol 56 No 4).

Nigeria

THE CLOCK TICKS FASTER

■ This month, packed with critical meetings, appointments and policy changes, marks the real launch of President **Muhammadu Buhari's** government. He is due to name the main ministers who will then face confirmation hearings in the Senate. The plan is for him to take key ministers and advisors to the **United States** for his meeting with President **Barack Obama** on 20 July. Led by Ambassador **Ade Adefuye** in Washington, Abuja tried to persuade the White House to add a stopover to Obama's trip to **Kenya** and **Ethiopia** later this month (AC Vol 56 No 13). Abuja hasn't given up on the idea, we hear, and Buhari's team will deliver a formal invitation on 20 July.

The Buhari-Obama meeting and associated talks will, insiders say, cover a detailed agenda headed by national and regional security (both the *Boko Haram* insurgency in the north-east and threats of renewed unrest in the Niger Delta), oil and energy, and agricultural reform. Both sides are keen to revive the bilateral commission which lapsed as relations faltered under President **Goodluck Jonathan**. A formal session on this looks improbable, as it would require a full complement of well briefed ministers on both sides. Nigeria's new ministers would mostly have had just days in the job.

For now, Nigeria's main policy aims will come from the just completed policy recommendations drawn up by a team under Lagos State ex-Governor **Babatunde Fashola**. They argue for deep cuts in civil service jobs but better pay and conditions for senior technical staff, and a radical overhaul of the police and judiciary. They stop short of advocating any sell-off by the state oil company but call for thorough reorganisation and accounting and auditing systems of international standard. The oil company, which operates several joint ventures with multinationals, could then raise investment finance on local and world markets, the document argues.

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BLUE LINES

After two decades of obstruction, the trial of Chad's ex-President, Hissène Habré, for crimes against humanity got under way this week in Dakar. The Special Court, jointly set up by the government of Senegal and the African Union, offers another forum for the prosecution of leaders accused of atrocities. It comes as several AU leaders, including South Africa's Jacob Zuma, criticise the International Criminal Court for 'targeting Africa'.

In fact, setting up Special Courts and working in parallel with African justice systems is well within the remit of the ICC, which was meant to reinforce, not replace them. Some argue that the ICC should set up an adjunct or Special Court in South Africa or another state with a credible judiciary.

Without the matchless determination of Chadian lawyer Jacqueline Moudeina, herself a victim of a grenade attack in 2001, the trial might never have happened. Habré used his close relations with Cold War leaders such as Ronald Reagan and François Mitterrand in the 1980s to give him cover to obliterate his guerrilla opponents and civilian allies. It helped that some of them were backed by Reagan's arch enemy Colonel Gaddafi.

Chad's current President, Idris Déby Itno, came to power by overthrowing Habré with backing from Sudan. But until he seized power, Déby was Habré's head of military intelligence and a key part of his security apparatus. Habré's defence team must be tempted to call Déby as a witness, if only to embarrass him.

NIGERIA/UNITED STATES

Coming to America – the sequel

After three days of meetings with President Obama and his government, President Buhari has repaired the ailing relationship

It was organised rapidly but President Muhammadu Buhari's first official visit to the United States on 19-22 July made serious progress on security, anti-corruption and energy agreements. Initially, Buhari's government had wanted US President Barack Obama to include a stop in Abuja on his trip to Kenya and Ethiopia in the week ending 25 July. Nigeria's veteran ambassador to Washington, Ade Adefuye, had started the negotiations (AC Vol 56 No 14).

US officials argued that the first meeting between the two men would have to reset the relationship between the two countries and work through a clearly defined set of issues. Buhari's office was told that his delegation – a combination of top civil servants, top military and intelligence officers, and a few state governors – would get access to a far broader range of expertise if they visited Washington. Buhari later gave Obama a personal invitation to visit Nigeria before the end of his presidency in January 2017, *Africa Confidential* hears.

Both sides made much of the businesslike style of the visit. At 33, Buhari's delegation was relatively small by Nigerian standards. Nigerian journalists delighted in reporting Buhari's displeasure on encountering Tony Elumelu and Jim Ovia, two leading bankers seen as close to ex-President Goodluck Jonathan's government (AC Vol 55 No 19). Buhari's instructions were to keep all the bilateral meetings as small as possible, *Africa Confidential* understands, with a clear agenda and outcomes to negotiate. That's in sharp contrast with the delegation of over 100 that Jonathan took to the USA after his

election and which prompted complaints about long rambling encounters.

Washington did not entirely forsake diplomatic pomp: it put up Buhari at Blair House, the official guest house opposite the White House, usually reserved for leaders on state visits. The last time that a Nigerian leader stayed there was in 1961, when the late Abubakar Tafawa Balewa, the first Prime Minister after Independence, visited President Kennedy.

After his meeting with Obama on 20 July, Buhari and aides met Vice-President Joe Biden, cabinet secretaries, former Secretary of State Madeleine Albright and the US Chamber of Commerce. Of particular importance, Buhari met Attorney General Loretta Lynch and his team worked through their plans to repatriate as much as possible of the estimated US\$150 billion of stolen state funds reckoned to have been diverted by corrupt Nigerian officials and placed in US financial institutions. Buhari told Nigerians in Washington that these efforts would target the inflated procurement contract scams and trade mispricing, as well as theft of crude oil, which he reckoned was running at 250,000 barrels a day.

This was Buhari's fourth foreign trip since he was sworn in on 29 May. The previous ones took him to Niger, Chad, South Africa and Germany, where he first met Obama, at the Group of Seven summit in June. He has been plugging the same message: his priority is fighting corruption and terrorism.

Certainly, Boko Haram is not the all-conquering ground army that at the beginning of the year overran a Nigerian

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military base on the edge of Lake Chad. Yet its capacity to cause death and terror remains undiminished. An estimated 600 people have been killed since Buhari took office on 29 May. The terrorists are sending girls – some younger than ten – into crowded places and remotely detonating bombs attached to them. In his piece in the *Post*, Buhari said that the use of soft targets was yet more evidence of 'the degrading of *Boko Haram*'s capabilities as a fighting force.'

The sluggish economy also causes concern. The international oil price hovers at around \$60 per barrel, half what it was until the middle of last year, when prices began to plunge. Faced with a drastic reduction in their receipts from the federal government, 23 of Nigeria's 36 states – most of which are almost wholly dependent on that monthly allocation – owe staff months of back-pay. That crisis has forced Buhari to offer the states a bailout package.

Local business barons want Buhari to speed up economic policy-making and to bring in local and foreign experts: development banks, ratings agencies, business executives, potential investors. They want him to counter the idea that he

is anti-business and overly nationalistic.

On corruption, the signals has been stronger: it's clear the Sheriff is in town. Dividend and tax payments from Nigeria's investment in Nigeria Liquefied Natural Gas Company Limited have made their way into the Treasury for the first time ever. During the Jonathan years, the Nigerian National Petroleum Corporation (NNPC) and its subsidiaries routinely failed to remit revenue to the federal account. Many in Abuja say that the delays in appointing a cabinet are partly due to the fact that many of the original recommendations for cabinet positions have failed Buhari's personal integrity test.

At the same time, the Economic and Financial Crimes Commission (EFCC) has been busy examining the records of previous office holders. High-profile targets include former governors of Jigawa, Imo and Adamawa states, and **Stephen Oronsaye**, a former Head of the Federal Civil Service and member of the recently dissolved NNPC Board.

DASUKI'S SINKING STAR

We hear the EFCC may now lay corruption charges against former National Security Advisor **Sambo Dasuki**, as well as **Gordon Obua**, Jonathan's Chief Security Officer, who this week was forced to deny media speculation that he was dead (AC Vol 56 No 4). On 17 July, the secret police, the Department of State Services, searched three of Dasuki's residences (two in Abuja, one in Sokoto). His military guards resisted arrest, leading to a tense stand-off that lasted ten hours. Eventually, the DSS gained access and made away with several guns, luxury bullet-proof sport utility vehicles and

\$40,000 in cash.

Few are surprised by Dasuki's fate. It was 30 years ago almost to the day that Dasuki and a group of fellow mid-ranking army officers walked into Dodan Barracks in Lagos and arrested Buhari, then military Head of State, at gunpoint. They were the key players in the coup by Gen. **Ibrahim Babangida** which overthrew Buhari. The EFCC investigations are expected to swing to other military chiefs as well. Buhari wants the military leadership to account for its use of the annual \$6 bn. security budget over the past four years.

Buhari has earned praise for his choice of replacements: a National Security Advisor, Major Gen. (rtd.) **Babagana Monguno** from Borno State, where *Boko Haram* emerged more than a decade ago, and a Chief of Naval Staff, Rear Admiral **Ibok-Ete Ekwe Ibas** from the Niger Delta, where illegal oil bunkering still thrives. Monguno is young and cerebral, with a passionate interest in military history, and he wants urgent improvement in the military's information technology skills. He is said to favour working closely with **India** and **Britain** on retraining programmes.

Considering his military background and his closeness to the President, some had assumed that Lieutenant Gen. **Abdulrahman Dambazau**, army chief between 2007 and 2010, would replace Dasuki as National Security Advisor (AC Vol 56 No 13). In 2014, he was named to a senior position on the APC Presidential Campaign Council and has since played an influential role in coordinating the President's personal security. Dambazau is now tipped for Defence Minister in September.

ALGERIA**Southern discomfort**

The regime is on the defensive as protests in the south compound a major renewed threat from Islamists

Details are scant, but reports suggest that terrorists launched a rocket attack on President **Abdelaziz Bouteflika's** seaside home at Zeralda, outside Algiers, at dawn on 16 July. No official confirmation was forthcoming and 'official sources' suggested any explosions were due to fireworks marking the Eid festival at the end of Ramadan.

Pressures are building in Algeria, especially in its High Plateaux and Saharan regions, and from incursions by jihadist groups from over its borders with **Libya** and **Mali**. A grim reminder of the bloody conflict of the 1990s between the

state and Islamist radicals came on 18 July, when eleven soldiers were killed in an ambush. They were returning from an operation to round up jihadists around Ain Djendel in the province of Ain Defla (AC Vol 48 No 9).

Whether bombs or fireworks were to blame, Zeralda was quickly flooded with security men. 'I'm inclined to believe in bombs rather than fireworks,' a longstanding security source told *Africa Confidential* on 17 July. 'The atmosphere is getting worse, with efforts to destabilise the country from Salafist and Berberist groups.' By 'Berberist', the source was

referring not just to the Berber heartland of mountainous Kabylia, where *Al Qaida* in the Islamic Maghreb first established a foothold, but also to rising violence in the Beni M'zab region further south (AC Vol 54 No 15). AQIM claimed responsibility for an assassination attempt against 'Boutef' in Batna in 2007.

Troops were mobilised to pacify the Beni M'zab towns of Berriane and El Guerrara, both in Ghardaïa Province, after 22 people were officially reported dead on 7-8 July. The two towns, a short distance from the Beni M'zab capital of Ghardaïa and its associated towns, are on the front-line of communal violence. The confrontation is between a long-established Ibadite population, the 'Mozabites', who follow a different rite of Islam to other Algerians and speak a Berber dialect, and Sunni, Arabic-speaking Chaamba and other more recent arrivals, who follow the majority Malekite rite (AC Vol 55 No 24). Tension around

Ghardaïa grew in the run-up to the April 2014 presidential election (AC Vol 55 No 12). Last October, they contributed to an unprecedented strike by the security police, the *Direction générale de la sûreté nationale*, whose agents refused to be cannon fodder in a battlefield of which Bouteflika and the political elite seemed to have lost control. The extent to which rioters in the south identify Algiers as the enemy was underlined when a visit by the recently appointed Interior and Local Communities Minister, **Noureddine Bedoui**, sparked increased violence.

Further still from Algiers, in the Deep South, a peaceful protest movement crystallised in 2014 around state energy giant Sonatrach's fracking plans in the Ahnet Basin. In the manner of the Arab Spring and other recent popular revolts, protestors set up camp in the town of In Salah's Placette de la Daira, which they renamed 'Sahat Essoumoud' (Resistance Square). Supported by equally peaceful sympathy protests in other southern towns, including Ouargla and others in the *wilayas* of Adrar and Tamanrasset, the protests gathered pace last year. This surprised the leadership in distant Algiers and may have led to the replacement of Energy and Mines Minister **Youssef Yousfi** and Interim Sonatrach *Président-directeur général* (PDG) **Saïd Sahnoun**.

Nevertheless, the protests refuse to go away. As Ramadan came to an end, hundreds of young protestors from southern *wilayas* spontaneously protested at Boumerdès, outside Sonatrach's research and development centre. They

were protesting at their treatment after often penniless job applicants were forced to travel from the *wilayas* of El Oued, Hassi Messaoud, Illizi, Laghouat, Ouargla and Tougourt to be interviewed at the centre on the northern coast for 229 administrative posts in their home areas. This discontent was not part of some AQIM plot, though: not even the more cynical spin doctors in the orbit of military intelligence, the *Département du renseignement et de la sécurité* (DRS), or the presidential palace suggested that.

In response, the ruling elite, known as *le Pouvoir* (Power), has spent recent weeks giving the impression of bringing about change at the top, as the 78-year-old President, now incapacitated by a stroke and age, promised would happen when he secured his fourth term last year. New senior management at Sonatrach and military promotions to celebrate national day on 5 July were predictably spun as the advent of new, younger brooms. Sonatrach's new PDG, **Amine Mazouzi**, is 50 and company insiders say he's 'clearly of a younger generation' but can expect all the pressure from *le pouvoir* that it traditionally applies to Sonatrach managers.

POLITICKING

There is concern that the new Energy Minister, **Salah Khebri**, a low-profile industry academic who replaced Yousfi, a confidant of Bouteflika, will find himself overwhelmed by politicking. The Energy Ministry has been shorn of its potentially important Mines portfolio,

which went to an expanded Ministry of Industry and Mines, under the powerful **Abdeslam Bouchouareb** (AC Vol 52 No 19). Bickering old-guard leaders led by the DRS chief, Lieutenant General **Mohamed 'Tewfik' Medienne**, and the Chief of Staff and Deputy Defence Minister, Lt. Gen. **Ahmed Gaïd Salah**, remain in place. So does Bouteflika, who insists he will see out his term, which runs till 2018. His recent statements make earlier suggestions that he would retire early ring ever more hollow. Efforts to modernise and rejuvenate the armed forces, the *Armée nationale populaire*, and the security apparatus remain limited.

CLEAN-UP CRISIS

Instead of being sacked, **Amar Ghoul**, who was responsible for the controversial East-West Highway project, was moved to the Ministry of Regional Development, Tourism and Traditional Industries (AC Vol 56 No 10). Ghoul is officially an opposition member of the government but has close links to the decision-makers, *les décideurs*. His move, part of a clean-up campaign following DRS investigations into corruption at Sonatrach, into the highway and other corruption *affaires*, has done little to reassure Algerians about the quality of their governance. A new book by journalists **Christophe Dubois** and **Marie-Christine Tabet**, *Paris-Alger*, revisits myriad Franco-Algerian business dealings and reveals acquisitions by the leaders far beyond what their salaries suggest they can afford.

'*El Babor ghrek!*' (The boat is sinking!),

THE FRANCHISE WAR BETWEEN AL QAIDA AND DA'ISH

Shaken by the January 2013 raid on the BP-Statoil-Sonatrach gas plant near In Amenas, which **Mokhtar Belmokhtar's** *Al Mourabitoun* group carried out, security chiefs have mobilised forces to stabilise the southern regions (AC Vol 54 No 2). Islamists are the biggest threat but dissident Touareg groups, emboldened by events in Mali, could also pose a challenge. That's one of several reasons why Algiers is determined to get a peace deal on its terms in Bamako (AC Vol 56 No 13). The jihadist challenge is growing again in the region's 'ungoverned spaces'. Chaos in Libya spills across the Algerian border, bringing a refugee issue as well as a security crisis. In Kabylia and Saharan strongholds, *Al Qaida* in the Islamic Maghreb remains a force under its resilient 'Emir', **Abdelmalek Droukdel**, despite competition for members and resources with the fast-growing franchise of *Da'ish* (Islamic State in Iraq and the Levant/Syria) and splits between *Al Qaida*-aligned factions. There were reports earlier this year that Droukdel's rival for the *Al Qaida* franchise leadership, the Ghardaïa-born '**Afghan**' **Belmokhtar**, had realigned his *Al Mourabitoun* to *Da'ish*. He used his favourite media outlet, **Mauritanian-based** *Al Akhbar*, to deny that.

Belmokhtar was in the news again amid reports from Washington saying he had been killed in a 13 June **United States** Air Force strike outside Ajdabiya in **Libya**. The headquarters of the head of the Cyrenaica Political Bureau and of the Central Region Petroleum Facilities Guard (CRPFG), **Ibrahim el Jathran**, is in the town. El Jathran crippled Libyan oil sales by blockading El Sidrah and Ras Lanuf ports in 2013-14 (AC Vol 55 No 23). The fact that the architect of the In Amenas hostage crisis, whose *Al Mourabitoun* foot soldiers were mainly Libyan and **Tunisian** but whose commanders were Algerian, had been so near is worrying strategists in Algiers, as well as in Washington.

The Pentagon Spokesman, Colonel **Steve Warren**, confirmed that Belmokhtar had been the target, but once more, reports of his death seem to have been overstated, although he may, again, have been injured (AC Vol 54 No 12). An often reliable Libyan source, *Akhbar Libya*, reported that he had been taken to hospital by **Osama el Jathran**, the CRPFG chief's radical Islamist brother. In Mauritania, *Al Akhbar*, using one of Belmokhtar aliases, denied 'the news of Commander Khaled Abu Abbas's death'.

Belmokhtar had been shoring up support in Libya's strategic towns of Ajdabiya, Sirte and Zawiya, while *Da'ish* was gaining momentum across the country, Algerian security sources said. According to this version of events, so great is the challenge by *Da'ish* to other jihadists, as well as established governments, that Belmokhtar and Droukdel have reached a compromise to counter the rival Caliphate. ●

veteran human rights lawyer **Miloud Brahimi** shouted during his defence argument in what he called a 'politicised trial' linked to corruption at the state shipping company, the *Compagnie nationale algérienne de navigation*. 'This country has never stopped hunting down its cadres since independence,' he argued, stifling management as elites fight out their battles in court having

milked companies for money. Meanwhile, Algerians see their ministers getting richer.

The population across the south, in angry neighbourhoods of Algiers and other big northern cities, and the marginalised populations of Kabylia and the High Plateaux, share a frustration that 'real' jobs, adequate housing and services are too rarely available.

With the much vaunted foreign reserves of the central bank, the *Banque d'Algérie*, plummeting since **Saudi Arabia's** intentional crash of the oil price last November, the government is running out of means to buy people off. An ageing cadre of leaders will have to work faster than ever before to ward off even more painful reminders of just how fragile Algerian politics can be. ●

TANZANIA

CCM springs surprise

The governing party has found a presidential candidate with managerial skills and a reputation for getting things done

In a move reminiscent of the 'rise without trace' in 2010 of **Nigeria's** ex-President **Goodluck Jonathan** in 2010, Tanzania's governing party, *Chama cha Mapinduzi*, has nominated a virtual unknown to carry it into the presidential election. However, the CCM is hoping that in contrast, **John Pombe Joseph Magufuli** will use this standing start to lead the party to its next victory and become national president in three months' time.

'This is how we do it in the CCM,' crowed the retiring President **Jakaya Kikwete** as the party's National Executive Committee (NEC) wound up its final selection proceedings in Dodoma late

on 11 July, when he presented the three short-listed candidates to the full party Congress for final selection the following day (AC Vol 43 No 22). The Congress gave Magufuli, 55, a strong endorsement of 87.1% of the 2,416 votes cast, easily beating his female rivals, Justice and Constitutional Affairs Minister **Asha-Rose Migiro** (10.5%) and the African Union's Ambassador to the **United States**, former Zanzibar Finance Minister **Amina Salum Ali** (2.4%).

During his time as Minister of Works since 2010, Magufuli, a chemist with a master's degree from Salford University, UK, and a PhD from Dar es Salaam, has gained a reputation as a technocrat with

a good head for statistics. He still has to prove himself both as a credible candidate and as an effective campaigner. The CCM is clearly counting on the fact that his name is not associated with corruption or rumours of it, unlike several of his rivals for the nomination.

Before the party Central Committee made its final selection from a field of 38, it had been widely assumed that former Prime Minister **Edward Lowassa** was a shoo-in for the party leadership because of the amount of money he could call on, despite having resigned the premiership in 2008 in the midst of the Richmond corruption scandal (AC Vol 53 No 10). In the end, the party and even Kikwete himself appeared to have as many doubts about his ability to perform as did the wider public. 'It was not until the very last minutes that the [Lowassa] team realised that Mr. Kikwete was not supporting Mr. Lowassa,' reported the Dar es Salaam daily *The Citizen*. The man himself made no comment after being eliminated but his most vocal supporters hinted that he might now defect to stand as an

UNFINISHED CONSTITUTIONAL BUSINESS

President **Jakaya Kikwete's** second term in office has been marred by his perceived inability either to clean up many of the problems he inherited or to provide a clear vision on which his successors can build. A case in point is the fate of the constitutional revisions he promised in 2012. A Constitutional Review Commission (CRC) was tasked with touring the country to gather opinions before preparing a revised constitution for presentation to Parliament last year, so that it could be put to a referendum before this year's elections.

Efforts to maintain an all-party consensus over the proposed revisions collapsed last year, whereupon the governing *Chama cha Mapinduzi* sought to submit its own heavily modified version of the CRC's draft to a referendum this April. Only a storm of protest, led by the CRC Chairman, retired judge **Joseph Warioba**, and supported by several influential CCM figures, prevented this from going ahead.

Opponents and critics rejected the government's approach to the structure of the Union with Zanzibar. The CRC had proposed a three-government structure that would balance the status of the Islands with that of the Mainland but the CCM's Constitutional Assembly delegates had simply reinstated the existing two-government structure. After last year's boycott of the CA by the opposition parties in the Coalition of Defenders of the People's Constitution (Ukawa), a new provisional agreement was seemingly achieved in negotiations led by the Tanzania Centre for Democracy. This was designed to facilitate free and fair elections this year – in the absence of a new constitution – by making the following amendments to the 1977 constitution:

- The winner of the presidential election would have to garner more than 50% of votes cast.
- Presidential election results could be contested in court.
- Independent (non-party) candidates would be allowed to stand.
- A fully independent National Electoral Commission would be established through amendments to the Elections Act (AC Vol 55 No 18).

Three months before the elections, not one of these amendments has been enacted. The uncertainty over the future of the constitution will not only become a headache for any incoming government – and continue to sour relations between Mainland and Zanzibar – but could also, say legal experts, have implications for any eventual moves towards greater East African unity. Tanzania would in theory find it easier to move into an East African federation under a three-government system of union, because it could eventually suspend or dissolve its own union to allow each of its component states to become part of the wider federation. ●

opposition candidate.

Equal disappointment was in store for Lowassa's main rival, Foreign Minister **Bernard Membe**, who for a few short hours became the obvious front-runner among the five nominees passed by the party's Ethics and Security Committee. To prevent further eruptions of bitterness from the Lowassa camp, retired presidents **Ali Hassan Mwinyi**, **Benjamin Mkapa** and Zanzibar's **Amani Abeid Karume** intervened, prompting the NEC to remove both Membe and Deputy Communications Minister **January Makamba**, reducing the shortlist to the final three (AC Vol 52 No 13 and Vol 56 No 1). It was at this final stage that Magufuli emerged as the most realistic contender.

Offering his own female-friendly team, Magufuli had chosen as running mate **Samia Hassan Suluhu**, 55, a Minister of State in the Vice-President's office charged with Union Affairs between the Mainland and the Isles of Zanzibar. The CCM may now be counting on this signal of constitutional continuity to disguise the Kikwete government's reluctance to restructure the relationship between the Union's unequal parts or yet to hold its long-promised referendum on the few constitutional changes it has been willing to accept so far. MP for Manyovu, Suluhu has worked her way up from the ranks of the government typing pool, taking a master's degree in the United States on the way.

Magufuli hails from the Geita gold-mining region south of Lake Victoria, and worked as both a teacher and an industrial chemist before becoming an MP in 1995, when he was immediately appointed Deputy Minister of Works. He has held a variety of portfolios since that time. Observers have noted that his early career was helped by a closeness to

Mkapa, Kikwete's immediate predecessor. He has quietly built a reputation for completing projects successfully and for not tolerating under-performing officials.

After Magufuli's victory, delegates decked in the CCM colours of green and yellow erupted into thunderous applause at the Jamhuri Stadium when he made a light-hearted and perhaps ambiguous quip: 'To all irresponsible leaders, thieves and corrupt officials, please be informed that I will deal with you in a very polite way.' Firmer declarations of purpose will be needed in the coming months if the party is to overcome the enormous political damage wrought by the inept handling of a long sequence of corruption scandals over the past 20 years.

In a flurry of belated parliamentary activity just before the Congress, Kikwete's team had pushed through measures designed to burnish the government's international image, including an Energy Bill requiring companies to pay fixed royalties of 7.5% for offshore and 12.5% for onshore production. It also passed an Oil and Gas Revenue Management Bill and an Extractive Industries Transparency and Accountability Bill (AC Vol 56 No 9). Opposition members who called for fuller debate on these hastily introduced measures were largely excluded from voting.

With Parliament due to be dissolved on 20 August, Kikwete promised to assent promptly to these bills. In his farewell address, he put a brave face on recent donor refusals to release financial support for the budget, occasioned by the latest scam involving Independent Power Tanzania Ltd., over which some ministers have lost their jobs, although no prosecutions have been brought. He declared that 'with successes in revenue collections, we have been able to reduce

donor dependency in our budgets from 42% to 15%' (AC Vol 55 No 24).

The main electoral challenge for the opposition will be to present a united front under an agreed leader. The chances of this happening seem slim. The main choice would appear to be between the two leading figures in the largest opposition party, *Chama cha Demokrasia na Maendeleo* (Chadema), whose **Freeman Mbowe** and **Wilbrod Slaa** have both sought leadership of the opposition umbrella group, the Coalition of Defenders of the People's Constitution (Ukawa). The long-anticipated announcement of a Ukawa presidential candidate has been repeatedly postponed. The fact that the Zanzibari-based Civic United Front has not taken part in the latest discussions has been interpreted as indicating disagreement over tactics. Ukawa will in any case have difficulty transforming itself into a political body able to compete with the CCM.

Ukawa has been most effective as a campaign group, for example in leading calls for the National Electoral Commission to clarify the timetable for updating the electoral register before the polls. Mbowe has been forceful in declaring that the government has been 'determined to hold on to power by all means' and that a recent 'crackdown on media and free speech' is 'part of a broader attack on democracy'.

A new opposition party, the Alliance for Change and Transparency (ACT-Wazalendo), whose leader is **Zitto Kabwe**, a formerly prominent MP for Chadema, has announced that it will field candidates in at least 226 or the 265 constituencies and that it expects to nominate its presidential candidates for both Tanzania and Zanzibar in mid-August. ●

GUINEA

Condé pushes for new mine

The President wants at least one new mining project up and running by the time of this year's presidential election

In his haste to make new mining deals with **Chinese** bauxite companies, President **Alpha Condé** has stepped on some toes, including those of the **British** government. The UK-based mining company Alufer Resources Limited, which is developing the Bel Air Project, 120 kilometres north of Conakry, looked to be under threat after rumours that Guinea planned to strip the bauxite mine of its 'special interest' status and consider giving the neighbouring concessionaire,

China Power Investment Corporation (CPI), access to some of its land.

Guinea named Bel Air a Project of Special Interest last year after Alufer and CPI reached agreement over the borders of their concessions. Alufer says it will start construction by the end of this year and is raising capital for the first stage of the project. Local press reports last month said that following a meeting between Condé and CPI representatives in Conakry in May, the President's Office

considered withdrawing Bel Air's special status and reassessing ownership of the disputed land corridor which provides it with access to the sea. CPI wants to build a refinery in the same place.

The British Trade and Investment Minister, Lord **Francis Maude**, wrote to Guinean Mines Minister **Kerfalla Yansané** in May warning that foreign investors would be deterred if Guinea showed preference to CPI and revoked Bel Air's special project status. The CPI initiative was being pushed by the President's Office rather than the Mines Ministry, said sources close to the parties involved. The Presidency was asked to comment but said only that China was a 'long-term strategic' partner of Guinea. Condé met an Alufer representative in New York recently and said he wanted to work with Alufer and see Bel Air built, the sources added.

There have been other reports of the Presidency bypassing the Mines Ministry and a Chinese-led consortium, Boké Mining, is developing a bauxite mine without a ratified mining licence or convention, we hear. Boké Mining, a joint venture between a Chinese aluminium company called China Hongqiao Group Ltd. and a Guinean investor, has teamed up with **Singapore's** Winning Logistics, part of Winning International Group, and China's Shandong Weiqiao Pioneering Group Co. Ltd., to build a port for the bulk export of its bauxite. Boké is Condé's birthplace.

United Mining Supply, a Guinean company partnered with Winning Logistics, said in a statement on its website that it expected a first 160,000-tonne shipment of bauxite from the project at the end of July. Hongqiao is also building a major bauxite mine in **Indonesia**. Delays to that project have allowed the company to put further resources into its Guinean mine, local sources said. Guinea's established bauxite

mining companies worry that Boké Mining's output will dilute the value of their exports by flooding the market, sources told *Africa Confidential*. A source at the Presidency confirmed that a new bauxite project was expected to start shipping out ore in July-August but would not elaborate.

DIG FOR VICTORY

Condé's eagerness to show progress in the mining sector before the 11 October presidential election comes amid heightened tension between the governing *Rassemblement du peuple de Guinée* and the main opposition party, Cellou Dalein Diallo's *Union des forces démocratiques de Guinée*.

The two sides went into dialogue after violent clashes between anti-government protestors and security forces broke out in April and May, claiming six lives. Yet early this month, the opposition refused to sign a document agreeing to dialogue after talks broke down. Many thought that favoured Condé. He needs the UFDG to

participate fully in the election, which he does not want postponed. The European Union is threatening to withhold 140 million euros (US\$180 mn.) from its 10th European Development Fund if elections take place after 31 October.

The UFDG has been floundering and appears unsure about whether to respect the electoral process or attempt to torpedo it. Some local media dubbed its approach to the former dictator Captain **Moussa Dadis Camara** 'stupefying' and the opposition's credibility took a further knock when prosecutors in Burkina Faso, where Camara has been living in exile, indicted him over the stadium massacre of September 2009 (AC Vol 50 No 20). After the fall from power of Burkinabè President Blaise Compaoré last October, Camara's days in Ouagadougou were numbered and he first reappeared in Guinea at the beginning of this year at the head of a new opposition political party, the *Forces patriotiques pour la démocratie et le développement* (AC Vo 56 No 11). ●

AFRICA

Hack exposes state spies

A leak of over one million emails has exposed African governments' purchase of software to spy on and disrupt dissidents

For years, the governments of **Egypt**, **Ethiopia**, **Nigeria**, **Sudan** and **Uganda** have been cracking down on dissent, intimidating opposition leaders, arresting journalists and even firing live ammunition at protestors. Today, much of the surveillance of opponents – and some of the repression – is moving online. Cheap laptop computers, smart-phones and readily available mobile internet have made social media a vibrant platform for dissidents. The sheer number of people who have access to sites such as Facebook and Twitter, and instant messaging and internet calling programmes such as Skype and WhatsApp, has got regimes across the continent worried.

Ethiopia is one country which has struggled to increase access to mobile telephony, which brings clear economic benefits, while trying to restrict the freedom of speech that better connectivity allows. Addis Ababa's intelligence services have been caught out infecting private computers of interest. Citizen Lab, an internet rights research group based at the University of Toronto, **Canada**, revealed its findings on this in 2013 (AC Vol 54 No 8).

Now, in an ironic twist of fate, HackingTeam, a software company based

in Milan, **Italy**, which sells computer spyware to law enforcement agencies all over the world, was itself hacked on 8 July. More than one million company emails and 400 gigabytes of data were taken from its servers and dumped, in searchable form, on the WikiLeaks website.* They reveal thousands of communications between HackingTeam sales staff and representatives of Ethiopia's Information Network Security Agency (INSA), Sudan's National Intelligence and Security Service (NISS), Nigeria's National Security Advisor, the Bayelsa State government, Egypt's Defence Ministry, Uganda's Office of the President and others. The **United States** Federal Bureau of Investigation has also spent nearly US\$775,000 on HackingTeam's spy tools since 2011.

What has sent the spies of Africa and the USA alike rushing to HackingTeam's door is its flagship product, the Remote Control System, also known as 'Galileo'. This allows security agencies to monitor specific computers and mobile devices. RCS gained international notoriety after Citizen Lab exposed its use by the Ethiopian government. 'Galileo' is designed to attack, infect and monitor

* www.wikileaks.org/hackingteam/emails

target PCs and smart-phones, in a stealth way,' a HackingTeam employee says in one email. 'It allows you to covertly collect data from the most common desktop operating systems, such as: Windows, OS X, Linux. Once a target is infected, you can access all the information, including: Skype calls, Facebook, WhatsApp, Line, Viber and many more.' HackingTeam offers its clients 'evidence planters', which can be used to fabricate evidence that can be used in court.

INFECTION

'They pitch their software as allowing you to look through your target's eyes,' **Bill Marczak**, a Research Fellow at Citizen Lab, told *Africa Confidential*. 'If you infect someone, you have the capability to see everything they do on their computer: you can see what they see on their screen, you can see their emails, you can steal their passwords and log in to their email account on your own; it really is as if you're looking over your target's shoulder.' Normally, the spyware is installed when the target opens an attachment sent with an email that he or she has received.

In 2012, Sudan's NISS bought a three-year RCS licence from HackingTeam for 480,000 euros (\$520,000; AC Vol 56 No 7). After seeing a HackingTeam presentation at the Intelligence Support Systems World conference in **South Africa**, **Biniam Tewolde**, Director of Ethiopia's INSA, placed an order on 23 March 2012 for software that would allow his staff to monitor the online activities of 100 people at a time at a cost of \$1 mn. for three years. HackingTeam appears

to do a lot of business at cyber-war and cyber-protection fairs and exhibitions.

Last March, Citizen Lab reported that INSA had targeted journalists from Ethiopian Satellite Television (ESAT) using HackingTeam software. Screenshots show emails that beg the recipient to open attachments. These attachments, known as 'exploit services', were tailored by the government rather than by HackingTeam, to make it more likely that the target would open them and so allow infection. In other cases, HackingTeam has deployed 'zero-day exploits', which are much harder to detect but the emails show that INSA insisted on using its own 'exploits'. A 'zero-day exploit' is hacker jargon for a vulnerability in software such as Adobe Flash Player or Internet Explorer which the owners have not yet detected.

On 14 March, having seen the Citizen Lab report, HackingTeam's Operations Manager, **Daniele Milan**, writes to Biniam just before midnight. 'Would you please give a detailed explanation regarding the following allegations?' he writes, pasting links to the Citizen Lab report and a Human Rights Watch report that makes similar allegations. Two days later, Biniam replies: 'The targets we tried to exploit are members of a terrorist organisation called Ginbot7 based on our parliament declaration. Ginbot7 is a terrorist organisation, based on the parliament declaration, trying to terrorise the country, destabilise the country and destroy the constitution of

the country. **Neamin Zeleke** is one of the top leaders of Ginbot7. We targeted him as top leader of Ginbot7, not as top leader of media organisation called ESAT. For us, Neamin Zeleke is one of the top leaders of a terrorist organisation, not a journalist.' **Berhanu Nega's** Ginbot 7 denies being a terrorist organisation or using violence for political ends. HackingTeam internal emails claim that it would sever relations with a client in the event of 'wrongdoing'.

A journalists' lobbying body, Reporters Without Borders, named HackingTeam as one of five 'corporate enemies of the internet' in 2012. The HackingTeam founder and Chief Executive Officer, **David Vincenzetti** signs some of his emails, 'Boia chi molla', an Italian fascist slogan meaning, 'He who gives up is a rat'. He has defended his firm in response to the leaks. 'We're the good guys... when we heard that Galileo had been used to spy on a journalist in opposition of the government, we asked about this, and finally decided to stop supplying them in 2014,' he said.

WEAK RESTRICTIONS

Restrictions on the export of such technology are weak and there are few signs that the European Union or the USA will tighten them, even though the software can be used across borders. Companies like HackingTeam are not banned from doing business with human rights abusers. A **Dutch** member of the European Parliament, **Marietje**

Schaake, of the Dutch Democraten 66 party, wants controls to be imposed. 'More transparency and accountability are needed around the sales of privacy-intrusive surveillance tools. Internal due-diligence policies and self-regulation efforts are clearly not enough to prevent the marketing and sale of these systems from the EU to some of the world's worst human rights abusers. Furthermore, without such transparency, any EU or UN [United Nations] sanctions-regime is bound to fail. The EU must ensure it is credible in its foreign policies and hold to account the violators within its own borders.'

The US group which lobbies against surveillance on the web, the Electronic Frontier Foundation, is suing the Ethiopian government in the US for allegedly having placed spyware in the computer of an Ethiopian-origin US citizen. The plaintiff claims the spyware, Finspy, a competitor of RCS, was installed at the end of 2012.

Many of the emails on the Wikileaks site are more recent. In April, email correspondence shows HackingTeam in negotiations with the Office of the President of Uganda for the sale of RCS software. President **Yoweri Museveni** has been preparing the ground to be re-elected as President next year with a panoply of laws restricting the opposition (AC Vol 56 No 13). He may hope that HackingTeam's spyware will improve his surveillance of the opposition and help him to refine his tactics against them. ●

ZIMBABWE

Ruling and unruly parties

The factions in ZANU-PF are providing most of the interest in September's bye-elections, as the opposition continues to implode

Splits in the ruling party keep on growing as its factions thrive, even though President **Robert Mugabe** supposedly banned them. The internal struggles of the Zimbabwe African National Union-Patriotic Front focused on nominations for the bye-elections on 19 September which were triggered by the purge of members of parliament who belong to the faction of former Vice-President **Joice Mujuru**. Yet the opposition still can't capitalise on ZANU-PF's disunity and September's polls may even see no candidates at all for the Movement for Democratic Change (MDC).

Reports of Mujuru's political death may have been premature. She has even

given her faction a name, ZANU-PF-People First. Some of her expelled MPs may even stand in the bye-elections themselves. The loyalists include **Ray Kaukonde**, who sat for Marondera, a marginal seat in Mashonaland East; **David Butau**, who represented Mbire, Mashonaland Central; and **Kudakwashe Bhasikiti**, whose seat was Mwenezi, Masvingo (AC Vol 56 No 11). The seat of **Amos Bernard Midzi**, who died on 9 June, apparently committing suicide as creditors closed in, has added to the number of bye-elections. Midzi was Chairperson of ZANU-PF in Harare Province and a former Minister of Energy, and later of Mines, and Ambassador to the **United States**. He regained the seat

of Epworth from the MDC in 2013.

Nearly 150 senior party officials have been expelled or suspended and, according to its Political Commissar, **Saviour Kasukuwere**, the purge will continue down to lower levels. A score of other parliamentarians were suspended for between two and five years but will be allowed to keep their seats until the next general elections in 2018, though not allowed to hold any other party office. There was concern that too many expulsions could undermine the two-thirds majority in Parliament that ZANU-PF needs to make amendments to the 2013 constitution.

That worry proved unfounded, however, as the main body of the **Morgan Tsvangirai's** MDC faction, MDC-T, had helpfully, from ZANU-PF's point of view, recalled the 14 MPs of the breakaway MDC-Renewal Team (AC Vol 56 No 9). That faction's leading lights, **Tendai Biti** and **Elton Mangoma**, also fell out and decided to go their separate ways. All MDC groups then opted to boycott elections, leaving the field clear for ZANU-PF. The MDC-Renewal Team now has no MPs and in the 10 June bye-

elections: ZANU-PF not unexpectedly swept up not only the 14 MDC seats but also the two previously held by expelled ZANU-PF MPs. The ruling party went into triumphalist mode: for the first time in decades, it had secured seats in the Matebeleland capital, Bulawayo. It also more than doubled its representation in Harare itself.

All those wins were on low voter turnouts, so the MDC-T claimed its boycott had been successful, yet how was unclear. ZANU-PF will make it hard for the MDC to retake the seats it effectively surrendered to the government and few believe such a thing possible until the opposition regains some coherence.

The new member for Bulawayo's Makokoba constituency is **Peter Tshinga Dube**, a retired colonel who was head of Zimbabwe Defence Industries (AC, March 2004). He brings some gravitas to the Matebele party branch. One of his first tasks will be to soothe tempers frayed by **Phelekezela Mphoko**, who emerged from obscurity last year to become one of the two national vice-presidents, a job **Simon Khaya Moyo** believes should have been his were he not thought too close to Mujuru (AC Vol 56 No 1). Egged on by Professor **Jonathan Moyo**, Mphoko has been claiming to be the equal of the other Vice-President, **Emmerson Mnangagwa**, and so a potential successor to Mugabe.

Two MPs expelled in the first round of purges vowed to stand for election regardless on 10 June. One, **Didymus Mutasa**, a key Mujuru figure, saw his nomination papers rejected in Manicaland's Headlands constituency for stating, perhaps due to the habits of half a century, that he was in ZANU-PF. This left his nephew **Tembo Mliswa** as sole standard-bearer for Mujuru, but some hundreds of miles away on the shores of Lake Kariba, in the Hurungwe West seat in Mashonaland West.

ZANU-PF ran a strong-arm campaign with a military presence, a partisan police and intense pressure on traditional tribal leaders to ensure victory. Some headmen disappeared for a few days for 're-education'. Nonetheless, Mliswa still scored a respectable 42%.

In Harare, one of the party's problems has been how to keep the Youth League under control. It provided the storm troops for December's anti-Mujuru coup and their briefings to Mugabe convinced him there was a plot to oust him.

League members now believe the rhetoric about them being the guardians of the revolution. They increasingly take matters into their own hands and, emboldened by the bye-elections, have stepped up occupations and the harassment of people they see as opponents. In the semi-urban areas around Harare, they are occupying previously ring-fenced farms, often overruling government officials. The Youth League's Harare leader, 35-year-old **Godwin Gomwe**, and eight others are on bail after charges of extortion and have been expelled from the party. They had claimed they were acting with the approval of First Lady **Grace Mugabe**. The National Secretary for Youth, **Pupurai Togarepi**, who is disappointed not to have been nominated for a seat, claims the charges are unfounded and that Mujuru's sympathisers are still at work in senior party positions. He says Gomwe should be reinstated.

The League is not alone in being stunned by the speed with which it was dumped once it had served its purpose. The masterminds of the ousting of Mujuru, the 'Gang of Four', have scattered. **Oppah Muchinguri**, who stood down as leader of the Women's League in favour of the First Lady, is riled at not making it on to the party Praesidium and is rebuilding her political base. She is starting in

Manicaland, where she has already clashed with Provincial Affairs Minister **Mandiitawepi Chimene**, who in turn is prising back the farms which Mutasa took under the land reform. Kasukuwere is believed to have differences with Mnangagwa but replaces the former Local Government Minister, **Ignatius Chombo**, promoted to Home Affairs.

MOYO'S TREATMENT

The greatest shock was the almost brutal treatment of Jonathan Moyo, who was ordered out of a full cabinet meeting and told to come back when he had been properly appointed. Moyo had held the Information Ministry as an unelected presidential nominee. Then, without consulting Mugabe, he won the Tsholotsho North bye-election in Matebeleland North. He first won the seat in 2008 as an independent when the MDC stood aside but in 2013, standing for ZANU-PF, he lost it to the MDC. Now, with the help of packets of **Chinese** rice and noodles, he regained it with almost twice as many votes as any other ZANU-PF candidate. Instead of the expected congratulations, he found himself shunted to the low-profile Higher Education Ministry, with no scope to set the media agenda or trespass on perceived presidential prerogatives.

In the short term, the question is whether the fractured main opposition can resolve its differences to contest the September bye-elections or whether it will persist with the boycott. The countdown to 2018 has already begun and all the players will have to concentrate on refurbishing their dysfunctional party machines and build up credible candidates. There is a distinct possibility that ZANU-PF will have to stick with Mugabe who, should he win and complete his term, would then be in his 100th year. ●

SENEGAL

Sall and the separatists

Casamance has long been one of the government's worst headaches. A new approach promises change

President **Macky Sall** prides himself on his regional profile and holds the presidency of the Economic Community of West African States to prove it. The antithesis of the grandstanding flourishes of his predecessor, **Abdoulaye Wade**, his style has made him important friends. His preference for a five-year presidential term, rather than the seven years that Wade brought in, has impressed

the United Nations and many others.

Sall stresses that Senegal is an 'island of stability' and acknowledges that it is also in the frontline in confronting the region's jihadists. Much of the proof of his policies may lie in his handling of the area's longest conflict, the on-off guerrilla war in Casamance. The Senegalese army has been pitted against the separatist *Mouvement des forces démocratiques de*

la Casamance (MFDC) for over 30 years.

Sall began promisingly on Casamance, which he acknowledged at the time of his election as President to be the most serious of the country's problems. The mantra from the past remained the same, 'no dilution of national sovereignty', but speeches in Dakar and Casamance included invitations to the MFDC to renew dialogue, lay down its arms and abandon its hazy separatist agenda.

INTEGRATION

Sall's southern visits have taken in hospitals, schools and stadiums, where he pledged to address a legacy of neglect and isolation. Socio-economic grievances in the regional capital, Ziguinchor, and elsewhere fuelled the original insurgency in the 1980s. Now, Sall has promised

gradual transformation through foreign investment, reviving agriculture, providing better services and above all working for *désenclavement* (opening up), upgrading and rebuilding providing the kind of road, sea and even rail links that could make Casamance less isolated from the rest of the country.

The development dossiers and infrastructural plans are advancing, albeit slowly. There has been major rehabilitation work on the RN6 road between Ziguinchor and Kolda. Three ferries now ply between Dakar and Ziguinchor. After over 40 years of discussion, the first stone was laid for a bridge over the River Gambia in February. In time, this should be a huge blessing to long-suffering populations on both sides of the border who have put up with shambolic ferry services, customs disputes and interminable bottlenecks. Casamance has a long history of donor-approved infrastructural plans but many have not gone beyond the drawing-board.

In terms of conflict resolution, Sall has never sought a spectacular breakthrough. As a minister under Wade, he witnessed a promising peace process unravelling. A much-lauded but flimsy agreement signed in December 2004 failed, its follow-up marred by an excess of unqualified internal mediators and Wade's ill-judged patronage. He distributed large sums of cash to the protagonists, including rival wings of the reliably incoherent MFDC. While Wade was wary of external mediation, Sall appeared to welcome it, at least initially.

LESS ROOM FOR JAMMEH

Early in his term, Sall made noises about President **Yahya Jammeh** of **Gambia** being indispensable to the search for a solution, overlooking Dakar's longstanding accusations that Jammeh has funded favourite wings of the MFDC and at least tolerated a lucrative, illegal, cross-border economy.

Since then, however, relations with Banjul have soured badly. Jammeh called Sall a 'bad neighbour' and accused him of sheltering plotters involved in December's coup attempt (AC Vol 56 No 8). Unlike Wade, Sall does not rise easily to the bait but he strongly denied any desire to destabilise his neighbour. Although some survivors of the coup did escape to Dakar, no one familiar with the conspiracy believes the Senegalese government had any involvement in it. Sall was a notable absentee from the celebrations marking Gambia's 50th Independence anniversary in February, his aides pleading a congested timetable. Senegal's Prime Minister **Mahammed Boun Abdallah Dionne** did attend the laying of the foundation stone for the

TransGambia Bridge but Jammeh has not let up on his anti-Senegalese rhetoric. It looks as though the old rows over customs duties and immigration procedures will carry on regardless.

Dakar's relations with neighbouring Guinea Bissau, however, look much better now. The election of **João Mário Vaz** – a known ally of the MFDC – as President in May 2014 initially caused apprehension in Dakar. Sall quickly denied any reports of his supposed discomfort. The new Bissau government has signalled that it will not host guerrilla bases but MFDC fighters have support networks that have often enjoyed a free hand in the border region.

ROME TALK

Sall has been diplomatically supportive of mediation initiatives from elsewhere. He backed the modest but over-hyped efforts of the Rome-based, Vatican-backed Sant'Egidio lay community, which he invited to take on the Casamance dossier in 2012 (AC Vol 55 No 17). Pope Francis received Sall last November. Sant'Egidio's mediation efforts appear to have lost momentum recently. Different factions of the MFDC criticised them heavily for relying too much on veteran commander **Salif Sadio**, who is seen by his rivals as a dangerous, self-promoting maverick.

Sall was a cordial host to United States' former ambassadors **James Bullington** and **Mark Boulware**, who spearheaded the 'expeditionary diplomacy' of the State Department's Bureau of Conflict and Stabilization Operations in Casamance. Both briefed optimistically about their time in the south but played down their own importance. Boulware left Senegal in November 2014.

One of Sall's biggest problems in dealing with the separatist issue is the truculent Mayor of Ziguinchor, **Abdoulaye Baldé**, who attacked the US involvement, earning a rebuke from Washington which said he misunderstood and greatly exaggerated its role. Once a senior figure in Wade's *Parti démocratique sénégalaise* and now leading the *Union centriste du Sénégal*, Baldé is making political capital out of the Casamance question in line with his ambition to stand against Sall in the 2017 presidential election (AC Vol 54 No 2). He has accused Sall of turning his anti-corruption drive into a series of vendettas against ex-President Wade's son **Karim Wade** and other members of Wade's inner circle (AC Vol 56 No 7).

Baldé sees his interests as best served by denying the government has made any real headway on negotiations. That may also be aimed at his predecessor as Mayor, veteran *Casamançais* politician **Robert Sagna**. Known as 'Monsieur Casamance,' a title he resents, the 76-year-old has the task of liaising with the MFDC, whose

nominal leaders are at least of the same generation. Like the US ex-ambassadors and others involved in promoting peace, Sagna has enlisted the support of community elders, women's groups, youth movements and cultural troupes. He remains coy about his dealings with the MFDC, while acknowledging that the movement is still too divided to negotiate effectively.

GUERRILLAS AT WAR

The MFDC's own divisions worsened after the death of long-time leader **Abbé Augustin Diamacoune Senghor** and show no signs of healing. Based at the MFDC's traditional headquarters, Mangokourou on the outskirts of Ziguinchor, its spokesman, **Abdou Elinkine Diatta**, grants regular access to the media. Diamacoune remains the movement's spiritual and political mentor, albeit from beyond the grave, Diatta says. He has warned that the MFDC's armed wing, Atika, is still at large and could escalate its attacks and raids if given the signal. Diatta detects new undercurrents of resistance, particularly amongst the youth, and a new interest in Diamacoune as an historical figure. The authorities do not appear over-concerned by his pronouncements.

PARIS LEADER

Meanwhile in Paris, **Mamadou 'Nkrumah' Sané** claims the leadership of the MFDC. He has always said he is the man that would-be mediators must go through. Aligned with him is the German-based **Ahmed Apakena Diémé**, a leading figure in the MFDC's *Cercle des intellectuels et universitaires*, its informal parliament of educated supporters. Apakena Diémé has warned that Sant'Egidio is out of its depth and called for the UN to lead any mediation. Others in the MFDC have suggested that the USA host negotiations.

Other military chiefs in the Movement scorn Sadio's emergence as a man of peace and gestures such as his offer to pay for a scanner at the hospital in Ziguinchor. The MFDC's most senior commander is often now said to be **César Atoute Badiaté** but the chain of command is far from clear. The situation is further confused by the role of **Jean-Marie François Biagui**, reputedly once close to Diamacoune (AC Vol 43 No 9).

Biagui has long distanced himself from other senior MFDC figures and now operates as President of the *Mouvement pour le fédéralisme et la démocratie constitutionnels*, which lays claim to the leadership of Casamance, as well as to the MFDC's initials. Biagui sends out regular communiqués criticising both former allies and the government, but looks to be increasingly irrelevant. ●

AFRICA/DEVELOPMENT

Goalfest in Addis

A UN conference on how to replace the expiring Millennium Development Goals with a new programme looked mostly at money

Populated by sleep-deprived politicians and their entourages, non-governmental organisation activists and assorted policy wonks, the United Nations Financing for Development meeting in Addis Ababa last week resembled a political party conference. It lacked only the corporate stands handing out free gifts to delegates, as a series of panel debates with ministers, business executives, bankers and NGOs took place in the five-star hotels surrounding the UN Conference Centre. The Third International Conference on 13-16 July was the forerunner to a UN summit in New York in September, where governments hope to agree on a framework to succeed the Millennium Development Goals, which expire at the end of this year. The MDGs aimed to halve the number of people living in extreme poverty and dramatically increase access to education. The UN working group on the draft Sustainable Development Goals proposes 17 goals and 169 associated targets, ranging from ensuring access to energy, water and education, to improving infrastructure and industrialisation and tackling inequality.

Although discussions on international development frequently turn into a jargon-fest impenetrable to all but practitioners, the gathering in Ethiopia dealt not with the substance of the new SDGs, only with how to pay for them. As at party conferences, decisions at UN conferences are not made on the floor of the plenary session, where ministers deliver a series of turgid monologues to a chamber that

is seldom even half-full. Most of the real decision-making had taken place weeks and months before, and the remainder in the corridors.

The text finally agreed by ministers on the night of 15 July was almost identical to the draft haggled over in New York over the course of the preceding months. Before the conference, '95% of this text was already closed,' said **Tove Maria Ryding**, Secretary General of the European Network on Debt and Development (Eurodad), a Brussels-based NGO.

TAXING DISPUTES

The mood of the gathering, however, was best seen in the topics which dominated the dozens of side-events and roundtables in the compound of hotels. The main diplomatic battle centred on tax, specifically on who sets international standards. At present, the Paris-based Organisation for Economic Cooperation and Development is charged with drawing up international tax standards. It has 34 member states and is often seen as the rich countries' think tank, dominated by Europe and North America. Only **Mexico** and **South Korea** might qualify as being in the Global South. The OECD has drawn up plans on 'base erosion and profit shifting' at the behest of the Group of 20 (G-20) major economies, of which the obly African member is **South Africa**. The BEPS plans would prevent firms from routing profits through shell companies and require an automatic exchange of information about tax payments between governments and country-by-country tax reporting,

all by 2016.

Regardless of the inherent merits of the OECD proposals, African, Asian and Latin American countries proposed upgrading the UN Committee of Experts on International Cooperation in Tax Matters to become a formal rule-making body in place of the OECD. A major charge against the OECD is that it hasn't got even one African member. 'The OECD has been in charge of global tax standards for 50 years and look where we are,' says Ryding, adding, 'Developing countries have been calling for a global tax body for more than a decade.' For their part, the European, **United States'** and **Japanese** delegations suggested that the notion was a pet project of the Indian government and would slow the process of tax reform. 'I can understand the intellectual argument but it's about time we stopped talking,' one European Union official said. 'It's not about setting up another committee but setting up an effective jurisdiction. Surely we know which laws need to change,' she added.

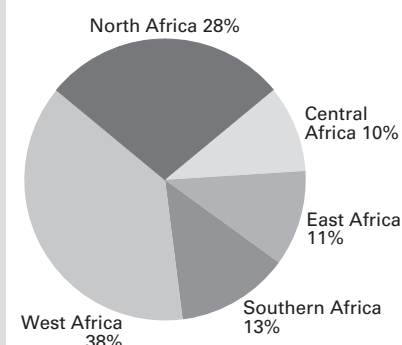
In spite of the slight diplomatic tensions, the direction of travel is clear: just as Western governments are promising to clamp down on tax evasion and avoidance in their own jurisdictions, the same should occur in Africa. Illicit finance and lost tax revenue cost Africa around US\$50 billion per year, according to research published in January by an African Union expert group chaired by South African ex-President **Thabo Mbeki**. Much of that is the fault of Western corporations. Firms, especially in the extractive sector, make small tax payments in host countries while corruption, money-laundering, the distortion of money transfer charges and transfer-pricing are rampant.

At one of the conference side-events, Mbeki stressed that African governments would also have to be dragged towards reform and transparency. 'This is an African problem with a global solution,' said the Executive Secretary of the UN Economic Commission for Africa,

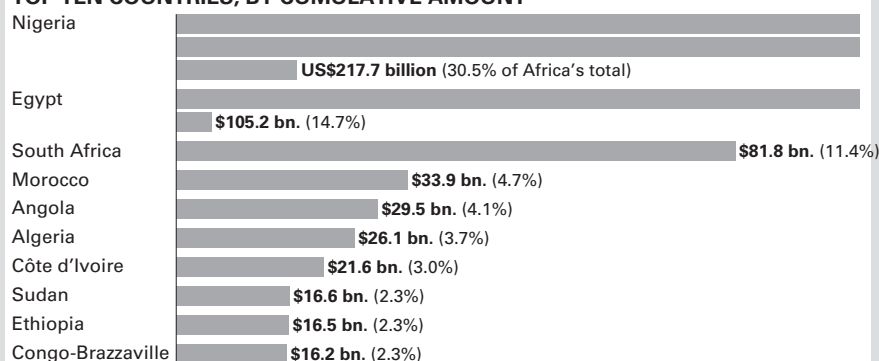
ILLICIT FINANCIAL FLOWS FROM AFRICA, 1970–2008

Figures based on Kar and Cartwright-Smith (2010)

BY REGION



TOP TEN COUNTRIES, BY CUMULATIVE AMOUNT



Carlos Lopes. 'In Europe they talk of the "Starbucks effect" [embarrassing a company into paying more taxes]; this has been happening in Africa for decades.' Others indicated that a number of African governments were not enthusiastic about enhancing tax transparency, a point which Mbeki hinted at when commenting that 'many governments will only work on this issue when there is pressure from the AU Commission'. Lopes agreed, noting that 'we can only get cooperation under duress'.

VANISHING AID

In contrast, talk about 'aid' was conspicuous by its absence. The final communiqué includes no financial commitments. The EU was the only major party to propose any kind of development aid commitment and its pledge to hit the goal of 0.7% of gross domestic product by 2030 is so distant as to be virtually meaningless at a time when European governments from east to west have cut their aid budgets to an average of 0.43%.

If combating tax avoidance has good political momentum, increasing the role of the private sector, particularly in infrastructure investment, is clearly the next big thing in development finance. With financing no longer about grants, private sector investment and improved tax collection are expected to fill the gap. The conference communiqué speaks of 'unlocking the transformative potential of people and the private sector'. The

World Bank estimates that that African countries face an annual investment gap of between \$1 trillion and \$1.5 tn., with transport and energy networks in particular need of investment. Yet with development grants and finance facing cuts, and sub-Saharan governments running an average budget deficit of over 6%, there is little room for manoeuvre.

AID IN THE BLENDER

So-called 'blending' instruments, which most commonly combine a public grant with private sector loans, are the new fashion and they dominated the conference side-events. The EU has been pushing such projects, which currently account for around 15% of investment, with one government minister remarking, 'Overseas development assistance does not have the capacity alone to eradicate extreme poverty... it should be used to mobilise domestic and private finance.' This is a consensus view among European governments.

Ministers agreed that, 'blended finance instruments including public-private partnerships (PPPs) serve to lower investment-specific risks and incentivise additional private sector finance across key development sectors.' The EU-funded European Investment Bank, together with the **French** and **German** development banks, are among the main players in project finance in the developing world, while the EU African Blending Facility also pools money from bilateral donor agencies to help to fund

large-scale infrastructure investment. 'It's not like it's a new concept,' says **Linda McAvan**, Chairperson of the European Parliament's Development Committee and one of few moderately sceptical voices on private finance on the EU side.

'We know what the lessons are to learn from our own mistakes with PPPs,' she adds, referring to the Private Finance Initiative, which was launched by the **British** Labour government in the 1990s to pay for hospital and other public service construction in the UK. 'The private sector will never deliver public services effectively or replace market failure. Blending remains controversial, particularly among civil society groups. A Eurodad paper published on the eve of the conference asserts that post-construction costs for PPPs are on average 24% higher than publicly funded infrastructure projects.

MORE WITH LESS

Heads of government will gather in New York in September to finalise the new SDGs but ambitions will be light if Addis is anything to go by. The underlying narrative of the conference was that the Western public purse is empty, leaving a huge financing gap to be filled, ideally in the form of tax revenue and private investment. 'The theme is not the effective role of aid, it's the catalytic role of aid,' says Oxfam's EU Policy Advisor, **Hilary Jeune**. In other words, more must be tried with less. ●

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POINTERS

Angola

FIFTEEN ON FILE

■ What lies behind last month's arrest of 15 young Angolans charged with plotting regime change and threatening public order? No one that we have spoken to in Luanda, including from the ruling *Movimento para a Libertação de Angola*, argues that they could credibly challenge President **José Eduardo dos Santos**. Some – the rapper **Luaty da Silva Beirão** aka **Ikonoklasta**, ex-political prisoner **Manuel Nito Alves** and journalist-philosopher **Domingos da Cruz** – are well known in Luanda activist circles. No weapons or explosives were found or anything linking them to any coup.

The MPLA's grip has never been stronger. It controls three-quarters of the National Assembly which dutifully rubber stamps the government's bills. Even the opposition *União Nacional para a Libertação Total de Angola* shows little interest in making trouble. UNITA may move a censure motion in the Assembly but it doesn't try to fuel mass protest. This caution, and sometimes cooption, has left space for a third force in which a younger generation makes the running.

After the National Criminal Investigation Director, **Eugénio Pedro Alexandre**, had announced the arrests, the Interior and Foreign ministers, and the Attorney General, briefed diplomats with edited footage of the 15 discussing their opposition to Dos Santos over 7-8 months. Some advocated peaceful tactics, others were more militant.

The government may press lesser charges of planning civil unrest that could still mean lengthy gaol sentences. The government is showing off its surveillance powers to discourage other dissidents. That could backfire. Fresh from his own high-profile courtroom battles, activist **Rafael Marques de Morais** launched a public attack on the group's arrest. Local and international rights groups have joined in.

The affair could cast an unwelcome spotlight on security, in particular General **Manuel Hélder Vieira Dias 'Kopelipa'**, head of presidential security and the 5,000-strong Presidential Guard, trained by **Cuba**, **Israel** and **North Korea** (AC Vol 55 No 24).

South Africa

SEEING RED ON ZUMA

■ The supporters of President **Jacob Zuma** in the South African Communist Party leadership have narrowly averted a split with the governing African National Congress, *Africa Confidential* has learned.

Zuma's enemies in the SACP proposed that it call an end to its Tripartite Alliance with the ANC and go it alone in 2016's key municipal elections. The faction clash took place at the SACP Special National Conference last week. It agreed a compromise which postpones a final decision (AC Vol 56 No 13).

A team will now investigate the party's electoral options. Anti-Zuma members say this does not signify any loss of zeal in their determination to sever a politically costly relationship with the ANC, especially under Zuma. A measure of the bitterness in the anti-Zuma camp was its attempt to table a motion apologising for supporting Zuma at the ANC's 2007 Polokwane Conference, where Zuma triumphed over **Thabo Mbeki** (AC Vol 51 No 17). The SACP political machine also gave crucial support to Zuma in his victory over ANC Deputy President **Kgalema Motlanthe** in the party presidential poll at Mangaung in 2012.

The SACP's anti-Zuma faction has two groups. One, aligned to the Gauteng provincial ANC, wants him to leave before his term ends and be replaced by Deputy President **Cyril Ramaphosa**. The other does not necessarily see salvation in Ramaphosa but fears that the party will lose support to **Julius Malema's** Economic Freedom Fighters. The Young Communist League National Secretary, **Mluleki Dlelenga**, is especially vocal in party circles about the threat from the EFF.

At least part of the party's confidence in standing alone derives from a claimed massive increase in membership. The Special Conference heard it had increased from 150,000 last year to 230,000.

Somalia

IMPEACHING AND IMPEDING

■ President **Hassan Sheikh Mohamud** averted an attempt to impeach him on 19 July, but a faction of secular MPs is still determined to get rid of him. The group wants to prevent the Muslim Brotherhood splinter group *Damul Jadiid* (New Blood) entrenching itself in Parliament and the presidency. Many of Hassan Sheikh's friends, mentors and cabinet ministers belong to the group, whose influence has grown during his time in office (AC Vol 55 No 3).

But other parties, including the Western and Middle Eastern donor states bankrolling the interim government, see the move as yet one more annoying distraction from the business of government, which has already been diverted for several months by arguments over the premiership and other ministerial appointments. The donors also worry that this latest ploy could also delay the elections scheduled for 2016, even though their opinion of Hassan Sheikh has plummeted.

One of the cheerleaders of the pro-

impeachment faction is ex-President **Sharif Sheikh Ahmed's** Minister for the Constitution and one of the facilitators of the current basic law, **Abdurahman Hosh Jibril**. In a colourful online article in May Hosh accused Somalia's current crop of leaders of having 'small souls, small hearts, small brains and small balls'. The plotters fear that the President and his *Damul Jadiid* allies will exploit the fact that one-person, one-vote elections will be impossible as soon as 2016 – to engineer the stacking of Parliament with *Damul Jadiid* supporters group and re-appoint Hassan Sheikh.

The President's adversaries are confident they can muster the required one-third of MPs to table the motion. What then happens is not clear, because the Constitutional Court should rule on the legal validity of the charges against the President and it has yet to be established.

Burkina Faso

GUARDS OLD AND NEW

■ The latest round of the angry confrontation between ex-President **Blaise Compaoré's** elite bodyguards, the 1,300-strong *Régiment de sécurité présidentielle*, and its former deputy commander, has gone the way of the soldiers (AC Vol 56 No 9). Interim Prime Minister Lieutenant Colonel **Yacouba Isaac Zida**, whom the RSP regards as a traitor to his old comrades-in-arms, lost the Defence portfolio on 19 July. His ally, the hardline Interim Interior Minister, Col. **Auguste Barry**, who had been arresting members of the former ruling party, the *Congrès pour la démocratie et le progrès*, has also lost half of his Ministry.

Barry is left in charge of Internal Affairs, with the Security dossier now under the control of Interim President **Michel Kafando**. It was Kafando who split Barry's portfolio and took Defence from Zida. The RSP raised tension over the transition to democratic civilian rule by planning to give Zida a hostile welcome in June on his return from overseas. Three RSP captains and, reportedly, Compaoré's former aide-de-camp and RSP chief, Lt. Col. **Moussa Céleste Coulibaly**, were interrogated by the *Gendarmerie nationale*.

The RSP's reluctance to accommodate itself to service without elite status or the privileged access to luxuries that characterised its life under Compaoré is causing deep concern. The Regiment sees itself as a legitimate protector of Burkina's political institutions but it is fuelling fear of a comeback by Compaoré or people very much like him.

The conventional wisdom in Ouagadougou is that Kafando is merely appeasing the restive RSP in the expectation that it will be brought firmly under control by the permanent civilian government to come.

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BLUE LINES

With a cluster of key economic meetings stretched out in the last quarter of the year, Africa's economic policy-makers are grappling with two main challenges: rising youth unemployment and the falling prices of export commodities. The first two meetings – the United Nations summit on Sustainable Development goals in New York in mid-September and the World Bank and International Monetary Fund annual meetings in October – will address those topics head on. The third meeting, the Climate Change conference in Paris in December, will address the issues more obliquely in terms of the damage that desertification and extreme weather are doing to Africa.

For jobs and export revenues to become such pressing concerns for Africa's governments, especially those in charge of the bigger economies such as Nigeria, South Africa, Egypt and Kenya, is not to ignore the past 15 years of impressive growth on the continent but to point to changing regional and international dynamics. The tempo and direction of China's economy is changing and its appetite for raw materials diminishing. In the longer term China will want to buy more processed goods from Africa. How far African economies can take advantage of those trends will depend on both on technical skills and availability of cheap and reliable power and transport links. But for state budgets and job-seekers the lessons are clear: the commodity boom is over, probably for another decade.

SOMALIA/BRITAIN

UK probes Soma's local ties

Corruption investigators are looking into the British oil company's payments to individuals within the oil ministry

A secret financial report, seen by *Africa Confidential*, claims that the British company Soma Oil and Gas Holdings Limited has made substantial payments over the last 18 months to top officials in the Mogadishu government who influence decisions on oil and gas policy. This report was produced prior to the announcement by the Serious Fraud Office in London on 1 August that it had opened a criminal investigation into Soma's operations in Somalia. The SFO's investigation is based, we understand, on a leak of a report by the United Nations Monitoring Group on Somalia and Eritrea (UNMGSE) into Soma.

Already under fire over claimed conflicts of interest and defying UN calls not to go ahead with oil exploration and licences, Soma denies all wrongdoing (AC Vol 54 No 20). It said, 'Soma Oil & Gas has always conducted its activities in a completely lawful and ethical manner and expects this matter to be resolved in the near future.' However, the affair is acutely embarrassing for British Prime Minister David Cameron because Soma is chaired by Lord Michael Howard, a former leader of the governing Conservative Party and a political ally. Cameron is also credited with pushing for closer ties with Mogadishu, after he organised the London Conference on Somalia in February 2012 and with President Hassan Sheikh Mohamud's government after he came to power that September (AC Vol 53 No 4).

Soma set up in Somalia in 2013 with an agreement to do an offshore seismic survey. In return, it was promised first pick of the

blocks it wanted to exploit. According to the report, which AC has seen, Soma made payments to key individuals in the Ministry of Petroleum and Mineral Resources in line with a 'capacity building programme' that was agreed with the Ministry in April 2014.

Soma paid US\$295,800 to 14 individuals at the Ministry between March 2014 and February 2015: they received between \$1,600 and \$36,000 each. The company has made no secret that it pays wages in the Ministry, stating in its public accounts that it would 'cover the salaries of a small number of experts, including geologists and geoscientists.'

Yet the report we have seen also shows that the recipients include at least two individuals who have played a pivotal role in representing the government in its dealings with oil companies. The first is Abdullahi Haider, for years a central figure at the Ministry through whom all major decisions must pass. He is known to be close to President Hassan Sheikh, serving as an unofficial advisor, according to the UNMGSE's 2013 report.

The second is the Ministry's Deputy Director General, Jabril Mohamud Geddi. He is a relatively new arrival in the Ministry's senior ranks, making his public debut at a Soma-sponsored Somalia Oil Conference in London in April, where he was seen in the company of many top industry players. He is a presidential relative and, like Abdullahi Haider, is seen as the President's man in the Ministry. Geddi and Haider received \$36,000 and \$15,000 respectively from Soma between March 2014 and February

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2015 under the capacity building programme. Neither man could be contacted.

Soma claims that the Monitoring Group, whose report is thought to be the basis of the SFO investigation, has 'fundamentally misunderstood the nature, purpose and destination of the payments made under the terms of the Capacity Building Agreement'. It insists, 'All payments pursuant to the CBA ... were made directly to the Somali Government following appropriate due diligence and the implementation of various legal safeguards pursuant to independent legal advice provided to the Company. Soma has never made payments to individual government officials. Furthermore, the CBA provides for all payments to be offset against future monies due to the Government of Somalia under potential PSAs.'

CONFLICTING INTERESTS

The background of several other individuals involved in the Soma deal indicates possible conflicts of interest. Soma's man on the ground is **Norwegian-Somali Hassan Khaire**, the director of the company's Mogadishu office who also served until recently as Regional Director of the Norwegian Refugee Council. He is also on the board of Soma Management Ltd., in addition to being an unofficial advisor to the President. One source said that at the London conference in April, Khaire was the man to speak to if you wanted to see the Oil Minister.

Leading the Petroleum Ministry's team of international advisors is **Canadian** lawyer **J. Jay Park QC**, formerly of the law firm Norton Rose Fulbright and now of Park Energy Law. Through his consultancy Petroleum Regimes Advisory, Park has been advising the Mogadishu government on legal matters, including the drafting of the Petroleum Bill. In a draft report produced by British development consultancy Adam Smith International in March 2014 and seen by AC, a Soma source is cited as saying Park's role is to 'protect all interests', including Soma's. The draft goes on to say that the advisors provided their services pro bono with the expectation of compensation by the successful oil company. These

remarks were removed from the final report released to donors, allegedly after the intervention of the Oil Ministry.

Park was previously involved in a separate scandal involving Canada's Griffiths Energy International in **Chad**. Park led a team of Calgary-based lawyers at Macleod Dixon which paid US\$2 million on behalf of their client to the wife of a Chadian diplomat in 2011 to influence the award of acreage. A Canadian court fined Griffiths a record C\$10.35 mn. (US\$7.87 mn.) in January 2013 after a new management team at the company made the payments public. Norton Rose, which bought Macleod Dixon in 2012, said the lawyers had thought the payment was going to a long-standing consultant. Park quietly left the firm shortly after.

HOWARD'S END

Soma's highest-profile appointment was that of Lord Michael Howard, the former British cabinet minister and ex-Tory Party leader. His selection as Soma's Chairman in 2013, alongside the appointment of several other prominent Conservatives to the board, has drawn persistent allegations that the British government was supporting Soma (see Box).

Correspondence, which we have seen, between Howard and British government officials reveals the proximity of Britain's Foreign and Commonwealth Office to the deal. In a letter of May 2014 to **Michael Fallon**, who was then Minister of State for Business and Energy and is now Defence Minister, Howard says he accepted the appointment as Chairman of Soma 'with the encouragement of the FCO'. He goes on to ask Fallon to meet **Daud Mohamed Omar**, who was then Somalia's Minister of Petroleum and Mineral Resources, to advise on the country's new hydrocarbon regime.

Both Soma and the FCO have fervently denied any form of encouragement in relation to Howard's appointment, saying that this is a misinterpretation of the letter. Others, however, see the FCO's involvement as more than narrow commercial interest. By facilitating such a landmark deal, the theory goes, British policy-makers hope to build closer relations with the new authorities in Mogadishu in order to assist the UK's other strategic priorities in the region, namely intelligence-sharing and counter-terrorism.

DICEY IN D.C.

Soma's activities in Somalia have not been welcomed in Washington. The **United States'** opposition to the Soma deal is twofold. The first concern is that the deal contains the potential for disputes over resources which could inflame clan tensions in Somalia and undermine the

long-running international efforts to put the country back on its feet. The UN also objected for that reason. The second relates to the USA's own commercial self-interest. American oil majors, including ConocoPhillips and Chevron, have a long-standing presence in Somalia and hold rights to concessions awarded before the collapse of the late President **Mohamed Siad Barre's** regime in 1991.

Although Soma's seismic survey did not encroach on any concessions already held, there is a fear that the deal would hand British firms an advantage in future licensing rounds.

We hear the US Embassy in **Kenya** has been lobbying for a review of the Soma deal but to no avail. Daud Mohamed was considering a review but lost his job in January 2015, to be replaced by **Mohamed Mukhtar Ibrahim**. The new Minister is a close ally of the President and is also a member of the Muslim Brotherhood splinter group *Damul Jadiid* (New Blood), which is so influential in Hassan Sheikh's government (AC Vol 55 No 3). His appointment means a review of one of the President's priority projects is unlikely unless Western donors apply significant pressure.

UNCERTAIN LEGAL GROUND

Critics of petroleum exploration in Somalia cite the absence of regulatory safeguards as one reason a rush for oil could further destabilise the country. Under the constitution, oil licences may be awarded only after negotiation with the relevant regional authorities. This is contradicted by the 2008 Petroleum Bill, put together by Park and his team, which states that oil licensing is solely a federal matter. Mogadishu insists the Petroleum Bill should provide the basis for negotiation, despite the fact that it has not been passed into law and is unlikely to be so during the current Parliament.

For Soma, which has dealt exclusively with the federal government, the Petroleum Bill is the most convenient option, not least in that it provides no specifics on production sharing. Soma has been negotiating production-sharing agreements with the government since at least the beginning of the year, despite the fact that it has yet to hand over the findings of the seismic survey completed in April.

A draft of the production-sharing agreement – with only one party in the negotiations aware of the value of the blocks – was leaked to Bloomberg news agency in May, showing a 90-10% revenue split in Soma's favour. This news has left transparency campaigners aghast; they claim such a deal is almost unheard of, regardless of the obvious risks of doing business in Somalia. Both Soma and Mogadishu have said the draft

THE MEN BEHIND SOMA

Lord **Michael Howard** of Lympne CH, QC is not the only well-known face on the board of Soma Oil and Gas. Other senior figures with links to Britain's Conservative Party include the company's founding Director, **Basil Shibliq**, a financier and party donor. Executive Deputy Chairman Shibliq has run a series of unsuccessful natural resource ventures across Africa and has been a defendant in a past fraud case. These include a claim that in 1999 in which both Shibliq and his son **Iyad** were among dozens of defendants accused of assisting New York-based brokerage A.R. Baron and Company in defrauding customers of millions of dollars. The case against the Shibliqs was dismissed in May 2013.

Another leading Tory is the Earl of Clanwilliam, **Patrick James Meade**, previously Baron Gillford and known as **Paddy Gillford**. A former special advisor to the Conservative Party, he is a Non-Executive Director at Soma. Since 2006, his public relations firm Meade Hall and Associates has lobbied on behalf of the government of **Bahrain**, a role that has attracted greater public attention as questions over the country's human rights records have increased since the failed 2011 uprising. In 2014, it emerged that Gillford had attended a Tory Party fundraiser in which he was sat next to the then Defence Secretary, **Philip Hammond** (now Foreign Secretary), prompting questions in Parliament over the possibility of undue influence.

A **Russian** oligarch of **Georgian** descent by the name of **Georgy Djaparidze** is thought to be the main investor behind Soma. His arrival on the board came shortly after an obscure British Virgin Islands company called Winter Sky bought a 30% stake in Soma for US\$50 million. Djaparidze's billionaire father, **Alexander**, is believed to be the money behind Winter Sky. Djaparidze Senior is founding Chief Executive Officer of Russia's largest oilfield services provider, Eurasia Drilling, where Gillford is Chairman.

The man credited with bringing Djaparidze to the table is **Lebanese** businessman **Mohamad Ajami**, who joined Soma as a Non-Executive Director in January 2014 at the same time as Winter Sky's funding was secured. The *Wall Street Journal* reported in December that Ajami was under investigation by the **United States** Department of Justice and the Securities Exchange Commission over a placement fee paid to the **Libyan** Investment Authority during the reign of **Colonel Moammar el Gadaffi** (AC Vol 55 No 7). According to the report, Ajami acted as an intermediary for the London-based hedge fund Och-Ziff to facilitate a \$300 mn. investment in a property development. ●

does not represent a final deal but few have any faith in the government's ability to manage the deal properly.

Other companies are faring less well. In late June, Canada's Africa Energy and **Australian**-British Range Resources announced they were withdrawing from Puntland, citing the dispute between federal and regional authorities over awarding rights. Its departure means no foreign oil companies now

operate in Puntland.

They followed **Anglo-Turkish** company Genel, which suspended operations in Somaliland in 2013 citing 'security' as the reason (AC Vol 54 No 3). The company's partner in the block, Sterling Energy, announced on 27 July that Genel was planning to return to Somaliland next year after receiving assurances from Hargeisa that an oilfield protection unit would be deployed to

provide security. These same security units receive a prominent mention in the UNMGSE's 2014 report, which warned they could worsen security in the region. The report said Genel had paid for the 'blueprint' of the oilfield protection unit, which the Somaliland government subsequently commissioned a British private security company, **James Hopkinson's** Assaye Risk, to organise. ●

NIGERIA

Fighting graft, Buhari-style

The administration's anti-corruption campaign has yet to launch and questions are growing about the APC's ability to deliver

Two vital promises were made during President **Muhammadu Buhari's** trip to Washington last month (AC Vol 56 No 15). Firstly, Nigeria would actively seek to recover some US\$150 billion of stolen funds reckoned to be in **United States'** banks and other institutions, and secondly, the new cabinet would not be appointed until September. The issues are critically linked: without the second, including new ministers of Justice, Finance, Internal Affairs and Foreign Affairs – the government will struggle to fulfil the first.

The news was greeted in Lagos, the commercial capital, with a new set of jokes about working on 'Buhari mean time' and 'our indecision is final'. Although Buhari's popular stock still

runs high, bankers and business people worry about the length of time between the presidential inauguration in May and key political appointments, and how economically damaging such a prolonged pause could be (AC Vol 56 No 14).

Some complain about a vacuum in economic policy but few are publicly willing to say that a further problem lies in the increasing power of the Governor of the Central Bank of Nigeria, **Godwin Emefiele**, who has been de facto Finance Minister for the last three months (AC Vol 56 No 9). For example, the CBN's refusal to release foreign exchange for several essential food and household imports is having far-reaching economic consequences. Although Emefiele is extremely unpopular with Buhari's All Progressives Congress (APC) – because

of his closeness to ex-President **Goodluck Jonathan** – there is little they can do overtly to get him out of the job.

So a not-so-whispering campaign against Emefiele, a former Deputy Managing Director of **Jim Ovia's** Zenith Bank, has already started. A former Director of Research at the CBN has said that Emefiele has presided over a worsening crisis in the banking sector, suggesting that he lacks either the authority or the commitment to regulate the banks in the tough and outspoken manner of his predecessor, **Sanusi Lamido Sanusi**. It was Sanusi's trenchant criticism of the Nigerian National Petroleum Corporation's failure to remit over \$20 billion to the Federation Account in the CBN that led to his clash with Jonathan (AC Vol 55 No 4). Unable to muster enough political support to sack Sanusi, Jonathan suspended him in February last year and ordered a spurious investigation into his tenure at the Bank.

Buhari faces a similar problem if he wants to get his own candidate into the Bank. There is a political stand-off between Emefiele and the governing APC, which has a majority in both

chambers of the National Assembly but lacks the numbers to sack Emefiele. Despite background chatter about Emefiele's relations with Jonathan's People's Democratic Party, no one has yet produced a case against him.

As expected, Emefiele insists his behaviour has been exemplary and his loyalty to the new President absolute. Meanwhile, a supporting voice has emerged in the form of former Deputy CBN Governor **Kingsley Moghalu**, who has warned that radical anti-corruption measures, of the kind favoured by many in the APC, could slow down the country's economy. Although Moghalu has since clarified his remarks by saying there should be no free pass for corruption, his statement has sparked a vitriolic debate in the elite.

At the centre of these arguments is uncertainty about how Buhari's government will tackle corruption. Immediately after his election victory but before the inauguration on 29 May, senior APC officials spoke of the need to draw a line in the sand by that date. There would be zero tolerance for corruption after the new President was sworn in but the new government would not make gargantuan efforts to pursue corrupt Nigerian officials and politicians around the globe in protracted legal cases.

Then there was talk of a financial or economic 'truth and reconciliation commission', at which errant officials would be encouraged to confess to wrongdoing and, perhaps in exchange for information, they might be allowed to keep some of their loot or at least avoid a spell in gaol. Since then, prompted by the lack of cash in state coffers, the mood has hardened. While the appointment of ministers is awaited, concern about the volume of state theft over the past decade has put a strong focus on the Economic and Financial Crimes Commission (EFCC).

Political critics say that in the absence of a new government, power

over the EFCC has been ceded to the APC, especially to former Lagos State Governor **Bola Ahmed Tinubu**, who is said to be extremely close to the Director of Operations, **Olaolu Adegbite**, a former Chief Superintendent of Police. Recently, the former Governor of Enugu State, **Chimaroke Nnamani**, was relieved of property including 22 duplex buildings, four companies, including an FM radio station, and many others, in a case started by the EFCC but which has been in court since 2007. Buhari's determination to tackle corruption is undoubted but he insists he won't influence prosecutions or investigations. This was a dig at Jonathan who, like ex-President **Olusegun Obasanjo**, sent the EFCC after his political opponents.

MERGER

Buhari is also considering merging the EFCC with the Independent Corrupt Practices and Other Related Offences Commission (ICPC), whose symbol is a pair of handcuffs. That has seen the EFCC's top management in overdrive trying to impress the new President. It has sent out more invitations to potential suspects in the last six weeks than in the last six years.

'The way the EFCC is inviting people in looks as though APC party chieftains sit down and make a list of their political opponents and then submit it to **Ibrahim Lamorde**, the EFCC Chief Executive Officer', says a Lagos lawyer. The person is then invited to come in, often on the basis of trumped up petitions, he adds.

Two invitations went out two weeks ago. One was to the daughter of the late President **Umaru Musa Yar'Adua's** daughter, **Zainab Musa Yar'Adua**, wife of a former Kebbi State Governor, **Sa'idu Usman Nasamu Dakingari**, over an alleged 2 bn. naira (\$10 mn.) fraud uncovered during her husband's tenure as Governor. She came in with her husband pleading ill-health and was told to come back. Meanwhile, the wife of incumbent

Senate President **Abubakar Olubukola Saraki**, **Toyin Ojora-Saraki**, who comes from old Lagos money, received an invitation while she was abroad. A lawyer who runs a women's rights and health organisation called the WellBeing Foundation, she cooperated with the EFCC.

After investigators found nothing against her, she was allowed to leave but photographs of her in the EFCC offices were leaked, as well as allegations about alleged fraud. The photos, said Lagos sources, could only have come from EFCC officers themselves, which indicated that the reason she was called in was purely political. Leaks to the media claimed she was shocked and unprepared for questions about the alleged fraud and also contained extensive details about supposed money-laundering by the Saraki couple. The real reason for Toyin Saraki's ordeal, said Abuja-based political analyst **Shehu Umar** and other observers, is political. 'Why are we deceiving ourselves?' asked Umar. 'This is all about Bukola Saraki defeating Ahmed Tinubu forces for the Senate Presidency. The allegation that it was Bola Ahmed Tinubu that instigated this EFCC issue with Saraki's wife carries weight. It's a political issue, not a criminal issue.'

In a public show of support, Toyin Saraki was accompanied to the EFCC by Senator **Dino Melaye**. Arrested several times during Jonathan's rule, Melaye has a strong reputation as an anti-corruption campaigner and said he was there to support a 'friend and sister'. He is also a strong supporter of Bukola Saraki.

Many of Buhari's supporters believe Tinubu is damaging the President's image by seeming to use the EFCC as a weapon against his political enemies, such as by exacting revenge on the Sarakis for having thwarted him in the selection of Senate President, they say. While Toyin Saraki was being questioned by the EFCC, her husband was receiving a vote of confidence in the Senate. ●

GUINEA/LIBERIA

Whose line is it anyway?

Two major mining companies are locked in combat over access to the railway line to export iron ore

The giant iron and steel producer ArcelorMittal has dragged Guinea and Liberia into its quarrel with Sable Mining over access to the rail export route. The line runs from Yekepa, in Liberia's Nimba County but close to Guinea's iron ore mines, to the

bulk export terminal at the Liberian port of Buchanan (AAC Vol 2 No 9). ArcelorMittal operates the line, which belongs to the Liberian government, and is obliged to allow other companies access to any spare capacity. It claims, though, that allowing a third party

access to the line would interfere with its operations. The London Stock Exchange-listed Sable Mining, founded by **Andrew Groves**, a Zimbabwean, and former England cricketer **Phil Edmonds**, is fighting back, with the support of Guinean President **Alpha Condé** (AC Vol 48 No 11).

Sable needs the railway to export iron ore from its development-stage Nimba mine in Guinea. It got the green light for export from Condé, who is keen to show progress in the mining sector in the lead-up to October's presidential election (AC Vol 56 No 15). He enlisted the support of Liberian President **Ellen Johnson-Sirleaf**, not least because

THE SAMPIL TRUTH

Questions remain about the nature of Sable Mining's relationship with the government of President **Alpha Condé**. How an inexperienced iron ore mining company with limited cash managed to convince the Guinean government to give it a landmark decree to ship ore through Liberia has been a subject of debate in both Conakry and London.

Sable argues that having the well connected Guinean **Aboubacar Sampil** on its board has shown Guinea that it is serious about ensuring that the country benefits from its operations. Sampil heads Sable's local subsidiary, West Africa Exploration (AC Vol 56 No 5). He has a 'very close' relationship with the Condé family and has acted as a local agent for a number of companies looking to advance their interests in the country, including Russia's Rusal. Sable is not the first Guinean iron ore company to have received the green light to export through Buchanan. The Vale-Beny Steinmetz Group Resources-Guinea joint venture company, VBG, had a licence to export iron ore from its Zogota mine through Liberia. However, along with the company's other assets, including the rights to mine Simandou North, permission to move ore out through Liberia was revoked last year, when Guinea ruled that BSGR had won the concession fraudulently. BSGR has repeatedly denied any wrongdoing.

Sable argues that its relations with the Condé government are above board, despite articles suggesting otherwise. Last October, *The Sunday Times* published a piece based on a dossier of documents which an anonymous source had leaked to the media. The documents, which *Africa Confidential* has seen, allege that Sable and associated companies supported Condé during his presidential campaign of 2010 and made payments to his son. The accuracy of the documents is heavily disputed, with one source asserting that they had been forged and a disgruntled former Sable employee was involved. Sable has confirmed that Condé's son **Alpha Mohamed Condé** worked as a consultant and produced a document for the company outlining possible mineral opportunities in Guinea. Sable confirmed the existence of the document but had not shown it to AC by press time.

Former England cricket team spin-bowler **Phil Edmonds** stepped down as Sable's Chairman last year, giving way to **Jim Cochrane**, former commercial chief of the Eurasian Natural Resources Corporation, now owned by Eurasian Resources Group. Edmonds retains a significant shareholding in Sable. ●

Liberia would benefit from charges which Sable would pay to use the line, *Africa Confidential* understands. The Monrovia government has given the export project its backing and signed an agreement allowing Sable access to the line earlier this year. The Liberian government had been embarrassed by ArcelorMittal's unwillingness to budge on the railway question, a source in Monrovia told AC.

Liberia said in February that it would seek a mediator to help settle the issue of access to the railway but ArcelorMittal's position in the country may be changing. It has admitted that it is 'struggling to remain profitable' in Liberia, where it is the biggest post-civil war investor and one of the largest employers, although it

recently cut close to 200 jobs, blaming the fall in world iron ore prices. Worldwide, it says it employs 220,000 people in 60 countries.

In 2013, ArcelorMittal committed itself to spend US\$1.5 billion to build an extension to its Liberia mine, which it then put on hold after the Ebola epidemic broke out (AC Vol 56 No 4). Since then, the giant steel-maker headed by **Lakshmi Mittal** has maintained silence on plans to purchase BHP Billiton's Euronimba project, adjacent to Sable's mine, even though it made an announcement last August. With that deal looking less likely and ArcelorMittal's plans to put its Liberia mine on hold, the steel company will find it hard to continue to argue that

it is using all of the politically sensitive line's capacity. It is 'reviewing' the status of its operations in Liberia and may veto further major investment, we hear.

ArcelorMittal's options are now believed to include partnership with Sable in the Nimba mine or buying Sable's produce from the site and then shipping it abroad itself. Another option is to wait and hope that the currently weak iron ore price revives but that risks infuriating the governments of both countries. Sable appears desperate to force ArcelorMittal to concede. One source claimed that Groves had even bought a quarry in Liberia which lies on the path of the rail spur that ArcelorMittal would have to build to export ore from Euronimba. ●

USA/AFRICA

Bouquets and brickbats

Some well-aimed political points made President Obama's tour a personal success but deep concern about US policy remains

As soon as **Nkosazana Dlamini-Zuma**, Chairwoman of the African Union Commission, had told President **Barack Obama**: 'Although we welcome you as President of the US, we also claim you as our own,' he held the attention of assembled officials and regional leaders for his lengthy speech at the AU headquarters in Addis Ababa on 27 July. Like so much of Obama's Africa tour on 23-27 July, it was stronger on symbolism and inspiration than on policy. The first US President to address the AU, he tried to break out of the

diplomatic straitjacket and inject some criticism of the mounting clampdown on oppositionists and journalists in the region. 'Democracy is not just formal elections,' he told a cheering AU audience, amid awkward smiles from the senior politicians amongst them.

When 'journalists are put behind bars or activists are threatened, then we may have democracy in name but not in substance': that might have been crafted as a comment on the political climate in **Ethiopia**, the AU's host country. Likewise, Obama's barbs against sit-tight presidents

struck a chord with many in the audience: 'I don't understand why people... want to stay on. Especially when they've got a lot of money. When a leader tries to change the rules in the middle of a game just to stay in office, it risks instability and strife, like we've seen in **Burundi**.'

This was a remark whose weight was matched only by the impotence of both the USA and AU to influence events in Burundi. A week earlier, President **Pierre Nkurunziza** had defied their calls and stood for an unconstitutional third term as violence escalated in the country. A week after Obama's remarks, Nkurunziza's security chief, **Adolphe Nshimirimana**, was murdered in Bujumbura in an attack which many fear will unleash a chain of revenge killing (AC Vol 56 No 9).

The bigger failure on the part of the AU and the USA is the failure to secure an end to the civil war in **South Sudan**, one recognised in Obama's caustic criticism

of the indifference of President **Salva Kiir Mayardit** and sacked Vice-President **Riek Machar Teny Dhurgon** to the suffering of their own people. Neither was invited to the AU speech. Instead, US officials were briefing journalists that their failure to accept a peace deal by 17 August would this time trigger serious sanctions against both Salva's government and Riek's rebels (AC Vol 56 No 14).

Obama's attendance at a special AU Peace and Security Council meeting on South Sudan on 27 July suggests that this time, there is near unanimity about imposing sanctions, despite the awkward reality that **Uganda's** President **Yoweri Museveni** still provides key military support for Juba and **Sudan** enthusiastically supplies arms to Riek's forces. Yet regional diplomats in Addis Ababa compare critically the high level of diplomatic engagement that produced the Comprehensive Peace Agreement in Sudan in 2015, which made possible the secession of South Sudan, with the dilatory efforts to broker a peace between two former comrades, Salva and Riek, whose war has killed tens of thousands of civilians since December 2013.

It is in the money stakes that Obama had most catching up to do, mainly with **China**, whose annual trade with Africa of some US\$240 billion is about three times the value of America's. Although Obama is a cheerleader for African growth, the modest ambition of projects such as Power Africa have prompted plenty of adverse comparison between Washington and Beijing. Obama responded with some barely coded criticism of 'those countries' that bring their own workers to build infrastructure in Africa as they buy up the continent's raw materials. The US obsession with China extends to its dealings with Africa but it's little warranted, given the low level of resources that Washington devotes to Africa, compared to its operations in Latin America, the Middle East or the rest of Asia.

Three days before the grandeur of Obama's speech to the AU, his visit to

Kenya was necessarily a far more personal affair. The official reason was for Obama to co-chair a Global Entrepreneurship Summit with Kenyan counterpart **Uhuru Kenyatta**. Obama's father's family hails from Siaya County, in Luoland in Western Kenya. In 2008, that prompted the bitter joke in Nairobi that the USA would have a Luo President before Kenya did.

Obama's half-sister **Rita Auma Obama** met him off Air Force One and introduced his keynote speech on Sunday, while the Commander-in-Chief was surrounded by relatives, including his step-grandmother **Sarah Onyango Obama** in Nairobi's plush Villa Rosa Kempinski hotel. Nairobi City Council's project to upgrade eight kilometres of Uhuru Highway and Mombasa Road from Capital Centre to Museum Hill was completed just before the visit. Less successfully, Nairobi County Governor Evans Kidero received a mixture of praise and mockery for planting acres of grass and flowers alongside the main roads, at an estimated cost of \$500,000 (AC Vol 56 No 6). Planted just days before Air Force One touched down at Jomo Kenyatta Airport, the expensive turf barely had a chance to grow, a slightly unfortunate metaphor. 'Don't worry. Plant it. It will grow,' Kenyatta had advised Kidero in a speech two days before Obama's visit.

HELD BACK

Despite emerging as an economic hub for East Africa, particularly in financial services, with an average growth rate of close to 5%, Kenya is held back by high unemployment, corruption and difficulty in raising finance. The World Bank's 2014 Doing Business indicator ranks Kenya 166 of 189 countries. That did not stop the Kenyatta government spending an estimated \$100 million on Obama's visit.

Some saw it as an early investment in Kenyatta's presidential election campaign for 2017: there are few stronger signs of international standing than bringing in a US President, although three years ago, the government was trumpeting the virtues of its Look East policy, courting China and **India**.

When Obama last came to Kenya as Senator for Illinois in 2006, shortly before Kenya's bitterly fought presidential election of 2007, his attacks on corruption prompted accusations of political motivation. Diplomatic relations between Kenya and the West have only recently begun to thaw. Kenyatta and his deputy, **William Ruto**, were both indicted in 2011, accused of involvement in the 2007-8 election violence, by the International Criminal Court in the Hague for crimes against humanity, two years before they were elected in March 2013. Although Kenyatta's case was dropped last December, Ruto's continues: that didn't stop him from joining the reception line to meet Obama and giving him a vigorous two-handed handshake (AC Vol 56 No 3).

Obama offered a mixture of chastisement and baubles. Criticism on corruption and gay rights, support, including extra funding, for Kenya's battle against the *Haraka al Shabaab al Mujahideen* terrorist group behind the massacres at Garissa University in May and Westgate Mall in 2013 (AC Vol 56 No 8). His status as a 'favoured son' allowed him to speak with a frankness on corruption that Kenyan leaders would decry as Western colonialism from another mouth (AC Vol 56 No 9).

Equally frank remarks about gay rights were less well received, at least by Kenyan political leaders. 'The state does not need to weigh in on religious doctrine. The idea that a law-abiding citizen is treated differently because of the person they love is wrong. Full stop', said Obama. A visibly uncomfortable Kenyatta, standing alongside him at their joint press conference, insisted that gay rights was 'a non-issue' in Kenya and inconsistent with African culture. The strong popular support for the stand of Kenya's Caine Prize-winning novelist, **Binyavanga Wainaina**, in favour of gay rights suggests that Obama's remarks have wider support than Nairobi officials suggest. For some reason, his name was left off the guest list for the State House reception. ●

DJIBOUTI

How to be popular

The country was conspicuous by its absence from Obama's East African trip, although it is key to US, Chinese and French strategy

Djibouti may not have been a port of call for **United States** President **Barack Obama** during his recent Africa visit but it is still a vital component of US global counter-

terrorism policy. US Secretary of State **John Kerry** showed that when he paid President **Ismael Omar Guelleh** a quiet visit in May, the same month that **China** announced plans to open a military base

in the country, reportedly near the port of Obock (AC Vol 56 No 10). Guelleh has welcomed the planned development, which would be Beijing's first military outpost in Africa. 'France's presence is old and the Americans found that the position of Djibouti could help in the fight against terrorism in the region. The **Japanese** want to protect themselves from piracy – and now the Chinese also want to protect their interests and they are welcome,' Guelleh told the news agency *Agence France-Presse* in May.

The USA has become increasingly

reliant on Djibouti for its counter-terrorism operations in the region since evacuating its embassy in Sanaa in April amid **Yemen's** deepening security crisis. Washington has around 4,000 military personnel stationed at Camp Lemonnier, located about ten miles from Djibouti-Ambouli International Airport, where France and Japan also have a military presence. The USA has just signed a new 20-year lease for the camp, roughly doubling the rent paid to the government to US\$63 million a year. The European Union's NavFor anti-piracy operation, Operation Atalanta, is also based in Djibouti (AC Vol 55 No 7). US unmanned aerial vehicles (drones) on surveillance and bombing missions against *Al Haraka al Shabaab al Mujahideen* in **Somalia** are believed to fly from Camp Lemonnier, as well as Arba Minch in **Ethiopia** (AC Vol 52 No 22).

The US government is concerned that Guelleh is playing the two superpowers against each other. Although Obama carefully made no reference to Chinese plans to move in next door to Camp Lemonnier, he did take a swipe at China during his address to the African Union on 28 July, saying the US offered a partnership with the continent that 'can't simply be about building countries' infrastructure with foreign labour or extracting Africa's natural resources'. The Chinese media response included, 'Obama's high-profile visit has one more purpose, which is offsetting China's growing influence in this continent and recovering past US leverage. His diplomatic rhetoric can't conceal the notion that the US is nervous about its rise, taking China as a rival in Africa.'

An even more pressing US concern than China's new-found interest in

Djibouti could be the enclave's own deteriorating security climate. There are fears that the deepening conflict in Yemen, where Djibouti's ally **Saudi Arabia** leads a coalition against **Iranian**-backed Houthi rebels for control of its neighbour, could spill into the Horn of Africa. Tens of thousands of East Africans who sailed to Yemen in a bid to reach the oil-rich Gulf states in search of work, including many Somalis, are now returning to the Horn because of the conflict. Government and United Nations' sources are concerned that this influx could allow Somali Islamists and Yemeni *Al Qaida* members to slip into Djibouti.

Al Shabaab has carried out suicide bombings in Djibouti in stated retaliation for it assigning troops to the African Union Mission in Somalia. In June, Djibouti signed a memorandum of understanding with the AU to deploy 900 more troops to Amisom. The recent influx of refugees has piled pressure on already stretched refugee camps and the easy access to small arms, coupled with *Al Shabaab's* ability to enter the country from a number of different borders, paint an increasingly bleak picture of Djibouti's future security.

GUELLEH'S TERMS

Dissent is also brewing at home in view of the presidential election on 8 April and a surge in social unrest is expected. Guelleh has already served three terms as President and looks likely to run for a fourth, joining the rising trend of defying the limit imposed by the constitution. He will have noticed a growing Islamist threat, most visibly represented by the umbrella opposition grouping, the *Union pour le salut national* (Union for National Salvation), led by **Ismael Guedi Hared**.

'The real problem emerged two years ago when the Islamists swept all the seats in the capital,' a presidential aide told *Africa Confidential*. 'The results were overturned but the overt political role of the Islamists was now a reality'. Djibouti, which has a population of just 900,000, slid 42 places in this year's Global Peace Index from its 2014 ranking due to the likelihood of violent demonstrations before next year's poll. The high cost of food, water and electricity, coupled with high levels of unemployment and a crackdown on opposition, are fuelling dissent and violent crime. Government officials worry privately that their grip over the people is slipping and have even indicated a willingness to integrate into Ethiopia's federal system in a bid to improve the security situation.

The plan to surrender sovereignty to Ethiopia is known in the local parlance as 'one country, two chiefs'. It is said to have strong backing from Ethiopian officials, although this has not been officially confirmed by Addis Ababa.

In Djibouti, the official position is that relations with Ethiopia constitute a classic example of successful regional integration. 'Djibouti and Ethiopia have enjoyed historically cordial relations', **Samir Aden Cheikh**, Senior Communications Advisor to Finance Minister **Ilyas Moussa Dawaleh**, told AC. 'We initiated an integration of our infrastructure some time back as a strategy to better negotiate a wider regional integration.' Perhaps the best example of this integration is a 756-kilometre railway, funded with a \$1.6 billion loan from China's Export-Import Bank (AAC Vol 5 No 5). It links the Ethiopian capital with Djibouti's key port, Doraleh, cutting the journey time in half. The first tests are due in October. ●

CONGO-KINSHASA

Kabila clouts Katumbi

The President wants to stop potential rivals in their tracks, something that may explain the corruption investigations of major politicians

The President's Special Advisor for Good Governance, former Justice and Human Rights Minister **Emmanuel-Janvier Luzolo Bambi Lessa**, has issued a document asking Prosecutor General **Flory Kabange Numbi** to investigate claims of corruption, fraud and embezzlement against the popular former Governor of Katanga, **Moïse Katumbi Chapwe**, and 19 other officials. The move, in late June, appears to be the opening salvo in an offensive by President **Joseph**

Kabila Kabange to pre-empt and stifle the political ambitions of his rivals.

Katumbi, a potential candidate for the presidential succession, was an ally of Kabila's until December. He has spoken publicly against any change to the constitution to allow a president to run for a third term. In the document, Luzolo Bambi urges the Prosecutor to investigate allegations of customs fraud against Katumbi. Since the Katanga Customs chief was fired in January, that's not entirely a surprise. The document

was filed shortly before Katumbi's mandate (and immunity) expired on 1 July as a result of the controversial carving up of the country's provinces. 26 provinces have replaced the previous eleven and Katanga has been divided into four new provinces: Tanganyika, Upper Lomami, Upper Katanga and Lualaba (AC Vol 56 No 9).

In an open letter to Luzolo sent on 29 June, **Maitre Hubert Tshiswaka Masoka**, the Director of a Lubumbashi-based human rights group, the *Institut de recherche en droits humains*, fears that the initiative will be seen as a political strategy to use the judiciary to eliminate opponents. Ten Kinshasa-based members of the *Collectif des organisations des droits de l'homme et de bonne gouvernance* voiced similar views and condemned plans for corruption 'show trials' of Kabila's political opponents. Katumbi

himself did not rule out that the claim was a political manoeuvre, telling the press 'the process and method would not surprise me'. He also recalled that a year before the presidential election of 2011, he had been targeted in court but the case had been dismissed.

Luzolo's list includes three other former provincial governors: **Alphonse Ngoyi Kasanji** (Kasai-Oriental), **Alex Kande Mupompa** (Kasai-Occidental) and **Marcellin Cishambo Ruhoya** (Sud-Kivu; AC Vol 48 No 11). The President's former Cabinet Director, **Gustave Beya Siku** is also on the list, along with former Finance Minister **Patrice Kitebi Kibol Mvul** and the current Transport and Communications Minister, **Justin Kalumba Mwana Ngongo** (AC Vol 53 No 11).

Several were once confidants of Kabila: a former Presidential Advisor, Cishambo knows a lot about sensitive

political and security issues, including the turbulent relations with neighbouring **Rwanda**. He also has excellent business and political connections in **Belgium**, where he spent several years. The case against him follows the dismissal by the provincial Parliament of three of his ministers (Finance, Home Affairs and Environment) in 2013, accused of embezzlement.

Beya Siku is suspected of having accepted bribes in relation to a contract for connection to the transatlantic cable, which was subject last May to an investigation by a special Committee of Enquiry of the National Assembly. It found the cost of the contract excessive and considered that tender procedures had not been respected. The authorities suspect Kitebi and Kalumba of accepting bribes concerning the over-invoicing of bills for the rehabilitation of the runway at Kinshasa Airport.

The government presents the move as part of a purge of corrupt officials across the country. Luzolo was appointed Good Governance Advisor on 31 March and made a public call on 4 May to report all corruption cases to an email address: jedenonce2015@gmail.com ('I denounce 2015'). In the same speech, he claimed that tax fraud and embezzlement were estimated at US\$10-15 billion a year, more than the entire 2015 national budget (\$9.1 bn.).

Critics note that he failed to show where the figures came from. The government initiative was like opening Pandora's Box, said journalist **Cornelis Nlandu-Tsasa**, who fears it could turn into a 'witch hunt'. Nobody knows the consequences of inviting such denunciations and of giving Luzolo Bambi the role of a Torquemada, the Grand Inquisitor. ●

SOUTH AFRICA

Cracks in the ANC monolith

The alliance between ANC, communists and labour is weakening. Anti-Zuma factions seem to be carrying all before them

Eight unions in the Congress of South African Trade Unions are raising funds abroad to start a new labour-based political party and a new union federation. They want the former to replace the governing African National Congress (ANC) in the affections of voters and the latter to replace Cosatu in those of the workers.

The leaders of this movement are the National Union of Metalworkers of South Africa (NUMSA), Cosatu's largest affiliate, under General Secretary **Irvin Jim**, and **Zwelinzima Vavi**, the Cosatu General Secretary expelled largely for his strong opposition to President **Jacob Zuma**. They will now turn the lobby they have formed, the United Front, into a political party, and simultaneously launch a new union federation, insiders say (AC Vol 55 No 22). This development has become practically inevitable after the defeat of the anti-Zuma faction at Cosatu's Special Conference last month.

The unions making common cause with NUMSA are the South African Municipal Workers' Union, Food and Allied Workers' Union, SA Commercial, Catering and Allied Workers' Union, Democratic Nursing Organisation of South Africa, Communication Workers' Union, Public and Allied Workers' Union and the South Africa State and Allied Workers' Union. They were 'currently

on the path of creating a political organ which would represent the working class', said Jim. 'The working class do need its own political organ; it is a political organ that must champion the interests of the working class,' he added.

Vavi, Jim and other union leaders opposed to Zuma travelled to the **United States** last month to brief sympathetic union federations and to raise funds and support from them and US former anti-apartheid groups, we hear. They are soon expected in Europe, where they will target the ANC's historic backers in **Britain, Germany, the Netherlands and Sweden** in the hope that they share the South African radicals' disappointment with the governing party. The anti-Zuma Cosatu group was also 'explaining' to traditional funders and backers of the ANC in the US why they were planning to break away from the Zuma ANC, and why these supporters and funders of the ANC should now back them (the anti-Zuma breakaway group) instead.

They are also targeting 'sympathetic' black tycoons at home who have fallen out with Zuma, such as former Gauteng Premier **Tokyo Sexwale**, according to labour movement sources in South Africa. Former business allies of ex-President **Thabo Mbeki**, one of Zuma's bitterest foes, are also on the unionists' list. **Moeletsi Mbeki**, Thabo's brother, is

playing a key role in introducing the new group to potential funders in the USA and Europe, according to sources in the group.

In a confidential report on the visits abroad, which AC has seen, Vavi said that they 'addressed countless gatherings' in the USA in June 2015 to raise 'awareness' of the 'crisis' in Cosatu, the South African Communist Party (SACP) and the ANC. He promised more trips, especially to Europe, to raise both awareness and funds. The new group has compiled a strategy document, 'The Nine Plus Project', which explains its aims.

TRIPARTITE TRIBULATIONS

The growing divisions among the ANC and its allies in the Tripartite Alliance, Cosatu and the SACP, were the subject of a five-day leaders' conference in July. 'We are at our weakest level in the alliance; we have never been this weak', said **Godfrey Nkosi**, Spokesperson for the South African National Civic Organisation, which is aligned to the ANC, before the meeting. 'If we are not careful and honest and make proper introspections, this will be the beginning of the end of the Alliance and the ANC as a ruling party.' Zuma himself admitted there was a crisis and that the Alliance was 'weakening' at March's memorial service in Ventersdorp for the SACP Chairman **John Beaver ('J.B.') Marks**, who died in 1972. The SACP and Cosatu leaderships have only narrowly staved off efforts by the anti-Zuma factions to turn them against the ANC President altogether.

The anti-Zuma factions believe they have exhausted their internal efforts to get Cosatu and the SACP to change direction and abandon Zuma. As late

as May, Vavi had hoped to reverse his expulsion from Cosatu through the courts or through last month's Special Conference (AC Vol 56 No 10). NUMSA, together with nine union affiliates wanted a special Cosatu national conference to reinstate Vavi and NUMSA. At the Cosatu special conference the Vavi/NUMSA group wanted both to reinstate NUMSA, but also eject the pro-Zuma Cosatu leadership. NUMSA was expelled from Cosatu by the pro-Zuma Cosatu national leadership for opposing both Zuma and the pro-Zuma Cosatu leadership. Vavi's defeat at the Conference by the pro-Zuma Cosatu President, **Sdumo Dlamini**, put an end to that. NUMSA's attempt to win reinstatement also failed when Dlamini and his followers declared its delegates' credentials invalid, thereby costing them their right to vote. Jim responded by blaming Dlamini for 'destroying' Cosatu.

This scene was repeated at the recent SACP conference. Although the pro-Zuma group won, the eventual compromise produced a decision that the SACP would stand independently in next year's local government elections (AC Vol 56 No 15). The pro-Zuma SACP faction is led by General Secretary **Blade Nzimande**, his deputy **Jeremy Cronin** and the SACP National Chairman and former National Union of Mineworkers' President, the Agriculture Minister **Senzeni Zokwana**, together with the KwaZulu-Natal provincial SACP. The anti-Zuma SACP faction includes the Young Communist League and the Gauteng, Mpumalanga,

Eastern Cape, and Free State provincial branches.

While the anti-Zuma factions have now definitively failed to turn their organisations against Zuma, those who wanted to effect reconciliation have also tasted defeat. They include the ANC and state Deputy President, **Cyril Ramaphosa**, and ANC General Secretary **Gwede Mantashe**. These moderate leaders fear that since the party saw off the challenges from two breakaway groups – the Congress of the People in 2007 and last year's split by former ANC Youth League President **Julius Malema** to form the Economic Freedom Fighters – it might not be able to survive another. They fear that they are most vulnerable to attack from the left and that the disillusioned black poor, youth and working class could make common cause with a disaffected middle class to undermine party electoral support. The Democratic Alliance, reinvigorated under its new leader, **Mmusi Maimane**, is especially well-placed to capitalise on the ANC's woes and its disastrous public service record.

TROUBLE AT HOME

As if Zuma were not suffering enough, cracks are appearing in his hitherto monolithic support base, the KwaZulu-Natal provincial ANC. The pro and anti factions are doing battle and this week, the ANC's national leadership has decided to disband the leadership of KZN's Lower South Coast ANC region because anti-

Zuma factions had taken control. This comes supposedly because the elections for those leaders were flawed.

VOTING CLASH

These moves follow May's collapse of the regional elective conference at eThekweni (Durban), the ANC's largest branch, after pro- and anti-Zuma factions came to blows over voting credentials. March's elective conference had already been rescheduled and its results cancelled by the Zuma faction because it had elected a slate of leaders considered hostile to Zuma and favouring Ramaphosa (AC Vol 56 No 8). Unable to swing the right outcome, the national leadership has indefinitely postponed a new regional elective conference. The ANC's eThekweni branch is its largest and its members make up more than a quarter of the total who can vote at national conferences. eThekweni's support was crucial to Zuma's victory against Mbeki at the party's Polokwane National Conference in 2007 and against former ANC and national Deputy President **Kgalema Motlanthe** at Mangaung in 2012.

If Zuma can no longer depend on this pillar of support, he risks the possibility of being unseated before his party presidential term expires in 2017. Previously, expert opinion held the chances of this occurring, as opposed to the anti-Zuma faction winning control over his succession, to be vanishingly small. Now, opinions are being revised. ●

CHINA/EAST AFRICA

From East to East

Questions are multiplying about the costs and sustainability of China's loans for the region's grand projects

It is Africa's fastest-growing trade route with Asia. Chinese investment in East Africa is rocketing as Beijing seeks access to the region's rich hydrocarbon and mineral reserves as well as its burgeoning farming and manufacturing sector. For East Africans, Chinese loans offer a chance to overhaul neglected infrastructure and stimulate growth. For China, the funding, part of a US\$1 trillion Export-Import Bank of China (Eximbank) package focused on Africa over the next ten years, comes with lucrative contracts and jobs for its companies.

Gabriel Negatu, the Regional Director of the African Development Bank (AfDB) in Nairobi, told *Africa Confidential* that the latest round of deals represents 'a deliberate and strategic commercial decision' by China to target

the region. China, whose involvement in East Africa dates back to the building of the **Tanzania-Zambia** Railway in the 1970s, envisages an infrastructure network that would facilitate long-term commercial links to the region. Resource-rich East African countries look across the Indian Ocean towards the sub-continent, and then to China as the main source of trading expansion.

China's assistance is vital to the Standard Gauge Railway (SGR) network, an ambitious project that aims to revamp and expand railways across the region, eventually connecting **Kenya**, **Tanzania**, **Uganda**, **Rwanda**, **Burundi**, **Congo-Kinshasa** and **South Sudan** (AC Vol 56 No 10). In Kenya, where construction is already underway, Eximbank is providing \$3.6 billion, or 90% of funds for the first

phase. It will also lend Uganda \$3.2 bn. for its part of the project. A separate rail link connecting landlocked **Ethiopia** to **Djibouti**, completed on 18 June, was financed with \$3.3 bn. from Eximbank.

Other large Chinese-backed projects include a \$1.2 bn. agreement between Eximbank and Tanzania to construct a natural gas pipeline from Mtwara to Dar es Salaam. The loan is at the concessional rate of 2% with a 33-year maturity.

Corruption allegations have been made about both the SGR and hydropower projects in Kenya and Uganda. Companies that are not from China say they can't compete with the Chinese concerns – on price or political access – when it comes to major infrastructure contracts. According to industry estimates, 90% of engineering contractors in Tanzania are Chinese, while Chinese companies have won 80% of road construction contracts.

China's renewed enthusiasm for the region suggests this trend is likely to continue. Tanzanian newspapers reported that China views Tanzania, **Mozambique** and **Ethiopia** as model countries for investment because of their 'sound regulations and laws for investments'.

However, we hear that President **Filipe Nyusi's** new government in Mozambique is putting several Chinese-backed contracts agreed under his predecessor, **Armando Guebuza**, on hold while their terms are reviewed.

Yet the regional push is for expansion. Beijing hopes that Chinese companies will make 100 new investments in Tanzania alone by 2016. Academics, policy-makers and diplomats debate the merit of these deals. Many are shrouded in secrecy, making it difficult to assess their impact.

Regional governments claim that most of the loans are concessional, with far fewer conditions than those attached to finance from the World Bank or the European Union. AidData, a **United States**-funded organisation that monitors development finance estimates, found that Chinese concessional loans and grant-like aid, or official development assistance, amounted to \$9.06 bn. for ten East African countries from 2000 to 2013. This compares with an estimated \$5.13 bn. categorised as official other finance, or loans with more commercial objectives and interest rates.

Details of the precise terms are hard to assess, often because they are based on off-take or countertrade agreements. Western bankers argue that China's loans may be arranged quicker but they are more costly than reported. China's key lending institutions, Eximbank and China Development Bank (CDB), provide a tiny proportion of their lending at concessional rates. Perhaps as little as 3% of Eximbank's overall lending is concessional, according to an assessment by ratings agency Standard & Poor's.

The proportion of lending provided at concessional rates by the CDB is

smaller still, says **Deborah Brautigam**, an authority on Chinese lending to Africa at Johns Hopkins University in the USA. Loans are typically set at the London Interbank Offered Rate (Libor) with a premium added for other risk factors such as political and economic stability.

Regional officials say that taken as a whole, the loans still offer a competitive package for projects where it is often difficult to find other sources of finance. Gabriel Negatu added that the AfDB's research on Kenya's railway contract – the terms of which have not been made public – found that Nairobi would have been unlikely to get a better deal elsewhere.

Given that many deals come as opaque packages of soft and commercial loans it can take years before the details are revealed in budget statements. Although Eximbank and Uganda have agreed soft loans for the initial stage of Uganda's railway agreement, President **Yoweri Museveni** suggested in October that the CDB might finance the remainder of the project's estimated \$8 bn. price tag. Such a deal would come at a higher rate of interest than a comparable World Bank arrangement. But, as Museveni put it, the Chinese don't ask questions about 'things like structural adjustment'.

BALANCING REPAYMENTS

National budgets are under pressure from having to raise the rest of the finance for the big infrastructure projects across the region. Chinese loans provide most of it but governments have to rely on domestic markets to cover remaining costs.

Eximbank is providing 85% of the cost of two hydropower dams in Uganda at Karuma (projected cost \$1.7 bn.)

and Isimba (\$560 million). The loan for Karuma is at 4% to be repaid over 15 years. Although this is better than commercial rates, it is still some way from what would be considered concessional. The loan for Isimba is slightly softer, at 5% over 20 years with a five-year grace period, but Uganda must still find the \$680 mn. that makes up the remaining 15% not paid for by China. Officials reported in Uganda's 11 June budget that almost 60% of its tax revenues would go towards servicing debt.

HIGH DEBT

Kenyan officials have voiced similar concerns. National debt is likely to exceed 50% of gross domestic product this year, the highest since 2004, partly due to the cost of the railway upgrade (AC Vol 54 No 4). For now, the International Monetary Fund says that the only country in the region at high risk of debt distress is Burundi.

Chinese officials try to structure deals based on revenue shares. Brautigam says that the loan for the Ethiopia-Djibouti railway is secured with future sales of sesame seed, of which Ethiopia is Africa's largest exporter. Another area of mystery is what the contractual consequences are should exports fall below anticipated levels, or prices for the commodity in question change significantly.

In the short term, the major risk to the economic stability of countries in the region is from the commercial debt – as well as the sovereign bonds many of them are issuing – incurred to keep the projects on track. This could easily get out of control, especially as the projects do not show a clear commercial rate of return which can sustain the repayments. ●

SOUTH AFRICA

Public sectarians

State-owned enterprises are in disarray as political appointees and managers clash. Much of it is to do with the ANC

Political tussles over multi-million rand contract tenders and bitter arguments about the increasingly frenetic hiring and firing of senior executives are paralysing nearly all South Africa's state-owned enterprises (SOEs). The energy utility Eskom, the Passenger Rail Agency of South Africa (Prasa), the state-owned oil company PetroSA and South African Airways (SAA) are all affected. News bulletins on the local broadcast media feature almost-daily stories of board members and management accusing each other of crimes ranging from fraud to

assassination plots. Senior executives are fired – usually with hefty compensation packages – and the companies rack up huge losses.

Little in South African public life does not also involve factional warfare within the governing African National Congress and the boardroom battles – as rivals limber up for the party's leadership battle in 2017 – are no exception.

The opposition puts most of the blame for the factional battles on the ANC's policy of 'cadre deployment' in SOEs, which frequently leave the firms

in trouble because of the cadre's lack of technical expertise and managerial skill. **Trevor Manuel**, the ANC former Finance Minister, has also weighed in, telling an investment summit in Johannesburg on 30 July that management has 'deteriorated' and urgently needs fixing. Manuel has become increasingly critical of the ANC-led government and its policies.

PRASA DERAILED

While Manuel was making his comments, the recently-ousted chief executive officer of Prasa, **Lucky Montana**, walked into the Hillbrow police station in Johannesburg with a pile of files alleging fraud against Prasa Chairperson **Popo Molefe**, the ANC former premier of NorthWest Province, and several other company executives.

Montana claims Prasa is being defrauded of nearly 100 million rand (US\$7.9 mn.) by the executives in a bid to protect Molefe. The outspoken Montana, himself a senior ANC leader in Gauteng,

was fired by Molefe in July. Montana had been battling his board since February and now claims that Molefe had been unduly interfering with operations and that his dismissal was illegal.

Molefe has dismissed Montana's allegations and said the sacking was for contravening the terms of a notice period. He noted it had nothing to do with Montana's much-derided order of 13 Afro 4000 locomotives from **Spain's** Vossloh España for R600 mn. (\$47 mn.) which a *Rapport* newspaper investigation has claimed are several centimetres too tall for local conditions.

Montana's leadership has also been under fire from several other directions. According to *Beeld* newspaper, a recent provisional report on Prasa's finances for the 2014-15 financial year by the Auditor General has found that more than R17 mn. is missing from Prasa's coffers, apparently spent on projects that no one at Prasa claims to know anything about. Among these projects is a land lease in Pretoria, of which the city council denies any knowledge. Added to this, Public Protector **Thuli Madonsela** has investigated Montana and several other Prasa executives over suspect transactions, although the release of the final report has been delayed on several occasions since July.

Montana, however, has the backing not only by the Gauteng ANC, but also the South African Transport and Allied Workers Union, which has accused Molefe of stirring up trouble. According to a statement by Satawu General Secretary

Zenzo Mahlangu, 'Molefe wants to silence anyone who speaks out against his fraudulent leadership.' Satawu wants to see Molefe and the current Prasa board replaced, but this is unlikely to happen as Molefe has the support of the Minister of Transport, **Dipuo Peters**.

Montana has openly accused Peters of pressurising him to pay certain service providers at Prasa. Satawu also wants Peters replaced, but on 2 August she called on the Auditor General to investigate the alleged mismanagement at Prasa. Montana is likely to come under fire further as a result, just as he awaits the findings of the Public Protector's investigations.

A senior Member of Parliament told *Africa Confidential*, 'It is a mess. We are seeing ANC comrades against each other all in a battle to access tenders to ensure they have enough in the war chests. Others see it as their last chance to make some money before the change in guard.' Another MP said, 'I believe political people were sent to make money and then send it back to the ANC and that is causing the whole problem.'

RECORD LOSSES

Popo Molefe was previously the chairperson of PetroSA, where he stands accused by Satawu of firing CEO **Nosizwe Nokwe-Macamo** for refusing to retrench workers. The union further alleges Molefe led the state oil company to bankruptcy. PetroSA managed to lose a staggering R14.9 bn during 2014-15, by far the biggest annual loss ever

incurred by a South African SOE. The losses were followed by the suspension of Nokwe-Macamo and several other senior PetroSA executives (AC Vol 56 No 13). The opposition Democratic Alliance has strongly condemned what it says is a total loss of control at PetroSA, but such is the dominance of the Nkandla scandal (AC Vol 55 No 6) in the South African media that PetroSA saga has made little public impression so far.

SAA MILE HIGH

SAA has become notorious for its fast turnover in CEO's and their umpteen short-lived 'turnaround' strategies. The airline is currently without a CEO, while its powerful Chairperson, **Dudu Myeni**, who is also Chair of the Jacob Zuma Foundation and is widely rumoured to be romantically involved with the President, has a reputation for acting arbitrarily. Minister of Public Enterprises **Malusi Gigaba** tried to curb her freedom of action, but he was promptly removed from his post, many say at Myeni's insistence, and moved to the Department of Home Affairs in May 2014.

Myeni has also reportedly been selling access to Zuma at tens of thousands of rand a time. Invoices seen by the newspaper *City Press* from her private company, Dudu Myeni Consulting, to Mamelodi Sundowns Football Club, which is owned by mining magnate **Patrice Motsepe**, appear to show how Myeni charges for introductions and meetings with 'HE', an abbreviation for His Excellency President Jacob Zuma. ●

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POINTERS

Obituary

STEPHEN ELLIS, 1953-2015

■ Stephen Ellis, Editor of *Africa Confidential* from 1986 to 1991, died on 29 July 2015. AC was just one chapter in Stephen's distinguished career as one of the most prolific and respected Africanists of his generation. His love affair with Africa started early in his life. At 18, he went to live in Douala, Cameroon, to work as a volunteer secondary school teacher. He then went to St. Catherine's College, Oxford University, and took a degree in modern history, which he followed with a doctoral thesis on the history of Madagascar. While researching for the doctorate, he lectured at the University of Madagascar in 1979 and 1980.

Stephen then left academia to work first with Amnesty International in London, focusing on Africa, and then as editor of AC for five years. In 1997-98, he was a researcher for the Truth and Reconciliation Commission in South Africa.

The Criminalisation of the State in Africa, which he authored jointly with Jean-François Bayart and Béatrice Hibou in 1999, set the tone for critical coverage of African governance that challenged conventional views. He also published *The Mask of Anarchy: the destruction of Liberia and the religious dimension of an African civil war*, published by Christopher Hurst that year.

Stephen's sanguine treatment of the appalling excesses of Charles Taylor and his followers, including cannibalism, saw him excoriated for supposed racism and may have cost him a book prize but he was completely vindicated on the world stage when Liberia's Truth and Reconciliation Commission called him as an expert witness in 2008. He had also courted controversy in 2005 when outlining concepts of trusteeship for 'failed states' and again when describing the African National Congress's intimate relationship with the South African Communist Party in his most recent book, *Comrades in Exile*, in 2013, in which he documented Nelson Mandela's membership of the SACP and again incurred a storm of opprobrium. His intellectual honesty and rigour made him widely honoured. While still a senior researcher at the African Studies Centre at Leiden University, in the Netherlands, he was in 2008 appointed Desmond Tutu Professor at the Vrije Universiteit in Amsterdam.

A fuller version of this obituary and personal comments by those who knew Stephen is on the Africa Confidential website.

South Africa

LEFT AND RIGHT ON THE RAND

■ The South African Competition Commission's investigation of alleged bank manipulation of foreign exchange dealing is dividing government economic departments, *Africa Confidential* understands. Its investigation of eleven local and foreign banks began in April. The Commission claims banks used electronic messaging software to manipulate forex deals when quoting prices to customers. The rand has become one of the most volatile emerging market currencies and has fallen 12% against the US dollar this year.

The investigation pits the Commission against the two regulators normally responsible for this area of the economy: the central bank, the South African Reserve Bank, which regulates banks and foreign currency dealers, and the Financial Services Board, which regulates financial markets. While the Commission is taking a quasi-prosecutorial approach to investigating claims of manipulation, the SARB and FSB are merely preparing a 'review' of the exchange market, seeking 'weaknesses'.

The conflict has an ideological dimension reflected in President **Jacob Zuma's** cabinet. The labour movement and Communist ministers, led by the Department of Economic Development (DED) chief, **Ebrahim Patel**, want punitive action to curb the excesses of 'monopoly capital'. Neo-liberals, represented by Finance Minister **Nhlanhla Nene**, fear the impact of a hostile investigation on investment and private sector confidence.

The Competition reports to Patel. Sources in the FSB and SARB say it has not consulted them or the Finance Ministry about the inquiry, which they see as pointless. Zuma set up the DED partly to reward the Congress of South African Trade Unions and SA Communist Party for backing his African National Congress leadership contest. It is just one of several turf wars between DED and the Finance Ministry which sometimes result in policy paralysis.

Mozambique

NO OFFENCE, HONESTLY

■ A journalist and an academic face trial on 31 August for an offence which no longer exists. The bizarre case has led to speculation that former President **Armando Guebuza's** influence may not have waned as much as most believe. Academic **Carlos Nuno Castel-Branco's** apparent offence was to appeal in November 2013 on his Facebook page for Guebuza, then President, to step down because of how he was running the country (AC Vol 56 No 9). The journalist, **Fernando Mbanze**, published the letter,

which was widely reproduced, on his MediaFax news outlet. Castel-Branco is charged with 'defaming the President'.

However, this offence, found in Article 22 of the State Security Law, was repealed as part of a review of the Penal Code in July, according to the newsletter *Mozambique News Reports & Clippings*. Even if that were not so, it would have been covered by the amnesty for all security offences which Guebuza decreed when he began negotiating with **Afonso Dhlakama** to end the insurrection by the *Resistência Nacional Moçambicana* last August. Castel-Branco and Mbanze are defiantly awaiting their chance in court, and Amnesty International has launched a petition against the prosecution.

In a statement, Amnesty said the trial was 'politically motivated, relating to the peaceful exercise of the right to freedom of expression, and is intended to send a message of intimidation to other government critics.' Amnesty is mobilising signatures for a petition address to the Mozambican Justice Minister, **Abduremane Lino de Almeida**, and to Attorney-General **Beatriz Buchili**, urging them to drop the charges against Castel-Branco and Mbanze. They are also asking them to end 'the harassment of people who peacefully express their views, and to uphold the right to freedom of expression'. It also calls for the repeal of 'all legislation which unduly limits freedom of expression'.

Egypt

MOTE AND BEEMER

■ Egypt's Customs Department has unilaterally raised the price of imported BMW vehicles by 18% in a move that appears intended to favour local car factories owned by the influential Ghabbour family (AC Vol 56 No 11). The Ghabbours assemble and distribute vehicles for Geely, Hyundai, Mazda and BMW. The aim may be to circumvent the abolition of all customs dues and tariffs by the end of the decade. If BMWs were imported tariff-free, local assemblers couldn't compete with imports and would go out of business, an insider told *Africa Confidential*.

It is well-known in Cairo that there are family ties between the Ghabbours and **Munir Fakhry Abdel Nour**, who has been Minister of Trade, Industry, and Investment since **Abdel Fatah el Sisi** led the military takeover in July 2013. One Ghabbour is married to Abdel Nour's daughter and the Ghabbours' firms have 'special status'. When Egypt banned all imported motorcycles after a spate of drive-by shootings and thefts after the 2011 revolt against ex-President **Mohamed Hosni Mubarak**, the Ghabbour Auto Group was still able to import parts for motorbike assembly.

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BLUE LINES

Hats off to Nigerian magnate Aliko Dangote. Amid global panic about China's imploding stock market and the plunge in the price of oil, Nigeria's top export, Dangote chooses to announce a US\$4.3 billion joint venture with China's Sinoma to build cement plants in eight African countries. Dangote always knows exactly what the markets are doing, so his timing is likely to have been deliberate. Like China, Dangote is playing the long game. Neither side wants to put their plans on hold because of the current market crisis.

Confidently predicting that all the new factories will be operating within two and half years with a production of capacity of 70 million tonnes a year, Dangote says he will add a further 30 mn. tonnes by 2020. Dangote wants to challenge France's Lafarge cement conglomerate for market supremacy within and beyond Africa.

Although Nigeria's growth rate has slumped to 2.4%, and Beijing's economic restructuring is hitting turbulent waters, there is a logic to Dangote's big China deal. Cement is a bet on the dynamism of Africa's internal market: that regardless of commodity and share price roller-coasters, demand from the world's fastest growing population for new houses, offices and factories is set to outstrip supply for years to come. It also looks like the next stage in China-Africa relations – joint-ventures for manufacturing companies that will play a leading role in modernising African economies and weaning the continent from its dependence on primary commodities.

KENYA

The opposition fall out

Although the government's record on security and economic management looks shakier by the day, its opponents are divided and floundering

When the opposition alliance, the Coalition for Reform and Democracy, holds its political retreat to map out strategy at the beginning of September, its leaders will struggle to hold together the unwieldy organisation. The question likely to haunt CORD activists at the meeting is why the opposition has been so ineffective in winning popular support against a government that has failed to tackle worsening corruption and terrorist attacks.

Many of the answers lie in the poor relations and poor communications among the leaders and parties in the alliance. These are **Raila Odinga** of the Orange Democratic Movement (ODM); **Stephen Kalonzo Musyoka** of the Wiper Democratic Movement-Kenya (WDM-K); **Moses Simiyu Wetangula** of the Forum for the Restoration of Democracy-Kenya (Ford-K); and **Martha Wangari Karua** of the National Alliance Rainbow Coalition (NARC). To say there is a massive deficit of trust between the four main leaders is an understatement. So serious is the rivalry at the top that few believe the current alliance will survive in the run-up to the 2017 elections. Effectively, campaigning will start next year.

In the last elections in 2013, all the opposition parties (apart from Karua's NARC) agreed to support Odinga for a one-term presidency, to be followed by a Musyoka-Wetangula ticket for the presidency in 2017. Now, Odinga's ardent ODM supporters say that pact is obsolete. They want their man to run for the presidency again on the CORD ticket in 2017. According to the young and combative ODM Secretary General, **Ababu**

Namwaba, Odinga 'still has one last bullet in his gun'. In fact, Odinga will be 72 in January 2017; his likely opponent, **Uhuru Kenyatta**, will be 56.

The ODM's demand for Odinga to stand again has angered the Wetangula and Musyoka camps, partly because Odinga failed to consult them. Since the beginning of August, Odinga has launched his campaign website and started an ODM voters' registration drive. The party claimed all of western Kenya and the coast as ODM zones, thereby locking out Musyoka and Wetangula, who want nationwide primary elections to choose CORD's presidential candidate for 2017.

On 10 August, ODM convened a one-day retreat (dominated by Odinga's most loyal Luo politicians) at Maanzoni Lodge, 60 kilometres east of Nairobi. The aim was to review the state of the coalition and the campaign. Most argued that as the 'Raila brand' had selling power and a large support-base in Nyanza, Western Region and the Coast, Odinga should not have to subject himself to a primary election. ODM militants inveighed against Wiper and Ford-K for not pulling their weight, targeting in particular Wiper's **Francis Mwanzia Nyenze**, the minority leader in Parliament (AC Vol 39 No 4). They lambasted his failure to counter **Bare Aden Duale**, a former ODM member and the governing Jubilee Coalition's leader in the House, who has effectively defended the government and outpointed CORD (AC Vol 52 No 22).

It took the moderating voice of Professor **Peter Anyang' Nyong'o**, former ODM Secretary General and father of

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Oscar-winning film star **Lupita Amondj Nyong'o**, to warn his colleagues that their sabre-rattling could drive Wiper and Ford-Kenya out of CORD. That would weaken Odinga's chances at the 2017 presidential polls.

However, Musyoka looks both weak and vulnerable following this attack on Nyenze, his loyal ally, from within the opposition alliance. Four members of parliament from his area have signed a petition to debate the replacement of Musyoka as leader of the Kamba people by Machakos Governor **Alfred Mutua**, once spokesman for **Mwai Kibaki**.

Meanwhile Odinga is promoting his new cause: the dangers facing small-scale sugarcane growers (most of whom farm around Odinga's support-base in the west) if Kenya allows importers to source sugar in neighbouring **Uganda**. News of this trade deal follows a supply agreement signed between Presidents Kenyatta and **Yoweri Museveni** in Kampala on 11 August. Odinga is trying to turn this into a nationalist cause with which to attack the Jubilee government. That was just one of the business deals made between the two leaders in their bilateral summit: most discussion concerned coordinating the two countries' oil and gas industries and their export routes.

Under the statutes of the East African Community, Kenya and Uganda are in a common market, so the Kampala announcement was unnecessary. In fact, Kenya's expensive and inefficient sugar

industry needs protection from imports from the rest of the region, especially **Tanzania, Malawi and Zambia**, which can produce the stuff at half the price that Kenya does. The perennial sugar deficit in Kenya has long been met by imports under licensing by the Agriculture Ministry and the Kenya Sugar Board. Given the gap between Kenyan and external prices, those import licences have become a source of easy income, a cash-cow for politically-connected importers, which includes some Kenyan sugar factory managers. Such import licences have been a reliable source of grand corruption.

Mismanagement and corruption caused the collapse of Mumias, Kenya's largest sugar company, whose management (some of them now top CORD politicians) were consummate importers of cheap sugar that was then repackaged and sold as Mumias products (AC Vol 56 No 6).

Such details won't bother Odinga's campaign. He has consistently attacked Jubilee and its Mount Kenya (Kikuyu) elites for what he describes as a calculated attempt to impoverish western Kenyan cane farmers. As Odinga describes it, Jubilee's deal involves sacrificing the farmers so the country can sell (mainly-Kikuyu produced) dairy products to Uganda.

On 22 August, Odinga was campaigning in Busia, next to Wetangula's constituency, and claiming for himself the role of 'defender of the poor'. Namwaba and the local Senator, controversial former Attorney General **Amos Wako**, concurred that the impoverishment of their region dates back to the era of Uhuru's father, founding President **Jomo Kenyatta** in 1963 and that successive governments have continued it ever since. In Kenyan social media, the debate is taking on the ugly tone of the sort of argument witnessed between Kikuyu and Western Kenya before the violent clashes after the general elections of

2007, clashes which took Uhuru and Vice-President **William Ruto** to the International Criminal Court.

It has been a rocky month for the opposition, which disappointed its supporters by failing to capitalise on **United States President Barack Obama's** trip to Kenya on 24-26 July (AC Vol 56 Nos 11 & 16). The main issues of the trip – attacks on corruption and human rights abuses, and calling on US business to invest in Africa – were expected to have worked in the opposition's favour. They didn't.

At a meeting with civic activists at Kenyatta University, Obama made what Kenyans call 'the hypocrisy comment'. He had just come from a hurried 30-minute meeting with the four main opposition leaders: Odinga, Musyoka, Wetangula and Karua. In an off-the-cuff remark, Obama told his audience: 'It is funny though... one of the opposition leaders I have just met with... I will not mention who... said "We really need you to press the Kenya government on some issues". And I said, "I remember when you were in government, you kept on saying, "Why are you trying to interfere with Kenyan business?... mind your own business!"' Laughter followed.

Kenyans knew that all four opposition leaders had previously lashed out at the USA and **Britain** for interfering in Kenyan politics. In fact, most of the civic activists there also wanted him to pressure the Kenya government. Obama advised them to engage their government instead. The USA, he added, would listen to both the government and its critics. He had just heard **Ciru Gikonyo** (a sister of anti-corruption campaigner John Githongo) reel off a list of complaints against Jubilee, ranging from theft of state funds to sabotaging devolution.

However, Kenyans maintain their resilient humour. A wistful joke in Nairobi following the big visit insisted that it is Kenya – not America – that needs Obamacare! ●

KENYA

Where did all the money go?

The government wants to restrict the powers of the Auditor General after he revealed gross financial mismanagement

The political fight over public finance is heating up. Members of parliament grilled Treasury officials for over four hours on 15 August after the Auditor General found that just 1.2% of the national budget for 2013/14 of 1 trillion Kenya shillings (US\$10 billion) had been spent lawfully.

That period covers the Jubilee Alliance Party's first year in office after the March 2013 elections.

MPs from all parties are now trying to restrict the Auditor General's right to monitor spending at all levels, including the 47 new county governments and development funds for parliamentary

constituencies. The report by the widely respected **Edward Ouko** was released on 27 July and is the latest blow to the government's proclaimed campaign against corruption and mismanagement (AC Vol 48 No 11). However, the Treasury Principal Secretary, **Kamau Thugge**, an economist, insisted that there was no money missing from the state accounts but only a lack of the correct supporting documentation for purchase orders. There were no documents at all for some KSh60 bn. spent. Thugge blamed bureaucratic problems in devolving power and financial authority to the 47 new county governments, which meant there would be major gaps in

the audit trail. Parliamentarians on the Public Accounts Committee also wanted to know why some \$2 bn. from the government's sovereign bond had been deposited in a New York account instead of the government's Consolidated Fund Account under the Controller of Budget, **Agnes Odhiambo**. Those funds were used to pay \$500 million to Citibank, Standard Chartered and Standard Bank towards settling a \$600 mn. loan from 2012.

Ouko says the transaction was illegal. Odhiambo had tried to question it but gave up after pressure from National Treasury officials. In turn, those officials said they had bypassed the Consolidated Fund to avoid foreign exchange losses. Thugge told MPs that the government was establishing new procedures for bond proceeds but the incident raised important questions about the accountability of the government's lending programme.

The gap between government statements and bureaucratic reality seems to be widening. For example, on 25 July, the White House published a 29-point anti-corruption plan that it said had been agreed with President **Uhuru Kenyatta** during **United States** President **Barack Obama's** visit there. It includes several measures to tackle money-laundering and increase public oversight. It took Kenyatta's government a week to announce the plan.

John Githongo, a former Permanent Secretary and expert on governance, says the government 'has allowed the most permissive environment for corruption in Kenya's history'. He warns that tackling corruption in the run up to the 2017 elections, against demands for political fundraising, will prove even harder than it would have in the first two years of the Jubilee government.

POOR ACCOUNTING

Not all of the missing funds are due to theft. Previous audits have found sloppy accounting and poor record-keeping. Subsequently, credible supporting documents have emerged. This pattern is most obvious in military spending, which has surged in recent years in line with the growing regional security threats. Ouko found that the Kenya Defence Forces had failed to keep books or records for 90% of their \$788 mn. budget, despite laws passed in 2012 requiring this. The government wants to stop such accountability. Under the KDF Amendment Bill put before Parliament on 1 August, the Auditor General would no longer have the right to monitor defence spending. Instead, the military has greater powers to manage its financial affairs.

Ouko had highlighted irregularities in military spending in previous years: the military spent \$16.4 mn. on 32

armoured personnel carriers from **China** North Industries Corporation in a non-competitive tendering process in 2006. The vehicles were delivered to Kenyan troops with the United Nations in **South Sudan** in 2008 but were found to be defective. Yet Norinco was awarded a further contract in 2012 to supply 76 APCs at a cost of \$51.5 mn. The market price for these vehicles is \$400,000 each, making a cost of some \$30 mn. Military experts says the extra \$20 mn. could have been needed to pay for modifications but that it looks an excessive addition. Of more immediate concern, according to Ouko, is that just 40 of these vehicles have been delivered but the government has paid the supplier for 90% of the contract.

BACKLASH

Ministers have responded to Ouko's report with a mixture of recrimination and personal attacks, aimed primarily at the man himself. Among the most vocal critics are Treasury Cabinet Secretary **Henry Rotich** and the Council of Governors. They accuse the Auditor General of not giving enough time for civil servants to provide documents and claim the report is riddled with errors.

They are backed by Deputy President **William Ruto**, who has called for a fresh audit of both national and county government accounts. Ruto had a previous stand-off with Ouko in 2013 over the KSh.100 mn. 'hustler jet' scandal. That was when Ruto failed to get authorisation to hire a private aeroplane to tour Africa drumming up support for the government's campaign against the International Criminal Court (ICC).

In a televised interview on 5 August, Ouko said his staff and the Chairman of the Public Accounts Committee, **Nicholas Gumbo**, of the Orange Democratic Movement, had received threats from unidentified individuals. There are parallels with the political reaction to the publication of the 'list of shame' by the Ethics and Anti-Corruption Commission in March, which detailed allegations against 175 officials (AC Vol 56 No 9). Shortly afterwards, two of the commissioners, EACC Chairman **Mumo Matemu** and his deputy, **Irene Cheptoo Keino**, were forced from office while a third, Professor **Jane Kerubo Onsongo**, resigned amid reports of intimidation.

Although Ouko is likely to weather the latest storm, the government is trying to weaken his department. A Public Audit Bill before Parliament aims to reduce the Auditor General's powers and undermine the independence of the office. Kenyatta provoked outrage in June when he returned the Bill to Parliament stripping the Auditor General of his right to question government policy, hire and fire his own staff, or negotiate his own budget

with Parliament. The Bill also contains punitive measures for the Kenya National Audit Office, including a KSh10 mn. fine for any officer who publicises the findings of the Auditor General's report before it is presented to Parliament.

ELECTION SPENDING

Critics say the backlash against the Auditor General is typical of the new generation of politicians that came of age in 2013 and have little interest in transparency. For an alliance that came to power in the most expensive election campaign in Kenya's history, accessing state resources and repaying favours are the top priorities.

This has not been helped by intense competition between the two branches of the governing party: the National Alliance, dominated by Kenyatta's Kikuyu group, and Ruto's Kalenjin-led United Republican Party (URP). Under a deal agreed in January, the Jubilee Alliance was formally merged into a single party under the acronym JAP. The new party is a power-sharing vehicle for Kikuyu and Kalenjin leaders, offering support for Kenyatta's re-election bid in 2017 in return for backing Ruto's candidacy five years later.

Such an alliance does not come cheap. There are persistent grumbles from the grassroots of Ruto's faction that the leadership failed to consult its Kalenjin base in forming the JAP. Leading dissent within the URP are Bomet Governor **Isaac Ruto** (no relation to William Ruto) and Baringo Senator **Gideon Moi**, youngest son of former President **Daniel arap Moi**, who have demanded that the Deputy President challenge Kenyatta for the top job in 2017. They have complained loudly, accusing the party leadership of failing to distribute enough senior appointments in parastatal corporations to candidates from the Rift Valley. Unquestionably, Kenyatta holds the whip hand in the Alliance, politically and financially.

After the ICC dropped its case against Kenyatta for crimes against humanity, the government insisted the next priority was to get it to drop the case against Ruto as well (AC Vol 56 No 3). However, that case is proving even messier. Several key witnesses have disappeared and others have decided to change their evidence at the last moment.

The Court insists it will not drop the case against Ruto and some of his supporters have a strong suspicion that such an outcome, which politically restricts the Deputy President, is rather too convenient for President Kenyatta and his circle. Whatever the truth of that, Team Kenyatta will have to keep the patronage flowing to the Rift Valley to be certain of another election victory in 2017. ●

SOUTH SUDAN

The latest last-minute deal

Under the threat of an arms embargo and more sanctions, the government signs a peace agreement

Delight and relief that the Juba government has finally signed a peace deal with the rebel movement is mixed with widespread fear that the deal will not hold. There is much scope for future disagreement but the main concern is that many in the government and its army still dream of defeating **Riek Machar Teny Dhurgon's** insurgents. They know that it was the divisions in Riek's ranks that meant he needed peace more than the government.

After days of doubt, President **Salva Kiir Mayardit** signed the agreement in Juba on 26 August. On 25 August, Foreign Minister **Barnaba Marial Benjamin Bil** told United Nations-sponsored Radio Miraya in Juba that there was merely 'a possibility' that a deal peace would be signed but spoke of 'areas of reservation' that had not 'even been discussed' at meetings mediated by the Inter-Governmental Authority on Development (IGAD) in Addis Ababa. Divisions persist among both the politicians and the military, the Sudan People's Liberation Army (SPLA).

The rebel leader, former Vice-President **Riek Machar Teny Dhurgon**, and the reinstated Secretary General of the governing Sudan People's Liberation Movement, **Pa'gan Amum Okiech**, had already signed. Pa'gan said he would not

return to Juba unless Lieutenant General **Salva**, the SPLM Chairman, also signed (AC Vol 56 No 17).

The **United States**, widely seen as the godfather of South Sudan's Independence from Sudan in 2011, had meanwhile submitted a draft resolution to the UN Security Council calling for wider sanctions and an arms embargo if peace were not agreed by 1 September. IGAD pressured **Salva Kiir** by sending **Ethiopian** Prime Minister **Hailemariam Desalegn**, **Ugandan** President **Yoweri Museveni**, **Sudan's** First Vice-President **Bakri Hassan Salih** and **Kenyan** President **Uhuru Kenyatta** to Juba beforehand.

There is still a sense that anything could happen. 'Salva and a lot of government people want to sign but there is a small group of powerful people resisting,' a long-term Juba analyst told *Africa Confidential*. That group includes army officers and speculation abounds about some of Salva's closest allies, such as the Chief of General Staff, Lt. Gen. **Paul Malong Awan** (AC Vol 55 No 9).

IGAD insisted the text to be signed would be the same as that agreed in Addis Ababa on 17 August. 'We are not agreeing to any further changes', the Spokesman for Riek's SPLM-in-Opposition (SPLM-IO), **James Gatdet Dak**, told us. The government had gained big concessions

in the IGAD negotiations in August but the proposed demilitarisation of Juba remained a major sticking point, government sources told AC. IGAD's draft agreement on 24 July had given the SPLM-IO a majority of posts in the governments of Upper Nile, Unity and Jonglei, the three Greater Upper Nile states where most fighting has occurred since December 2013. After IGAD members met in Uganda on 10 August, the proposed SPLM-IO share was cut to 40% from 53%, and the government's raised to 46%.

The 17 August agreement removed clauses in the July agreement that allowed Commander **Riek** a 195-man armed entourage in Juba and it also removed mention of an international force from IGAD, the African Union and the UN Mission in South Sudan (UNMISS), to take over security in the capital. That had caused widespread outrage. The removal of armed forces beyond a 25-kilometre perimeter was maintained. This, government sources told us, was an affront to national sovereignty. It remains problematic. 'The government has reservations about demilitarisation,' the Presidential Press Spokesman, **Ateny Wek Ateny**, told AC on 25 August. 'These have been included and will be dealt with.'

SANCTIONS CONTROVERSY

Under a 14-day extension that IGAD granted Salva when he refused to sign on 17 August, Juba had until 1 September to sign – in other words, to convince naysayers in Juba. Additional sanctions to those already imposed on individuals would require unanimity in the UNSC. **Britain** is 'pretty supportive', said a

REGIONAL RIVALRIES SURFACE AMONG PEACE-MAKERS

Kampala's hands-on support for South Sudanese President **Salva Kiir Mayardit** is causing a rift in the Inter-Governmental Authority on Development which has been mediating in the negotiations. This followed the embattled President **Salva Kiir Mayardit's** last-minute refusal on 13 August to sign the compromise peace agreement drawn up by IGAD (AC Vol 56 No 17).

Ugandan President **Yoweri Museveni** had a sharp exchange of words with IGAD Chairman **Hailemariam Desalegn** after the **Ethiopian** Premier complained that Kampala's backing for Juba was complicating regional efforts to persuade Salva to sign the deal. That appears to be the main reason for Museveni's abrupt departure from the meeting in Addis Ababa before rebel Commander **Riek Machar Teny Dhurgon** and the Sudan People's Liberation Movement Secretary General, **Pa'gan Amum Okiech**, had signed on 17 August.

In the previous week, Museveni had invited members of the 'frontline states' (**Ethiopia, Kenya, Sudan and Uganda**) to a mini-summit in Entebbe, where he assured Salva Kiir that several provisions of the draft agreement that he found unacceptable would be changed. The far-reaching compromises proposed at Entebbe included ending earlier provisions to demilitarise Juba, changing the balance of power-sharing and the continuation of two separate armies during the interim period before elections in 2018. Riek's team refused to agree to any further last-minute changes and was already calling for Museveni's exclusion from the then forthcoming peace conference on the grounds that he was not neutral. In the end, some changes were accepted (see Box).

While it is widely acknowledged that Khartoum has supplied military aid to Riek's fighters, the agreement's call for an arms embargo and the removal of foreign (i.e. Ugandan) forces is more likely to have an impact on Uganda's open support for Salva's government than on Khartoum's covert support for Riek. Ethiopia, Kenya and Sudan were granted envoys to the negotiations, Uganda was not.

Ugandan troops and airpower are widely seen as having saved Juba from Riek's forces. However, Uganda obtained IGAD and AU approval only after the fact. This has not been forgotten, especially in Ethiopia, which wants increasingly to be seen as regional leader. Meanwhile, the main beneficiary is Sudan. ●

CONCESSIONS AND COMPLICATIONS IN THE IGAD DEAL

The peace agreement signed by the Sudan People's Liberation Movement-in-Opposition (SPLM-IO) and the Former Detainees on 17 August and which President **Salva Kiir Mayardit** signed on 26 August made concessions to both sides but key details were left for further negotiation. That increased the chances of concluding a deal but may store up future problems.

Most changes to the 24 July draft that formed the basis for negotiation in August favoured the government. The proposed SPLM-IO majority in the governments of Unity, Upper Nile and Jonglei was reversed. The SPLM-IO was originally allowed to nominate candidates for governor in each of the three states; in the 17 August version, the government has that right in Jonglei. In return, the SPLM-IO will share in power (15%) in the other seven states.

The government's main concern was the proposed demilitarisation of Juba. The 17 August deal removes any mention of that or international participation in security and a proposed 195-man guard for **Riek Machar Teny Dhurgon**. The redeployment of troops beyond a 25-kilometre limit remains.

The main issues left unclear or undecided include:

- Foreign troops: The 24 July draft called for the 'complete withdrawal of all foreign forces/militia allied to either party' within 45 days; the 17 August deal redefines the parties to withdraw as 'state security actors.' This may leave room for interpretation regarding the **Uganda** People's Defence Forces, which support the government. The new version complicates matters by also calling for the exit of the **Sudan** Revolutionary Front, the combined opposition movement fighting the Khartoum regime.
- Security: The 17 August agreement says defining the area beyond which troops are to withdraw outside Juba is subject to agreement in a workshop of the warring parties on Permanent Ceasefire and Transitional Security Arrangements (PCTSA), due within 14 days of signing. That will also determine the size of forces to provide security in Juba, Bor, Malakal, Bentiu 'and other areas.'
- Personal protection (for Salva and Riek) 'may be sourced from external forces if the Parties require'. A Joint Integrated Police Force is included but not defined. Expect further disagreement over the size, composition and provenance of town and personal security forces.
- Integration of the Sudan People's Liberation Army: The new deal calls for the 'separation, assembly and cantonment of their forces previously in combat within 30 days of the signing' and for 'complete unification' of the SPLA within 18 months.
- However, reintegrating troops who have been at war for 20 months into a stable, functioning army looks problematic. Little progress was made on integrating all the military factions
- since the Comprehensive Peace Agreement of 2005. The new First Vice-President (Riek) will command the South Sudan Armed Opposition forces until a unified command is established: that's hard for the government to swallow. The continued prominence of regional warlords complicates things. Can Riek control fighters nominally under his control?
- Accountability: Neither side's leaders want accountability for war crimes: that's why they wanted the suppression of the AU Commission of Inquiry report. Changes to July's draft further weaken accountability. The new deal includes a Commission for Truth, Reconciliation and Healing and a Hybrid Court: 'No one shall be exempted from criminal responsibility on account of their official capacity'. It removes all UN involvement, leaving action to the transitional government and the AU – stirring concern about capacity and partiality. The AU Commission Chairwoman, **Nkosazana Dlamini-Zuma**, appoints judges, prosecutors and defence counsel. The nine-month deadline for legislation to establish the Court has been removed from the 17 August version.
- Monitoring and evaluation: The Joint Monitoring and Evaluation Commission is a much enlarged version of IGAD's earlier proposals and includes the warring parties, local stakeholders, regional states, international organisations and other countries. The 32 members will face a huge challenge in monitoring implementation in such a vast land.
- Power sharing: Executive power remains largely in the hands of President Salva; the First Vice-President has responsibility for implementing the deal and ministerial policy. In the temporary absence of the President, the FVP is acting Commander-in-Chief of the unified army and heads the council of ministers. If the President steps down or dies, the SPLM chooses his successor.

Decisions in many other areas, including appointing state governors, army officers and independent commissions, and declaring war or a state of emergency, are to be decided through 'consultation and mutual agreement' by the President, FVP and Vice-President (**James Wani Igga**). Whether this works in practice when the parties have been sworn enemies for over two years remains to be seen. ●

Western diplomatic source, while **France** was also expected to agree. 'Russia has been critical but not to the point of threatening to outright block it,' said a UN source. 'China has said they're happy to move forward if the region supports it.' That was all before Juba signed and it's less clear what happens if the government or others break the latest agreement.

Supporters of sanctions admit they are difficult to implement. Some US officials feared that an embargo would disproportionately affect the Juba government: the transfer of arms to it is easier to monitor than Khartoum air-dropping materiel to the SPLM-IO and re-arming its troops on the Sudanese side

of the border.

Sudan's National Congress Party regime may be a 'sponsor' of the IGAD peace deal but it's unlikely to abandon rebels in Greater Upper Nile (GUN), some of whom had already jumped off Riek's ship. Many fear the SPLA will also go on fighting and withdrawal of most of the troops from Juba would not stop that.

Although both Upper Nile and Unity states are to be led by SPLM-IO, recent changes in GUN state governors, especially the return of **Simon Kun Puoch** Mar to Upper Nile State (not Unity State as we wrote in the South Sudan article on 14 August) after SPLA troops had driven out the SPLM-IO, suggest

that the government still plans to defeat Riek's forces militarily, said another long-term observer.

Brigadier Gen. Kun has a 'reputation in the army for taking no prisoners' and we 'can be sure that he has not been mandated nor would be inclined by preference to hand over control of the State to Riek's forces' as the IGAD document requires, the analyst added. There has been a huge mobilisation of forces and equipment up the Nile towards Malakal and northern Jonglei, including newly trained and equipped soldiers and also tanks. Many normally impassable roads have already dried out because the rains have been scant. ●

SOUTH AFRICA

The woman most likely...

The plan that a woman should be the ANC's next leader is gaining in popularity. But it's also an ingenious tactical ploy by Zuma

Cyril Ramaphosa's campaign to succeed President **Jacob Zuma** suffered a massive blow when the African National Congress Women's League declared that a woman should be the party's next presidential candidate. Within minutes of being elected as the new ANCWL President on 8 August, **Bathabile Dlamini** told the nearly 3,000 members she would be 'working tirelessly' towards this goal during her five-year term. Her victory is widely seen as a major victory for Zuma. Observers previously sceptical about Zuma's prospects now believe he has pulled off a tactical master-stroke against his enemies and that his grip on the governing party is now much stronger (AC Vol 56 No 16).

The Women's League's two favourites for party leader are the Zuma camp's favourites: the ANC National Chairwoman and National Assembly Speaker, **Baleka Mbete**, and the African Union Commission Chairwoman **Nkosazana Dlamini-Zuma**, the President's former wife. Zuma's allies are believed to favour Dlamini-Zuma over Mbete, who has drawn criticism for not being tough enough on the Economic Freedom Fighters (EFF) in Parliament. Nor has Mbete held a ministerial portfolio, while her rival was Health Minister under the late President **Nelson Mandela** and then Foreign Minister under ex-President **Thabo Mbeki**.

Dlamini, the Social Development Minister, is a staunch Zuma supporter who grew up in his home town of Nkandla. She won the ANCWL leadership contest with the backing of the Women's League in KZN, defeating **Angie Motshekga**, the Basic Education Minister, who is in

Ramaphosa's camp and, during her eight-year leadership of the League, did not support running a female candidate for the ANC presidency.

Zuma's second term as ANC President ends in 2017 and his second term as South African President ends in 2019. A key part of his succession plan has been to secure a successor who can protect him from prosecution for alleged corruption and guard the business interests of his close family and allies. Zuma appears not to trust Ramaphosa to do this.

Yet Ramaphosa is almost automatically in line to take over from Zuma because he is his deputy in both party and state. Zuma and his strategists are banking on the novelty of and broad party support for a female candidate to derail Ramaphosa. Zuma's supporters went to enormous lengths, insiders say, to ensure that Dlamini was elected.

The ANCWL elections saw members choosing between slates, as has increasingly become the norm in all ANC internal elections since Zuma's 'coup' against Mbeki at the 2007 Polokwane National Elective Conference (AC Vol 48 No 22). Under this winner-takes-all system, the pro-Zuma-Dlamini slate won and the pro-Ramaphosa slate lost out completely.

This was the Women's League first elective conference since 2008. It fell due in 2013 and had been postponed ever since, anti-Zuma groups say, in order to ensure the maximum number of pro-Zuma delegates. Ramaphosa's supporters say that before it convened, the ANC national leadership disbanded several League branches and regions, for reasons ranging from being 'faction-

ridden' to being inquorate, and some for 'ill-discipline'. Disbanded branches were managed by 'task teams' that the ANC leadership appointed which took over branches in the Eastern Cape, North-West and Western Cape, areas where anti-Zuma feeling was thought to be particularly strong. Other branches were blocked from attending the conference because they were 'not in good standing'.

At the Limpopo Province's Women's League conference, which decided on its candidates and policies for the national conference, pro-Ramaphosa delegates chased away provincial ANC Secretary **Nocks Seabi** after he had reportedly warned that delegates to the elective conference would have to vote for the 'right' candidates, meaning those aligned with Zuma. Limpopo ended up supporting Dlamini. From around the country, a picture emerges of the ANC centre attempting to strictly control the choice of delegates.

Yet Dlamini implicitly rejected the notion that the conference that had elected her was playing a walk-on part in a power-play of bigger forces. 'The call for a female candidate for President would not come from the Women's League only. It will come from the branches of the ANC because the ANC believes in women's emancipation,' she told local media.

Dlamini sits on the ANC's powerful National Working Committee and has been part of Zuma's inner circle for at least five years. She is close to the party Treasurer, the former ANC KZN Chairperson **Zweli Mkhize**. In 2006, she was one of 14 ANC members of parliament who were convicted and fined after pleading guilty to theft and fraud charges arising from the abuse of parliamentary travel vouchers.

There has long been talk that South Africa should have a female President. The closest it has come so far was the appointment of Deputy President **Phumzile Mlambo-Ngcuka** by Mbeki after he sacked Zuma from the post. She resigned when Mbeki was in turn booted out by Zuma and his supporters in 2007.

LAUNCH OF A BANDWAGON

The nascent campaign behind **Nkosazana Dlamini-Zuma** has the support not only of the African National Congress Women's League and other elements of President **Jacob Zuma's** camp but also of several ANC provincial leaders. This informal group has been dubbed the 'Premier League' and it includes Free State's **Ace Magashule**, Mpumalanga's **David Mabuza** and the North-West Province's **Supra Mahumapelo**. These power-brokers aim to have Dlamini-Zuma as President, and **Cyril Ramaphosa** retained as Deputy President, according to the leaks. Magashule would replace **Gwede Mantashe** as ANC Secretary. Mantashe's prospects in the party are now thought much poorer after the outcome of the Women's League conference.

The Premier League wants Dlamini-Zuma, with Ramaphosa as her Deputy, installed at the ANC's Elective Conference in 2017. 'We expect Ramaphosa to seek to counter the threat posed by the Women's League by offering Dlamini-Zuma the deputy presidency. But the Premier League might be unlikely to accept this,' an ANC insider said. If she accepted Ramaphosa's offer, that could mean that Dlamini-Zuma might not be able to aspire to the presidency until 2024, when she would be 75. That's one reason why the Premier League will try to prevent Ramaphosa's compromise from being accepted. ●

Ramaphosa's camp is changing strategy in the face of its defeat at the Women's League conference. Many of his supporters now believe their only remaining option is to try to force Zuma's departure before the end of his ANC presidential term. If Zuma steps down as party President before the 2017 national elective conference, Ramaphosa, as Deputy, takes over automatically, which would make it far more difficult for anyone else to replace him.

The Ramaphosa group is considering turning October's National General Council meeting into an emergency elective conference. The NGC takes place midway between the five-yearly elective conferences to review ANC policies but is

not itself elective. The plan would be to table a motion from the floor to declare an emergency and call for a vote on the presidency.

It has succeeded only once before, at the ANC's first NGC in 1991 in Durban, just after the party was unbanned by the apartheid government. ANC President **Oliver Tambo** had suffered a stroke before the negotiations with the ruling National Party and the ANC leadership wanted a presidential election there and then so that Mandela could take over and run the talks.

Zuma himself used the 2005 NGC as a part of his successful campaign to counter his sacking by Mbeki, and was crucial in building his momentum for the

final strike against Mbeki at Polokwane in 2007. As a result he is alive to the Ramaphosa camp's possible manoeuvre and his camp is trying to postpone the NGC until after next year's local government elections, arguing that more infighting will divide the party and hurt it electorally. That reason was also cited when it was decided to postpone the NGC, originally due in February, till June and now, October.

Although the postponements favour the Zuma camp, few disagree with the reasons for them. The opposition Democratic Alliance, under its first black leader, **Mmusi Maimane**, is rejuvenated and the EFF is making strong headway against the ANC. ●

LIBERIA

Ellen calls the shots

The President is unpopular but she dominates the country's political scene and will influence the selection of her successor in 2017

It hasn't all been plain sailing. President **Ellen Johnson-Sirleaf's** government was rocked by the social and political side-effects of the Ebola epidemic, with some in the country openly calling for her overthrow. At the height of the crisis, last December, her favourite son and former key advisor, **Robert Alvin Sirleaf**, was defeated in an election for a Senate seat by former football star **George Weah**. Concerned about the unpopularity of the governing Unity Party which his mother heads, Robert ran as an independent candidate but this made no difference to the negative perception of him among Liberians. His defeat amounted to a vote of no confidence in his mother's government and has sunk him as a potential presidential candidate.

None of that now seems to matter. Johnson-Sirleaf has shown that she cannot be counted out. No one doubts that it was her personal clout that secured support against Ebola from the **United States**, which sent in thousands of troops to build treatment centres all over the country. The still-sprightly 76-year-old Nobel Peace Prize winner is not the lame duck her opponents might wish her to be. She is being seriously considered as a candidate to replace **South Korean Ban Ki-Moon** as Secretary General of the United Nations when Ban's final term expires in 2016. Her global influence is such that she recently vetoed several of Ban's nominees to replace the **Swede, Karin Landgren**, as the Secretary-General's Special Representative in

Liberia and head of the UN Mission in Liberia (UNMIL). Landgren left the post at the end of June and Ban finally settled on **Afghan** diplomat **Farid Zarif** in early August.

UN insiders say that this is the first time that a country hosting peacekeepers has, in effect, decided who heads the mission in the country. Johnson-Sirleaf was uncomfortable with Landgren's outspoken criticisms of the government, which touched on corruption, a lack of movement on reconciliation and a failure to get a grip on the rule of law and domestic policing. Johnson-Sirleaf views the career Afghan diplomat as a safe bet for her final two years in office.

HEIRS APPARENT

Presidential elections may still be two years away but hopefuls have already started campaigning. The moment the country was officially declared free from Ebola by the World Health Organisation on 9 May, Liberia's famously fractious political elite started jostling for the chance to replace Johnson-Sirleaf.

Despite Liberia already having 14 political parties, eleven of which are represented in parliament, the country's most famous businessman decided to set up a fifteenth. **Benoni Urey**, a millionaire media magnate who owns newspapers, a TV and a radio station, registered the All Liberian Party in early August, immediately dominating political discussions in Monrovia.

Charismatic and outspoken, and with vast sums of money to spend, Urey

is viewed by the Unity Party as its chief challenger, overshadowing – some say momentarily – veteran opposition leader Weah and his Congress for Democratic Change, as well as Johnson-Sirleaf's party. Urey is believed to have won many hearts and minds in Monrovia when, at the height of the Ebola crisis, he set up a personal response team under his U-Foundation, purchasing ambulances for victims of the virus and providing food, water, medicines and blankets for hard-hit communities in Monrovia and other parts of the country.

Links with former President and warlord **Charles Taylor** have proven damaging for Urey's international image. Urey was appointed commissioner of maritime affairs when Taylor was elected President in 1997 – a lucrative position overseeing millions of dollars in tax receipts from several thousand merchant and luxury ships registered under Liberia's notorious flag of convenience. Urey, who holds a masters degree from the University of Southern California, was an employee of the African Development Bank when Taylor appointed him to the post, and he argues that he served Liberia, not Taylor. This resonates widely in the country, as several key ministers in Johnson-Sirleaf's government, including **Lawrence Bropleh**, also served Taylor in key positions.

TAYLOR CONNECTION

The Taylor connection is a much bigger issue for Urey outside Liberia than within. Until December 2013, he was on the UN's travel ban and asset-freeze lists. When the UN lifted the sanctions on Urey, every other country that had sanctioned him took him off their lists except the US. Many Liberians suspect that Johnson-Sirleaf was using her influence with the US to keep a key political opponent banned. This could have potentially disabling consequences for Urey. Many Liberians idolise all things American.

Disappointed younger ministers in Johnson-Sirleaf's cabinet, including Finance Minister **Amara Konneh** and Foreign Minister **Augustine Kpehe Ngafuan**, are said to be actively considering defecting from the governing party. Konneh has been in talks with the Liberty Party leader **Charles Walker Brumskine**, a wealthy lawyer who lost to Johnson-Sirleaf in 2005 and 2011, about becoming his vice presidential candidate. We hear Konneh has made substantial financial contributions to the Liberty Party. Ngafuan started talks with Weah in June in a bid to join him on the ticket, we hear. Unity Party grandees have privately appealed to Johnson-Sirleaf to rein in her 'boys', Monrovia sources say.

Johnson-Sirleaf is determined to get her 70-year-old deputy, **Joseph Nyumah Boakai**, to succeed her (AC Vol 55 No 10). Johnson-Sirleaf's decision to back him has proven controversial. Her opponents as well as ambitious members of her own Unity Party recently circulated a statement Johnson-Sirleaf made on the eve of the 2011 presidential elections that both she and Boakai will retire when their final term of office expires in 2017: 'Joe Boakai and I have stuck together. We stuck together for the first term, we're sticking together again for the second term ...he and I will retire together.'

Boakai was implicated in a plot, along with many prominent Liberians both at home and in the US, to replace Johnson-Sirleaf with a transitional government with Boakai at its head before the end

of her second term in power. The plot was reported in Monrovia tabloid *The National Chronicle* in August 2014, at the height of the Ebola crisis. Like all coup plots in the country, the paper claimed, it was orchestrated by the US. The paper described a secret meeting between US President **Barack Obama** and Boakai, when the latter visited Washington to lobby for support in Liberia's Ebola fight. Soon after publication, police raided the paper's offices in downtown Monrovia and arrested editor **Philipbert Browne**. The paper was also temporarily banned. All talk of a US-sponsored coup ended after Obama, responding to a letter of appeal from Johnson-Sirleaf in September, committed thousands of troops to build treatment centres in Liberia and provide other support to Johnson-Sirleaf's government (AC Vol 55 No 22).

Whether Boakai will deliver victory for the Unity Party in 2017 is another matter altogether. He is dour and uncharismatic and Liberians tend to prefer their leaders to be larger-than-life and colourful. But he is known to be a decent man largely untouched by the widespread corruption allegations that have dogged Johnson-Sirleaf's government. Unlike many leading politicians in the country, he has never lived abroad and has no property outside the country – qualities that endear him to many in the impoverished and exploited nation.

Even Weah, who rose from poverty to become an international football star, cannot make similar claims. He lives like

one of the 'big boys' – a Liberian term for the wealthy elite with homes and family in the United States. The very low turnout (less than 30%) for his senatorial win last December in Montserrado County, where he has his strongest support, does not speak strongly of his continuing popularity on Monrovia streets. In fact, many observers believe that Weah has squandered his erstwhile huge support across the country by his frequent changes of alliances, and that his senate election owed more to the unpopularity of the President's son.

UN EXIT

Liberia's increasingly crowded political landscape and its heated rhetoric is causing concern to the UN, which would rather the government focus on its plan for UNMIL transition. The UN forces are drawing down but 4,500 troops and 1,500 police still remain. The government should assume all security roles performed by the UN by May 2016. The plan was approved by the Liberian National Security Council in March but a 23 July UN panel of experts report cast doubt on the government's preparedness.

The report noted a serious funding shortfall, with the authorities setting aside only US\$15 million of the \$76.1 mn. required for the fiscal year 2015/16. The report noted significant cuts in government spending on all the key security institutions, including the police – a perennial concern for the UN. ●

ZIMBABWE

The 'Grace plot' thickens

The First Lady's rivals are airing suspicions of a master plan to make her leader of the party and then, of the country

President **Robert Mugabe** has assembled a cabal to ensure that his wife **Grace** succeeds him as head of state, senior government and ruling party sources linked to Vice-President **Emmerson Mnangagwa** have told *Africa Confidential*. The plan is to make her President of the ruling Zimbabwe African National Union-Patriotic Front, they say. She would then lead ZANU-PF into the 2018 polls. Mnangagwa, who has long aimed to succeed Mugabe and prevailed over Vice-President **Joice Mujuru** in his factional battle for the number two spot, was 'dejected' by news of the plan, a top intelligence official told us. Both he and his co-Vice-President **Phelekezela Mphoko**, who emerged from obscurity to take over the party

and state positions reserved for former Patriotic Front-Zimbabwe African People's Union cadres, were instructed to support Grace's bid for power, probably around the time of the celebrations for President Mugabe's 91st birthday in February (AC Vol 56 Nos 1 and 11).

'I know Mnangagwa was summoned to a meeting and told that he would have to rally behind Grace Mugabe in 2018. He will be one of her two vice-presidents', said a party source, claiming that Mnangagwa was reconciled to this move. 'He has accepted it. It's not just him but all those the Mugabes believe are critical in the succession issue. They have been told to rally behind Grace.'

The plot for Grace to succeed her husband is plausible, mostly because the

extended Mugabe family could lose its influence and property under any other ruler, say independent sources in Harare. However, Mnangagwa, who has planned astutely and patiently for the succession, is unlikely to hoist the white flag so readily, they add. The plan for Grace Mugabe to succeed her husband is being managed by a tight circle composed almost exclusively of Zezuru people. The Zezuru are a sub-clan of the Shona to which Robert and Grace Mugabe belong. The President and his family have roped in top military and ruling party stalwarts to spearhead the project but they believe it is likely to fail if the President dies before the 2018 elections.

Said to be working with Grace on the project are top officials **Ignatius Chombo**, ZANU-PF Secretary for Administration and Minister of Home Affairs; **Saviour Kasukuwere**, Secretary for the Commissariat and Minister of Local Government and National Housing; and **Sydney Sekeramayi**, the party Secretary for War Veterans' Affairs and Defence Minister. Education Minister **Jonathan Moyo** is reportedly the only non-Zezuru in the cabal.

‘The party headquarters is no longer a pleasure to work from’, said another ZANU-PF source, who worked for years with the ousted former Minister of Presidential Affairs, **Didymus Mutasa**. ‘Grace is the new centre of power and she has flatly told workers here that she is the party’s constitution. Her word is final.’

‘The army guys have accepted it’, said a source in the Central Intelligence Organisation who has worked closely with Grace. ‘They feel Amai [a maternal title for her] will give them the best chance to rule. They think she is a better person as she is clueless in terms of statecraft, so they will easily manipulate her. She is also a wealth-grabber and that resonates with them. They don’t want someone who may demand that the soldiers go back to the barracks and Mnangagwa is coming across to them as someone who may want to change things.’

While Mnangagwa had been given to understand that he would succeed Mugabe after his appointment as Vice-President following last year’s ZANU-PF congress, he had not been aware of any plotting on ethnic grounds, we hear. He belongs to the Karanga sub-clan of the Shona. Some believe that Mugabe has been increasing Zezuru influence in the party. Others remark that ZANU-PF has always contained some tension between Karanga and Zezuru.

Grace’s allies have also been promoted. Mphoko, who was appointed Vice-President alongside Mnangagwa after Joice Mujuru was purged, is believed to have shared business interests with her. Mphoko is Ndebele and defected from PF-ZAPU to ZANU-PF long before Independence in 1980 and should therefore, say ex-PF-ZAPU members, not have been appointed Vice-President. Under the terms of the 1987 Unity Accord merging the two parties, one vice-presidential position was reserved for a former PF-ZAPU member. Mphoko does not qualify, they complain.

The ZANU-PF chairmanship, also allocated under the accord to a former PF-ZAPU official, has now been abolished. The last Chairman, **Simon Khaya Moyo**, who was an aide to the late **Joshua Nkomo** during Zimbabwe’s liberation war, was demoted to the position of Party Secretary for Information. Chombo, a Zezuru closely linked to Mugabe, was then promoted as party Secretary for Administration. Chombo, who is understood to be helping with preparations for Grace’s succession, was also made Minister of Home Affairs, a post which had also been part of the ex-PF-ZAPU quota. ‘That arrangement [the quota] has now been clearly dishonoured,’ said one close observer of ZANU-PF.

Members who are of Manyika ethnicity are also feeling disadvantaged within

ZANU-PF. **Oppah Muchinguri**, who stepped down as Secretary for Women’s Affairs to make way for Grace, was promised the position of Administration Secretary under a deal meant to placate the Manyika, who predominate in Manicaland Province. She was upset and angered by her failure to get the job, and is reportedly being hounded by Grace’s proxies in Manicaland, among them the new Provincial Affairs Minister for Manicaland, **Mandi Chimene** (AC Vol 56 No 15). Muchinguri recently stormed out of a Politburo meeting chaired by Robert, at which Grace was present, in protest at the marginalisation of Manicaland politicians. Muchinguri is closely associated with Mnangagwa.

Manyikas in the party ‘feel used and abused’, confided one Politburo member. They recall that Manicaland provided the bulk of the fighting force during the liberation war and feel that legacy has been forgotten. Other evidence of what they see as discrimination was the appointment of General **Constantine Chiwenga**, a Zezuru, as Commander of the Zimbabwe Defence Forces when it was thought it should have gone to Gen. **Michael Nyambuya**, who was senior to Chiwenga (AC Vol 41 No 22). Another Grace ally is **Perence Shiri**, a Zezuru from Chikomba District, where Grace hails from. He commands the Zimbabwe Air Force. ●

SURVEILLANCE

Spyware and the state

The ethics of HackingTeam’s deals with African governments are under scrutiny as more details emerge of the opposition politicians targeted

Africa Confidential has uncovered more about how HackingTeam dealt with its African government clients after researching the company’s leaked correspondence. Some 400 gigabytes worth of HackingTeam emails were themselves hacked and put up on WikiLeaks’ website (AC Vol 56 No 15).

HackingTeam quibbled over deadlines to sign up new clients and fought off requests for information about who exactly was using its products while it continued to do business with regimes anxious to suppress opposition, such as those of **Ethiopia** and **Sudan**. The company said it simply trained law enforcement agencies to use its software. Once the regimes got their hands on the equipment and knew how to use it, that was the end of HackingTeam’s involvement or so it said. However, our research into the firm’s relations

with its client governments shows that involvement continued after the sales.

Prime clients included **Egypt’s** Defence Ministry, Ethiopia’s Information Network Security Agency and four **Moroccan** government bodies: the *Gendarmerie royale*, the *Service de police administrative et judiciaire*, the *Conseil supérieur de la défense nationale* (CSDN) and the intelligence department, the *Direction de la surveillance du territoire* (DST), had active contracts with HackingTeam at the time of the leak. Sudan’s National Intelligence and Security Service had paid handsomely for HackingTeam software in the past but at the time of the leak in July, its contract had ended. **Nigeria’s** Bayelsa State government and the **Tunisian** government agreed short-term contracts but their contracts were not active at the time of the leak, the emails show.

HackingTeam earned more than 6 million euros (US\$6.9 mn.) from its biggest African contracts. At the time of the leak, Moroccan security services had an active contract worth around 3.3 mn. euros for HackingTeam’s Remote Control System, which was used to clamp down on dissent, including to target a citizen journalists’ collective known as Mamfakinch. Ethiopia paid 750,000 euros for its RCS licence, which it used to target Ginbot 7, an opposition group that Addis Ababa accuses of being a terrorist organisation. Egypt spent 735,000 euros on licences and equipment that were used to quash dissent. **Nigeria** paid 350,000 euros to HackingTeam.

Morocco is HackingTeam’s most valuable African client: the government spent 3,173,550 euros to purchase licences and update surveillance equipment. In 2015 alone, the CSDN spent €140,000 and the DST €80,000 for spyware that could target up to 2,000 devices. In return, the company was expected to prepare exhaustive training manuals for Rabat. One HackingTeam email reads, ‘In the meantime, we should have something to send to our customers... The famous “catalogue” of training, as required by our customer in Morocco.’

The emails show that HackingTeam has been courting a host of African governments, many of which have poor human rights records. **Uganda** is interested in rolling out RCS technology before President **Yoweri Museveni's** disputed election bid next year. Rwanda's National Security Service is also showing interest. Customers are often brought to HackingTeam by intermediary companies, notably **Israeli-based** Nice Systems. One email from another intermediary, Tenison Group, boasts, 'We have made two successful presentations with Government in **Kenya, Libya, Rwanda, Uganda, South Sudan.**' HackingTeam and its middlemen often give presentations at trade fairs, where many potential customers can be courted at the same time.

OFFENSIVE SECURITY

On HackingTeam's LinkedIn profile, the company describes itself as a computer and network security firm with between 51 and 200 employees. 'In 2004, we were the first to propose an offensive solution for cyber investigations, with such a strong reception that in 2007 we were venture-backed,' it says. 'All the development is made in Milan, **Italy**, by a team of 35 professionals focusing on all the aspects of offensive security. Our technology is used daily to fight crime in all the continents.'

On 22 July, HackingTeam responded in a website statement to criticism that it enables human rights abusers to crack down on dissent: 'The company has always sold strictly within the law and regulation as it applied at the time any sale was made. That is true of reported sales to Ethiopia, Sudan, **Russia,**

South Korea and all other countries.' Nevertheless, in a 29 July op-ed in the *International Business Times*, the HackingTeam Chief Executive Officer, David Vincenzetti said that his company has severed ties with Ethiopia and Sudan. 'The company has... discontinued doing business with countries when misuse was alleged or occurred. That is true of sales some years ago to Ethiopia, Sudan and Russia – now much criticised in hindsight. Ignored is the fact that as the company's thinking about public policy developed and as situations changed in these three countries, Hacking Team of its own volition ended these business relationships.'

STILL TRAINING

Yet Human Rights Watch said it had found evidence in the leaked emails that HackingTeam continued to train Ethiopian intelligence services in hacking techniques and even negotiated additional contracts with Addis Ababa after the firm had been informed that its software was being used to repress government critics and other independent voices.

Vincenzetti went on to defend the software provided by HackingTeam and continually emphasises its role in law enforcement. 'Here in HackingTeam we believe that fighting crime should be easy: we provide effective, easy-to-use offensive technology to the worldwide law enforcement and intelligence communities. Technology must empower, not hinder.' It appears to accept at face value the assertions of repressive governments that all its opponents are criminals and terrorists.

Few regulations exist to prevent HackingTeam or other surveillance

companies from doing business with regimes accused of human rights abuses. HackingTeam says it abides by all European Union laws, including an update in January 2015 that required all spyware producers to get permission from the EU to export their software. 'Today the company complies with new regulation developed in 2014 and enacted in January 2015. Under this new regulation, Italy reviews all sales of Hacking Team technology in accordance with European Union and Wassenaar Arrangement requirements,' said HackingTeam Spokesman Eric Rabe.

In 1996, the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies was signed by 41 countries, including the **United States and Britain**. In Africa, only **South Africa** has signed. The treaty aims to promote greater transparency and responsibility in dual-use goods and technologies, which are software, technology, documents and diagrams which can be used for both civil and military purposes, including intrusion software such as HackingTeam's RCS.

The US Department of Commerce said it would revamp its rules on 'zero day exploits', vulnerabilities in software such as Adobe Flash Player or Internet Explorer that the owners have not yet detected, which are crucial to HackingTeam's software. Officials have been quoted as saying that new protocols will be 'quite different'. In response, a Netherlands' member of parliament, **Marietje Schaake**, who has championed the campaign against intrusion software, tweeted, 'unfortunately leads to delay of already urgent need for smart #exportcontrols'. ●

BURUNDI

Hardliners to the fore

The President thinks a coalition will strengthen him but his suspicion of Rwanda grows as fears of civil war increase

Instability is accelerating in the wake of **Pierre Nkurunziza's** election to a third term as President and his swearing in on 20 August (AC Vol 56 No 14). Two senior officers have been assassinated. Grenade attacks and other violence have claimed 100 lives and the number of refugees, mainly Tutsi, in neighbouring countries has reached over 200,000. Over 1,000 people have been detained.

Nkurunziza formed a government and named his cabinet ministers on 25 August but still lacks broad legitimacy, even though traditional political alliances have fractured during and since the

elections. The new government includes mostly hardliners from the ruling *Conseil national pour la défense de la démocratie-Forces pour la défense de la démocratie* (CNDD-FDD), like the new Minister of Interior, **Alain-Guillaume Bunyoni**, a former head of the Burundian police between 2007 and 2011 and head of the President's office until November 2014. The appointment of hard man **General Evariste Ndayishimiye**, a former Minister of Interior between 2006 and 2007 at the President's office is also a matter of concern for Western diplomats. This 'government of national

unity' only includes five supporters of the main opposition figure, **Agathon Rwasa**, of the *Forces nationales de liberation*, all of whom obtained minor portfolios. Most opposition politicians did not want to be associated with the winner of a discredited election attacked not only by the United Nations, **United States** and European Union but even by the African Union. Only Rwasa made up with Nkurunziza and took his seat in Parliament despite previously boycotting the elections and calling the result 'a joke'. He has accepted the post of Deputy Speaker of Parliament and former colleagues regard him as a traitor.

The presidential swearing-in took all Bujumbura by surprise. It had been scheduled for a week later but on the day, civil servants were ordered to the Parliament building, where the ceremony took place. Bringing it forward reduced the chances of an attack or demonstration. During the proceedings, the head of state

looked nervous.

Security has become the number one concern. On 2 August, General **Adolphe Nshimirimana**, the former head of the intelligence agency, the *Service national de renseignement*, was assassinated when a rocket-propelled grenade hit his car. Along with Bunyoni, he was the regime's *éminence grise* and considered by many to be the real force behind Nkurunziza. The much feared general was not only his comrade-in-arms from the days of armed struggle but also the real boss of the CNDD-FDD and the *Imbonerakure* youth militias (AC Vol 56 No 9).

The hero of civil society, **Pierre Claver Mbonimpa**, who founded a human rights organisation, the *Association burundaise pour la protection des droits humains et des personnes détenues*, was shot and wounded on 3 August. Then on 15 August, the former army Chief of Staff, Colonel **Jean Bikomagu**, was shot dead in front of his home by two killers on a motorcycle. Some thought his murder was based on the notion that a Tutsi officer must die in retaliation for the killing of the Hutu Nshimirimana. Bikomagu had played a role in the 1993 coup attempt which cost the life of the first Hutu President, **Melchior Ndadayé**.

Others doubt this, since both officers had retired several years ago, had reconciled and became close during the process of integrating CNDD-FDD rebels into the army. Bikomagu might have been shot simply because he was part of the establishment.

Shootings and grenade attacks by ill-

defined 'rebels' possibly linked to May's failed coup attempt continue (AC Vol 56 No 10). Paranoia has spread fast. A police officer publicly warned his officers to beware of people in uniform. The vehicle used in Nshimirimana's assassination came from the Ngarara military camp and several soldiers there have been arrested on suspicion of involvement. On 12 August, the police discovered two arms caches in Capital's Mutakura Commune.

The government is suspicious of neighbouring **Rwanda**, both for fuelling the insecurity and providing sanctuary to the insurgents. Some thought it worthy of note that Nshimirimana had once had good relations with Kigali's *bête noire*, the Hutu militia linked to the Rwandan genocide in 1994, the *Forces démocratiques de libération du Rwanda* (FDLR). Nkurunziza's supporters believe that at least three of the generals involved in May's attempted coup, including its leader, Major Gen. **Godefroid Niyombare**, are in Kigali. They also claim that the authors of an attack against Kayanza Province in early July had infiltrated from Rwanda and that insurgents have training camps there. The rebels are organising themselves and forming a new organisation which includes militants from **Alexis Sinduhije's** *Mouvement pour la solidarité et la démocratie* as well as FNL ex-fighters who disagree with Rwaswa's decision to make peace with Nkurunziza.

Meanwhile, Nkurunziza is still asserting that neither the presidential

nor the legislative elections are open to challenge. The CNDD-FDD has called his election a 'divine miracle'. During his speech at his inauguration, the President announced plans for a government of national unity to respond to concern from the East African Community. He may have to amend Article 129 of the Constitution to allow some other parties to take part. The article specifies that no party can participate in government unless it polls at least 5% of the vote in parliamentary elections.

Article 129 also sets the quota of Hutu and Tutsi in government at 60% and 40% respectively. The National Assembly has already voted to scrap ethnic quotas. On 11 August, representatives of the UN, AU, EU, United States and **Belgium** warned that such moves, 'indicate a disturbing intent by the ruling party to repeal one of the fundamental principles of peace and stability that enabled Burundi to emerge from protracted civil war'. So far, the divisions over the legality of a third mandate for Nkurunziza have not been ethnically based, since Hutu and Tutsi can be found among both his supporters and opponents.

If Nkurunziza goes ahead with his plans, the perspective could change. Now, the UN is urging all parties to open a dialogue. Even if key players such as Rwaswa are now ready to compromise and collaborate in playing the role of a loyal opposition, he no longer represents those who wish to topple the freshly re-elected President. Meanwhile, frustration is growing in neighbouring countries. ●

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POINTERS

Guinea

SWISS PROBE IN CONAKRY

■ An enquiry into Guinea's most notorious mining deal has been stepped up. **Swiss** investigators travelled to Conakry in July to interview key witnesses in the Simandou mining rights corruption case (AC Vol 56 No 16).

The Swiss team, led by Prosecutor **Claudio Mascotto**, travelled to Guinea to speak to officials who were in key positions in the Mines Ministry in 2008. That's when **Israeli** diamond magnate **Beny Steinmetz** won the rights to mine half of the Simandou project, believed to be the world's largest untapped reserve of iron ore (AC Vol 56 No 5).

Former Mining Minister **Louncy Nabé**, now Governor of the Central Bank, was among officials interviewed. These enquiries are the first public signal for months that the international investigation into Steinmetz and his firm Beny Steinmetz Group Resources (BSGR), the mining arm of his business empire, is still alive and kicking.

Former BSGR agent **Frédéric Cilins** served two years in a **United States'** gaol for interfering with a US grand jury investigation into allegations of mining rights fraud by BSGR in Guinea. He was released in February and deported to **France**.

Since then, speculation has been rife as to whether Switzerland or the USA would prosecute Steinmetz. Prosecutors in both countries work closely together on the case, say sources close to the case. Steinmetz is due to be called in front of Swiss prosecutors next month. Meanwhile, in New York, a decision is expected in one of the many law suits related to the beleaguered project. A court hearing Rio Tinto's racketeering case against Vale and BSGR, in which Rio alleges that Vale and BSGR conspired to steal its rights to Simandou, is expected to decide by mid-September on whether to proceed with the case. Vale and BSGR have lodged an appeal to have the case thrown out.

Tanzania

'LOWASSA FEVER' CATCHING

■ The sheer size of opposition political rallies in recent weeks shows that the defection of former Prime Minister **Edward Lowassa** to the opposition *Chama cha Maendeleo na Demokrasia* (Chadema) party has stirred up Tanzania's largely apathetic political environment. Voter participation in the general elections on 25 October appears certain to be well above the dismal 42.7% recorded in 2010.

Despite saying little of substance on policy, Lowassa has managed to gather huge crowds in places as far apart as Mbeya, Iringa, Mwanza and Zanzibar. His vast wealth and repeated declarations that he 'detests poverty' seem to have struck a chord with potential supporters hoping for an instant pay-off rather than a long-term improvement in government performance.

The elections will consume significant private and state resources at a time of growing economic stringency. Lowassa's access to ready cash played a significant part in his dramatic late-July defection from the *Chama Cha Mapinduzi* (CCM) to the opposition Chadema and his adoption as the joint candidate for the opposition umbrella group, the Coalition of Defenders of the People's Constitution (*Ukawa*). Several CCM members of parliament have decamped with him, prompting some commentators to observe that the CCM has simply managed to clone itself and that many of the same old players will simply be parading themselves in new party colours.

Two long-standing opposition figures were, however, quick to distance themselves from the new political game. **Wilbrod Slaa** resigned from Chadema and **Ibrahim Lipumba** left the Civic United Front, which he had helped to found when Tanzania adopted multi-party politics in 1995.

Chadema had previously included Lowassa in its 'list of shame' of government leaders besmirched by allegations of corruption after he had been forced to resign the premiership in 2008 when a parliamentary investigation linked him to irregularities in a government contract to supply emergency power generation (AC Vol 53 No 10). The investigating committee stopped short of reporting on Lowassa's direct involvement and he was never charged with a crime. The sources of his wealth have never been thoroughly investigated.

Namibia

HAGE HEADS OFF LAND PROTESTS

■ President **Hage Geingob** has defused urban land protests which threatened to erupt into mass occupations at the end of July. This follows an unprecedented declaration of his and his wife **Monica Geingos's** financial assets in May to demonstrate 'transparency and accountability', with instructions to other officials to follow suit.

Geingob resolved the land issue at a marathon six-hour meeting with the leadership of the Affirmative Repositioning (AR) grassroots campaign just a week before the occupations were due to take place. The shortage and increasing unaffordability of serviced urban plots for low-cost housing in most towns saw the

emergence of AR late last year. Members of the ruling SWAPO Party's Youth League have risen to prominent leadership roles in AR, including former SWAPO Youth League spokesman **Job Amupanda**. Earlier this year the group staged a mass registration of some 50,000 mainly young Namibians for housing plots and then told municipal authorities they must provide these within six months.

Geingob convinced AR to call off the planned action by pledging to deliver 200,000 serviced plots of about 400 square metres each, starting with a pilot project in the country's three biggest towns – Windhoek, Walvis Bay and Oshakati. Land clearances are well under way, although civil engineers and town planners have warned it can take up to four years to identify, demarcate and install amenities such as new roads and schools on designated land. Geingob has brushed these objections aside, insisting that bureaucratic obstacles will be overcome by fresh legislation if necessary. Nevertheless, delivering the plots quickly enough to keep AR onside looks like a tall order.

Kenya

ICC AIMS AT KENYA

■ The International Criminal Court Prosecutor, **Fatou Bensouda**, succeeded on 19 August in her appeal against the court's judges' decision not to hear evidence on whether or not the Kenyan government was guilty of non-cooperation. Nairobi failed to provide Bensouda with records pertaining to President **Uhuru Kenyatta** on request, and the ICC later withdrew its charges of crimes against humanity against him. The Prosecutor's Office had asked the judges to rule whether Kenya had violated the terms of the Rome Statute, the treaty governing the ICC, by not cooperating with her. The prosecutor's plea was denied, and it's her appeal against that decision that has now been allowed.

The court must now decide whether Kenya prevented the ICC exercising its functions, and if so whether to refer its decision to the United Nations Security Council or the Assembly of States Parties, the 'parliament' of the Rome Statute, for possible action.

Supporters of the President might think that the ICC is looking to have a second bite of the cherry following Bensouda's decision to withdraw the charges against Kenyatta because of witness intimidation and government obstruction. What will happen now is uncertain as the ICC has not encountered these circumstances before.

Meanwhile, the trial of Kenyatta's deputy, **William Ruto**, and **Joshua Arap Sang** for crimes against humanity during the 2007-2008 post-election violence in Kenya continues.

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BLUE LINES

On his coming travels to France and New York for the United Nations General Assembly this month, Nigeria's President Muhammadu Buhari and his delegation will be sought out by the posse of lobbying companies advising Africa's ever hopeful opposition parties.

Building the national opposition alliance in Nigeria was much easier once six of the most powerful state governors had defected from the PDP. They brought with them resources, political networks and insider knowledge of how the governing party works and fights its elections. But that pattern is unlikely to be repeated in next month's elections. Certainly in Côte d'Ivoire and Guinea, incumbent presidents Alassane Ouattara and Alpha Condé look set to see off their opponents. It's more exciting in Burkina Faso, where Blaise Compaoré was chased from power a year ago and his camp followers are being kept away from the elections.

Only in Tanzania is the opposition, Chadema, copying part of the Buhari model before elections on 25 October. It has succeeded in wooing a former Prime Minister, Edward Lowassa, with in-depth knowledge of the governing Chama cha Mapinduzi. Sadly for Chadema, he doesn't bring a Buhari-style reputation for honesty. After Chadema's adoption of Lowassa as its presidential candidate, Wilbrod Slaa, one of the opposition party's founders, resigned in protest. Previously Chadema had included Lowassa on a list of politicians who merited investigation.

GHANA

A helping hand from the Washington twins

Cash and lobbying from the IMF and World Bank boost the government a year before elections

Smiling broadly and sporting his trademark dashiki shirt, on 7 September **John Mahama** submitted his application in Accra to stand again as the governing party's presidential candidate in next year's election. Having sidelined most of the National Democratic Congress dissidents, Mahama is likely to sail through the NDC party primaries.

After the party formalities, Mahama received **Nigerian President Muhammadu Buhari** for discussions on regional security cooperation. Buhari's victory in March against an incumbent president has fired up opposition hopes in Ghana. Mahama then flew off to **Germany** to address the Fifteenth International Economic Forum on Africa in Berlin on 8-9 September, where Ghana was again held up as one of Africa's brighter prospects amid concern at **China's** slow down and the international commodity price crash.

One reason for Mahama's good humour is that his government has managed to steer its way through one of worst years of economic travails since the 1980s: worsening power cuts, devastating floods, inflation soaring to 17% in June, ballooning foreign debt, and opposition claims of unprecedented political and business corruption. Bizarrely, Mahama's prospects of victory in next year's elections are higher after this *annus horribilis*, thanks both to local political machinations and help from the International Monetary Fund and the World Bank in Washington.

Firstly, the opposition New Patriotic Party is undercutting itself by a succession of internal disputes in which rivals have

enthusiastically destroyed each other's reputations live on Accra's radio stations (AC Vol 55 No 15). The NPP's General Secretary, **Kwabena Agyepong**, is lambasting the presidential candidate, **Nana Addo Dankwa Akufo-Addo**. Meanwhile, police are investigating complaints that some senior officials have misused party funds.

VENALITY AND MISMANAGEMENT

All this has crowded out the campaign about the government's venality and mismanagement by **Akufo-Addo** and his able running mate, **Mahamudu Bawumia**, a former Deputy Governor of the Bank of Ghana. Although Mahama boasts of success in fighting corruption, the government agency for this, the Commission on Human Rights and Administrative Justice (CHRAJ) has been almost paralysed by administrative disputes and a chronic lack of resources.

For now, the opposition parties' biggest battle is their campaign to get a new electoral register. They reckon the existing one is inflated by over a million names: the population is about 26 million and the median age is 18, meaning that if every eligible Ghanaian registered, there would be about 13 mn. names. The governing NDC, which has a formidable electioneering apparatus, especially when in power, dismisses the arguments saying it is too late and too costly to draw up a new register.

Christine Osei, appointed to chair the Electoral Commission in June, says the register's accuracy will be assessed. Civil

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activists, such as **Emmanuel Akwetey** of the Institute of Democratic Governance, who was at one stage tipped for the EC job, argue that the register should be reviewed by an independent task force, drawing on academics and civil society.

At the height of the current problems, the IMF has agreed a US\$900 million credit to bolster state finances and, more spectacularly, the World Bank is offering a \$700 mn. guarantee which it hopes will generate the \$7.9 billion that Ghana needs to build the Sankofa gas project. Using local gas, the plant will generate some 1,000 megawatts of electricity and cut costly fuel imports and reduce carbon emissions.

Finance Minister **Seth Terkper** presents this combined package as a tremendous vote of confidence in Ghana. He will need every ounce of confidence this month in his campaign to float another eurobond. This time he's looking for \$1.5 bn., just as a stronger **United States** dollar and prospects of a US interest rate rise are drawing money away from emerging markets.

The IMF projects reduced growth in gross domestic product of around 3.5% this year and a persistently large fiscal deficit of over 7% of GDP. Adding to the problems are an interest rate of a hefty 22%, determined by the central bank. This is accompanied by costly local borrowing rates, falling gold prices, government debt to the fuel and power sectors, and lower cocoa production this year.

Although the World Bank's financing help for Sankofa will boost electricity production in the medium term, before that, the power sector needs extensive reform and restructuring, says **Franklin Cudjoe** of the Accra-based IMANI Centre for Policy and Education. He backs private sector involvement in the state-owned Electricity Company of Ghana, which Mahama is trying to push through in the teeth of trades union opposition.

IMANI has just rated the NDC's delivery record on its 2012 election manifesto at 47% or significantly below average. Conditions for the IMF credit include other policy shifts, such as freezing public sector wages as well as

new borrowing at home and overseas. There are also tougher restrictions on the central bank's ability to finance the government deficit.

Renaissance Capital economist **Yvonne Mhango** says this IMF restriction on Bank of Ghana debt monetisation is critical. Although Ghana might miss the IMF's fiscal deficit reduction targets, an overshoot of 1% or less would still represent progress and not spark major concern over the government's commitment to fiscal tightening. IMF confidence is reflected by its positive assessment in June and its approval of Ghana's planned \$1.5 bn. Eurobond, which will be partially guaranteed by the World Bank, she adds. On the downside, Mhango emphasises that the approximately \$500 mn. that the government owes to bulk distribution company (BDC) fuel importers needs

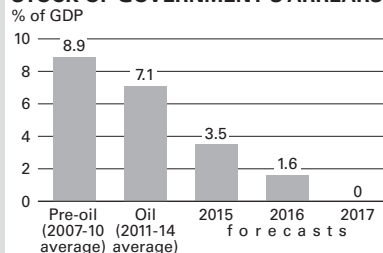
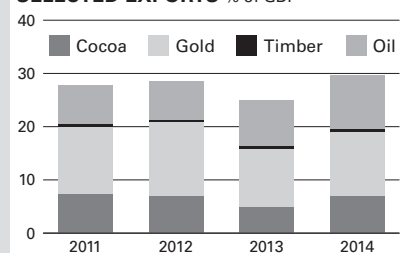
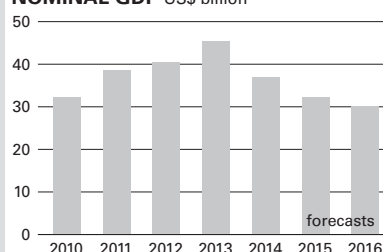
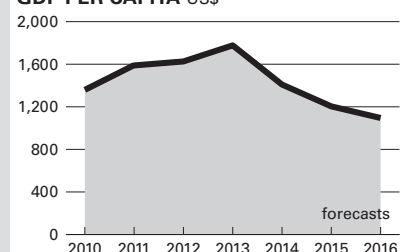
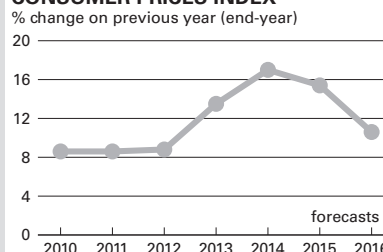
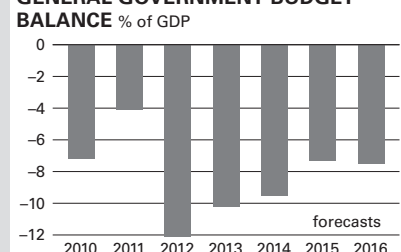
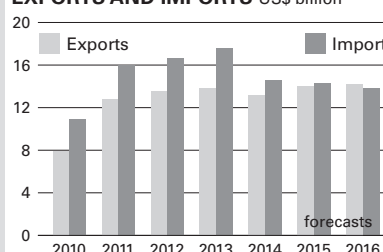
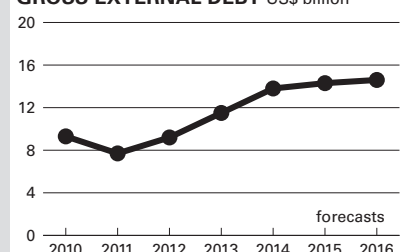
resolution. Other RenCap analysts suggest that rising state debt to BDCs could cause another fuel crisis and more non-performing loans.

With about a third of the Eurobond funds used to retire outstanding instalments on Ghana's first Eurobonds, the remaining \$900 mn. should provide a boost to state finances. In his address to Parliament on 21 July, Terkper said this year's deficit target would rise to 7.3% from 6.5%, and the growth target would fall from 3.9% to the IMF's predicted 3.5%. Terkper added that developing the Tweneboa, Enyenra and Ntomme (TEN) fields was '57% complete' and would supply oil and gas by the second half of 2016.

Peter Enti of Nubuke Investments, who argues that the 'green shoots' of the IMF-assisted economic recovery have not yet emerged from the trough, predicts

GHANA'S ECONOMIC PROFILE

Sources: Bank of Ghana; IMF; Renaissance Capital

STOCK OF GOVERNMENT'S ARREARS**SELECTED EXPORTS % of GDP****NOMINAL GDP US\$ billion****GDP PER CAPITA US\$****CONSUMER PRICES INDEX****GENERAL GOVERNMENT BUDGET****EXPORTS AND IMPORTS US\$ billion****GROSS EXTERNAL DEBT US\$ billion**

that the coming Eurobond's yield will reflect the terms of Ghana's other debt issues, which are above the rates of peer countries such as Côte d'Ivoire. Other analysts predict the interest on the bond could rise above 10%. Copper-dependent Zambia is paying 9.4% on the \$1 bn. bond it floated in July.

For Terkper and Mahama, the market's response to the bond issue will

be a key test of their recovery plan. Even if the interest rates are no higher than the 8% charged on last year's bond, debt obligations are now approaching 70% of GDP. That's higher than a decade ago, when the previous government negotiated an IMF- and World Bank-backed write-down under the Heavily Indebted Poor Countries Initiative.

A couple of random factors could

yet help Ghana: international economic jitters are likely to push up the price of gold, the country's second biggest export; those same jitters have caused much more economic trouble elsewhere in Africa, in South America and even in Asia, so Ghana's economic woes are no longer exceptional. Much will depend on its politics but it could just be one of the first to emerge from the morass. ●

SOUTH AFRICA

In league with Zuma

The President's supporters consolidate their grip on the party by securing the leadership of its Youth League

The election of a relatively unknown North-West provincial leader of the African National Congress Youth League as National President of ANCYL has again highlighted the growing influence of an ANC lobby group known as the 'Premier League'. This group, which also saw its candidate, **Bathabile Dlamini**, elected as President of the ANC Women's League last month, is consolidating its influence in the governing party before the 2017 elective conference (AC Vol 56 No 17).

The ANCYL Member of the Executive Council for Local Government and Human Settlements, **Collen Maine**, was chosen to head the Youth League when close to 3,000 ANCYL delegates met in Midrand on 4-6 September. The League's National Executive Committee was disbanded in 2013 after its then President, **Julius Malema**, was expelled for challenging President **Jacob Zuma**. The ANC leadership replaced the NEC with handpicked interim leaders, dubbed the 'National Task Team' (AC Vol 55 No 17). Maine won the ANCYL presidency with the backing of the Premier League, which is led by three powerful ANC provincial leaders: Mpumalanga Premier **David Mabuza**, North-West Premier **Supra Mahumapelo** and Free State Premier **Ace Magashule** (AC Vol 55 No 24). With their strong provincial party base, deep pockets and the support of the ANC KwaZulu-Natal Secretary, **Sihle Zikalala**, the lobby group saw their preferred candidates elected. Mahumapelo jumped on stage and couldn't contain his joy minutes after Maine's victory was announced. Zikalala's man, **Njabulo Nzuza**, was elected ANCYL Secretary General, seen as the most strategic position with responsibility for the day-to-day

running of the League, while Mabuza's ally **Desmond Moela** was elected as Maine's deputy.

Some ANC leaders have, however, dismissed the Premier League's influence. 'It is not true that comrades are imposed, they emerged from the democratic processes of the organisation... We must debunk that notion,' said **Fikile Mbalula**, former ANCYL President and current Minister of Sports and Recreation. Another former Youth League President, Home Affairs Minister **Malusi Gigaba**, told City Press: 'The 2017 elective conference is still far away; by the time we get to 2017, you might not be a factor or your people might no longer have the influence you had wished they would have'.

Nevertheless, the Premier League is 'serious and have the money', one ANC insider tells *Africa Confidential*. 'Nowadays, you need some serious money for an election and they have it, they want influence. First it was the Women's League and now it's the Youth League'. In a thinly veiled attack on the increase in factional support, the South African Communist Party, led by **Blade Nzimande**, also weighed in: 'attempts at factional, corrupt and corporate capture of our movement is condemned and the use of money to buy votes, stifle internal democratic processes and isolate the alliance and its partners... appears to be increasing in the run up to 2017'.

Other contenders, such as **Ronald Lamola**, a former ANCYL Deputy President, and former Treasurer **Pule Mabe**, had their hopes shattered when they did not receive the necessary support from branches or from delegates at the conference. There were several calls for recounts for Lamola's nomination, which fell short by two votes, but these were repeatedly turned down. 'Lamola is a good guy and would

have taken the ANCYL far but the guy has no money,' a Youth League insider told us.

MAINE CHANCE

Known as 'Collen 34.9' due to his uncertain age – the official cut off age for Youth League members is 35 – many former ANCYL members were disappointed that, as some put it, such a 'lacklustre and toothless' person had been elected to lead them. His detractors in the North-West also link him to the Congress of the People (Cope), a party formed in 2008 by a group of disgruntled ANC members, and claim he was a member until 2009, which he denies. The former student leader was also a member of parliament.

'That one, Maine, has no vision and no real power, he will not take the League anywhere and will follow what the Premier League or Zuma wants him to do – and he's already so old,' said a former ANCYL member. Apart from the Premier League's support, Maine also had the backing of the biggest voting bloc, KZN, which had close to 800 voting delegates. The election of the ANCYL's top executive showed the strong strategic influence the Premier League wields, with eight members from KZN, five from the Free State and Mpumalanga, and four from the North-West Province.

'The future looks bright, we have no challenge at all,' Malema, now leader of the Economic Freedom Fighters, tweeted after Maine's election. A last-ditch effort by a group of North-West ANCYL members to stop the conference failed after the High Court in Pretoria rejected their application for an urgent interdict. They brought the application claiming irregular auditing processes and allegations of interference from top structures within the ANC.

ANC President Zuma also addressed the conference: 'We need an ANC Youth League that is loyal to the ANC and must unite behind the new leadership, work hard to eliminate factionalism which diverts cadres from their important work of building the ANC and the country'. Gauteng delegates who had supported Mabe snubbed Zuma by refusing to attend his speech. ●

CENTRAL AFRICAN REPUBLIC

A vote too far

Momentum is building behind the idea of postponing the elections. They could cause more problems and unrest than they solve

As referendum day approaches on 4 October, 'elections at all costs', which is widely seen as the slogan of the international community, sounds less and less convincing. Consensus is growing that the virtual impossibility of compiling a credible electoral register before then is just one of many obstacles that have made early elections all but unworkable (AC Vol 56 No 13). So far, the interim government has admitted only that a 'slight shift' in the timetable will be necessary.

On 26 August, the Deputy Chairperson of the electoral commission, the *Autorité nationale des élections*, **Godefroy Mokamane**, resigned in protest. Among other things, he cited arguments within the ANE about spending, accountability and the government's failure to provide adequate funds for the registration campaign outside Bangui, the capital.

Last May's Bangui Forum on National Reconciliation was intended to supplement the registration drive with initiatives on reconciliation, disarmament and the reassertion of state authority over the whole country (AC Vol 56 No 11). However, France's impatience to be rid of what it sees as its Central African Republic headache led to an even more ambitious timetable being adopted. A disarmament, demobilisation and reintegration (DDR) programme was announced, even though it lacked both funding and a political consensus. The report on the Bangui Forum has not been finalised yet and the Follow-up Committee set up in its wake has hardly met.

Other problems include the interim Parliament, the *Conseil national de transition* (CNT) establishing an upper chamber, even though there is no money for it. Meanwhile, the principle that no member of the interim government should be eligible to stand for election is still being argued about. The heads of the political parties who have taken part in this government have no intention of giving up their leadership posts and the militias are busy forming parties to push for amnesty and seats in government. Violence continues and the leadership of the United Nations' deployment, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation en République centrafricaine* (Minusca) still faces challenges.

Much of the optimism of the early summer has now evaporated, leaving three key issues that may decide the country's future: elections, DDR and the army.

OUT FOR THE COUNT

Electoral registration finished in the capital only on 31 July, while it should have been completed in the entire country by 27 July. By this month, 64% of electors had been registered in Zone 2, the central and western areas nominally under Minusca and government control, i.e. the main *Anti-Balaka* areas. In Zone 3, the north and east where *Séléka* groups still hold sway, less than 16% of electors had been registered.

Observers in Bangui detect a mood of indifference about elections and registration. Very few politicians are attempting to engage with the public. They include veteran politician and former Prime Minister **Martin Ziguélé**. The ANE could have used neighbourhood leaders, the *chefs de quartier*, to ensure more people registered but they chose not to pay them. Many people from **Congo-Kinshasa** are in CAR and some are registering to vote. They are likely to favour the *Rassemblement démocratique centrafricain*, led by **Désiré Nzanga Bilal Kolingba**, the former single ruling party of his father, General **André Kolingba** (AC Vol 41 No 11). It is already clear that rigging elections could become a feature of the new dispensation.

Registration has been extremely sketchy outside the towns. In addition to the practical difficulties of reaching areas on roads made impassable by the rains, corruption is routine. *Anti-Balaka* forces in Bossangoa, for example, asked the ANE to employ hundreds more workers to compile the register than were necessary and *Séléka* areas are likely to employ similar tactics. The ANE's accountability record is not good. Its Chairman, **Dieudonné Kombo Yaya**, has just spent two weeks in China, which lacks a parliamentary democracy, at the ANE's expense.

Refugees constitute another major challenge. The CNT passed a law excluding refugees from the electoral register because of the danger of fraud but the Constitutional Court overruled it. About 198,000 refugees could be disenfranchised and there is a question

mark over whether internally displaced people will be able to register. Many Muslims, in particular, fear they'll be excluded: they are disproportionately represented among refugees and IDPs. The Bangui Forum, say insiders in Bangui, should have done more to promote reconciliation. Registering electors in Zone 3 is hard enough and will become harder if local people lose faith in the ANE.

DDR WOES

Many militias expect a generous DDR settlement, which explains the relative quiet that prevails, although there have been serious incidents in Bambari and Bria. Yet no money is available and the number of militiamen to benefit from the programme is likely to be between 500 and 800, rather than the 5,000 that *Séléka* is expecting. Much of this has to do with expectations raised by the now dismissed UN Secretary General's Special Representative, Lieutenant Gen. **Babacar Gaye**. Minusca could end up paying the price for their disappointment. Gaye was made to resign over sexual crimes committed by some Minusca soldiers.

The DDR programme has failed in the past and was a factor in the start of the *Séléka* revolt, and as a result, the European Union and **United States** are reluctant to fund it. It is especially hard to see what benefit there is in a poorly-funded DDR if no political process is underway, either. *Séléka* fighters could well refuse to demobilise in the absence of an adequate DDR programme. If this combines with more general disaffection in the broader Muslim community, hardliners could find plenty of support. *Anti-Balaka* fighters are also likely to be disappointed. Many became involved in the militias on the promise of becoming soldiers or police officers when peace came but this prospect is extremely remote.

Chad's policy reflects its fear of unrest. In the latest meeting of the contact group, the *Groupe international de contact* (GIC) held in Addis Ababa, Chad's Minister of Foreign Affairs, **Moussa Faki Mahamet**, was unusually critical of CAR politicians and the current electoral process. Ndjamena is likely to react if groups aligned to *Séléka* lose out completely and President **Idriss Déby Itno's** allies, such as Kolingba, lose the elections.

The resignation in July of the Army Chief of General Staff, Gen. **François Mobéhou**, was a sign of other important changes which the obsession with elections has obscured. Mobéhou claimed in his resignation letter that the interim presidency had undermined the chain of command and tried to use him to reassure donors while key decisions

were taken elsewhere. One of the many problems of the national army, the *Forces armées centrafricaines* is the absence of an accurate headcount. Many officers do not want one because they are claiming the salaries of 'ghost' soldiers. The Defence Minister, **Marie-Noëlle Koyara**, a close friend of President **Catherine Samba-Panza**, is reluctant to address this problem even though it is key to putting FACA in the field.

There is a widespread feeling that although interim government members try to pressure donors to fund FACA, they have no real interest in having a fully functioning military. After months of refusing, Gaye had to accept some FACA troops in the towns that Minusca

controls. FACA's future role and how it can be rebuilt remain unanswered questions. Some 13 billion CFA francs of the CFA15 bn. (US\$26 million) military budget goes on salaries and allowances. Yet there are no usable barracks and still no plan to integrate former militia members or deploy the army to towns on the border.

SHOW OF FORCE

At the same time, Minusca and the European military mission, Eurofor, alike lack money, and their funders have not been coordinating as well as they might, we hear. Gaye's replacement, **Parfait Onanga-Anyanga**, is trying to assert himself and make a show of Minusca's

strength in Bambari by supporting the US call to arrest the former *Séléka* leader, **Ali Darass Mahamat** (aka **Ali Ndaras**). Darass, who has been asserting his rule in the area, is being held responsible for the killing that occurred there in August and Onanga-Anyanga, a **Gabonese** who headed the UN response to the **Nigerian** Islamist militia *Boko Haram*, wants to make an example of him.

Against this background, the prospects for elections going ahead as planned not only look poor, they have the potential to ignite further conflict. There could also be a backlash against France for setting too fast a pace on the timetable for the elections and the referendum. ●

MALAWI

Small fish chase big fish

With the sentencing of the principal defendant, the Cashgate saga has taken a new turn

The strategy of arresting and trying those seen as 'small fish' in the Cashgate scandal was deliberate, as they would name the 'bigger fish', a senior official in the Anti-Corruption Bureau (ACB) told *Africa Confidential*. It seems to be working: new names and other revelations emerge from the courts at every conviction. On 4 September, **Oswald Lutepo** was convicted of stealing 4.1 billion kwacha (US\$8.5 million) and money-laundering and Justice **Redson Edvard Kapindu** sentenced him to eleven years in gaol (AC Vol 55 No 21).

Lutepo, the former financial boss of the People's Party, has always insisted the fraud was carried out on behalf of ex-President **Joyce Banda's** PP, of which he was Director of Operations, and that he took direction from her. She has always denied any wrongdoing and when Lutepo was convicted, declared herself proud of the investigation.

Banda has remained outside Malawi for close to a year now, saying she was too busy to return because of her many speaking engagements and later, because the governing Democratic Progressive Party was plotting to take her life (AC Vol 56 No 14). There has been little sympathy from the public. After the Lutepo verdict, her spokesperson confirmed that she would be returning to Malawi in October, although he refused to give a date on security grounds, said a report in the local press. Banda's most recent public engagement was in July at the funeral of lawyer **James Mbowe Nyondo**, a 2014 presidential candidate who died in **South Africa**, where she is based.

Lutepo was not the only person alleging Banda's involvement in Cashgate. The former Administration Director in the Ministry of Tourism, **Leonard Kalonga**, was convicted on his own guilty plea of stealing K3.7 bn. He told the court in Zomba that he had overheard a telephone conversation between Lutepo and Banda, assuring her that they would raise K10 bn. for the PP's campaign for the 2014 general elections (AC Vol 55 No 18). Banda called Kalonga a liar. The Director of Public Prosecutions (DPP), **Mary Kachale**, told the court during Lutepo's trial that the PP had used public funds to disrupt the Malawi Congress Party's 2013 convention and elections by sponsoring an MCP presidential candidate, whom she did not name, to the tune of K11 mn.

The MCP Secretary General, **Christopher Theophilus Daza**, famously defected abruptly to the PP in November 2013, after failing earlier to win the party presidency earlier that year. He became Minister for Good Governance in Banda's cabinet.

Kalonga's boss, **Treza Namathanga Senzani**, was the first to be sentenced in the scandal and is now serving three years in gaol for money-laundering and theft. Kalonga, who was arrested after he bought six new buses, claims that he was used to pay over K540 mn. to the vehicle dealers as the buses were for the PP. He said he met the then National Budget Director, **Paul Mphwiyo**, and many officials who had passwords for government financial systems and that he was promised protection after the Cashgate cases came to light.

It was the shooting of Mphwiyo by unknown assailants in September 2013 that started to unravel the conspiracy to loot public funds and led to the arrest of more than 70 politicians and public officials. Banda claimed to know who was behind the attack, blaming people trying to thwart her anti-corruption fight. However, days later, when it was obvious that Mphwiyo was part of the scam, she denied knowing who was responsible. One of two key suspects in the shooting of Mphwiyo, ex-soldier **Macdonald Kumwembe**, has called the former President as a witness.

JUDGES IN FEAR

The cases, which are running into their second year, are never short of drama. Justice **Chifundo Kachale**, who was trying another case against former Justice Minister **Ralph Kasambara**, recused himself last month after being accused of a conflict of interest. He is married to DPP Mary Kachale. The attacks on judges, a defence strategy to derail the cases, led to Kumwembe being gaoled last week for four months for contempt of court. He had insinuated that Supreme Court Justice **Michael Charles Mtambo**, who had found that Kumwembe and his colleague **Pika Manondo** had cases to answer for attempted murder alongside Kasambara, was a thief. Other judges are said to have been living in fear after threats.

The repercussions of the cases go far and wide. The ACB Director of Corporate Affairs, **Issa Njauju**, was brutally murdered in July, possibly in an attempt to intimidate the Bureau. The home of a **German** diplomat involved in a German-sponsored report by PricewaterhouseCoopers was broken into. The German Ambassador, **Peter Woeste**, warned the Malawian government that he believed the theft was 'politically motivated'. A diplomat was injured and papers relating to the investigation, which has uncovered losses of K577 bn., went missing. The audit has

already revealed that an estimated \$357 mn. disappeared in 2013, when Banda was President, but the earlier fraud could implicate the current government, many of whose members, including President **Peter Mutharika**, held office under his late brother, President **Bingu wa Mutharika**. Peter Mutharika has sued a local news outlet for libel for suggesting that he was

involved in Cashgate-style fraud during his brother's time in office.

Two years after the massive looting, new names, institutions and systems are still being revealed in court but one name that comes up repeatedly, both from defendants convicted or on trial, is Banda. Many think it is time she came home to clear her name. Her international

speaking engagements have shrunk considerably.

'We are tightening the noose on all angles. Most of the cash simply vanished after being cashed from banks,' said an ACB official. 'Everyone will point where it ended as we confiscate their properties and gaol them. That should give closure for the trials.' ●

KENYA/UGANDA

Warming up the Kenyatta-Museveni axis

Common interests are prompting more bilateral cooperation but the latest agreement over a pipeline will sorely test regional solidarity

In two weeks' time, when most of Africa's 54 leaders travel to New York for the opening of the United Nations General Assembly, there will be much talk of shifting regional alliances. The growing cooperation between Kenyan President **Uhuru Kenyatta** and veteran Ugandan President **Yoweri Museveni** is a prime example. Both countries have their economic and political problems, but in the short term, Uganda's are more serious.

Not only does Museveni face growing dissent within the governing

National Resistance Movement and a rejuvenated opposition, Uganda's military interventions in **Somalia** and **South Sudan** are under growing pressure. Worryingly for the Treasury's tax revenue, some important investors are cutting their commitments to the country. The government's management of oil development is almost universally criticised for its politicking and costly delays. Now, Kampala faces slackening world demand for oil and sustained low prices, even before production starts up.

So when Kenyatta visited Museveni

in Kampala on 8-10 August, oil was top of the agenda after the customary inspection of the guard of honour and of industrial plants. Museveni, who had invited the International Criminal Court to investigate and track down **Joseph Kony** and the Lord's Resistance Army, has changed his mind about the ICC's role in Africa and become one of its most determined opponents. He lobbies hard against the Court's attempts to prosecute Kenyatta and his Deputy President, **William Ruto**, for election violence in 2007-08 (AC Vol 56 No 17).

Now Museveni wants a pay back from his more economically successful neighbour. That explains the complex deal-making behind the pipeline that is to transport Ugandan oil from Lake Albert to Kenya's coast. Until now, the two leaders could not agree on the route. In the latest deal, the line will stretch 1,500 kilometres from Lake Albert to the Indian Ocean port of Lamu, via Kenya's

BAD TIMING

Bankers and company executives who are puzzled by the government's decision to open the bidding on six new oil blocks for exploration as world prices plummet may find some of the answers at an oil and gas summit in Kampala on 16-17 September. As oil and gas companies slash exploration budgets in response to the downturn, Uganda is trying to stir up interest in the Albertine Graben region (AC Vol 51 No 8).

When the government first announced the licensing round in February, it insisted that 400 companies were interested. That figure was then revised down to 19, of which 16 made it on to a short list announced on 10 August. Of the three companies operating in Uganda, only Tullow Oil wants to explore further. The others are small-to-medium-sized companies, some of which face questions about their governance records and their technical expertise.

The anti-corruption lobby Global Witness points to problems with **Nigeria's** Oranto Petroleum: its Chairman, Prince **Arthur Eze**, was accused by **Liberia's** Auditor General of paying a bribe to influence the award of contracts AC Vol 43 No 6). Another is America's Glint Energy, which does not appear to hold any assets anywhere. Its website, whose logo is a large flashing diamond, says that in Africa, it has 'target assets' in **Congo-Kinshasa, Eritrea, Ethiopia, Sudan, Uganda and Zambia**.

Lack of interest in the exploration round may also reflect the problems of oil companies already in Uganda. Disputes over taxes and exports mean that not a drop of oil has been pumped since commercial quantities were first discovered in 2006. To improve governance, the government imposed a moratorium on further licensing rounds in 2007 until a better regulatory framework was established.

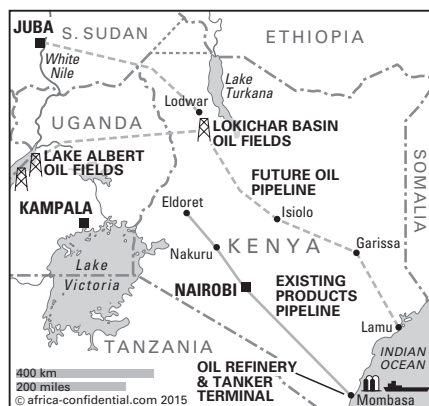
It created the Petroleum Authority of Uganda, responsible for licensing and regulating the sector. But two years after the PAOU was given a mandate by Parliament, Museveni has still not appointed its board of directors.

Debate over an export pipeline to transport Ugandan crude to international markets and a refinery have not helped matters. Although a deal was struck to build a 180,000 barrel-per-day refinery in February, it remains unclear how the project will be financed.

It was hoped that the **Russian**-state conglomerate that won the contract to build the refinery, RT-Global Resources, would provide the US\$4 billion finance for the project (AC Vol 56 No 5). Russia's weakening economy could change that, though. There are also questions about whether the consortium could raise finance from Western banks as its leading company, Rostec, is under European and **United States'** sanctions for Russia's military involvement in **Ukraine**.

Hopes that **China** might offer alternative financing have been dampened by its own slowdown. Indeed, Ugandan officials worry that Chinese banks could withdraw support from other energy projects. Most important are the Isimba and Karuma hydropower projects: Beijing agreed to cover 85% of their combined price of \$2.2 bn. The loans for those projects are set at a fixed exchange rate: if Beijing were to pull out now it would send a very negative signal.

Why is government pressing ahead with the bidding round amid so much market uncertainty? Much of the answer may lie in Uganda's own economic troubles and the need for a quick infusion of cash to bridge the widening budget deficit. ●



oil fields in the remote Lokichar Basin (AC Vol 55 No 21). It will also have to be a heated pipeline to keep Uganda's waxy crude oil flowing freely.

Kenyatta wants to route the pipeline through Lokichar to Lamu to support his government's flagship Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor (AC Vol 55 No 16). Several other projects are planned, such as a port and airport at Lamu, road and railway links to western Kenya, a power station and resort towns. Lamu is still subject to Western government travel advisories on the threat of Islamist attacks, which Coast representatives have been trying hard this week to lift.

After some excitement, investor interest in LAPSSET has cooled (AC Vol 56 No 10). Little progress has been made on the US\$450 million contract awarded to China Communications Construction Company for the first three of Lamu Port's 32 planned berths. The other projects depend on the pipeline to Uganda and a possible branch line to South Sudan. The oil finds in the Lokichar Basin alone are not enough to justify the project: just 600 mn. barrels, compared to the 6.5 billion around Lake Albert. Kenyatta's political and business allies also hope to benefit from their land purchases in the Lamu area, where prices will skyrocket if the scheme goes ahead.

Until recently, the Ugandan government fiercely opposed the Lamu pipeline route. Instead, it favoured a cheaper route via Nairobi to the long-established deepwater port at Mombasa. This would be less vulnerable to attack by fighters from *Al Haraka al Shabaab al Mujahideen* who often cross over from Somalia to strike targets in northern Kenya. Uganda has also considered a third and much longer route that would avoid Kenya and skirt around the western edge of Lake Victoria, ending in Dar es Salaam in Tanzania. Kampala seemed to be using this option as a way of pressuring Kenya to adopt its preferred route.

To back the route that it preferred, Kenya contracted Japan's Toyota Tsusho Corporation in November to do a feasibility study on the northern

route. It released an edited version of the report in May, arguing that it was indeed viable (AAC Vol 5 No 7). Yet troublesome details such as the cost of building roads to the pipeline and acquiring land were omitted from the edited version. Now, some Nairobi officials say the World Bank has agreed to cover such extra costs.

The main investors in Uganda's petroleum – the China National Offshore Oil Corporation, France's Total and British-Irish Tullow – range between extreme scepticism and outright opposition to the northern route. A special conference in Nairobi in July nevertheless concluded that there was general support for it.

QUESTIONS ABOUT VIABILITY

Museveni's acceptance has upset the technocrats in the Ministry of Energy and Mineral Development in Kampala. It wasn't consulted and many think the project is more about politics than getting the economics right, after years of delay. Financial experts are struggling to find ways to raise the investment cost and repay it. Uganda has attached conditions to the northern route proposal that could complicate fund raising. For example, it stipulates that Kenya must guarantee security for the pipeline and that transit fees cannot be higher than they would have been on the other routes discussed.

Both countries are looking for investors and banks to cover the \$4 bn. cost of the project but they want guarantees about the timing of oil production. Since none of the oil companies in either Lake Albert or Lokichar have announced final investment decisions, in part because they want guarantees that the pipeline will be built – Kampala and Nairobi will struggle to convince financiers in the current climate. Both countries already face ballooning debt burdens: Kenya is building what locals describe as the most expensive railway in the world between Nairobi and Mombasa, and Uganda has racked up massive debt to pay for the two hydropower projects at Karuma and Isimba.

The two countries differ over transit fees. The problem with Uganda's demand that the fees on the northern routes must be lower than on the alternative routes is that no one knows the cost of the other routes. **Daniel Kiptoo**, the Advisor to Kenya's Energy and Petroleum Cabinet Secretary, said on 17 August that Uganda had stipulated that any cost above \$15.70 a barrel would have to be incurred by Kenya. This figure was too high, industry experts told *Africa Confidential*, but there would be a way of recouping the investment in the pipeline.

SWEET DEAL

In the short term, it was Kenyatta's sugar deal with Museveni that created most

rancour. The deal, initially announced as the lifting of Kenya's ban on Ugandan sugar imports, immediately caused a furore. Any such ban would have contravened the letter and spirit of the East African Community (EAC). It also follows Kenyatta's injection in June of 1 bn. Kenya shillings (US\$9.6 mn.) into the ailing Mumias Sugar Company, in Kenya's Western Region (AC Vol 56 No 17). This was widely seen as bid to boost support for the Jubilee Alliance in the region. The sugar deal may also have been a way of getting Museveni to agree to the northern route for the pipeline.

After a week of Kenyan politicians such as Ruto defending the sugar deal, Agriculture Cabinet Secretary **Adan Mohamed** announced that there had never been one. Rather, it was just something invented in 'mischievous reports' in the press. He repeated that any protectionism would have been illegal under EAC rules. Traders say that Kenyan and Ugandan business barons have been heavily investing in Uganda's sugar industry. However, the big money is not in sugar produced in Uganda but in cheaper sugar from **Brazil** and **Thailand**, which is smuggled into the region overland via Somalia, **Djibouti** and **Congo-Kinshasa**, and then repackaged as local produce.

One leading figure demanding market access for Ugandan-labelled sugar is the Kenyan-Somali businesswoman **Amina Hersi Moghe**. Based in Kampala, she acts as an emissary for Kenya in its dealings with Ugandan officials. In addition to owning a chunk of Uganda's sugar industry, Amina Hersi owns the Oasis Mall in Kampala and several luxury housing estates, along with businesses in Kenya. She is close to both Museveni and Kenyatta. At the launch of one of her luxury blocks of flats in Kampala in November 2013, Museveni told the audience that he had intervened to prevent the Uganda Revenue Authority from 'pestering her' with taxes on imported building materials.

Another trade-off, of personal interest to both Museveni and Kenyatta, was the lifting of Uganda's restrictions on beef and dairy imports from Kenya. The Kenyatta family is one of the largest cattle-owners in Kenya and holds a majority stake in Brookside, the country's largest dairy. The easing of restrictions on Kenyan beef and dairy exports comes just as Brookside is expanding in East Africa. In May, it acquired a stake in Uganda's Sameer Agriculture and Livestock Limited worth some 3.2 bn. Uganda shillings (US\$880,000). Like the sugar agreement in Kenya, the sale raised concern in local media that it would allow a major foreign competitor to muscle smaller players out of the market. ●

EGYPT

First laws, then parliament

The election of a parliament may place some limits on the regime but much of what it wants to do has already been accomplished by decree

By the time the new Parliament holds its first session following the two-round general elections in October and November, more than 500 laws will already be on the statute book. That is the number passed by decree since the previous elected legislature was dissolved in July 2013. They range from routine measures to highly controversial ones, such as March's Civil Service Reform Law, which provoked big protests from trades unions after the new salary system went into effect in August.

There is little chance of the laws passed during the first part of President **Abdel Fatah el Sisi's** rule being repealed, as the new constitution allows only 15 days for the Parliament to review the legislation passed by decree. In any case, the chamber is likely to be filled with loyalists with little desire to challenge the government's policies.

El Sisi's presidency has been defined to a large extent by the brutal events that brought it into being in June 2013 and by the authoritarian measures that followed (AC Vol 54 No 15). Those include the law clamping down on protest, the restoration of trials of civilians by military tribunals and the recent anti-terrorism law, which has significantly eroded press freedom. For the El Sisi camp, these measures have been the price of restoring stability, although there are now questions about how successful that has been, given the persistent violence.

The government has also pursued a vigorous economic agenda. This has included lavish spectacles such as the Sharm el Sheikh economic conference in March and the 6 August celebration of the completion of a new channel in the Suez Canal. These events have played their part in projecting an ambitious vision for Egypt's future prosperity, although they have also attracted criticism, in particular for the inflated claims of the benefits that will flow from expanding the Suez Canal and for the fantastical elements of the new capital city project.

Critics of the canal project have noted that in the first month since the new 72-kilometre channel was opened, traffic was down by 14% compared with the same period last year. Yet one

month's traffic is not sufficient to make a final judgment, especially given that world trade is now in the doldrums. The expansion will help to retain the loyalty of major shipping companies, such as **Denmark's** Maersk, and it has pre-empted by a year the expansion of the Panama Canal, the main competitor for global east-west shipping. Less than one-third of the US\$8.5 billion in finance raised from the investment certificates issued for the Suez scheme was spent on the new channel. The remaining funds are to be used for other infrastructure that could add value to the canal. The capital city project has taken some knocks, though, with the breakdown of talks with a Gulf Arab investment group. A **Chinese** state building corporation is now set to step in.

SUCCESSSES

At a more mundane level, the government's economic programme has chalked up some successes. Significant progress has been made towards tackling the chronic energy deficit. The fiscal deficit is coming down, albeit slowly and from perilously high levels. Subsidy reform has made a solid start. The new Ministry of Urban Renewal has adopted an enlightened approach to improving conditions in informal settlements, where as many as 40 million of the country's 90 mn. people live.

In 2014, Egypt faced a chronic electricity shortage, leading to prolonged power cuts and a big shortfall in natural gas supply. Within one year, 3,600 megawatts of small and medium-sized turbines have been installed, running on gas or light fuel oil, and projects are under way to install some 20,000 MW of thermal and renewable capacity over the next three to four years. There are some grumbles that industry's power has been rationed to ensure that residents were spared power cuts over the long hot summer but the improvement has been palpable. Among the decrees early this year was one that will pave the way for the electricity sector to be restructured, allowing more private sector involvement in generation and distribution, and splitting off the state-owned transmission company so that it operates as an independent entity.

Over the past two years, there has

also been a dramatic improvement in relations between the Ministry of Petroleum and Mineral Resources and international oil companies (IOCs). The root cause of Egypt's gas deficit was the slowdown in upstream investment in the latter part of President **Mohamed Hosni Mubarak's** reign as a result of the Ministry's refusal to negotiate more flexible gas sale terms and the build-up of more than \$6 bn. in payment arrears. Under **Sherif Ismail**, who became Minister in July 2013, the arrears have been reduced by half and more than 30 exploration and production agreements have been signed with IOCs.

GAS UP

One of those exploration deals was signed in January 2014 with **Italy's** Eni (*Ente nazionale idrocarburi*) for the Shorouk block in an area along the maritime border with **Cyprus** that Shell had previously explored in the early 2000s. Shell had high expectations of finding a large natural gas reservoir, based on its three-dimension (3D) seismic surveys, but its drilling campaign was disappointing. Eni's Zohr-1 well turned up the biggest gas discovery yet in Egypt or the Mediterranean, with reserves estimated at 30 trillion cubic feet, in effect increasing Egypt's reserves by almost 50%. Ismail has, meanwhile, managed to conclude terms for the development of BP's long-delayed West Nile Delta project, with reserves of 5 tcf, while BP has also recently discovered a further 5 tcf off the eastern Delta in its North Damietta Offshore block in the Mediterranean.

Egypt's gas production has fallen to about 4.3 bn. cu.ft/day from a peak of over 6 bn. cu.ft/d in 2009. For the next few years, it will rely on imports of liquefied natural gas through two floating facilities at the southern entrance to the Suez Canal to make up the difference. They have a combined capacity of 1.25 bn. cu.ft/d. In 2018, West Nile Delta is scheduled to come on stream with about 1 bn. cu.ft/day and Eni has said that it plans to move ahead fast with the development of Shorouk, which will be able to produce about 2.5-3 bn. cu.ft/d.

LNG EXPORT

This means that by 2020, Egypt should be producing enough gas to meet increased domestic demand and to resume exports of LNG from terminals at Iduku (operated by BG Group) and Damietta (in which Eni has a 50% stake). Ismail has not closed off the option of private companies importing gas from **Israel**, either for industrial use or to export as LNG, but prospects for such deals have been dealt a big blow by Eni's discovery. In Israel, energy share prices suffered. ●

GUINEA BISSAU

The old demons return

Just as the country begins to recover from military rule, the governing party's cracks re-open, bringing back instability

The governmental crisis has rapidly become a constitutional crisis as the battle lines are drawn between supporters of President **José Mário Vaz** and those of the Prime Minister he dismissed, **Domingos Simões Pereira**. On 9 September Guinea-Bissau's Supreme Court declared unlawful in both 'form and content' the President's decree to nominate a new Prime Minister, **Baciro Djá**.

The decision underlines the often disputed independence of Guinea-Bissau's judiciary and marks a major defeat for Vaz. It remains to be seen if the President and Parliament find a peaceful way out of the destabilising chaos of the past few weeks. The outcome will almost certainly favour Pereira and his supporters. Already, a motion to impeach Vaz is before Parliament and has been filed with the Attorney General however, an amicable settlement may yet be reached.

The latest chapter in Guinea-Bissau's troubled history began on 12 August and nine days later, appointed Djá in his place. Djá had been Defence Minister under Prime Minister **Carlos Domingos Gomes Júnior** in 2011-12 and ran unsuccessfully as an independent for the presidency in 2012 (AC Vol 53 No 6). Djá has been censured by the governing *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC) for harming the unity of the party.

The problems between the President and his government are a mixture of the constitutional, political and personal. Vaz first defended his dismissal of Pereira by accusing him and the government of mismanagement and corruption, and of not involving him in important decisions. Few at home or abroad believed these accusations and worried because Pereira was widely regarded as the country's best prospect for peace, stability and reform after a long spell of instability and international status as a pariah state.

CONFLICT

The spark that ignited the conflict between the two men came when Vaz reportedly demanded a 30% share of international investment funds for the presidential office, so that he could develop his own projects. Pereira refused this as improper.

President Vaz at first seemed a welcome relief from the country's string of dysfunctional and fractious heads of state. Vaz and Pereira, the Chairman of the PAIGC, looked at first to be a dream team for the troubled country. Pereira formed a government of national unity after the last general elections, including in it all the political parties with seats in Parliament and ending two years of unconstitutional rule by a transitional government installed after the military coup of April 2012 (AC Vol 53 No 9).

Pereira's government got off to a strong start after taking office in July 2014 and earned broad popular support (AC Vol 56 No 8). Although the relationship between Vaz and Pereira has been described as tense, they managed for months to suppress any open conflict. The tension boiled over a few days before the intended date for Bauxite **Angola** to start building a mining port in the southern town of Buba (AC Vol 55 No 19). Guinea-Bissau's neighbours, **Senegal** and **Guinea**, which are both members of the Economic Community of West African States, encouraged Vaz to dismiss the government, urging him not to allow his Prime Minister to usurp the privileges of the presidency to set national policy, say sources in Bissau.

They also say that the neighbours, neither of which have been conspicuously helpful in helping the cause of democracy in Guinea-Bissau, are anxious to keep it out of Angola's sphere of influence. Ecowas's claims that it wishes to see the Vaz-Pereira dispute resolved peacefully are regarded with scepticism in Bissau. For now, at least, the port's construction is suspended.

PEREIRA'S FOES

Some domestic actors also have an interest in Pereira's dismissal. The PAIGC faction behind **Braima Camará** is one (AC Vol 54 No 10). Camará was Pereira's rival for the premiership and for the chairmanship of the party, and has been working to undermine him behind the scenes and discredit his government, we hear. Camará, who is a businessman and President of the board of trade, borrowed a lot of money to finance his bid to become PAIGC chairman and is believed now to need to pay back his creditors.

However, since Camará and his allies were not given jobs in Pereira's government, they had no means of raising the cash. Camará's business is doing badly so he was not able to take part in this year's cashew nut harvest. As a result, he is said to be having trouble repaying the loans. Camará has denied any role in destabilising Pereira's premiership but that hasn't stopped speculation that vested interests from the past are at work and have been paying members of parliament to see things their way.

SUSPICION

Suspicion about why Vaz removed Pereira does not revolve only around the belief that some advisors and followers of the President want access to government resources and jobs. There are also rumours that Vaz has been relying increasingly on a *jambacós* (a shaman and healer) in his home village of Calequise, which he frequently visits. Vaz has been suffering from paranoia, some sources say, and Djá and his supporters have been trying to exploit it.

Political pundits also see the hand of **Equatorial Guinea** in Guinea Bissau's problems. Some claim that money was sent from Malabo and then used to bribe MPs, especially from the *Partido da Renovação Social* (PRS), to support Djá in Parliament. Djá's last journey before his appointment was to Equatorial Guinea, which has a bottling company in Bissau and is believed to be interested in expanding its influence and economic activities.

The PAIGC MPs have resisted all blandishments and on 24 August Parliament, including the PRS, rejected Vaz's dismissal of Pereira. They demanded he nominate another Prime Minister in place of Djá. The vote was carried by 75 to nil with four abstentions. However, the PRS subsequently changed its mind and decided that it would, after all, participate in a government led by Djá. On 4 September, it decided to back that government but it holds only 41 of 102 seats in Parliament.

Opinions on the constitutional and legal position differ as to whether or not the President has an unrestricted right to appoint a Prime Minister of his choosing.

The constitution stipulates that when appointing a premier, the President has to take the election results into account and to hear representations from all parties. The PAIGC has interpreted this to mean that he is obliged to choose a PAIGC member, but many independent experts disagree. Whatever the rights and wrongs, Vaz is unlikely to test that proposition further now that the Supreme Court has rendered its decision. ●

ZAMBIA

The party rebrands for the polls

President Lungu wants to purge his party of its association with his predecessor but the plunging economy offers far bigger challenges

Under the growing influence of former President **Rupiah Banda**, President **Edgar Lungu** is turning the governing Patriotic Front away from the left-leaning legacy of the late **Michael Sata**. Foreign Affairs Minister **Harry Kalaba**, and ministers **Chishimba Kambwili** (Information and Broadcasting Services) and **Nkandu Luo** (Gender and Child Development) are increasingly seen as 'not so allies' of Lungu and are likely to be dismissed, says a senior source in the governing Patriotic Front. Kambwili, who challenged Lungu for the succession as PF leader to the late Michael Sata, is upset that former fierce critics of Sata such as **Dora Siliya**, who was Information Minister in ex-President Banda's Movement for Multiparty Democracy (MMD) government, are now ensconced in the PF and taking a leading role in planning Lungu's election campaign next year.

The PF Chairperson for Elections, **Emmanuel Mpankata Musonda**, declared last month that the party was undergoing 'rebranding' in readiness for next year's polls and that 70% of current PF members of parliament will not be re-adopted next year. The leadership is targeting members who can 'add value' to the party, he said. MPs have to apply to the party to be re-adopted at the end of each Parliament.

Lungu needs to consolidate his own position and believes that the coming elections give him the best chance, State House sources say. His battle to succeed Sata was difficult and costly, leaving him more indebted to many cabinet ministers than he would have wished (AC Vol 56 No 7). Some of them feel he owes them so much – including for tolerating the violent suppression of his opponents within the party – that he cannot tell them what to do. 'After the demise of our president Michael Sata we went through a very, very dangerous political turbulence, our party was almost coming to extinction but by the grace of God, we managed to hold together, came back together as PF and we won [the presidential election] in January 2015,' Musonda said. Musonda was being disingenuous, commentators said, as Lungu's challenge was a virtual coup d'état in the party and brought a major change in its direction. As an MP, Musonda saw his influence wane under

Sata and he was disappointed to become merely the non-executive head of the Zambia Information and Communications Technology Authority, we hear.

Some of the current key actors in Lungu's presidency were all out of favour under Sata. They include PF Secretary General **Davies Chama**; his deputy, **Mumbi Phiri**; **Amos Chanda**, who is Special Assistant for Press and a former journalist; and Lungu's Political Advisor, **Kaizer Zulu**. Lungu has revived their careers and they want to consolidate. Lungu hopes to make up for what he is losing by getting rid of Sata-loyalists by courting Banda and MPs from the MMD.

Now that the trial of Banda over an oil deal with **Nigeria** has been dismissed, the former President wants to play a bigger role in next year's elections and to get more value from his relationship with Lungu. Banda made an immense financial contribution to Lungu's election campaign and still believes him in his debt (AC Vol 56 No 2). Banda wants a say in the selection of PF parliamentary candidates in 2016, our sources say. Yet the relationship between the two has not been plain sailing, as some of Lungu's aides try to keep a distance between them, apparently fearing Banda's persuasiveness.

Lungu refused to see Banda when he turned up at State House without an appointment recently and Banda apparently threatened to support **Hakaide Hichilema** of the United Party for National Development in next year's poll. Banda believes he won Lungu the presidency by swinging Eastern Province to the PF. Lungu's election chances are not thought good, despite the advantages of incumbency.

The economy is in the worst straits since international lenders forgave US\$6.8 billion of foreign debt in 2005. The currency, the kwacha, has collapsed to its all-time low as the fiscal deficit widens; that is expected to close the year at 9% of gross domestic product. Power shortages resulting from unseasonal drought, and less hydro power, have curbed production in a mining sector already hit by low international prices. Some 30,000 miners are on notice to be laid off. The accumulation of economic woes may be so great by the time the

country goes to the polls that Lungu won't be able to do anything about it. The Copperbelt is the bedrock not only of the economy but of PF support. Lungu is trying to open new avenues for electoral support in the mineral-rich North-Western Province.

THREAT ON THE LEFT

The emergence this year of the veteran **Wynter Kabimba** and his Rainbow Party is worrying the PF. Kabimba was part of what his enemies called the 'cartel', a group of left of centre figures, most in the PF, grouped around Sata, including former Acting President **Guy Scott**, **Fred M'membe** of *The Post* and the suspended Director of Public Prosecutions, **Mutembo Nchito** (AC Vol 56 No 12). Kabimba was Secretary General of the PF, among other jobs under Sata, and generally viewed as a formidable party organiser with an unrivalled ability to inspire ordinary members and to get out the vote.

Kabimba is in no position to win next year's elections but he could hurt Lungu's support in the Copperbelt and become a refuge for PF ministers and leaders who are unhappy with Lungu. The Rainbow Party is being heavily bankrolled by M'membe, who is facilitating ideological training of Rainbow activists along the lines of radical anti-Western governments in South America. 'This country has not seen development since 1991 because we have only been changing individuals while the failed system [capitalism] still remains in place,' M'membe has said.

The Rainbow Party is more openly socialist than the PF ever was. Kabimba saw Sata abandon the PF's socialist hue and campaigns openly on an anti-capitalist platform, freed of the compromises he had to make in the PF. While very few political observers believe that Rainbow will appeal ideologically to electors, they are in awe of Kabimba's organisational prowess. As if to confirm that, Kabimba last month won a municipal by-election in Kapililonga, Muchinga district, a PF stronghold and close to Sata's birthplace.

Meanwhile, the First Lady, **Esther Lungu**, has been touring the country priming the pump for her husband's re-election next year. She has travelled the countryside donating goods and money, meeting traditional leaders and PF grassroots members, in an effort to increase her husband's profile. Oppositionists and civil society organisations have protested at her use of state facilities, even military resources, to conduct her tour. 'She should leave us to do the politics on our own,' said the Forum for Democracy and Development President and one-time Finance Minister, **Edith Nawakwi**. ●

SENEGAL

Timis under scrutiny

The USA may be stepping into the controversy over a mining tycoon and a presidential brother

The operations of entrepreneur **Vasile Frank Timis** in Senegal have come under scrutiny from the **United States** Department of Justice, *Africa Confidential* has learned. US federal prosecutors are investigating the deal by Kosmos Energy, which is listed on the New York Stock Exchange, to develop offshore oil fields for Timis and **Aliou Sall**, brother of President **Macky Sall**, we understand.

The US\$400 million deal, signed in October 2014, raised questions about Aliou Sall's role in Frank Timis's Senegalese oil business, Petro-Tim Limited, and whether or not he had a stake in Timis Corporation, a privately-held **British** Virgin Islands-registered company. Concern that the President's brother might be profiting directly from Senegal's oil potential had been voiced by former President **Abdoulaye Wade**, who accused him of 'owning 30% of Senegal's oil' through his connection with Timis (AC Vol 55 No 24). Sall insists he is just an employee of the company and holds no shares in Petro-Tim.

Timis sold a 90% interest in two old fields held by Petro-Tim to Timis

Corporation in August 2014. He then sold on a 60% stake in the two fields, St-Louis and Caymar, to Kosmos Energy in a 'farm-in' deal which would see Kosmos receive 66% of the assets in return for providing services. Under the terms of the deal Timis Corporation retains a 30% interest in the oil blocks with the state-owned oil company, *Société des pétroles du Sénégal* (Petrosen), taking 10%. Aliou Sall is suing Wade for libel. Wade, a lawyer, claims to have evidence to back his accusations.

Tension between the two powerful political families has grown since Wade's son, **Karim Wade**, was convicted of corruption in March (AC Vol 56 No 7). He was gaoled for six years and fined over \$226 mn. for 'illicit enrichment' by the *Cour de répression de l'enrichissement illicite*. It was Wade who, as Minister of State for International Cooperation, Regional Development, Air Transport and Infrastructure in his father's government, had signed the deal allowing Timis to explore the two blocks in 2012. Timis came to Senegal with his company African Petroleum in 2011.

After he was found guilty, Wade's party, the *Parti démocratique sénégalais*,

which is now in opposition, defiantly selected Karim as its candidate for the 2017 presidential election. It says he is a political prisoner. Aliou Sall entered the political scene in June last year after being elected as mayor of Guédiawaye, a commuter town close to the capital.

This is not the first time that the USA has looked into allegations of corruption levelled at Kosmos's deals in West Africa. The Justice Department opened a short-lived investigation into the energy development company in 2010 after claims of violations of the Foreign and Corrupt Practices Act. They related to Kosmos and its **Ghanaian** partner EO Group and how contracts to develop Ghana's Jubilee oil field were obtained (AC Vol 50 No 21). The investigation was then dropped. Timis's West African resource empire is already under considerable pressure, mainly from the widespread collapse in world commodity prices which hastened the collapse of his **Sierra Leone** iron-ore mining company, African Minerals Limited. AML went bankrupt this March after ore prices fell to their lowest level for five years and his joint venture partner, **China's** Shandong Iron and Steel Group, refused to release cash which had been earmarked for the second phase of the Tonkolili mine development. Timis's manganese mine in **Burkina Faso** was ordered to halt production in March after the new government said it would review how Timis's company Pan African Minerals had been awarded the concession under the government of ex-President **Blaise Compaoré**. ●

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POINTERS

Mining

MINER WOBBLES

■ Two international mining giants are in dire straits – Glencore and Lonmin – and taking parts of the economies of **Congo-Kinshasa, South Africa** and **Zambia** with them. Even before the crisis, both carried political baggage. Glencore has been run for the past 15 years by South African **Ivan Glasenberg**, who is remembered by African National Congress (ANC) leaders as a *protégé* of company-founder **Marc Rich**, the pioneering commodity trader who broke sanctions to sell to the apartheid regime. Lonmin, once the minerals division of **Roland 'Tiny' Rowland's** Lonrho, later had **Cyril Ramaphosa**, current SA Deputy President, on its board and is now indelibly linked to the 2012 massacre by police at its Marikana mine (AC Vol 53 No 17).

Hit by weak platinum prices, SA-based, **United Kingdom**-headquartered Lonmin PLC is cutting investment and jobs, drawing more ire from the ANC government. Its shares on the London Stock Exchange are down to a 27-year low.

Glencore's problems are worse still. Lambasted by civil activists for its opaque trading deals with corrupt and oppressive regimes, such as General **Sani Abacha's** in **Nigeria** and President **Joseph Kabila's** in Congo-K, five years ago it heralded a new era of transparency with a public listing. Yet since Glencore's flotation in 2011, its shares have been the worst performing in the FTSE 100, losing 75% in value. It has cut dividends and its debt is just one notch above junk status. Finance Director **Steve Kalmin** conceded that investors were now running 'doomsday scenarios'. It has sold 25% of its shares in Lonmin and cut back its capital spending to US\$6 billion.

For the last two months, Glencore has been in bitter dispute with the SA government over its plans for further job cuts. It's also likely to prompt further clashes with the governments in Kinshasa and Lusaka with plans to suspend for at least 18 months production at Congo's Katanga mine and Zambia's Mopani mine, which produce some 400,000 tonnes of copper a year.

Somalia

AMISOM ON DEFENSIVE

■ **Ethiopian** forces and Somali National Army units have retreated to more easily defended positions after the devastating attack on an African Union Mission in Somalia base, sources in Mogadishu have told *Africa Confidential*. Fighters from *Al Haraka al Shabaab al Mujahideen* attacked the **Ugandan** Amisom base at Janale, killing perhaps 50 men on 1

September. An anonymous Western military source later told news agencies that 100 soldiers were unaccounted for. The Ugandan People's Defence Force (UPDF) Spokesperson would confirm only twelve deaths but independent sources, although uncertain about the numbers, described the clash as highly significant. *Al Shabaab* drove away a Ugandan armoured personnel carrier, said an unconfirmed report.

Al Shabaab began the attack by blowing up the bridge over the Shabelle River, just west of the town of Janale, and detonating a suicide bomb at the camp gates before fighters swarmed in. Ugandan units on the other bank of the river could not come to the aid of their comrades. The attack comes just over two months after the Islamist militia killed about 50 Burundian soldiers at their base in Leego (AC Vol 56 No 14). That attack resulted in more deaths than *Al Shabaab* had been able to inflict in one operation since 2011. Amisom was in the midst of an offensive which it and the Kenyan top brass claimed would wipe out *Al Shabaab* once and for all (AC Vol 56 No 15).

Janale's location, close to Merca, shows *Al Shabaab* leaders have increased confidence in its military strength. A local Somali government official told news media, after Janale, that Amisom had withdrawn from Buqda, Kunturwarey and El Salindi military base, 60 kilometres south of Mogadishu.

Mali

GATIA DIGS IN

■ Fighters of a pro-government militia, the *Groupe d'autodéfense touareg imrad et alliés*, have agreed to withdraw from the northern town of Anéfis but appear to be in no hurry to do so. GATIA seized the town, strategically located on the road from Gao to Kidal, from the Tuareg *Coordination des mouvements de l'Azawad* militia in mid-August. CMA is the umbrella group comprising the *Mouvement national de libération de l'Azawad* and the *Haut conseil pour l'unité de l'Azawad*, which seek Tuareg autonomy in the north.

GATIA is unwilling to withdraw because disputes for control of the area's resources are intensifying (AC Vol 56 No 10). The CMA at last signed a deal between government and Tuareg on 20 June (AC Vol 56 No 13). It provides for a degree of regional self-government while maintaining Mali as a united state but it leaves the informal economy and important patronage questions untouched.

At stake is the control of local budgets and services, as well as the lucrative trans-Saharan traffic in drugs, weapons, cigarettes and migrants bound for Europe. With such prizes to be divided,

northern armed factions and political groups have spent most of the past three months wrangling over positions on the committee that is supposed to monitor implementation of the peace deal.

A major factor in the disputes is that GATIA is the military voice of the Imrad group of the Tuareg, while the CMA represents the aristocratic Ifoghas caste, their traditional masters in the past. The GATIA leader, General Elhadj Ag Gamou, is content to snub the Ifoghas but the financial stakes are thought to be the crux of the issue. It looks as though the compromise will be for both GATIA and CMA to stay out of Anéfis while the United Nations force forms the buffer.

Nigeria

ON THE ROAD

■ Expected in Paris on 14-15 September for a regional security conference, President **Muhammadu Buhari** will attend a series of bilateral meetings with President **François Hollande**, Foreign Minister **Laurent Fabius**, Defence Minister **Jean-Yves le Drian** and the presidential Africa Advisor, **Hélène le Gal**. Buhari will be accompanied by his newly appointed Chief of Staff, **Abba Kyari**, a personal friend since the 1970s and a former Director of United Bank for Africa (AC Vol 56 No 9).

Hollande is hoping for a *quid pro quo* with Buhari. He will nudge Nigeria's Francophone neighbours into better regional cooperation against the *Boko Haram* militia; in return, Paris hopes for stronger Nigerian support in regional operations against Islamist groups in **Mali** and **Niger**. Intelligence and surveillance cooperation is likely to be stepped up amid warnings that *Boko Haram* wants to hit some high-profile national and foreign targets to counter government claims that its forces are waning.

The President's Chief of Military Staff, General **Benoît Puga**, a veteran of **French** interventions in West and Central Africa, is expected to attend a more detailed meeting with Buhari, himself a retired general, and the new National Security Advisor, Major Gen. (retired) **Babagana Monguno**. All three are enthusiastic readers of military history and have grave reservations about the way the jihadist insurgencies in West Africa have been handled. Monguno also heads a 13-member panel investigating corruption in Nigerian arms purchases over the past decade. At least some of the deals to come under the microscope will involve French suppliers.

Fabius, who has dismissed media reports of health problems, is keen to join French diplomacy with commercial interests in Nigeria and other Anglophone states. Amid the **China** slowdown and sluggish interest from **Britain** and the **United States**, some French businesses see fresh opportunities in the region.

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BLUE LINES

Is a Buhari doctrine emerging? Despite the lengthy delays in forming a cabinet, President Muhammadu Buhari has been much quicker to appoint his top military and security officers and to push ahead with a series of bilateral and multilateral summits. Not only did he chair the regional leaders' meeting to tackle the Burkina Faso coup, having unequivocally condemned it five days earlier, he has agreed on the agenda for a new regional security conference with French President François Hollande. The plan for this meeting, aimed at strengthening military coordination and sharing intelligence about *Boko Haram's* operations in Nigeria and its Francophone neighbours, was discussed during Buhari's trip to Paris on 14-16 September.

Flanked by his National Security Advisor, General Babagana Monguno, Buhari told French officials that Nigeria would be taking a far greater role in regional security. Buhari talks about the 'concentric circles' of Nigeria's foreign policy, which puts peace and security on its borders as the top priority.

France, traditionally wary of a militarily assertive Nigeria, now finds its forces overstretched in Africa as problems multiply in its operations in Mali and Central African Republic, so it wants to encourage Buhari. Several other governments, such as Kenya, South Africa, Britain and the United States, are also keen to discuss security matters with Buhari when he arrives in New York this week for the United Nations General Assembly meetings.

BURKINA FASO

The people take on the putschists

After launching a coup, soldiers loyal to ousted President Compaoré face conflict with the national army and activists on the street

The presence of coup leader General Gilbert Diendéré, flanked by soldiers from the *Régiment de sécurité présidentielle* (RSP), to welcome West African leaders at Ouagadougou airport on 23 September casts further doubt on the negotiations to end the coup. Diendéré has apologised publicly for his role in the coup but as the leaders arrived the RSP was still moving around Ouagadougou and guarding the state television headquarters. RSP officers were blatantly breaking their commitment to return to barracks as part of the peace deal.

The previous day West African leaders had backed the deal to end the coup in a extraordinary meeting chaired by Nigeria's President Muhammadu Buhari in Abuja. They agreed to fly to Ouagadougou to oversee the reinstatement of the civilian Interim President Michel Kafando on the following day. Kafando has told journalists he is back in the saddle but there are doubts about the future of the interim government and the rules for the national elections due next month.

Burkina's latest putsch drama, started on 16 September when the private bodyguard, secret police and death squad of ousted President Blaise Compaoré, the RSP, interrupted a cabinet meeting of the interim government at the Kosyam Palace. The presidential palace is in the capital's luxury area, Ouaga 2000, close to the RSP camp, at Naaba Koom. It was the fourth time that the 1,300-strong regiment had made its presence angrily felt: it has had little to do since Compaoré was overthrown last October.

On the three previous occasions, last December and this February and July, the soldiers made their demands, got what they wanted and went back to barracks. They obtained, for example, the installation of two of Compaoré's most trusted brothers-in-arms at the head of the RSP: Colonel Boureïma Kéré as Presidential Chief-of-Staff and Col. Moussa Céleste Coulibaly at the head of the RSP (AC Vol 56 Nos 9 & 15).

This time, it was different. The RSP took Interim President Michel Kafando and his Prime Minister, Yacouba Isaac Zida, hostage and after a night of confusion, declared the transitional institutions dissolved. A new body was set up, called the *Conseil national pour la démocratie*, early on Thursday morning, 17 September. The composition of the CND was never made public but at its head emerged a familiar and imposing figure, Gen. Gilbert Diendéré, the cornerstone of Compaoré's security and intelligence system.

Up until then, Diendéré had kept quiet, especially after the transitional authorities relieved him of command of the RSP early this year. The coup was his revenge, primarily against Zida, his former deputy in the RSP. Diendéré had—wrongly—calculated that Zida would be the instrument by which he could get the transitional government to do his bidding. However, Zida turned out to have a mind of his own and began arguing for the RSP to be dismantled. The coup was, first and foremost, a settling of scores between Zida and his former comrades-in-arms, who felt betrayed by their old second-in-command.

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There was more, though. The CND's first declaration, on 17 September, criticised the Electoral Code adopted in April, which excluded a number of candidates from the *ancien régime*. Among these were **Eddie Komboïgo**, the new Chairman of Compaoré's old election-winning machine, the *Congrès pour la démocratie et le progrès*. Also excluded were Komboïgo's close friend and CDP Vice-Chairperson, **Fatoumata Diallo Diendéré**, wife of the General, and **Djibril Yipènè Bassolé**, formerly Foreign Minister and diplomatic liaison with – among others – the Ivorian former rebel leader **Guillaume Soro**, who is now Speaker of his country's Parliament. Politically, militarily or business-wise, all were linked to Compaoré and all maintained contact with him in his Ivorian exile.

Ever since the Electoral Code was adopted, the CDP has been harping on about the exclusion of its candidates and accusing the transitional government of readying the presidency for the leader of the *Mouvement du peuple pour le progrès*, **Roch Marc Christian Kaboré** (AC Vol 56 No 4). The CDP bigwigs have hated Kaboré with a rare passion ever since he left the party nine months before October's insurrection. Together with **Salif Diallo** and **Simon Compaoré**, Kaboré formed the MPP and took many CDP rank-and-file – not to mention party secrets – with them.

This month's coup attempt has also jokingly been described as the chance to let Mrs Diendéré become the First Lady but it was, in fact, a reckoning between the CDP hardliners and the triumvirate at the head of the MPP, who had so recently been pillars of the regime. As if to emphasise the point, unknown assailants ransacked the homes of the MPP's Diallo and Compaoré on the night of 18 September.

DEMOB UNHAPPY

Other motives for the coup sprang from two related fears within the RSP. Two days beforehand, the National Reconciliation Commission had recommended that the unit be disbanded. The other source of anxiety was the expected publication on 19 September of the results of a new

autopsy on the body of Captain **Thomas Sankara**. His own 1983 coup had ushered in a period of radical politics and he was assassinated in a counter-coup four years later by Compaoré. Diendéré was there on both occasions. The military investigating judge, **François Yaméogo**, was due to meet the lawyers of various concerned parties, including Sankara's family, on 17 September to share the results of his inquiry. Fear of Diendéré and other RSP officers being implicated in Sankara's killing also drove the coup plot.

On hearing the news of the coup, the public took to the streets, setting up barricades and massing for demonstrations. Trades unions declared an indefinite general strike. The protests found a focus in former journalist and National Transitional Council member **Chérif Moumina Sy**, who proclaimed himself interim President of the Transition on 18 September and ordered the RSP back to barracks. The most outspoken left-of-centre presidential candidate, **Stanislas Bénéwendé Sankara** (not related to Thomas Sankara but one of the family's lawyers) condemned the coup, as did Kaboré and the man who was to be his main rival, **Zéphirin Diabré**. Bassolé declared himself 'greatly affected' but in the same breath referred to Diendéré as 'President'. Curiously, Komboïgo, who had been hyperactive on Facebook, had stopped updating his pages on 11 September and was rumoured to be in the **United States** at the time of the putsch.

Women took to the streets bearing cooking utensils, an act considered a dire warning for their menfolk and a symbol of the October 2014 uprising. The mass mobilisation faced no resistance almost everywhere, but Ouagadougou turned into a menacing place overnight and shots rang out constantly. The RSP took to using unmarked 4x4 vehicles, from which balaclava-clad men emerged to terrorise defiant youths and prevent journalists from working. On the Thursday morning, the studio of **Smockey**, the country's most famous rap musician and one of the leaders of *Balai citoyen* – the group at the heart of the citizens' movement that removed Compaoré – was attacked with rocket-propelled grenades.

There were rumours of attacks on the other Balai leader, **Sams'K le Jah**, but both men were reported well and rallying their movement. To prevent the kind of communication which was so successful last October, the RSP attacked radio stations, most notably Radio Omega, and prevented journalists from doing their work by burning their cars. Omega later resumed broadcasting from the second city, Bobo Dioulasso, which strongly opposed the coup. Meanwhile, state

television broadcast Champions League football. The RSP made several attempts to shut down the internet, surrounding the sole internet service provider, Onatel, on Sunday but it continued functioning, albeit at a snail's pace. In **Senegal, Belgium, France** and the **USA**, protests took place at Burkina Faso's embassies.

ARMY HESITATES

The protestors' initial attempt to engage the regular army, which had supported them in October 2014, encountered resistance. A ruse by the coup leaders could have been responsible. The initial televised announcement of the CND was made by Col. **Mamadou Bamba** wearing army uniform, which could have led loyal soldiers to believe their commanders shared the RSP's aims. 'A child of Blaise' went the scathing comments on social media. Only on Saturday 21 September did the Army Chief of Staff, Brigadier Gen. **Pingrénoma Zagré**, make an unequivocal announcement condemning RSP violence against citizens. This also followed widespread public anger that the army had not leapt to the side of the people. (Zagré was later at Diendéré's side at Ouagadougou airport when two regional mediators flew in.) More violent protests also occurred. Diendéré's home in the village of Yako was set ablaze and social media carried threats against the relatives of RSP members.

International condemnation came unusually quickly. The African Union suspended Burkina on Saturday and gave the putschists 96 hours to reverse their grab for power. The European Union condemned the move equally swiftly. The Economic Community of West African States quickly dispatched the President of the Commission, **Kadré Désiré Ouédraogo**, himself a Burkinabè former Premier, to Ouagadougou for talks. He was accompanied by the UN Secretary General's Special Representative, the seasoned Ghanaian diplomat **Mohamed Ibn Chambas**. Then on Friday, two neighbouring heads of state, **Macky Sall** of Senegal in his capacity as Ecowas Chairman and his colleague **Thomas Yayi Boni** of Benin, flew into Ouagadougou to mediate. RSP elements dispersed demonstrators whom *Balai citoyen* had called to welcome the two Presidents.

Sall and Boni began talks with all the main actors, including Diendéré and Kafando, who had been released on Thursday night. Zida remained imprisoned in a room in the presidential palace for two more days, together with **Augustin Loada**, a respected academic, Administrative Affairs Minister in the interim government and co-author of *Preventing extremism in Burkina Faso*.

While Nigeria roundly condemned the coup, Burkina's large and most significant neighbour to the south, **Côte d'Ivoire**, was conspicuous by its silence. President **Alassane Ouattara** made a few non-committal statements and went on with his re-election campaign. Reports circulated that before his coup, Diendéré had been to see Ouattara and Compaoré in Abidjan but that has not been substantiated. Ouattara and Soro have long been among Compaoré's closest regional allies.

Diendéré has many friends among the world's military. Paris even made him a member of the *Légion d'honneur* in 2008. He enjoyed cordial relations with French ambassadors, including Gen. **Emmanuel Beth**, appointed in 2010, with whom he went parachute-jumping, and his successor from 2013, **Gilles Thibault**, a graduate of Saint-Cyr. Ouagadougou had a logistical role in France's *Opération Serval* in Mali and remains in use as a base for *Opération Barkhane*, which has

replaced Serval (AC Vol 55 No 17).

Compaoré's importance to the multinational effort against regional jihadists did not prevent either French President **François Hollande** or the USA, whose military was equally enthusiastic about Diendéré, from condemning the coup. France's words were harsher than those of the White House. Ouagadougou has been a major supporter of the annual joint US operation with African militaries, Operation Flintlock, which was held in Chad in February and where Diendéré was present. The US National Security Advisor, former Assistant Secretary of State for African Affairs **Susan Rice**, issued a routine statement about the coup on Friday and left it at that.

On the morning of Sunday 20 September, Boni and Sall, with the help of various prominent Burkinabè, including ex-President **Jean-Baptiste Ouédraogo**, Gen. Zagré, and Bishop **Paul Ouédraogo**, plus Ambassador Thibault and his US counterpart, **Tulinabo Salama**

Mushingi, gathered at the Laico Hotel, not far from Kosyam Palace, to work out a deal. Proceedings were interrupted by pro-coup demonstrators, followed by RSP soldiers who walked into the hotel brandishing pistols, harassing journalists and threatening official delegates. This prompted an unusually sharply-worded response from the US Embassy. Gendarmes then secured the building.

'SACK OF MONEY'

For now it seems the CDP has its coup: its candidates can run against the MPP. 'Komboïgo will come with a sack of money and buy everyone's vote', wrote one irate commentator. The RSP also gets what it wants for now: its continued existence and impunity are guaranteed and it retains the option to stage another coup if it does not get the election result it wants. The Burkinabè, meanwhile, have 17 deaths to mourn and may ponder the extent to which their October 2014 revolution has just been reversed. ●

ALGERIA

Trembles at the top

The removal of the security chief is a major event which could signal the beginning of the end of the Bouteflika years

After holding the reins of power since he took over the *Département du Renseignement et de la sécurité* in November 1990, the military intelligence chief, Lieutenant General **Mohammed Lamine 'Tewfik' Medienne**, was relieved of his duties on 13 September. Depending on your interpretation, it was either a routine retirement after a successor was named or an ignominious sacking.

His departure from the DRS proved insufficient to keep the shadowy Tewfik out of the limelight as compromising material immediately began to bubble up in cyberspace. The end of his tenure as the all-powerful intelligence boss began to look more like a summary dismissal by a rival faction that was now stronger. It followed the very public fall of several of his close allies. The DRS boss was famed for his anonymity: for much of his career, the world has had to be content with only one indistinct photo taken two decades ago. His renown was also due to his power, reflected in the nickname '**Rab Dzaïer**' (Lord of Algiers). Yet pictures of him and tittle-tattle filled the internet almost as soon as he was replaced.

Tewfik's successor is another controversial senior military security official, one of his deputies, Major Gen. **Athmane 'Bachir' Tartag**. Some reports said Tartag was his hand-picked

successor; if so, his recent period as a Presidential Advisor would mean that he was doing Medienne's bidding from within El Mouradia presidential palace, rather than having moved to a rival faction. Power struggles typify *le pouvoir*, the small elite of military and security chiefs, and their political and business allies who dominate decision-making.

There had been signs for several months that Medienne was on his way out. They became public following the incident, still not satisfactorily explained, when on 16 July, explosions were heard near President **Abdelaziz Bouteflika's** residence in Zeralda (AC Vol 56 No 15). That was followed by a series of high-level sackings of officers close to Medienne, who were replaced by 'Bouteflika clan' loyalists, some close to controversial presidential brother **Saïd Bouteflika** and Republican Guard commander (since 5 July) **Benali Benali** (aka **Abdelkader Benali**; AC Vol 56 No 16). Those dismissed include the head of domestic counter-intelligence, the *Direction de la sécurité intérieure* (DSI), Maj. Gen. **Abdelhamid 'Ali' Bendaoud**, who had previously replaced Tartag in that job (AC Vol 55 No 21). Tartag formally received his appointment from the Chief of Staff, Lt. Gen. **Ahmed Gaïd Salah**, a key Bouteflika-loyalist whose longevity at

the Defence Ministry has surprised many army-watchers (AC Vol 54 No 15).

Some former 'untouchables' have fallen far indeed. In the week before Tewfik's dismissal, *Africa Confidential* heard persistent rumours from senior sources that, under increasing pressure from political rivals, the DRS chief had dropped his support for his close friend, DRS anti-terrorism commander General **Abdelkader Aït Ouarabi aka Hassan**, who was detained in the Blida military prison on 27 August, accused of offences that included breaking army rules and destroying documents. He was soon released.

Reports also surfaced of investigations into allegations of improper real estate investments by a female friend in the area around the capital's Houari Boumedienne airport. According to one version of events, an illegally-built hotel was pulled down overnight, while Hassan was in France. On his return, he was gaoled. 'These rumours are not possible to verify, whether they are true or just a means for enemies to blacken Hassan's name', said an Algiers source.

PARTY ON

Meanwhile, favoured members of the Algiers elite continue the high life. In the week Tewfik was sacked, the head of the *Société d'investissement hôtelière*, Hamid Melzi, invited some 1,500 guests to his son's wedding, effectively monopolising the Algiers Sheraton complex at Club-des-Pins, home of Algeria's elite since its construction as a response to the security crisis of the 1990s.

Medienne's dismissal is important but may not point to deeper changes in

the way the country is governed. It does point to a shift in the power balance within *le pouvoir* that may resolve the question of who eventually replaces 'Boutef'. If score-settling, rather than a historic deal over Algeria's political future, was the main factor in Tewfik's departure, then the big winner could be the faction gathered around Saïd Bouteflika. Taking one big player each from the military, business and political elites, they include Benali, the ubiquitous President of the employers' association, the *Forum des chefs d'entreprises* (FCE), **Ali Haddad**; and Industry and Mines Minister **Abdeslam Bouchouareb**.

Key figures in the DRS investigations into corruption at Sonatrach and other public enterprises could be in the firing line. Names mentioned include Prosecutor **Belkacem Zoghmati** (whose targets included ex-Energy Minister **Chakib Khelil**, Bouteflika's friend since boyhood) and the Director General of the anti-corruption bureau, the *Office central de répression de la corruption*, **Abdelmalek Sayah**.

In an interview with the local daily *El Watan*, the Secretary General of the *Parti des travailleurs*, **Louisa Hanoune**, said she was 'surprised by the sacking' (sic), which was 'difficult to understand' as the DRS was being dismantled at a

time when the region was threatened by Islamic State (*Da'ish*) and the corruption the DRS was investigating was still an issue. The weakened DRS inherited by Tartag could 'allow the oligarchy to widen its tentacles', the left-wing leader said.

Even long-standing presidential aspirants such as Prime Minister **Abdelmalek Sellal** and former Premier **Ahmed Ouyahia**, now head of Bouteflika's private office, are looking nervously over their shoulders as the après-Boutef gets closer, say Algiers analysts. In July, Ouyahia resumed a formal role in the party that he created in the 1990s, the *Rassemblement national démocratique*. That's when he was a leading 'eradicationist', linked to the 'janviériste' faction of generals, who included Tewfik (AC Vol 41 No 4). He may now be positioning himself for future developments, while also trying to rekindle the *Alliance présidentielle*, whose main partner, the veteran *Front de libération nationale*, is firmly under Bouteflika clan control, with Secretary General **Amar Saïdani** at the helm.

PURGES

A process of purging the DRS of assets and acolytes could reach across public life, even to the presidency, which includes a few advisors appointed to appease

janviériste factions in previous political rearrangements. Among advisors who sit outside the Bouteflika clan is said to be **Kamel Rezzag Bara**, who deals with Sahel military-security matters. The future of some other great survivors is subject to speculation, such as the boss of the trades union federation, the *Union générale des travailleurs algériens*, **Abdelmajid Sidi Saïd**. Yet even if more of the men (there are few women) who have reigned over Algeria since January 1991 depart, that does not mean the political system will become more democratic or better reflect the country's demography at any time soon.

While *le pouvoir* assesses a summer of relatively unprecedented change, the security elite will be called on to focus on the challenge of jihadist enemies within. *Al Qaida* in the Islamic Maghreb is active in Kabylia and the Sahara, and *Da'ish* is gaining affiliates in **Libya** and **Tunisia**. In the week when Tewfik was sacked, it was reported that the military had begun an 'extensive operation' to secure the eastern borders and 'prevent the infiltration of terrorists' from Libya and Tunisia. The Algiers daily *Echourouk el Youmi* reported that this included building an earth barrier along the Tunisian border in El Oued Province – literally, a line in the sand. ●

LIBYA

Battle for the bureaucrats

A political deal between Tobruk and Tripoli is as distant as ever. Economic collapse may be a bigger threat than the low-level militia violence

Despite their extreme differences, there is still pressure on Libya's rival parliaments in Tripoli and Tobruk to agree a unity government. It comes not from the limited diplomatic leverage that the United Nations and Western governments have exerted but from the fact that every month that passes without a deal takes the country a step closer to bankruptcy. That could mean an inability to import food and other essentials, and then, another humanitarian crisis.

Yet the failure of the latest attempt to strike a peace deal under the auspices of the UN Support Mission in Libya (UNSMIL) confirms that the forces preventing unity are still strong. On 20 September, the deadline set by the UN Special Representative, **Bernardino León**, to agree the fifth version of the peace agreement, passed in silence.

León had strongly emphasised the need for agreement in time to form a new assembly and to appoint a government before 21 October. That is when the

mandate of the Tobruk-based House of Representatives (HoR) officially expires. This Parliament's already evanescent authority depends on its status as the internationally recognised holder of Libyan sovereignty. It will be further weakened when it can no longer claim to be unequivocally supported by the result of a popular vote. Nevertheless, the assembly still showed no urgency and rejected amendments to the latest deal which had already been agreed.

León had proposed giving additional powers to a State Council, which would be formed from the Tripoli-based General National Congress (GNC). The Council would have effectively become the upper chamber of a new, bicameral unity parliament. Under an earlier draft, the Council would have had almost no power, with legislative authority belonging exclusively to the lower chamber, comprising only members of the HoR. The HoR balked at the hint of a compromise with Tripoli and pushed

the prospect of unity further away.

All this spells impasse, with no obvious way out. As a result, the political alliances on both sides of the divide are splintering. Recent reports suggest that the head of the Tobruk-based Libyan National Army and leader of the anti-Islamist Operation Dignity in Cyrenaica, General **Khalifa Haftar**, has fallen out with both the Tobruk government and other Cyrenaica factions (AC Vol 55 No 11). On 26 August, Haftar's de facto second-in-command, the air force chief General **Sagr al Jaroushi**, accused the HoR-backed Prime Minister **Abdullah el Thani** of embezzlement. The confrontation then led to the abduction of one of the Prime Minister's aides, **Mahmoud Abu Bahia**. Thani responded by asking the HoR to suspend Jaroushi from duty but just afterwards some of the general's men arrested **Abdullah al Asfir**, the director of the Prime Minister's office in Labraq airport in the eastern city of Bayda and held him for four days.

It all came to a head on 15 September when Thani was due to fly to **Malta** for a Libya National Oil Company (NOC) meeting. Thani arrived at the airport and was detained by Jaroushi's men and prevented from boarding his flight. A literal stand-off resulted until a militia loyal to Thani convinced Jaroushi's men to release him. But that wasn't the end of

ISLAMISTS AT ODDS IN THE EAST

While politicians fiddle for larger slices of pie, *Da'ish* (Islamic State, IS) has publicly named its overall field commander in Libya as **Abul Mughirah al Qahtani**, a shadowy figure whom *Africa Confidential* previously understood to be fighting with the group in the city of Sirte under the tutelage of the **Bahraini Sheikh Turki al Banali**, one of the group's leading ideologues (AC Vol 56 No 6). He has used a feature interview in the glossy magazine *Dabiq*, published in the main IS stronghold, Raqqa, Syria, to preach against competing jihadist groups in Libya, including the veteran fighters *Ansar el Sharia*.

Al Qahtani's *nom de guerre* translates approximately to 'father of marauding' and implies that his family was originally from the southern Arabian peninsula. Precisely when he entered Libya is not clear but he has enough currency and seniority to have been awarded the prize of heading *Da'ish* forces there. Al Qahtani accuses *Ansar el Sharia*, which recently named its own new leader as **Abu Khalid el Madani**, replacing **Mohamed el Zawahi**, killed in January, of being too close to *Al Qaida* in the Islamic Maghreb. He also criticised its 'abandonment of the lost obligation of the era and its preference of division to unity, most clear in its lack of a *bayah* [Islamic pledge of fealty] to the Khalifah [Caliph]'.

Da'ish claims to operate three *wilayat* or provinces of its 'Islamic state' in Libya: *Wilayat Tarabulus* (Tripoli) in the west, *Wilayat Barqa* in the east and *Wilayat Fezzan* in the south. It condemns both of the main political blocs in Libya as apostate or worse (see Feature). The group even sees the Libya Dawn alliance in Tripoli as 'waging war against Allah's religion' by attempting to institute man-made laws and it describes the House of Representatives' in Tobruk's military chief, General Khalifa Haftar, as a *taghout*, a corrupt, godless tyrant.

Da'ish has lost much of its territory in the eastern city of Dirna since an armed uprising of Salafist residents helped to expel them but it retains some territory to the east of the city. Al Qahtani is now calling for fresh recruits to help the effort in Libya, which he describes as having 'a well of resources that cannot dry'. On 18 September, *Da'ish* carried out a major attack on an Interior Ministry building near Tripoli's Mitiga Airport in an attempt to prove the group is far from spent. ●

the matter. When Thani tried again to fly out of Labraq on 21 September Jaroushi loyalists stopped him. This time, Thani made it onto the plane only to be hauled off it again by armed men that nominally, albeit indirectly, ought to be under his control.

In a separate incident, Haftar's men attacked a convoy commanded by Adjabiya-based militia leader **Ibrahim el Jathran**, whose forces still control the two main Sirte Basin oil terminals (AC Vol 56 No 15).

Haftar has no interest in a unity government because his dismissal is one of the GNC's main conditions. Earlier this year, he called for a lifting of the arms embargo to facilitate a military victory in Tripolitania. This was probably never realistic, as he has not even been able to secure and hold Benghazi or Dirna. He now appears to be more focused on his ambition to establish a ruling military council, to be led by himself, when the HoR finally goes.

The GNC-centred alliance is also split. The most hard-line of the Islamist militia leaders from the city of Misurata, **Salah Badi**, has broken away from the Libya Dawn (*Fajr*) coalition originally formed by Congress President **Nuri Ali Abu Sahmain** (AC Vol 55 No 15). He has formed a new group called the *Sumud* (Steadfastness) Front, opposed to compromise with the HoR. The former Libyan Islamic Fighting Group leader, **Abdel Hakim Belhadj**, is also opposed to compromise (AC Vol 52 No 22). He is believed to have established important businesses in Tripolitania. None of these groups stand to gain from a deal under which they will be sidelined.

The GNC has little popular support but at least one important strategic

advantage. Its firm grip on the capital means it controls the bureaucracy. By contrast, the HoR's decision to exile itself in Tobruk, while perhaps necessary to ensure its security, has proved fatal to its authority. Its inability to command the Central Bank of Libya (CBL) and the NOC has been extensively documented over the past year. It also has no meaningful control of the General Electric Company of Libya (GECOL), the main electricity-supplier, and most other institutions. Almost every agency which provides and pays for the water, staple foods, medicine, fuel and electricity that sustain life in the country is still controlled from the capital.

The managers, engineers and officials who run the CBL, NOC and GECOL do not necessarily answer to the GNC, although they cannot defy it, either. There is good evidence that these bodies operate on a nationwide basis almost outside political control and arguably represent the last vestiges of the functioning state. For instance, Oil and Gas Minister **Mashallah Zwei** has no observable control over NOC Chairman **Mustafa Sanalla**, despite the fact that they occupy offices in the same building in Tripoli (AC Vol 55 No 24). The Thani government in Tobruk also appointed its own NOC Chairman last November (and this replacement has since been replaced). Despite its repeated threats of legal action against international companies which persist in dealing with Sanalla and his organisation, the NOC continues to export oil, including from the Marsa el Harigah terminal just east of Tobruk.

Likewise, the CBL in Tripoli is controlled by its Governor, **El Sadeek Omer el Kabir**, who is suspected of

Islamist sympathies but claims to be independent (AC Vol 53 No 3). Amongst other responsibilities, he finances the import of subsidised staple products and pays state salaries, including those of most militias, politicians and ministers on both sides. As revenue from oil exports has slumped to approximately a quarter of its annual maximum during the last years of Colonel **Moammar el Gadaffi's** era, El Kabir is liquidating the CBL's foreign currency reserves to pay the bills. Only approximate estimates are possible but if the Bank is selling US\$20 billion of reserves a year, it can sustain the economy for three more years at most.

Financial restrictions have already been imposed. Shortages and power cuts are common, and further social and economic disintegration is likely. Boosting oil exports will buy more time. It is equally vital that wholesale theft from the budget is eradicated. Billions of dollars per year could be saved by not paying bogus salaries. By one estimate, up to one-third of the 1.5 million wage claims may be fraudulent. Smuggling imported diesel and gasoline to neighbouring countries costs the state billions more.

It is arguable that the devastating wastage of natural resources is a greater long-term threat to the country than armed conflict or the presence of small numbers of Islamic State (Isis or *Da'ish*) extremists outside Sirte and Dirna. Home-grown and imported jihadist groups will inevitably continue to exploit the state's weakness but compared to wars elsewhere in the region, the violence is relatively contained. According to Libya Body Count, the fighting has caused 1,309 deaths so far in 2015 – comparable to the numbers killed in Iraq in a single month. ●

MINING

Frank's fickle fortunes

The self-styled Emperor of West African Resources has seen his empire's foundations badly shaken in the past year

In the face of tumbling commodity prices, the operations of **Vasile Frank Timis** in **Burkina Faso**, **Côte d'Ivoire**, **Liberia**, **Senegal** and **Sierra Leone** have sunk, stopped producing or come under the increased scrutiny of regulators around the world. Private and institutional investors who lost heavily in his now defunct, publicly-listed Sierra Leone iron-ore mining company, African Minerals Limited (AML), are recovering from the shock of their losses and starting to ask searching questions about the legitimacy of the deals that secured his hold on the continent.

In London, Timis's operational base, his long-standing team has been disbanded and he has vacated his Stratton Street offices in the heart of London's Mayfair district. Sources close to Timis, formerly **Britain's** wealthiest **Australian**, say he has 'gone to ground' but he remains adamant that he will reverse his fortunes. His new office, *Africa Confidential* understands, is in Berkeley Street, only one block from the old office.

TOP CONTACTS

Timis built his resource empire in West Africa on relationships forged with presidents and members of their inner circles. His first African venture, in Sierra Leone, followed his exit from scandal-riven Regal Petroleum, which he had founded in 1996. He built it up to a value of US\$500 million on the promise of holding one of the largest oil discoveries in Europe for decades and then watched it wither to a fraction of that value when the find proved uncommercial.

Seemingly unscarred by the Regal fiasco, Timis followed in the footsteps of Israeli diamond billionaire **Beny Steinmetz**, who had invested in one of his earlier European mining ventures, Gabriel Resources, in Timis's native **Romania**. Steinmetz controls major Sierra Leonean diamond producer Koidu Holdings. Timis also entered Sierra Leone on a diamond ticket after buying a 30% stake in an exploration firm, Sierra Leone Diamond Company, in 2005. He renamed the company African Minerals Ltd. (AML) in 2007 after deciding to develop the huge deposit of relatively low-grade iron ore in the centre of the country, at Tonkolili. The mine was developed rapidly, largely with the help of a landmark \$1.5 billion

investment by the **Chinese** state-owned Shandong Iron and Steel Group for a 25% stake in the project (AC Vol 52 No 13). With the SISG investment in place, AML started producing ore from Tonkolili in November 2011.

AML's value grew rapidly and it became the highest-rated company on the London Stock Exchange's Alternative Investment Market (AIM), valued at its peak at more than \$3.5 bn. Its rocketing value came despite a host of challenges: a rapid turnover of chief executive officers – four in as many years, one of whom was Timis himself; a riot at the mine site which left one person dead and several injured, prompting an investigation into human rights violations; a scandal over a \$50 mn. payment to a **Cypriot** trading company allegedly owned by Timis himself; and questions raised by the local press about founder Timis's close relationship with President **Ernest Bai Koroma** (AC Vol 54 No 6).

Unsurprisingly, given the unquestioning stance of many AIM investors to controversial companies with good potential for returns, Tonkolili's rapid transition in 2011 from exploration project to producing mine was lauded by investors as one of West Africa's greatest mining success stories of recent years. It boosted Timis's credibility, not only with investors and trading partners such as Glencore and Standard Bank, but with the governments of neighbouring countries.

In the boom years when iron-ore prices reached over \$180 per tonne, the mineral looked to become Sierra Leone's biggest economic driver. In the space of just three years, Sierra Leone became a major exporter of iron ore to China and the biggest producer in West Africa. Then, in 2014, a rift with SISG coupled with a sharp downturn in world prices, management clashes and the devastating outbreak of the Ebola virus saw AML suddenly stop looking quite so promising (AC Vol 55 No 16). Its management team, with Timis still at the helm as Chairman, sought to assuage market fears with reassuring statements that they were confident of riding the storm with a drawdown of funds earmarked by SISG for the second phase of the project. SISG appeared unwilling to commit hundreds of millions to simply prop up the mine, however, and rumours emerged of

disagreement between the two parties.

In October last year, the neighbouring iron-ore mine at Marampa, owned by British-based London Mining, suddenly filed for bankruptcy (AC Vol 50 No 4). AML would have been ideally placed to pick up the rival mine, which is close to Tonkolili, but it lacked access to the vital railway line which makes Timis's project viable. With its bankers advising its finances were not secure enough, AML did not make a bid. Instead, the asset was picked up by none other than Frank Timis himself, with the help of a \$20 mn. loan from his old friend and fellow Australian businessman **Tony Sage**, for a sum referred to by London Mining's administrators as in the region of \$3 mn. He used his privately-owned investment vehicle, Timis Corporation, to make the purchase.

The move pleased Koroma, who was counting on revenue from the two mines, which together employed over 15,000 workers, but it shocked AML shareholders and SISG. When Timis signed a deal to ship out Marampa iron ore on AML's railway, and just a month later, in December 2014, Tonkolili stopped production, shock turned to outrage. Timis was shipping out from his private mine at Marampa, while operations at the publicly-quoted Tonkolili had ground to a halt. SISG executives were 'extremely displeased' with Timis and were looking to recover as much value from their investment as possible, said sources with knowledge of the matter. 'Timis is persona non grata in China now,' one said. 'Don't try to do one on China Inc. and get away with it.'

SISG cut off a loan to AML this March, precipitating its bankruptcy. The Chinese company then took control of Tonkolili and halted Timis's shipments from Marampa. Despite assurances to the contrary, SISG is yet to restart production at Tonkolili.

NO BLAME

Timis's cosy relationship with Koroma did not seem to have been overly strained by the near collapse of his iron-ore enterprises. The local press reported that while Timis was conspicuous by his absence from a summit in Freetown to discuss the collapse of AML, the country's biggest employer, Koroma was careful not to blame the mining magnate. Meanwhile, Sierra Leone's economy is on the ropes. The International Monetary Fund said that the mining crisis and the Ebola epidemic knocked a fifth off Sierra Leone's gross domestic product in 2014, with the full impact yet to be seen.

Before things began to go wrong in Sierra Leone and still buoyed by his early success there, Timis had expanded his empire east into Burkina Faso and Côte

d'Ivoire, winning concessions for his privately-owned mineral development company, Pan-African Minerals. The landmark deal for the company came in 2012, when Timis won the rights to develop the Tambao manganese deposit in the extreme north of Burkina Faso, close to its borders with Mali and Niger.

The French conglomerate Bolloré and Pan-African Minerals signed a memorandum of understanding in August 2014 on a rail project worth \$895 mn. to link Tambao to the Ivorian business capital, Abidjan. Tambao, which Timis hoped would become the world's biggest manganese mine, became a priority for the then President **Blaise Compaoré** as his government sought to diversify the economy away from gold and cotton.

EXPANSION STRATEGY

Timis's strategy of expanding his empire into new countries by forging links at the top of the power chain backfired when Compaoré's 27-year rule ended abruptly in October 2014. In February, protestors convinced that the concession had been won unlawfully overran the Tambao mine, smashing machinery and setting fire to buildings. The interim government then suspended Tambao's licence in March pending a review of how the concession had been granted.

Opposition and monitoring groups have accused the Compaoré government of enriching itself and family members (see Feature). An Extractive Industries Transparency Initiative report of December 2014 highlighted the fact that an open international tender for Tambao had been cancelled and the project awarded to Timis. Pan-African Minerals then paid signature bonuses of \$10 mn. into government accounts, payments which were not included in the country's fiscal code, the EITI said.

In August, the interim government agreed to hold talks with Pan-African's

local Managing Director, **Souleymane Mihin**, said *Burkinabè media*. The Mines Minister, Colonel **Boubacar Ba**, reportedly demanded that the company fulfil its promise to build 210 kilometres of road before exporting any ore.

Another West African country where Timis's operations are under scrutiny is Senegal, where the **United States** Department of Justice has scrutinised New York-listed Kosmos Energy's \$400 mn. deal to develop oil fields off the Senegalese coast with Timis and **Aliou Sall**, brother of President **Macky Sall** (AC Vol 56 No 18). Timis sold Timis Corp. a 90% interest in two old fields held by Petro-Tim, his Senegal oil exploration business, in August 2014. Critics, led by ex-President **Abdoulaye Wade**, claim Aliou Sall has a massive personal interest in the deal but he denies it, saying he is only an employee. It was Wade's son, **Karim Wade**, then Energy Minister, who signed the original contract with Timis but Timis appears to have switched his local ally after Wade Senior lost the presidential election in 2012.

INVESTIGATIONS

Given that the bulk of Timis's operations are based in the UK, investors are questioning why its regulatory authorities have yet to investigate the collapse of AML and reports of irregularities. Represented by Wellers Law Group, more than 150 private investors in AML are looking to sue Timis to recoup some of their losses.

Timis's detractors grudgingly accept that he does have an ability to get mines into operation but the viability of these projects in the long term and their real value to the countries and investors they promise to enrich is another matter. In the face of mounting criticism and the collapse of his publicly listed interests, Timis has pared back his already limited public profile but he does not seem ready to give up.

FRANK TIMIS'S AFRICAN ADVENTURES

2005

Timis buys 30% stake in Sierra Leone Diamond Company

August 2007

Sierra Leone Diamond Company renamed African Minerals (Sierra Leone)

2008

Major iron ore resource found at Tonkolili, Sierra Leone

Late 2011

Tonkolili starts production

September 2007

Ernest Bai Koroma sworn in as President of Sierra Leone

April 2012

Macky Sall elected President of Senegal

November 2012

Koroma re-elected for second term as President

March 2012

China's Shandong Iron and Steel Group (SISG) pays \$1.5 billion for 25% of Tonkolili

August 2014

Timis signs Senegal oil field development deal with Kosmos Energy

Pan African Minerals' Côte d'Ivoire rail infrastructure deal

October 2014

Burkina Faso's longstanding dictator Blaise Compaoré ousted by public protest

Frank Timis's private company Timis Corp buys Marampa mine in Sierra Leone from bankrupt London Mining

December 2014

African Minerals halts share trading

March 2015

African Minerals goes into administration

Burkina Faso's Tambao mine stops production pending government review of concession grant

April 2015

SISG acquires remaining 75% of Tonkolili from now-defunct African Minerals

'Frank very much sees Marampa as a viable asset – he was talking about barging the material out,' a source close to the company told AC. 'He doesn't care what people write about him. He has no need to speak to the press now, all his interests are private.' ●

SIERRA LEONE

Court rescues Koroma

Five months after being asked to rule on the President's summary sacking of his Vice-President, judges have dismayed many by endorsing it

In a decision mourned in Freetown's legal and political circles alike, the Supreme Court has ruled that President **Ernest Bai Koroma** did indeed have the power to sack his deputy, Vice-President **Samuel Sam-Sumana**, and appoint a successor last March (AC Vol 56 No 6).

The Court's 9 September judgement ran to 127 pages of what many people saw as contorted logic to justify its verdict. Koroma sacked Sam-Sumana just after he found out that he was taking soundings about running for the presidency. Each of the five judges on the panel, presided

over by Acting Chief Justice **Valesius Thomas**, contributed to the judgement, agreeing with Koroma's lawyers on all their arguments. Many Sierra Leoneans believe the judiciary is amenable to political influence and the latest decision has done little to counter that view.

Sam-Sumana, the judges argued, had in effect lost his position as Vice-President the moment he was expelled from the governing All People's Congress (APC) because the constitution requires party membership to be 'continuous'. This appears to be a new interpretation of the constitution, which specifies only that to stand for election, the vice-president must belong to a political party. While the basic law states that

members of parliament must vacate their seats if they leave the political party they were elected for, it says nothing on the subject regarding the president and vice-president. The judges also argued that if the vice-presidency falls vacant, the president enjoys 'supreme executive powers' to appoint someone without reference to Parliament.

In this ruling, the judges were effectively claiming that Sam-Sumana's loss of party membership overrode the constitutional stipulation that a vice-president can be removed from office only on grounds of death, incapacity or gross misconduct. Whether such misconduct has taken place has to be determined by a tribunal appointed by a two-thirds vote of Parliament. Justice Thomas argued that Sam-Sumana's loss of APC membership 'is neither mental/physical incapacity... nor is it a "violation" of the Constitution or a gross misconduct in the performance of the functions of his office'. He added that separation of powers meant that Parliament's limited role must be subordinated to the president's 'supreme executive authority'.

When Koroma announced Sam-Sumana's expulsion from the party on 17 March, eleven days after it had happened, Sam-Sumana's appeal against it was already under way. The APC dismissed

his appeal on 30 April, which the judges said had to be considered as the formal date for his expulsion. Yet Sam-Sumana's replacement, **Victor Bockarie Foh**, had already been appointed (AC Vol 56 No 13).

The judges also accepted Koroma's other justification for sacking Sam-Sumana: that by asking for asylum at the **United States Embassy** in Freetown, he had demonstrated 'willingness to abandon his duties and office as Vice-President'. US State Department officials have dismissed the asylum claim as 'political theatre'. Sam-Sumana's residence is next door to the US Embassy. According to the official US Embassy report on the incident, which *Africa Confidential* has seen, Sam-Sumana had called US Ambassador **John Hoover** to request his help with security because Koroma had withdrawn his official bodyguards and he feared for his safety in his growing conflict with the President.

Hoover intervened with Koroma, we hear, and obtained an assurance that Sam-Sumana would not be harmed. Sam-Sumana, who was then in self-imposed quarantine after one of his guards came down with Ebola fever, never entered the US mission. He lived for many years in the USA but is not a US citizen.

Civil society activist and lawyer

Ibrahim Tommy, the Executive Director of the Centre for Accountability and Rule of Law-Sierra Leone, condemned the judgement as rewriting the constitution by 'increasing the powers of a President who many think is already too powerful'. It 'sacrificed the sovereignty of the people on the altar of political party membership', he added. 'Essentially, a small party executive can overturn the will of the majority [who elected the Vice-President] by simply expelling him from the party on whose ticket he was elected.'

The opposition Sierra Leone People's Party had separately taken the issue to the Supreme Court, which on 8 September ruled that the party lacked the standing to bring a suit on the matter. Along with Sam-Sumana's lawyers, the SLPP has threatened to take the issue to the Economic Community of West African States Court of Human Rights. **Abdulai Osman Conteh**, who as Vice-President in 1991 was a key architect of the constitution and latterly an Appeal Court Judge in the **Bahamas**, will probably lead the case in the Ecowas court on behalf of Sam-Sumana, AC understands. He wrote an open letter to Koroma shortly after the President sacked Sam-Sumana, telling him that the action violated the constitution. ●

UGANDA Opposition blues

Museveni's fractious political opponents are striving to get behind a single candidate to fight him for the presidency

After three days of drawn-out deliberation, the opposition coalition formed in June, the Democratic Alliance (TDA), had still not been able to decide on a joint candidate for the 2016 presidential election as *Africa Confidential* went to press. As the most prominent figure in the opposition and the runner-up in the past three elections, the leader of the Forum for Democratic Change (FDC), **Kizza Besigye**, had assumed the honour would go to him.

This has become less certain since June, when former Prime Minister Patrick **Amama Mbabazi** announced that he too would challenge President **Yoweri Museveni** for the top job. Mbabazi was sacked as Premier in September last year when it became clear to all that the President had reneged on a reported promise to transfer power to him before the 2016 elections (AC Vol 55 No 21). Earlier this

month, Mbabazi declared that he would contest for the TDA ticket, which pits him directly against Besigye to be seen as opposition leader.

After late-night meetings, the TDA leadership summit was due to resume on 23 September but whatever the verdict, many doubt the alliance will hold. Like the ill-fated Inter-Party Coalition before the 2011 elections, the TDA has been beset by bickering over who will lead it at the polls (AC Vol 52 No 5). Besigye, who won the FDC nomination on 2 September, has never shown much willingness to step aside for Amama Mbabazi. As Attorney General, Security Minister and Prime Minister, Mbabazi was the scourge of the opposition and the architect of many of the laws that have narrowed Uganda's democratic space and interfered with Besigye's past campaigns.

There is, however, an emerging current in the FDC and wider opposition

which holds that a new face is needed if they are ever to defeat Museveni. They feel let down by Besigye's three successive defeats, not least after his share of the vote declined in 2011. They also question the logic of Besigye's calls to boycott the polls unless reforms are introduced, a strategy that would only put opposition members of parliament out of a desirable and lucrative job.

Mbabazi's appeal is simple. As the man behind the many legal tricks that have weighted successive elections in favour of the National Resistance Movement, there is no one who knows better how to manipulate the system. The only way to bring down the NRM is with someone who understands the system from the inside, a senior TDA official told us. It was little surprise therefore that the TDA vetting committee on 17 September recommended Mbabazi's candidacy on the basis of his connections in the security agencies.

Some opposition MPs also believe that after many rewarding years at the centre of government, Mbabazi can deliver much needed funds for their campaigns. In 2010, the government passed legislation that allocated public funds for party election campaigns on the pretext that this would level the playing field. This system, however,

has been widely abused, channelling funds only to NRM candidates, while the opposition has seen its financing come under increasing scrutiny from electoral authorities and the security services. Mbabazi's largesse could be the answer to these woes, providing him with influence over a loyal band of MPs capable of disrupting the President's legislative agenda in the next Parliament.

This has left the FDC divided between those willing to compromise with Mbabazi and those who think Besigye should go it alone. Evidence of the rancour emerged on 17 September when a group of FDC youths stormed the hotel where the TDA was holding its nomination summit and demanded that Besigye quit the alliance to avoid any association with Mbabazi. Among those leading the group was **Odonga Otto**, the FDC MP for Aruu County who in July launched an anti-Mbabazi campaign in northern Uganda (AC Vol 48 No 9). His dispute with Mbabazi relates to the theft of 50 billion Uganda shillings (US\$14 million) in donor funds earmarked for the north's post-conflict reconstruction from the Office of the Prime Minister in 2011-12. **Denmark, Ireland, Norway** and the **United Kingdom** all froze their aid after the scandal was revealed (AC Vol 54 No 7).

BOYCOTT OR NOT

The TDA will also have to overcome fundamental questions about its objectives. The precursor to the TDA was a loose alliance of opposition and civil society organisations calling for electoral reforms which came out of a national consultation process that began last November. The reforms included proposals to reinstate presidential term limits, reducing the President's influence over the Electoral Commission and limiting the security forces' role in the elections. Since the NRM ignored the process altogether, the opposition has been divided on whether to call a boycott – as supported by Besigye and **Olara Otunnu**, former President of the Uganda People's Congress (UPC) – or press on with the election, as preferred by the TDA's other three leaders: Mbabazi, **Norbert Mao** of the Democratic Party (DP) and a former national Vice-President, Professor **Gilbert Balibaseka Bukenya**.

Both Besigye and Otunnu are out of step with their parties. The FDC President, Major General (retired) **Mugisha Muntu**, has said the party will not support a boycott, leaving Besigye facing the awkward prospect of acting alone. The UPC, meanwhile, remains in a state of disarray since its disputed leadership election in June, claimed by

Jimmy Akena Obote, son of the late President **Apollo Milton Obote** (AC Vol 51 No 6). The UPC's localised support base means that even if the party were to back a boycott, it would be unlikely to make much difference.

A HOUSE DIVIDED

For Museveni, the divisions within the opposition ranks can only be good news. With each election, the President has seen his personal popularity slide as questions about the economy and corruption upset the NRM's narrative of political stability. Mbabazi's defection has been especially damaging as it has threatened to split the NRM and its base in the south-west, especially in relation to Mbabazi's Bakiga ethnic group, which has always block-voted for the NRM. Although several other prominent Bakiga remain in office, including Prime Minister **Ruhakana Rugunda** and the Central Bank Governor, Prof. **Emmanuel Tumusiime-Mutebile**, the spat between Mbabazi and Museveni has fed into longstanding suspicions that all the best government jobs are reserved for Banyankole, the President's ethnic group.

The dispute with Mbabazi has also added to tension among the NRM 'historicals', veterans who fought alongside Museveni in the 1981-86 bush war. Like the defection of Besigye (another Bakiga) in 1999 and several prominent military officers since, Mbabazi's departure has reinforced the view that Museveni is unwilling to cede power to anyone other than his immediate family (AC Vol 54 No 19). Those who have called for an open debate on the succession process include Maj. Gen. **Matayo Kyaligonza**, who has said on several occasions that Mbabazi should be allowed to run, without explicitly backing his candidacy (AC Vol 38 No 2). His cries have grown louder since August, when Museveni's son-in-law, **Odrek Rwabwogo**, declared he would challenge Kyaligonza for the position of NRM vice-chairman in the Western Region.

Rwabwogo, who is Business Development Officer for the Tomosi Group dairy farms, is the latest member of the first family tipped to be in the running as Museveni's successor. He secured extensive business interests in the media after marrying the President's daughter, **Patience Museveni**, in 2002. The bid for Kyaligonza's vice-chairmanship was seen as the latest sign of his emergence as heir apparent but these plans encountered a setback on 19 September when the powerful Central Executive Committee rejected his candidacy on the grounds of inexperience. The decision reflects

opposition from the old guard to a dynastic succession and follows criticism from other NRM 'historicals' on the CEC. These include **Abdul Nadduli**, the NRM Vice-Chairman in Central, who has reproached both Museveni and Mbabazi for assuming that power can rest only with one of them. Rwabwogo's aides say they will continue to seek top-tier posts for their man.

MUSEVENI SUPREME

Despite the NRM's divisions, Museveni is virtually certain to win the election (AC Vol 56 No 13). As in every past election, his strength rests on the NRM's enormous organisational strength and its ability to mobilise supporters in rural areas. In the villages, where some 80% of the population lives, the message that regime change would result only in chaos still resonates strongly.

Even so, the President is taking no chances. Since 2011, he has campaigned across the country almost non-stop, attending rallies, launching development initiatives and making grand promises. In recent months, he has sought to consolidate his position with several reshuffles of the resident District Commissioners, who are responsible for administration and security at a local level. These officials are seen as the President's men in the villages and are vital to getting out the vote and keeping tabs on troublemakers.

Mbabazi, meanwhile, is a metropolitan figure, whose support in a national election is untested. In a bid to bolster his national credentials, in early September, he launched the first phase of nationwide 'consultations', a series of events that look suspiciously like campaigning outside the period sanctioned by the Electoral Commission. The first of these took the government by surprise on 7 September when tens of thousands of people turned out in the eastern town of Mbale, a region far from Mbabazi's stronghold in the south-west. By the time Mbabazi had reached his next stop in Soroti, the government had clearly decided enough was enough and police intervened with tear gas to break up the meeting. A further event scheduled in Jinja received the same treatment and on 16 September, Mbabazi cancelled planned consultations in the north after police warned they would arrest him on charges of unlawful assembly.

The high turnout at rallies in the east, traditionally an opposition stronghold, does not necessarily translate into widening support at a national level. To present a genuine challenge to the President, the opposition will need to build a mass support base in central and northern Uganda, where the NRM made

inroads in 2011. Although Besigye has previously had some success in those regions, Mbabazi is a relative unknown. In the north, he remains distrusted as an NRM figure, a fact that is likely to persist thanks to the anti-Mbabazi campaign over the missing donor funds.

MILITIAS

More underhand methods are also being employed to cow the opposition. Since October 2014, the police have mobilised as many as one million 'Crime Preventers', who have received military training on the pretext of providing voluntary security services in villages. Opposition groups claim these are just the latest incarnation of NRM-trained thugs who will be used to intimidate and suppress opposition in the lead up to the elections. The Inspector General of Police, Gen. **Kale Kayihura**, said in August that he hopes to have mobilised

eleven million Crime Preventers by 2018.

For many opposition supporters, the more worrying development is the return to prominence of Maj. **Roland Kakooza Mutale**, who has played a leading role in electoral violence in every vote since 2001 (AC Vol 45 No 5). Officially a Special Advisor to the President on Political Affairs, Mutale is best known for his infamous Kalangala Action Plan (KAP) militia, which the opposition has accused of using torture to suppress dissent. In August, he revealed he had opened a new training camp in Luwero and hopes to have trained 1,000 recruits by election time. He openly admits his aim is to attack those former military and political figures who have abandoned the President, including Gen. **David 'Tinyefuza' Sejusa**, Gen. **Benon Biraaro**, **Muntu**, Besigye and Mbabazi. There are persistent rumours that weapons have been distributed

among Mutale's squad but the extent of this is unclear.

Not all the opposition is watching these events passively. On 24 August, the dissident Lord Mayor of Kampala, **Erias Lukwago**, declared he had formed his own youth squad, the Truth and Justice Solida crew. Lukwago said TJ Solida would be used to protect supporters of his Truth and Justice platform, a breakaway faction of the DP. The Mbabazi camp is also reported to have set up its own militia to protect their candidates.

The opposition has good reason to be nervous. In August, Besigye accused police of putting corrosive acid on the tyres of his car, causing the vehicle to crash while he was in it. After Mbabazi's experience in Soroti, he felt confident enough to appropriate Besigye's old moniker, 'Mr. Tear Gas'. Many think there is plenty more tear gas to come. ●

ZIMBABWE

End of ZANU-PF economics

The clearest sign that planning for the post-Mugabe era is under way is the open discussion of abandoning some of his most cherished policies

Zimbabwe is gearing up to introduce major economic changes to facilitate reconciliation with the International Monetary Fund, say sources in the Zimbabwe African National Union-Patriotic Front (ZANU-PF). This would help to revive the economy with new investment while rescheduling the vast foreign debt, they add. The Fund, other creditors and the government have arranged to hold a side-meeting during the annual IMF and World Bank meetings, which are being held in Lima, **Peru**, on 9-11 October.

The move has sharply divided President **Robert Mugabe's** government and strong opposition to Finance Minister **Patrick Chinamasa**, who is in charge of the initiative, is building within ZANU-PF. After a visit by an IMF delegation that ended on 9 September, Fund officials and European and other ambassadors have been publicly advising the country that pro-private sector and liberal foreign investment policies are the only path to new multilateral finance and debt-rescheduling. Constructively, say observers in Harare and New York, that means open post-Mugabe planning.

At the same time, Mugabe, 91, prompted increased concern about his health when at the opening of Parliament on 15 September, he read a speech that

he had already delivered on 25 August. The President read on, even after aides realised what was happening and passed him a note. Subsequent speeches have been uncharacteristically short.

Although the IMF-World Bank annual meetings offer member states the opportunity to interact, the platform given to Zimbabwe to address its international creditors is a rare one, said one IMF official involved. This was the first time that had happened, said a source in Mugabe's government: 'This is an unprecedented event to help rescue Zimbabwe. If the country agrees to a raft of measures, the package will be something akin to the Marshall Plan. Everybody now has an eye on a post-Mugabe era but they know Zimbabwe will require significant financial support,' the source told *Africa Confidential*.

After the IMF team led by **Domenico Fanizza** came to Harare on 31 August for the second review of the staff-monitored programme, the Fund said Zimbabwe would have the opportunity of 'garnering support for a strategy to clear arrears with multilateral institutions' during the Lima meetings. Zimbabwe, it said, would discuss its strategy to resolve its external debt arrears with multilateral creditors at a stakeholders' meeting which would 'be instrumental in highlighting the

authorities' reform agenda on the path toward normalising relations with the international community'.

Noting that Harare had stepped up its engagement with the international financial community, the team said: 'They have developed a proposal for a strategy for resolving Zimbabwe's external arrears to the international financial institutions, for which they intend to seek support from creditors at a dedicated stakeholders' meeting. Their resolve in this area is commendable.'

Zimbabwe is expected to table its debt arrears clearance plan to the international financial institutions at the side-meeting in Lima. If the IFIs approve, the way should then be free to clear the arrears with bilateral creditors. The African Development Bank (AfDB) sent an important signal of goodwill from the IFIs when it announced it was setting aside US\$601 million as a provision for Zimbabwe's arrears. Actual cancellation of the arrears will only follow a general agreement with the IFIs.

A committee has been put together to formulate the strategy. Chaired by the Reserve Bank of Zimbabwe Governor, **John Mangudya**, it includes one of his deputies, **Kupukile Mlambo**; the Permanent Secretary in the Finance and Economic Development Ministry, **Willard Manungo**; the IMF Resident Representative, **Christian Beddies**; and World Bank and AfDB representatives. Zimbabwe's external debt stood at 53% of gross domestic product in 2014, of which 42% was in arrears, according to IMF figures. Before going to Lima, Chinamasa asked Mangudya to visit **Belgium, France and Germany** to lobby key creditors.

Creditors are anxious to force Zimbabwe to restore the rule of law and property rights, and deal with corruption and poor corporate governance, say government sources. They are also demanding policy consistency, efficiency in the government bureaucracy, the softening of labour regulations and improved infrastructure. The Indigenisation and Economic Empowerment Act, which compels foreign investors to give a 51% shareholding to black Zimbabweans, is said to be another key concern (AC Vol 53 No 7).

CONDITIONS

Before debt-rescheduling can be agreed, Germany is believed to be insisting on a return to the status quo before the 1998 donors' conference, which means reversing the expropriation of the mainly white farmers' land. The United States, Britain and several other European countries back Berlin on this. Mangudya's team has put together a package heavily influenced by advice from IFIs, we understand. The IMF says the government has agreed to give 'clear guidelines on the implementation of the Indigenisation Law', which implies that it may be abandoned.

Helpfully for the international financiers, implementation of the Law has been both controversial and uneven. The government has recently approved several transactions that have allowed foreign investors to take over struggling local firms completely (AC Vol 55 No 10). The latest was July's approval of

Tanzanian miller Said Salim Bakhresa and Company's 100% acquisition of food-processor Blue Ribbon Industries.

Other measures have been taken to placate creditors. The labour law was amended to make it easier for employers to sack workers; the civil service will shrink to lessen fiscal pressure; and there are efforts to reduce the bureaucracy needed for foreigners to launch companies.

SPLIT CABINET

However, there are divisions in Mugabe's cabinet over resolving the debt. At an IMF stakeholders' conference this month, the Minister of Welfare Services for War Veterans and War Collaborators, **Christopher Mutsvangwa**, said engagement with the IMF was hopeless and he accused it of maintaining a policy of sanctions on Zimbabwe. 'Some of the ministers in the cabinet... still think the white man is superior,' local media quoted him as saying. 'The IMF and other donors... want to remove Mugabe... We have nothing to do with IMF because their agenda is removing war veterans from influential positions in government.' He also claimed that the Fund was pushing for security sector reform, an issue guaranteed to alarm veterans of Zimbabwe's liberation war and the country's securocrats. Mutsvangwa was enthusiastically supported by Foreign Affairs Minister **Simbarashe Mumbengegwi**, who accused the IMF of abetting Western sanctions on Mugabe.

Chinamasa told Mutsvangwa, 'We owe countries and international

financial institutions huge amounts of money, hence we should not politicise the situation.' He said that Zimbabwe's external debt stood at \$10.8 bn. at the end of last year and that arrears of \$1.8 bn. were owed to the IMF, World Bank Group and European Investment Bank. 'Government,' he said, 'is currently engaging the IFIs and bilateral creditors in order to agree on a process to resolve the country's outstanding arrears.'

All involved know that no terms could possibly be agreed unless wholesale economic reform took place. This could include not only abolition of the Indigenisation laws but also of the Land Reform, which saw the expropriation of 4,000 white-owned farms between 2000 and 2008, and was followed by a collapse in agricultural production. While an increasing number of white former farm-owners are now advising or managing farms, reversing the Land Reform is unthinkable while Mugabe is in office.

FALLOW LAND

Yet the country's economic situation is desperate. Expropriated farmland remains fallow, undermining efforts to revive the economy. Companies have closed at an unprecedented rate, resulting in structural unemployment rising to over 90%, by unofficial estimates. Foreign-owned firms are said to be planning to relocate their operations; toiletries producer Colgate-Palmolive and cleaning product manufacturer Reckitt Benckiser (Zimbabwe) moved to South Africa last year. ●

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POINTERS

Ethiopia/Eritrea TONGUE-TIED BBC

■ After years of cutting services, the BBC World Service made a dramatic U-turn this month when the Director of the BBC World Service Group appointed last year, **Francesca Unsworth**, announced a plan to bring the World Service to 'more countries, 'especially those countries where impartial news is in short supply'. This, she said, 'includes a new short-wave daily news service for **North Korea** and short- and medium-wave news for Eritrea and Ethiopia.'

What is less clear for the Horn of Africa is which language or languages these services will be broadcast in. When asked about the plans, a senior World Service manager replied, 'Isn't there an equivalent of Arabic, which everyone in the region understands?' The answer of course is no. Eritreans speak ten languages, Ethiopians over 70.

The **United States** government's radio service, Voice of America, has a well-respected and popular service in Amharic, Ethiopia's official working language. The BBC feels there is little point in replicating this and it has a long history of dividing up the world with Washington. The BBC Monitoring Service in Caversham listens to a range of public media across eastern and southern Africa while leaving the US Open Source Center (ex-Foreign Broadcast Information Service) to do the same job in West Africa. The output is shared but not duplicated.

If the BBC rules out Amharic, two other options stand out. Ethiopia's largest ethnic and linguistic group, the Oromo, have already started a campaign. The other possibility would be Tigrinya, spoken on both sides of the Ethiopian-Eritrean border. That, though, would reach only a tiny proportion of the potential audience (6% of Ethiopians) and might signal that the BBC was siding with the ethnic group which dominates the Ethiopian government. The best option might, some BBC Africanists say, prove to be English. It is already the language of instruction in secondary schools and universities in both countries, and the most widely-spoken foreign language.

Eritrea EU IN DENIAL

■ The European Union is limiting the number of Eritreans whom member countries grant asylum to. Brussels is finalising a 200 million euro development aid package for Asmara which, along with a hoped-for reduction in the length of

compulsory military service, could give EU countries stronger grounds for refusing asylum. 'This would be a development contribution to the root causes of migration in Eritrea,' said the EU Commissioner for International Cooperation and Development, **Neven Mimica**.

Official figures say 36,925 Eritreans applied for asylum in the EU last year, a 155% increase over 2013. The **United Kingdom** received 3,552 Eritrean applications in the year to March, more than from any other nationality, says the Home Office. In preparation for its Valletta Summit on Migration in **Malta** on 11-12 November, the EU wants Eritrea to announce reforms to military service, the main reason Eritreans give for fleeing their homeland. National service once lasted 18 months but is now indefinite. Asmara's agreement would make it easier to reject Eritrean asylum seekers (AC Vol 56 No 13).

Britain, **Denmark** and non-EU **Norway** are already reducing the number of successful Eritrean applications. After the UK Home Office revised its Eritrea country guidance in March, successful Eritrean asylum applications dropped from 73% in the first quarter of 2015 to 34% in the second. This was despite June's report by the United Nations Commission of Inquiry on Human Rights in Eritrea, which said Asmara's abuses were so egregious that they might constitute 'crimes against humanity'.

'The cynicism of the Home Office in denying protection to Eritreans fleeing a regime accused by the UN only two months ago of systematic, widespread and gross human rights violations is truly shameful,' commented the UK Refugee Council's Chief Executive, **Maurice Wren**.

Rwanda NO GO FOR GREENS

■ Rwanda's Supreme Court was due to begin hearings on 23 September on whether the constitution could be changed to allow President **Paul Kagame** to stand for a third seven-year term in 2017. Kagame has not said he will run but there is little doubt he will and a petition has been compiled with 3.8 million signatures urging him to stay on (AC Vol 56 No 6). The law suit challenging it was brought by the tiny Democratic Green Party.

Few have faith in the judiciary's independence. Courts have locked up dozens of dissenters in recent years, including a succession of former regime allies in what looks to many like a purge ahead of the constitutional reform process. Even an independent Supreme Court would be unlikely to rule in the Greens' favour, however. Their argument doesn't hold water, says **Filip Reyntjens**, a **Belgian** constitutional lawyer and vocal critic of the Rwandan Patriotic Front government. Their case rests on the

constitution stating that a referendum may be used only to amend a president's 'term' (singular). Therefore, changes can be made only to the length of a term, not the number, he argues.

Many think the only reason the Greens' case has been allowed to get so far is that the government is eager to prove its democratic credentials. Kagame himself tweeted on 3 June that the Greens were 'exercising their right' and that was a 'good thing'.

Just a day after the Supreme Court ruled there was a case to answer, the government named a seven-member commission to review Parliament's proposed changes to the constitution. After the commission's review, its recommendations will be presented to Parliament, which is expected to approve the amendments and put them to a referendum. Some think it could all be wrapped up by Christmas.

Djibouti/Britain HIGH COURT AWAITS GUELLEH

■ A High Court judge in London has ordered Djibouti's President **Ismail Omar Guelleh** to give evidence in person next month in the increasingly fraught case between the Djibouti government and exiled businessman **Abdourahman Boreh** (AC Vol 56 No 10). After a pre-trial hearing with both sides' lawyers, Justice **Julian Flaux** dismissed the notion of Guelleh appearing via video-link from Addis Ababa. 'I will need a lot of convincing in a case where the claimant is the government of Djibouti and the principal witness is the President of Djibouti and the case made against the claimant is that their case is effectively a dishonest case... So I'm simply not prepared to countenance evidence by video-link...'

A delighted advisor to Boreh reminded *Africa Confidential* that the last head of state summoned to appear in an English court was **Charles I**, who was subsequently executed.

Guelleh is suing Boreh for damages and accuses him of corruption in his management of Djibouti Port in cooperation with the Dubai conglomerate DP world. The dispute started after Guelleh sacked Boreh from the port and cancelled DP World's 20-year contract. Guelleh then sold **China** a \$185 million stake in Djibouti's strategic port.

The credibility of Guelleh's case against Boreh, who now styles himself as an opposition leader, suffered a serious blow in March when it emerged that Djibouti's lawyers, Gibson Dunn & Crutcher, had deliberately misled the court by submitting incorrectly dated evidence. Justice Flaux condemned as 'reprehensible' the government's attempts to link Boreh to a terrorist attack.

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BLUE LINES

This year's Index of African Governance from the Mo Ibrahim Foundation shows that since 2011 – the year of the Arab Spring and the United States' financial recovery – human development and rights, and participation have improved but security and economic opportunities have not.

Over the same period, 21 countries, including five of the ten best performers, have fallen in overall governance performance. The six countries that have shown consistent improvement are: Côte d'Ivoire (recovery after electoral crisis), Morocco (monarchy avoiding regional uprisings), Rwanda (authoritarian but economically efficient), Senegal (pluralist and pragmatic), Somalia (a regional intervention evicted *Al Shabaab* from the main cities and imposed a new government) and Zimbabwe (the power-sharing government's achievements).

There has been some shuffling of the top five, which includes four of Africa's smallest economies and its second biggest: it is headed by Mauritius, Cape Verde and Botswana (all of which have lost points) followed by South Africa and Namibia (which have gained points). The worst performers are brutally predictable: Somalia (still the lowest ranked despite gaining 1.2 points since 2011), South Sudan (torn apart by civil war), Sudan (Khartoum fighting on four fronts since the secession of the South), Eritrea (closed regime with the highest percentage of political refugees) and Chad (poor national governance as the president rents out his army to quell regional insurgencies).

NIGERIA

At last a cabinet, and now for the policies

After balancing political interests and restructuring ministries, the most urgent issue facing President Buhari is economic strategy

At his self-imposed eleventh hour, President **Muhammadu Buhari** submitted his list of 21 ministerial nominees to the Senate on 30 September. On 8 October, the Senate was to start vetting the names but it will not know the portfolios that Buhari intends to give to his nominees. That means that most of the questions will be about personal integrity and political loyalties rather the technical competence required in a specific portfolio (AC Vol 56 No 9).

The list is the outcome of a tricky political balancing act which has taken far too long – he was inaugurated on 29 May – but has at least succeeded in not alienating critical constituencies in the political and business worlds. In addition to the complexity of mediating among and sifting through the myriad interest groups which descended on Abuja to press their claims to run ministries, Buhari has been trying to restructure the government at the same time. Not only does he want a leaner government – the 21 nominees are likely to be the substantive ministers and the next 15, so far unnamed, will be the deputy or state ministers – he also wants to cut the ministers' scope for patronage.

That is why many of the boards and managements of state-owned companies have been reconfigured in the last few months. In theory, this should allow the new ministers to concentrate on their portfolios and public administration rather than dealing with the pressure to find jobs and contracts for their supporters.

Yet the biggest question about the Buhari government – its economic strategy

or lack thereof – remains stubbornly and worryingly unanswered (AC Vol 56 No 16). A halting performance by Central Bank of Nigeria (CBN) Governor **Godwin Emefiele** on 5 October at the *Financial Times* Africa Summit in London failed to convince many of his fellow bankers. Emefiele, who has plenty of enemies in the governing All Progressives Congress (APC), insisted that the government's costly defence of the naira, using billions of dollars of foreign reserves and putting restrictions on the availability of foreign exchange, was sound economic policy.

On the sidelines of the conference, **Donald Kaberuka**, former President of the African Development Bank, said the dogged defence of the naira risked creating new problems rather than solving current ones: 'As the gap widens between the official rate of the currency and the parallel, you open up opportunities for arbitrage and corrupt rent-seeking.' Even the political argument against devaluation – that it would alienate town-dwellers and the middle-classes because it raises the price of imports – was wrong, said Kaberuka, because most of those imports would be coming in at the more expensive parallel market rate.

When and whether the government changes its line on the currency will emerge after the economic team is in place. Based on the structure of the state governments under the APC, the Finance Ministry portfolio is likely to be divided into two: firstly, with a minister in charge of bringing in and tracking all revenue that is due to the Federation Account, from export earnings, taxes, duties and investments, which

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would entail close cooperation with the CBN Governor on currency and interest rates; secondly, the minister – probably the national planning minister – would allocate the revenue to each government department and entity.

The likely innovation will be the introduction of zero-year budgeting: that means that at the end of every year, each department must return its unspent allocation to the Federation instead of trying to roll it over into the following year. Already Vice-President **Yemi Osinbajo**, a former Finance Commissioner in Lagos State, is taking the lead on economic matters and is seen as one of the competent technocrats in the government so far.

There are at least two possible candidates on Buhari's list who could take the finance minister's role: British-born **Kemi Adeosun**, former Finance Commissioner in Ogun State; and **Udoma Udo Udoma**, a lawyer and former Senator from Akwa Ibom who has held several company directorships. Meanwhile, for national planning minister we have heard three names suggested: **Amina Mohammed**, former Special Economic Advisor to the President and currently Special Advisor on Post-2015 Development Planning to the United Nations Secretary General, **Ban Ki-moon**; the former Governor of Ekiti State, **Kayode Fayemi**, who has also been suggested as Foreign Minister; and former Lagos State Governor **Babatunde Fashola**.

It seems that Buhari has had to grapple with the Federal Character provisions, which require one minister from each of the 36 states to promote regional diversity. Secondly, he has also had the directly contradictory input of the Transition Committee, led by veteran official **Ahmed Joda**, which advised drastically cutting the size of the government (AC Vol 44 No 13). Then Buhari had to find a balance between technocrats and politicians. Additionally, he has had to consider equitable representation for the various parties that make up the APC, as well as find good candidates from states, mainly in the Niger Delta and south-east, where the previously governing People's Democratic Party (PDP) still holds sway.

Some of the delay was due to the search for candidates who could meet Buhari's demands for personal probity. He has also gone for candidates who have kept away from headline scandal but who have nevertheless lived in the less-than-perfect world of Nigerian politics.

Heading the political side of the list is a strong triumvirate of younger ex-governors: **Fashola** (Lagos), **Rotimi Amaechi** (Rivers) and **Fayemi** (Ekiti), who all made big contributions to Buhari's APC election victory as directors of Fund-raising, Campaigning, and Policy and Strategy respectively, are at its core. With the new Kaduna Governor **Nasir el-Rufai** outside but nearby, they will be influential voices in policy and governance.

They are set to work effectively with the respected **Osinbajo** to deliver on campaign promises and institutional reform. Yet **Amaechi's** appointment – depending on the powers of the ministry he is given – may prompt fresh tensions in oil-producing Rivers State, where his arch-rival, **Ezenwo Nyesom Wike**, engineered a victory in the recent elections which is now being tested in the courts. The trio of ex-governors have all made it through despite attempts to undermine their qualifications and probity.

MENTOR AND RIVAL

In the case of **Fashola** and **Fayemi**, these questions seem to have emanated from the camp of their mentor-turned-rival, **Bola Ahmed Tinubu**. They are perceived as tactical allies of Senate President **Abubakar Bukola Saraki** in his tussles with **Tinubu**, so the vetting of the triumvirate may itself become politicised. However, to defuse these tensions, Buhari nominated **Tinubu's** ally, **Lai Mohammed** (Kwara). As APC Spokesman, **Mohammed** has been a thorn in the side of the PDP for years. He now has the chance to bring his talents into government, most naturally in the Information portfolio.

The interest of the older generation of former PDP figures who worked with ex-President **Olusegun Obasanjo** (and indirectly, that of the former President himself) is underlined in the inclusion of former PDP Chairperson (2001-2005) **Audu Ogbah** and more convincingly, **Amina Mohammed** (Gombe). **Obasanjo** chose her to help Nigeria to meet the UN's Millennium Development Goals. With extensive experience in grassroots development projects, she will be a key asset in maintaining strong support for the government in the north.

Ogbonnaya Onu (Ebonyi) has to help to win over the south-east, where the APC lacks traction, as well as to represent the former All Nigeria People's

Party faction, which he chaired, in the APC. Former Anambra Governor **Chris Ngige** is the other key south-east representative. Despite his mixed record in office, he is perhaps the APC's biggest name in that region.

Emmanuel Ibe Kachikwu from Delta is a surprise inclusion, having already been chosen as the new Managing Director of the Nigerian National Petroleum Corporation. He is likely to become junior petroleum minister, taking the day-to-day running of the portfolio as Buhari has already said he will take the Oil Ministry himself. **Kachikwu** apparently lobbied for a policy role to push his ideas for reform of the oil and gas sector: these include privatisation of up to 51% of the NNPC's assets, including its four refineries. He was keen to go ahead with an early sale of the refineries but Buhari overruled this, we hear. The benefits of the new centralised control of the oil and gas industry is that it will make Buhari and **Kachikwu** directly responsible for reform and for ending the mind-boggling corruption in the sector: if that doesn't happen, Nigerians will quickly draw their own conclusions.

However, it makes it all the more important for the government to establish an independent regulatory authority for oil and gas, with full access to independent and detailed audits, to monitor the management of all the NNPC and corporate operations, both national and international, in the country.

Lieutenant General **Abdulrahman Bello Dambazau** (Kano), who has a British doctorate in criminology, was Chief of Army Staff during the delicate presidential transition from **Umaru Musa Yar'Adua** to **Goodluck Jonathan**. He represents not only an old-style military establishment keen to restore the army's prestige but the northern elite itself. It would be a surprise if he were appointed to any ministry other than Defence or perhaps Police Affairs.

Senator **Hadi Abubakar Sirika** is a long-time associate of Buhari's from his Congress for Progressive Change party and home state of Katsina. **Aisha Jummai Al-Hassan** narrowly missed out on being Nigeria's first female state governor in Taraba in the polls earlier this year and has a federal appointment as consolation. Nasarawa technocrat **Jibril Ibrahim** is one of the least 'political' choices, with a long history of technical achievement in surveying and administering land and property titles in the Federal Capital Territory and nearby. **Abubakar Malami** (Kebbi) is one of six lawyers on the list, alongside Oyo's **Adebayo Shittu**, Plateau's **Solomon Dalong**, **Udo Udoma**, **Fashola** and **Al-Hassan**, and could be a candidate for attorney general if the idea of fellow Senior Advocate of Nigeria **Fashola** as the

country's chief prosecutor prompts too much protest from Tinubu.

However, the Federal Character algebra also leaves some possibilities out, which is of special concern when it comes to the under-weight economic team. Unless some states get two ministers, the talented and widely-tipped former Federal Inland Revenue Service Chief Executive, **Ifueko Omoigui-Okauru**, is marked out of the game by the

inclusion of orthopaedic surgeon **Osagie Ehanire** from the same Edo State. In the same terms, Kachukwu's inclusion lessens veteran economic commentator **Pat Utomi's** chances of representing Delta. Then Ngige's appointment for Anambra slims the chances of former CBN Governor **Charles Soludo**, who had been a vocal critic of former Finance Minister **Ngozi Okonjo-Iweala**. Udoma's main value may in fact be political: as a

PDP floor-crosser he can trump the most effective and well-funded opposition figure, Governor **Godswill Akpabio**, in his home state.

With portfolios yet to be allotted and at least 15 slots yet to be announced, a lot is yet to emerge. Those slots left empty for now include Kogi and Bayelsa, where hotly-contested state elections will soon take place and where ministers may be chosen in the light of the results. ●

SAHEL

EU ups security demands

Drugs and people-smuggling are rife, while jihadists mount terrorist attacks. Can the G-5 regional grouping make a difference?

Foreign ministers from the Sahel Group of Five – **Mauritania, Mali, Burkina Faso, Niger and Chad** – have just held a joint high-level meeting with United Nations officials in the margins of the UN General Assembly in New York. This follows talks three months ago in Brussels with the European Union's High Representative for Foreign Affairs and Security Policy, **Federica Mogherini**, who has just been to Niger on her first official visit to sub-Saharan Africa.

The EU has now complemented its long-term Sahel development agenda with a five-year (2015-20) action plan to tackle urgent concerns that have a direct impact on security – radicalisation, migration, trafficking, youth unemployment. The initiatives will be at least partly paid for from a new 1 billion euro (US\$1.12 bn.) trust fund for the Sahel. Promoted by Spain, this will supplement the EU's existing €5 bn. aid budget for the G-5 states.

Increasingly, the EU sees the Sahel as a close neighbour whose problems and prospects have an immediate impact on Europe's security. Concern about the dramatic influx of refugees and economic migrants crossing the Mediterranean, especially from **Libya**, is a major motive for the renewed diplomacy.

The Sahel used to be viewed from afar as a remote region – probably the world's poorest – where development efforts were hampered by desertification and a shortage of economic resources, as well as by periodic rebellions. Sporadic Islamist activity was perceived essentially as a localised nuisance.

The events of the past four years have fundamentally shifted these perceptions. While the Mali crisis and the dramatic **French** intervention of 2012-13 grabbed headlines, it is the difficult experience of the past two years that has really

demonstrated to outsiders, and to the EU in particular, the scale and complexity of the challenges in the Sahel and the wider impact that these problems have (AC Vol 56 No 18 & Vol 55 No 9).

THE EASY PART

French military intervention in 2013 now looks as if it was the easy part (AC Vol 54 No 8). It took two long years to move from *Opération Serval* ending jihadist control in northern Mali to the Algiers comprehensive peace agreement finally signed three months ago by the coalition of armed groups, the *Coordination des mouvements de l'Azawad*, that had been fighting for northern autonomy or independence (AC Vol 56 No 13). In the meantime, Islamist terrorism has become more diverse and far more geographically widespread. *Boko Haram* has launched attacks in Chad and **Cameroon** as well as **Nigeria**, and there is evidence that not only Malians but also Burkinabès may be involved in the attacks east of Mopti in Mali.

In Niger, drug-financed corruption now reaches to the top of politics, while the world's highest birth-rate strains food supply, the environment and basic services. The cost of military operations against *Boko Haram* in the south-east and over the border in Nigeria has piled additional pressure on to the budget. Furthermore, recent floods have left two million people in need of help, according to the UN Office for the Coordination of Humanitarian Affairs.

The confirmation of a two-year prison sentence for the prominent anti-slavery campaigner **Biram Ould Dah Ould Abeid** risks souring Mauritania's relations with sub-Saharan neighbours just when closer cooperation is needed (AC Vol 55 No 13). In August, Nouakchott adopted a law defining slavery as a 'crime against humanity' but many people still

live in servitude. The country's economy has been hit hard by the slump in iron-ore prices.

In Burkina, last month's putsch and its aftermath have laid bare serious tensions and rifts that could yet hobble or completely derail the transition to full democracy by the end of this year (AC Vol 56 No 19). Here too, corruption has undermined the effectiveness of the state.

Mali hardly looks stronger, despite massive international support. President **Ibrahim Boubacar Keita** is failing to take a strong political lead or resist the clannish family and vested interests that convinced him to dismiss his already weakened, modernising Prime Minister, **Moussa Mara**, in January.

In southern Libya, efforts to counter the jihadist presence are undermined by a tribal conflict between local Tuareg and Toubou (Tebu). It now looks as if even the recent difficult signature of the Algiers accord was also an 'easy' stage, compared with the huge problems that remain to be tackled across the Sahel.

The UN has coordinated a longer-term overall development strategy for the Sahel and a plethora of regional structures and networks exist, including the Nouakchott Process (intelligence cooperation) and the 13-member *Comité permanent inter-états de lutte contre la sécheresse dans le Sahel* (CILSS – drought management and food security). The Economic Community of West African States (Ecowas) provides a wider regional umbrella for political principles, trade and international economic negotiations. These large groups are often unwieldy and their preoccupations generally wider than the Sahel.

Algeria has played a key mediating role in the northern Mali peace process. Yet its wider efforts to take the lead by recruiting Sahel governments to a joint strategic command in Tamanrasset have been hampered by bureaucracy and a secretive government culture. Moreover, sub-Saharan members have been wary of the big-power pretensions and the assumptions of pre-eminence of Algeria, as an Arab North African state.

By forming the G-5 in February last year, the Sahel governments took a

central role in setting the agenda for their own region. Initiated by Mauritanian President **Mohamed Ould Abdel Aziz**, the G-5 is based on direct, high-level, inter-governmental cooperation, rather than an elaborate institutional structure. This pragmatic approach has won strong backing from the EU and UN.

Elsewhere, there are some more reasons to be cheerful. In the Burkina crisis, Ecowas has once again demonstrated a strong, united capacity for diplomatic leadership to tackle crises and defend basic democratic principles. The coup leader, General **Gilbert Diendéré**, was taken into custody.

The resilient West African coastal economies, such as those of **Côte d'Ivoire** and **Nigeria**, generate trade and jobs for the landlocked Sahel states too. Building a new rail loop between Cotonou and Niamey and on to Kaya in Burkina Faso should reinforce this. French giant Bolloré is leading this project.

At the technical and administrative level, Sahelian states are sometimes more efficient than they may appear: Niger operates an effective system of food crisis early warning and is starting to implement nationwide cash transfer welfare support for the poorest families. Mali's health service proved highly efficient in tackling Ebola cases that spilled over the border from **Guinea**.

However, violent Islamism remains a destabilising factor, a direct security threat that hampers the restoration of public services and development in northern Mali. *Al Qaida* in the Islamic Maghreb and *Ansar Eddine* remain active. Having claimed responsibility for attacks in the west and far south of Mali in late June, *Ansar's* leader, **Iyad ag Ghali**, is reportedly still living in the

Algerian half of the border community of Tin Zaouatine in Tamanrasset Province.

The *Mouvement pour l'unicité et le jihad en Afrique de l'ouest* is somewhat inhibited by the French and UN military presence on its home terrain near Gao but MUJAO's ally, *Al Mourabitoun*, is now very active in North Africa. Reports that a **United States'** air strike in Libya might have killed its founder, **Mokhtar Belmokhtar**, the architect of the January 2013 attack on Algeria's In Amenas gas plant, are now thought to have been erroneous (AC Vol 56 No 15).

Troops from France's *Opération Barkhane* disrupt the transit of Islamist supplies from Libya to Mali through the Passe de Salvador and the USA has moved unmanned aerial vehicles (drones) to Agadez in Niger to extend surveillance of the Sahara. Most foreign jihadists have been chased away from the Sahel by French and allied forces and – in contrast to the Maghreb – the region has not so far been a major source of recruits for the war in Syria, though some small but significant recruiting does take place.

Militants are now staging attacks on locations all over Mali, from Fakola near the Ivorian border to Nara in the west, the Timbuktu region and Bamako itself. They may be loosely influenced by global jihadist messages but are also motivated largely by local grievances. Currently, the most prominent faction is the *Front de libération du Macina* in the Mopti region of Mali – largely recruited from Peul (Fulani) pastoralists in an area whose economy has been hit hard by the tourism and business slump that is, ironically, one result of the security crisis. The group was linked to August's bloody hotel siege in Sévaré, the killing of a local government official and a recent rural

attack near the border with Burkina.

In fact there are a small number of local jihadists in Burkina itself, as well as in Mauritania and, thanks to *Boko Haram*, in eastern Niger, too. The regime of Burkina's former President **Blaise Compaoré** was notable for its long-standing opaque stance on armed groups and influence in Africa. Some Malian jihadists even sent their families to Burkina, so that they would not be at risk after the Franco-African intervention of 2013.

NEW RESPONSES

Sahelian governments and their international partners are trying to develop a better-coordinated and more sustained response. In contrast to the intelligence and security focus of the Nouakchott Process, the G-5 is trying to concentrate on the underlying social and economic causes of instability in the Sahel. The Group's Permanent Secretary, **Najim Elhadj Mohamed** from Niger, is a senior development official, not a securocrat.

With the aim of strengthening security capacity, the EU now operates 'Eucap' programmes in both Mali and Niger. They train police and gendarmes but also reinforce a culture of due process and respect for basic human rights. Eucap Niger is now building up a permanent presence in Agadez, the main hub for trans-Saharan people smuggling. Meanwhile, the European Commission's development cooperation arm, EU Devco, has signalled a willingness to bring budget support forward to help Niger to protect its public services from the cost of the military campaign against *Boko Haram* and the damage done by the recent floods. ●

MALI IBK ploughs into trouble

The President's 'gift' to farmers of 1,000 tractors is not all it seems. It isn't the first public procurement problem to crop up

President **Ibrahim Boubacar Keita** is in the midst of another big public spending row after making a supposedly personal gift of 1,000 tractors to rural communities, just in time for the next farming season. Although this was presented as presidential charity, the tractors were bought with public money. There is disquiet about the deal.

Originally announced in May and officially approved by ministers on 29 July, the tractor deal is due to be implemented

over the coming months. Only 200 of the tractors are being acquired from Mali-Tracteurs, an Indian-led joint-venture assembly plant at Samanko, near Bamako. The rest are being bought from Toguna Agro-Industries, a company whose main activity hitherto has been the supply of agricultural inputs such as seeds and fertiliser. Toguna, however, is run by the influential entrepreneur **Seydou Nantoumé**. Toguna is importing 800 Chinese 50-horsepower Foton tractors. The deal not only appears to undermine

the very logic of Mali assembling tractors but some observers believe the Fotons are also unsuited to Malian conditions.

Mali-Tracteurs, 49% state-owned, has been assembling tractors in the country for several years from kits supplied by India's Angelique International. It employs local people, knows local conditions well and has a service network. Toguna, on the other hand, is a newcomer to supplying plant.

Fresh questions over major public expenditure come only a year after Mali endured the humiliation of seeing its International Monetary Fund programme suspended because of the failure to follow proper procurement rules for the acquisition of a presidential jet and military uniforms. The programme was restored only months later, after the contentious deals had been audited, on the orders of the then Finance Minister,

Bouaré Fily Sissoko. The enquiry found that while the presidential jet, the executive version of the Boeing-737 medium-range airliner, had been purchased at a fair price, the uniform deal had been rushed through and marred by questionable over-invoicing.

Then in January, both Sissoko and Prime Minister **Moussa Mara** were sacked. Mara was seen as paying the price for his ill-judged excursion the previous May to Kidal in the Saharan north, which had triggered a military counter-offensive by the Tuareg separatist *Mouvement national de libération de l'Azawad* and the *Haut conseil pour l'unité de l'Azawad*, a major setback for the national army (AC Vol 56 No 13). Mara had also lost a battle within government to improve transparency and financial management. Since his dismissal, family networks have become increasingly dominant in the government machine. Presidential son **Karim Keita** is highly influential.

DELICATE MOMENT

Donors have already expressed concern about the state's ability properly to manage and use the 3.3 billion euros (US\$3.72 bn.) in aid that was pledged in 2013 in the aftermath of the French-African military intervention. On 22 October, the

Paris-based Organisation for Economic Cooperation and Development will host a conference in the French capital on economic recovery and development in Mali. The scrutiny does not appear to be deterring influence-peddlers and corrupt officials, especially some close to the President.

In June, the government claimed that the tractor purchase had been subject to a normal competitive tender and that the Financing and Equipment Directorate of the Rural Affairs Ministry had been flooded with bids from would-be suppliers. So the surprise announcement that 80% of the order would go to Toguna was met with anger. Now the opposition *Parti pour la renaissance nationale* (Parena) has claimed that the 800 tractors from Toguna were in fact delivered to the customs processing centre in Kati, near Bamako, as early as 29 July – yet it was only on that day that ministers officially approved the purchase. Moreover, the terms they approved were for the 10.16 bn. CFA francs (\$17.45 million) acquisition of 800 tractors for delivery within 45 days. So why were the tractors already in Kati on 29 July?

Parena has pointed out that, contrary to normal government procedure, the cabinet statement did not specify

whether the deal had been subject to an open tender, a restricted range of bids or a simple direct agreement with one supplier. The government publicity machine has claimed the tractors will be sold to farmers at a price of CFA6 mn. each, which supposedly represents a 50% subsidy. However, Parena points out that the Foton 50 HP model that Toguna is supplying is in fact normally sold with attachments for \$10,000, equivalent to CFA5 mn. Allowing for the cost of delivery to Bamako, the price would be approximately CFA5.9 mn. That would imply that the CFA6 mn. price entails no subsidy at all. Yet Bamako media have reported that the tractors are being sold to the government for CFA13.6 mn. each, which is why the retail price to farmers would represent a 50% state subsidy. Parena alleges that if the price really is CFA13.6 mn., this represents massive over-pricing.

The opposition party also questions why the deal needed to be implemented so hastily, given the realities of the farming calendar. The main agricultural season is in its closing phase and the next season for ploughing and other land preparation will be in May-June next year, in time for the annual planting at the start of the three-month rainy season. ●

BURKINA FASO

The General's last days

Now the coup leader is in custody, extraordinary details are emerging about the country's latest escape from military rule

'We have the black box of the Compaoré regime,' said **Nestor Bassière**, Vice-President of the *Union pour la renaissance-Parti sankariste* (Unir-PS), to Radio Omega. He meant General **Gilbert Diendéré**, who had just given himself up (see Box). 'Now we will get to know Burkina's history,' Bassière concluded. Radio Omega was the station that the mutinous and now defunct *Régiment de sécurité présidentielle* attacked in the early days of their failed coup (AC Vol 56 No 19). After two tumultuous weeks of military and diplomatic activity, the RSP's adventure finally came to an end. Diendéré has now been charged with murder, attacking state security, causing injury and destruction of property and other offences.

French Special Forces freed Interim President **Michel Kafando** on 21 September because, as French Ambassador **Gilles Thibault** told local media, there were fears that the RSP would kill him if they didn't think he could serve as a

bargaining chip. Kafando's first telephone conversation was with French President **François Hollande**, which rekindled his spirits. The 220 French Special Forces are there for the anti-Islamist *Opération Barkhane* but they were also deployed to take ex-President **Blaise Compaoré** to neighbouring **Côte d'Ivoire** last October (AC Vol 55 No 22).

By the time Kafando had been freed, there were signs that the coup was starting to unravel as more and more RSP soldiers decided to back down. A core of some 300 hard-liners stood firm, though. The first deal peace deal from the Economic Community of West African States (Ecowas) consisted of 13 points, including the reinstatement of all candidates from the once ruling *Congrès pour la démocratie et le progrès* (CDP) who had been excluded and amnesty for the putschists. That failed.

Then came a second agreement between the RSP and the regular (loyalist) army, brokered by the traditional Mossi ruler, the Mogho Naaba **Baongo II**. He

had received Diendéré on 21 September but details of their discussions were not made public. That deal was signed on the next day in the Mogho Naaba's palace in the presence of the RSP interim Commander, **Aziz Korhogo**, and senior army officers. It stipulated that the RSP return to barracks and the army withdraw to 50 kilometres from the capital. Like the Ecowas agreement, it would be soon be null and void.

Ecowas was clearly finding it difficult to speak with one voice, especially since the leader of its two most powerful members, **Côte d'Ivoire** and **Nigeria**, held opposite points of view. Nigerian President **Muhammadu Buhari** had roundly condemned the coup while the Ivorian government had been ambiguous at best about the situation across its northern border. Privately, Ivorian President **Alassane Dramane Ouattara** was livid about the putsch by the former bodyguards of his old friend Blaise Compaoré, *Africa Confidential* understands, as it lent ample ammunition to his political opponents and threatened to derail his re-election campaign (see Box).

Kafando himself hinted at divisions within Ecowas during the first speech he made after being freed, when he dismissed the French-backed Ecowas deal as relevant only 'insofar as it [takes] into account the wishes of the Burkinabè

people.' His cabinet then went on to ignore the Ecowas mediation entirely, announcing the disbandment of the RSP on 25 September and the establishment of a Commission of Inquiry into events since the coup attempt. On the next day, the Public Prosecutor at the Ouagadougou Appeal Court, **Laurent Poda**, announced that the bank accounts of 14 individuals and four organisations had been frozen.

Parts of the RSP defied the order to disarm and by Saturday afternoon, the regular army had surrounded its Naaba Koom II camp with tanks. The Army Chief of Staff, Brigadier Gen. **Pingrénoma Zagré**, repeatedly said he wanted to avoid direct confrontation but told residents of the Ouaga2000 area where the camp is sited to stay indoors. The civil society movement *Balai citoyen* welcomed the move, as did the most outspoken of the presidential candidates, lawyer **Stanislas Bénéwendé Sankara** of Unir-PS.

By 28 September, the rump of the RSP, Diendéré among them, were still refusing to cooperate and threatening to defend themselves. The army reported attacks on troops as they proceeded with the disarmament operation and the Transitional Government issued an overheated statement claiming that foreign troops and even jihadists were supposedly moving in to help their friends in the RSP. On the following day, the army made its move, firing three (some say four) artillery shots into the Naaba Koom II from its Sangoulé Lamizana camp. That was enough. Diendéré slipped away to resurface later at the Vatican diplomatic mission, from

where he called on his remaining men to surrender. There are reports that he tried the United States Embassy first but was refused entry. By the evening, the army had moved into the former RSP camp and was conducting mopping up operations in Ouaga2000, which continued into the next day.

NEGOTIATIONS AND ARRESTS

Nearly two days of negotiation were needed to get Diendéré to surrender. There is no evidence that at any point **Pope Francis** himself was involved but the Apostolic Nuncio, Archbishop **Piorgiorgio Bertoldi**, and the Archbishop of Ouagadougou, Cardinal **Philippe Ouédraogo**, certainly were. So were former President **Jean-Baptiste Ouédraogo** and the indefatigable US Ambassador, **Tulinabo Mushingi**. The Vatican itself kept a low profile. It was clear, though, that the Church was offering neither asylum nor a *laissez-passer* to another country. A sign of how delicate these negotiations must have been for it came on 1 October, when the Secretariat of the Bishops' Conference in Burkina Faso (not the Nuncio himself) announced Diendéré's surrender in a terse, single sentence statement. By half past two, Diendéré was in the military camp of Paspanga, a prisoner.

Other former CDP stalwarts had by then been taken in, too. **Djibril Yipènè Bassolé** was arrested at home by gendarmes for his links to the coup, which he emphatically denied. Being a former Gendarmerie General, he now resides at Paspanga as well, along with the former Special Presidential Chief of Staff, Colonel **Boureïma Kéré**; Col. **Mamadou Bamba**,

who had announced the 17 September coup on television; Cdr. **Korhogo** and Captain **Abdoulaye Dao**. Korhogo and Dao are seen as the original ringleaders of the failed coup. Those whose assets have been frozen include: Diendéré and his wife, **Fatoumata Diallo Diendéré**; CDP Chairman **Eddie Komboïgo** and his predecessor, **Léonce Koné**, who publicly welcomed the coup; his brother-in-law and coup-supporter **Hermann Yaméogo**, son of Burkina Faso's founding President, **Maurice Nawalagmba Yaméogo**, and a long-standing former political partner of Compaoré; **Bamba**; **Djibril Bassolé**; and Col. **Sidi Paré**, a military judge who had been appointed Security minister only in July and now stands accused of complicity with the coup plotters. The organisations with frozen assets include the CDP and Bassolé's new party, the *Nouvelle alliance du Faso*.

Addressing the United Nations' 70th General Assembly on 2 October, Kafando said that new elections were now being planned but he could not yet give a date. Early December looks likely. Money will have to be found: at the end of the first post-coup cabinet meeting, a statement from the Communication Minister said that these two turbulent weeks have cost the state as much as 52 billion CFA francs (US\$90 million) in lost revenue and tax. The official death toll stands at twelve, with 127 people injured.

CÔTE D'IVOIRE REELS

As the Ivorian presidential campaign heats up before the 25 October elections, both sides are treating the failed coup in Burkina Faso as an event to be milked for domestic political gain. After a cabinet

BLACK BOX MAY KEEP ITS SECRETS

When **Nestor Bassière**, Vice-President of the *Union pour la renaissance-Parti sankariste*, declared that the 'Black box' had been found, he reminded everyone that if any one person knows where all the bodies of Blaise Compaoré's regime are buried, it is General **Gilbert Diendéré**. Whether investigators can play back the black box in full remains to be seen.

Diendéré may not wish to reveal all. His own role dates back to both the advent and the demise of the late President **Thomas Sankara**. After the trail of targeted killings that was a feature of Compaoré's reign, his revelations could cause serious embarrassment in Abidjan, Paris and beyond. Diendéré also holds the secrets of Compaoré's relations with **Libya's** late Colonel **Moammar el Gadaffi** and **Liberia's** gaoled ex-President **Charles Taylor**.

Compaoré's support for the former *Forces nouvelles* guerrillas in northern **Côte d'Ivoire** was the foundation of his warm relations today with President **Alassane Ouattara** and Parliament Speaker **Guillaume Soro**. Ouattara is unlikely to want all these details to see the light of day. While they are well-known in outline, Compaoré may also have been involved in bloody events in the 2010-11 post-electoral crisis in Côte d'Ivoire, including the massacre at Duékoué, which killed at least 800 people.

Then there's the **Mali** file. In the aftermath of the coup, Burkinabè authorities briefly detained **Mahamadou Djeri Maïga**, Vice-President of the Tuareg independence movement, the *Mouvement national de libération de l'Azawad*. The MNLA has had a strong presence in Ouagadougou since 2012, including high-ranking members of its political office. Maïga later went public, saying that he had nothing whatsoever to do with the coup; his only contacts with Diendéré had been occasional after the General had replaced **Djibril Yipènè Bassolé** as the liaison between his organisation and the Burkinabè government.

Yet there had been a few enthusiastic endorsements of the *Régiment de sécurité présidentielle*, which launched the coup, on social media originating in circles close to the MNLA in Ouagadougou. Mali was another crisis which Compaoré had a public reputation for having helped to resolve: his real role is now known to have been much murkier (AC Vol 54 No 10).

In tandem with Bassolé and the Mauritanian businessman **Moustapha Ould Liman Chafi**, Diendéré had contacts with jihadists, kidnapping outfits and other armed gangs in the Malian Sahara, which he sought to use, among other purposes, to obtain freedom for Western hostages. ●

WHERE WAS BLAISE?

Burkina Faso's ex-President **Blaise Compaoré** was until recently living in a luxurious part of Cocody-les-deux-plateaux, in north Abidjan. There, he would regularly meet members of his deposed clan and their business friends. After a dramatic fall during morning exercises, he was evacuated to **Morocco** for surgery on 15 July and was reportedly occupying a suite in the Sofitel Jardin des Roses, a luxury hotel in Rabat, when the Burkina coup happened.

This is curious, as his old friend Ivorian President **Alassane Ouattara** told local journalists as early as 27 July that friend Blaise was fine and recovering well. So why would he spend two more months in an expensive hotel when he could easily continue his recovery in his luxury home in Abidjan? The suspicion that he had foreknowledge of the coup and wanted to prevent Ouattara from being embarrassed by his presence in Abidjan is inescapable.

Little is known about Compaoré's stay in Morocco or his movements. Ivorian sources suggest, as *Africa Confidential* reported, that General **Gilbert Diendéré** had been to Abidjan to consult his former boss about the coup plans (AC Vol 56 No 19). These claims are difficult to substantiate but it also appears that nobody has been keeping track of Compaoré's movements. The **French** Ambassador to Ouagadougou, **Gilles Thibault**, told Burkinabè media that when French President **François Hollande** was on a visit to Morocco, he neither saw nor spoke to Compaoré, which does not clarify things any further.

In the aftermath of the coup, reports surfaced in the Ivorian press that Compaoré, described in some quarters as 'the embarrassing package', was making haste to Abidjan. That provoked immediate demands from the opposition for him to be permanently removed from the country. ●

meeting on 23 September, government Spokesman **Bruno Koné** told Ivorian journalists that 'a guilty silence' regarding the situation in Burkina Faso was better than 'noise that will create problems.' This did nothing to improve the standing of his government which has failed to condemn the coup. The mental acrobatics displayed in the staunchly pro-Ouattara newspaper *Le Patriote* were a sight to behold as it simultaneously attempted to play up the democratic credentials of the coup supporters, play down its own connection with the plotters and avoid any condemnation of the coup.

The opposition – the pro-**Laurent Gbagbo** section of the *Front populaire ivoirien* being the most vociferous – greatly enjoyed making political capital out of accusing Ouattara of collusion with the putschists in Ouagadougou. The supposed links are military men who know both Diendéré and Ouattara well: Lieutenant Col. **Zakaria Koné**, a commander at the Akouédo military camp in Abidjan, who once held the north-western towns of Vavoua and Séguéla under his boot for the rebel *Forces nouvelles*; and former FN leader **Guillaume Soro** himself, currently Speaker of the Ivorian Parliament.

Pro-Gbagbo newspapers published not one but two clearly concocted letters by 'Burkinabè citizens' apologising to Gbagbo for bringing Ouattara to power and denying that there had ever been any anti-Burkinabè feeling while the *Front populaire ivoirien* was in power. Others went as far as to suggest, without a shred of evidence, that with a Ouattara-friendly government in place in Burkina Faso, the country could be used as a rear base for armed rebellion, should the incumbent lose the election. In its condemnatory zeal, the Ivorian opposition seems to have forgotten its own xenophobic antics while in power. ●

UNITED NATIONS

Piling on the goals

Amid the back slapping, the big summit in New York may change the balance of power in the aid industry

Legend has it that in 2001, a handful of officials in the basement of the United Nations Headquarters in New York hatched the Millennium Development Goals. They have focused the minds of development workers for nearly 15 years and fired up fierce debate about the role of the UN and national economic policy. Initially, governments were wary at what sounded like more conditions on aid money with target-oriented audits and more intrusion on matters of policy and management. Critics of Western aid such as **William Easterly**, a former staff economist at the International Monetary Fund, argued the MDGs were setting up governments for failure and would at best be another distraction for governments trying to carry out tough economic reforms and restructuring.

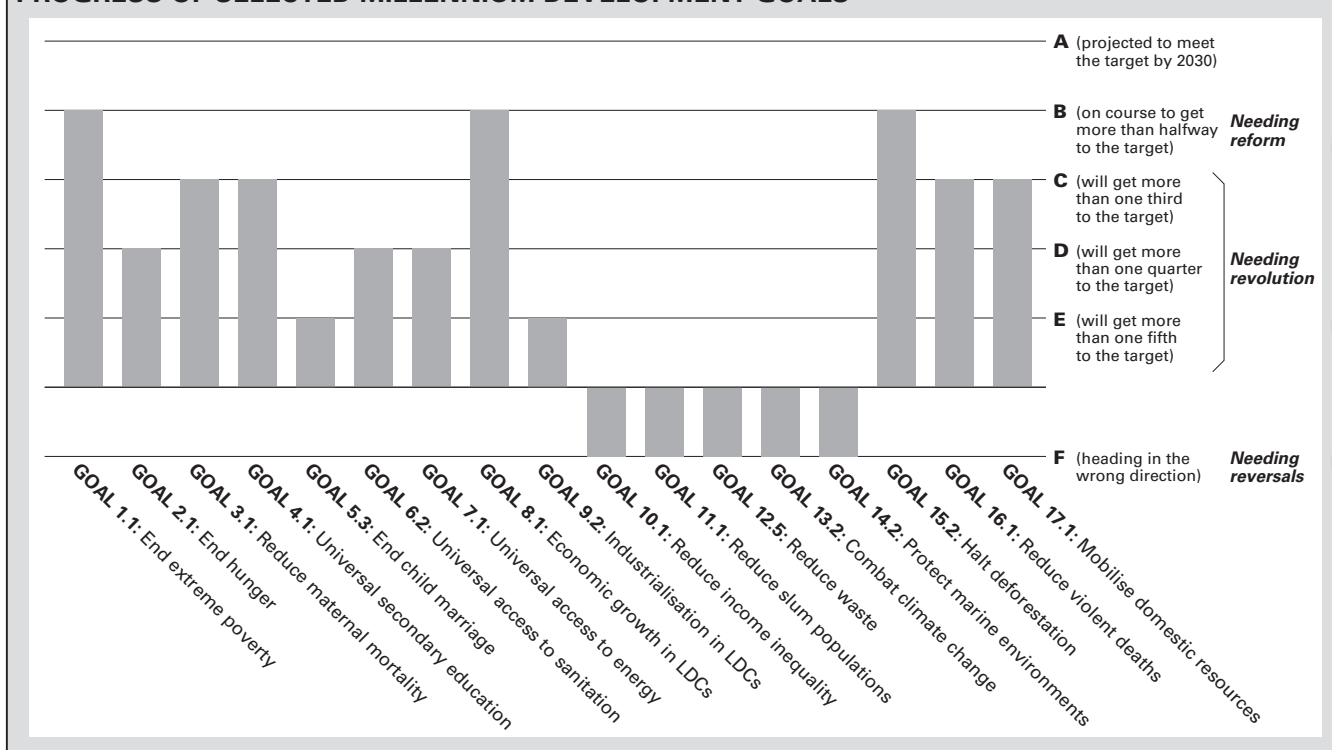
Yet MDG advocates led by United States economist **Jeffrey Sachs** galvanised international institutions and philanthropists to channel money into vaccines, bed nets to protect people from malaria and better technology for farmers. Some experts such as **Ian Scoones**, at the Institute of Development Studies at Sussex University, say cynicism towards the MDGs has waned and suggest the successors, the Sustainable Development Goals (SDGs), agreed at last month's UN General Assembly, could usher some important changes in policy: 'The old aid frame with Western nations and rich philanthropists from the US setting the agenda has gone. The declines in aggregate poverty since were not largely the result of MDG interventions at all, but the growth of **China** (and also **India**, parts of Latin

America, and more recently some countries in Africa). These changes were not driven by goals and targets, or village pilot projects such as Sachs' much criticised Millennium Villages, but by economic aspiration, capitalist expansion and growth.'

The MDGs were a narrow set of eight goals and 18 targets focused on developing countries. In contrast, the SDGs are universally applicable, featuring 17 goals, with 169 associated targets, ranging from ensuring access to energy, water and education, to improving infrastructure and industrialisation, and tackling inequality. The task of establishing post-2015 goals came out of the Rio+20 Sustainable Development Summit in 2012. The **Brazil** summit tasked a working group of representatives from 70 countries with drawing up a report which went to the UN's 190 member governments in July 2014.

The final wording on goals and targets, together with their accompanying preamble and declaration, were decided this August. In addition to its extensive interaction with diplomats, the UN held 83 national consultations and an online

PROGRESS OF SELECTED MILLENNIUM DEVELOPMENT GOALS



'My World' survey which asked people which policy areas they would like to prioritise.

The tactic of making goals by committee has prompted some critics to call for the number of goals and targets to be reduced. 'If you say "17 goals", it takes a genius to recite the 17,' said **Helen Clark**, the **New Zealand** former Prime Minister who heads the UN Development Programme, in January, while **British** Prime Minister **David Cameron** warned that 'there are too many to communicate effectively'. Although developing policy by committee and consultation is more democratic, it almost inevitably means that the focus becomes less tight. The goals on sustainable consumption, inequality, 'peaceful and inclusive societies', and the pledge to 'strengthen the means of implementation and revitalise the global partnership for sustainable development', sound woolly and are impossible to measure.

'The chief problem with this new laundry list of targets is that trying to prioritise 169 things looks very similar to prioritising nothing,' says **Bjørn Lomborg**, Director of the Copenhagen Consensus Centre, a think tank focused on cost-benefit analysis. Governments should start by concentrating on 18 of the 169 targets, most of which focus on healthcare, energy and education, he says, and where every dollar spent could deliver benefits worth at least US\$15.

But the big change is a conceptual one: the issues of poverty, inequality and environmental despoliation

can no longer be neatly divided into what's relevant for the rich and industrialised world and what fits in the poor and predominantly rural world. Globalisation, of capital and now of people, is bringing these worlds into closer contact, and sometimes, collision. At least the SDGs take account of that critical geo-political shift.

UNFINISHED BUSINESS

Although the headline goal from 2001 of reducing by 700 million people the number of those living on less than \$1.25 a day was met in 2010, as was the target for increasing the number of girls going to school, the MDGs still leave behind plenty of 'unfinished business'. Maternal mortality has fallen from 380 deaths per 100,000 births to 200 but the original target of a three-quarter decrease is not expected to be reached until 2050. The goal of halving the number of people without access to good drinking water and sanitation is forecast to be attained in 2030, while education enrolment rates have dramatically increased but not sufficiently to meet the targets.

While sceptics suggest that poverty reduction, maternal mortality and access to education would have in any case increased without the MDGs, it is hard to deny their importance. For example, with targeted aid and government spending, 2.3 billion people gained access to improved drinking water between 1990 and 2012.

Last month, Britain's Overseas Development Institute published

'Projecting Progress', an intensive study of the SDGs. The paper argues that the targets for ending extreme poverty, for economic growth in the poorest countries and to halt deforestation are the most likely SDGs to be met by 2030. At the other end of the scale, says ODI, tackling income inequality, slum residence, the protection of marine environments and the effects of climate change are likely not to improve at all and even to worsen.

The ODI assessed the new targets by dividing them into three groups: those which require 'reform', 'revolution' or a 'reversal of current trends' if they are to be achieved. 'Unless significant changes are made, none of the SDGs will be met,' it says, although it stresses that 'this is far from a prediction of failure'.

HEADLINE GOALS

Of the 17 headline goals, ending extreme poverty – the main piece of unfinished business from the MDGs – is the most likely to be obtained. The World Bank forecasts that on current trends, by 2030 between 3% and 7% of the developing world's population will be living on less than \$1.90 per day, its new threshold of extreme poverty. That, however, is a global figure and the paper estimates that most progress towards this goal will be made in South and East Asia, where 500 mn. people will be lifted out of extreme poverty. In sub-Saharan Africa, though, the number projected to remain in extreme poverty is expected to increase from 410 mn. to

460 mn. because of population growth. This trend is likely to be repeated across many of the targets.

With the SDGs following the path of their predecessors in prescribing uniform global targets, one of the challenges for policy-makers is to accept that different countries and regions have wildly differing starting points. Despite enjoying one of the fastest regional economic growth rates in the world, sub-Saharan Africa will need the most attention on the poverty, energy and sanitation goals.

The question of how the SDGs are going to be funded also remains unanswered. 'Current levels of government revenue and aid will not be enough to implement the poverty, education and health SDGs,' the ODI comments. Yet the clear message from the Financing for Development

Conference in Addis Ababa in July, where finance ministers agreed on how to fund the new targets, is that the aid pot is unlikely to get any bigger (AC Vol 56 No 15).

ROBUST TAX

Instead, African governments will have to increase domestic revenue by making their tax systems more robust and boosting intra-regional trade, while private sector investment will have to increase to plug the gap. None of these policy objectives, though vitally important to future economic development in the continent, will be achieved quickly but short-term cuts to health and education spending, which rely most on foreign aid, will delay reaching the SDGs in those policy areas.

To some, MDGs were a political

vanity project, designed to salve the consciences of leaders in the world's wealthiest countries. And they have sparked debate and activism on economic policy and strategy.

The least that can be said for the 2001 targets is that they drew attention to deprivation in ways that other methods may not have been able to achieve. The danger is that the new plethora of targets and goals is too many and too vague. If the UN and world leaders cannot communicate the new goals and how they can be achieved, the SDGs risk the fate of countless international summit communiqués, gathering dust on ministerial bookshelves. Yet if enough activists, experts, officials and politicians take them seriously, they will promote a new more global focus on the causes and consequences of poverty and inequality. ●

SOUTH AFRICA

Rise of the third termers

There is a push within the ANC for Zuma to stay on as party President for yet another term

Hand signals have always been a favourite at African National Congress gatherings. During the bruising party leadership race in 2007, **Thabo Mbeki's** opponents used the football hand gesture that signals that a player is being substituted. President Mbeki soon found himself substituted as ANC President by **Jacob Zuma** (AC Vol 48 No 25).

Signals are once again being viewed as an indication of what lies ahead in the party leadership contest. It was therefore no surprise when social media were abuzz with news and pictures of members showing three-finger hand signals during the ANC Youth League (ANCYL) conference in September, where the relatively unknown North-West Province's **Collen Maine** was elected leader (AC Vol 56 No 18). Some of Zuma's opponents in the party say the hand gestures were part of an attempt by his backers to test the third-term debate in local branches in the run up to the 2017 elective conference. However, the President is well aware of how party branches punished Mbeki in 2007 for suggesting that he take a third term as ANC head. It helped Zuma to win.

The third-term debate has been reinforced by Maine's allies, who have indicated 'there was no problem' with Zuma standing again. Maine's North-West provincial ANC is taking the lead in suggesting Zuma stay on as party

President.

ANCYL members in Mpumalanga Province who used the hand signals later said this was to support their Premier, **David Mabuza**, who is seeking a third term as the party's provincial Chairman (AC Vol 56 No 17). However, Zuma's allies took the opportunity to test the water for a third Zuma term, with the Premier League leading. This groups three powerful premiers and ANC provincial leaders, including Mabuza, North-West Premier **Supra Mahumapelo** and Free State Premier **Ace Magashule**.

'The Premier League wants whoever Zuma wants. Himself or Ma Zuma,' said one ANC insider. That means **Nkosazana Dlamini-Zuma**, Chairperson of the African Union Commission. One idea under consideration is that Jacob Zuma would continue as ANC President with his ex-wife, Dlamini-Zuma, as national President in 2019. 'The agenda of the new ANCYL is elections and conferences. The Premier League is the real ANCYL – they are owned by the Premier League,' commented a Youth League member.

The ANCYL Secretary in the North-West, **Sipho Dial**, is a close ally of both Maine and Mahumapelo. 'We are just throwing this thing for ANC structures to have a discussion,' he told local media but he expressed no opposition to Zuma being re-elected for a third term. While some provinces, including Gauteng and the Eastern Cape, dismissed the third-

term debate, there can be no doubt that the Premier League is pushing ahead with the idea.

LEAGUE LEADERS

With their strong provincial ANC base, deep financial pockets and the support of the powerful KwaZulu-Natal (KZN) Secretary, **Sihle Zikalala**, the Premier League got its preferred candidates elected at the ANC Women's and Youth league conferences this year. If anyone had underestimated its power, the 22 September appointment of the relatively unknown Member of the Executive Council (MEC) in Free State, **Mosebenzi Joseph Zwane**, as the new Mineral Resources Minister is a clear sign that the group wields serious power in the party. Zwane has no experience in mining or of any national portfolio but is a close confidant of Magashule. He replaced the former Limpopo Premier **Ngoako Ramatlhodi**.

Zwane's appointment shocked even ANC National Executive Committee members. Such a senior cabinet post is usually reserved for the NEC. Zwane is said to be close to the politically well-connected **Gupta** family, which has also raised eyebrows (AC Vol 52 No 5). A report in the *Mail and Guardian* newspaper last year said that Zwane, as MEC for Agriculture in the Free State, was involved in bringing the Estina dairy project, which was driven by associates of the Guptas, to his home town of Vrede.

The Premier League is flexing its muscles across all sectors, including the ailing public broadcaster, the South African Broadcasting Corporation. The SABC Chief Operating Officer, **Hlaudi Motsoeneng**, is Magashule's close ally and he has ensured that another former Free State ally, **Sophie Mokoena**, now

runs the broadcaster's political desk, we hear, albeit in an acting capacity (AC Vol 55 No 15). The desk supplies news and current affairs to all the SABC public and commercial television and radio stations. The Premier League's enemies say this allows them to control political coverage and favour Zuma while ignoring others, including the Deputy President (of party and state), **Cyril Ramaphosa**.

SUCCESSION DEBATE

For Zuma to attain a third term, he needs his home province of KwaZulu-Natal to be united. The province is split into two factions; one led by former National Police Commissioner and now Deputy Minister of Agriculture and Fisheries **Bheki Cele**, who is close to the KZN Premier **Senzo Mchunu**, and the other led by Provincial Secretary **Zikalala**. Cele campaigned against Zuma's re-election in 2012 and is seen as opposing the rise of the Premier League. A divided KZN, the party's biggest region, is bad news for any Zuma campaign. The provincial elective conference to choose the KZN ANC chairman takes place next month and lobbying has begun in earnest.

A former ANC Treasurer and previous Mpumalanga Premier, **Mathews Phosa**, poured cold water on the succession race, urging branches to focus instead on making the country work. 'We have a President elected by ANC branches; we should be focused on issues of service

delivery. The ANC has not called for presidential nominations. For me this is in bad taste to nominate a presidential candidate,' Phosa told a local radio station. 'Democratic organisations must allow for contestations,' he continued.

The ANC's powerful Secretary General, **Gwede Mantashe**, told branches to refrain from entering into leadership issues. 'The ANC has very clear guidelines on when discussions on succession may be opened in the run-up to conferences and all members are expected to abide by these guidelines,' he said. 'The NEC has therefore directed that all members must desist from making pronouncements on succession.'

Mantashe, meanwhile, appears to be angling for the position of ANC deputy president, with Ramaphosa as president, a slate that is gaining support in some parts of Gauteng Province. Despite a major shake-up of senior committee members within the NEC, Ramaphosa retained the powerful role of head of the party's National Deployment Committee. Many see this as strengthening his hand in allocating senior people to specific portfolios in the ANC and in government. Zuma had previously held this position.

CYRIL AND ECONOMY

In August 2014, the Gauteng Chairperson, **Paul Mashatile**, declared his support for Ramaphosa to become head of both party and country in 2017, with Gauteng

branches keeping close tabs on the leadership issue. 'We learnt our lesson in the [former Deputy President **Kgalema**] **Motlanthe** issue [in the 2012 party leadership contest] at Mangaung and we are holding back for now,' a senior Gauteng ANC leader said (AC Vol 54 No 1). Yet the economy is the Ramaphosa lobby's trump card, *Africa Confidential* understands. With one in three South Africans unemployed, government debt at 42% of gross domestic product, millions of government-guaranteed rands used to prop up under-performing state corporations such as electricity utility Eskom and the trade balance moving sharply into deficit, some argue that it is Ramaphosa and not Zuma who can fix the economy.

POLE POSITION

ANC members are debating whether the country and the party can indeed afford, and have the stomach for, another five years of Zuma. However, his allies are in pole position at the moment and it would take strong lobbying from the Eastern Cape, Gauteng and smaller provinces such as Western Cape, Northern Cape and Limpopo, to shift the leadership contest. As one ANC Gauteng branch leader told AC: 'Zuma has the numbers at the moment. We are all watching KwaZulu-Natal and its provincial conference in November before we can make any move.' ●

SOMALIA Amisom loses friends

Once a shining example of what regional cooperation can achieve, Amisom has now fallen victim to the region's shifting geopolitics

The African Union Mission in Somalia is suffering a crisis of confidence and a loss of purpose. After only a year in charge, the head of Amisom and AU Special Representative for Somalia, Ambassador **Maman Sambo Sidikou**, a **Nigerien**, is quitting to join the United Nations Mission in **Congo-Kinshasa**, the *Mission des Nations unies pour la stabilisation du Congo*. Leadership and funding problems are combining with the disastrous losses in battles with *Al Haraka al Shabaab al Mujahideen* at Leego and Janale to cast a shadow over Amisom's future (AC Vol 56 No 18).

The AU Peace and Security Council, which is in nominal charge of Amisom strategy, is failing to provide backing and leadership, say Mogadishu insiders. Its Peace and Security Commissioner, **Smaïl Chergui**, who was previously **Algeria's** Ambassador to **Russia**, is obsessed with

not confronting neighbouring states, they say, which means **Ethiopia** and **Kenya**, over the free hand they enjoy in Somalia. The two powerful neighbours increasingly rely on their own military, creating a lack of confidence in Amisom and thereby weakening it.

The lack of an integrated command structure is also considered to contribute to Amisom's problems. Although the **Burundian** and **Ugandan** contingents have not always been on the same page, they worked well together to defend Mogadishu and regain control of it in July 2011. Ethiopia's main interest has been to secure a buffer zone with Somalia by using militias led by allied warlords, such as Colonel **Barre Adan Shire 'Hirale'** in Gedo or Sufi groups such as *Ahle Sunna wa Jama* in Galgadud.

The intervention of the Kenya Defence Forces in October 2011 and the

integration into Amisom in September 2012 of a KDF contingent – whose number many observers dispute – completely shifted the operation's centre of gravity. Although Amisom recorded initial successes, relations between the contingents soon deteriorated. The takeover of Kismayo in September 2012 was delayed for months. At Leego, the beleaguered Burundians had to wait nearly 48 hours for support from other contingents.

Coordination, funding and strategy are the key elements that need changing, say sources in Mogadishu. Relations between the Ethiopian National Defence Forces, the KDF and the Uganda People's Defence Forces are believed to be poor. As head of the senior force, Ethiopia's Chief of Staff, General **Samora Muhammad Yunis**, is reported as being haughty towards other commanders. Amisom's KDF Commander Gen. **Jonathan Rono** is on sick leave, even though it took Nairobi months to appoint him. The UPDF is upset that Ethiopia appears to act unilaterally in Somalia and also opposes Addis Ababa's aim of getting Uganda to withdraw from **South Sudan**. The Burundian troops are not paid for months at a time.

Regional powers all want strong

influence over the creation of a Somali federal state (AC Vol 56 No 14). Ethiopia, for example, is acting as a spoiler in the establishment of the interim Central State Administration, which is meant to be a component of the federal state, because its allies in Puntland and in *Ahle Sunna* oppose it. Many Somalis now see Ethiopia as acting only in its own interests and the more it fails to act within Amisom, the more memories of its invasion in 2006-07 are revived. An extra 2,000 Ethiopian troops, possibly more, have arrived. The European Union seems unaware of the change of balance in Amisom. If the leadership problems continue, and there are scant signs of improvement, the only beneficiary will be *Al Shabaab*.

Funding is an issue because in 2016, EU financing will drop to 80% of the total. Chergui and troop-contributing countries argue that they already spend the 'blood of their sons' and that the West should pay for the whole operation. Europe responds by pointing out that it's the regional governments which stand to suffer most from *Al Shabaab* and also, that it needs to transfer funds to the anti-*Boko Haram* campaign in West Africa. Many EU member states also believe that Brussels cannot indefinitely fund an operation that started in 2007. The more these issues become public the more they affect the Amisom troops.

Another area of dispute is between Ethiopia, which wants donors to fund a major increase in Ethiopia's Amisom contingent, and the other countries,

which want the money spent on helicopters. These would help to deploy a rapid reaction force, which many Amisom officers believe is urgently needed and is the only prospect for carrying the war to the enemy.

Ethiopian aircraft have been used to bomb *Shabaab* camps in the Juba Valley but European representatives are worried about civilian casualties. Once Amisom has lost its positive image, damaged by the reported killing of civilians in Merka and in misdirected air strikes, it is hard to regain. One of the worst outcomes would be if the public began to sympathise with *Al Shabaab* because of the brutality of Amisom's actions and the lack of political progress on the ground.

CLANS AND CORRUPTION

Many of these problems could have been overcome if more effort had been spent building the Somali National Army. The government has not been able to unite its armed forces, mainly because of the persistence of clan rivalries. The word in Mogadishu is that political and military corruption has also worked against military success in the field. Since 2004, various ministers and senior civil servants have competed to steal public funds. One senior military officer was recently sacked in apparent deference to clan balance but in fact because he had been plundering the logistics budget. The military payroll is still haunted by ghost soldiers, in spite of the effort of some Somali officials and donors to root them out.

However, perhaps the main factor in Amisom's current malaise is the stark lack of coordination among donors. Amisom, the EU, Ethiopia, Uganda, **Turkey**, the **United Arab Emirates** and the **United States** all have their own training regimes and harbour suspicion about their allies. All have training contingents and programmes but no unity or coordination. Somali soldiers receive different allowances according to which donor pays them. Their units also tend to be broken up and the men redistributed as soon as the Defence Ministry takes charge of them.

Without major change, the situation is unlikely to improve soon and the omens are poor. The new Somali Chief of Staff, Gen. **Mohamed Adane Ahmed**, a Darod/Dhulbahante, is nationalistic and Ethiopia might soon push for his replacement. He and his colleagues Gen. **Mohamed Nur Galal**, the late Gen. **Mohamed Farah Hassan 'Aydeed'** and the late ex-President, Gen. **Abdullahi Yusuf Ahmed**, had a major role in Somalia's 1977 invasion of Ethiopia. That endears Dahir to his fellow citizens as much as it alienates him from Ethiopia.

In the midst of all this, the UAE has managed to obtain about 370 Somali troops to fight in **Yemen**. The Somali Federal Government has promised many more, say local and Western sources, in an agreement that would allow it to be paid US\$2,500 per month per soldier. At a time when Amisom faces such challenges, many think the military could be more usefully deployed at home. ●

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POINTERS

Congo-Brazzaville

TERM AFTER TERM

■ A mass demonstration on 27 September against a third presidential term for President **Denis Sassou-Nguesso** is unlikely to translate into a Burkina Faso-style revolution, Brazzaville pundits say. Until the demo, the only problem Sassou faced in changing the 2002 constitution to abolish term-limits was how to sell it at home and abroad (AC Vol 56 No 4). There was never any doubt that come next July, he would be elected to another five years as President. Apart from a break in 1992-97, he has been in power since 1979, although that still makes him only Africa's fifth longest-serving head of state.

Sassou carefully manages public opinion by ensuring that coopted politicians appear to disagree with him and that a range of presidentially sponsored newspapers seem to belong to the opposition.

Sassou undertook a 'dialogue' with mostly hand-picked parties and civil society organisations earlier this year which resulted in endorsement of removing term-limits and age-limits. Yet last month's rally, the biggest since Congo's first and only democratic elections in 1992, may give him pause. The next step in the bid to extend his presidency is a referendum to rubber-stamp the constitutional reform.

The real opposition, as opposed to the pretend-opposition he sponsors, has mobilised a coalition against the constitutional change. The *Front républicain pour le respect de l'ordre constitutionnel et l'alternance démocratique* includes 50 political parties and civil society organisations. Derided in the pro-government press as the radical opposition, it includes the *Union panafricaine pour la démocratie sociale*, the governing party during the 1992-97 democratic experiment, which was ended by Sassou's forces in 1997. Upads is now the only opposition party with any seats in Parliament. FROCAD will have to mobilise vast numbers on the street if it is to defeat Sassou-Nguesso.

Guinea

CONDÉ'S SHADOWY FOES

■ President **Alpha Condé** faces a growing barrage of attacks as presidential polling day looms on 11 October. So far, so normal, in a hotly-contested election except for an unusual level of foreign and online invective. One of the most hostile is a website called 'Shades of Condé' (shadesofconde.org) which calls him 'Guinea's latest dictator' and insists he will

rig the vote. It published a video last week apparently showing Condé taking cash from a plastic bag to hand to supporters at a rally.

The website started in June, posting mostly anonymous articles criticising Condé's governance and transparency record. It doesn't say who runs or funds it. It is linked to the non-governmental think tank the Imani Centre for Policy and Education, based in **Ghana** and run by **Franklin Cudjoe** (AC Vol 56 No 18).

Cudjoe has criticised Condé in international publications that include *The Africa Report* and the United States' political website The Hill. Another NGO involved in the website is the Initiative for Public Policy Analysis, based in Lagos and headed by **Thompson Ayodele**. Neither NGO responded when *Africa Confidential* contacted them to ask about their affiliation with the campaign. In June, they made a joint announcement about supporting Shades of Condé, saying they 'had declared "war" Against Dictatorship in Guinea'.

Such is the known hostility to Condé's government of **Israeli** billionaire **Beny Steinmetz** that observers have wondered if he was involved. His company Beny Steinmetz Group Resources lost its licence to develop part of the giant Simandou iron-ore reserve in April 2014 after the government determined it had originally been acquired corruptly (AC Vol 56 No 17). 'There are no connections between the NGO which writes Shades of Condé and Beny Steinmetz, albeit the topic is very much applicable to the BSGR story', BSGR told AC.

Djibouti

RED SEA RIVALS

■ Now that **Japan** has relaxed its prohibition against overseas military operations, its move to revamp its base in Djibouti may offer new opportunities for confrontation with **China**. Japan's base is only 50 kilometres from China's planned outpost, at Obock, on the other side of the Gulf of Tadjoura from the port of Djibouti. China and Japan have been having regular naval face-offs in the East China Sea over disputed territory.

At least partly in response to a **United States** call for greater Japanese participation in world affairs, Prime Minister **Shinzo Abe** won parliamentary approval for an expanded overseas role for the Japan Self-Defence Forces. Japan's Ministry of Defence plans to earmark funds in the 2016/17 fiscal budget to turn the JSDF's Djibouti base, in place since July 2011 in response to the then strong piracy threat, into its first semi-permanent overseas base, according to the Japanese press. Japan plans to step up military intelligence cooperation with the US and increase anti-piracy, disaster

relief, UN peace keeping, emergency and anti-terrorism operations, Japanese media reported.

In February 2014, China's Defence Minister General **Chang Wanquan** signed an agreement giving the People's Liberation Army Navy permission to construct a base in the enclave. Both Japan and China use anti-piracy activities to justify their increasing naval presence in the Gulf of Aden and **Somali** coastal waters. Piracy, however, has almost vanished and yet military build-ups by nearly all the foreign powers are continuing.

Congo-Kinshasa

THE MISSING COLTAN PRINCESS

■ **Belgian** and **German** police are seeking 'Princess' **Odette Maniema Krempin**, a key witness in the mysterious disappearance in Kinshasa in May 2014 of **Stephan de Witte**. He was the accountant of the **Swiss**-based Duferco steel company with whom she had an affair (AC Vol 56 No 6). Investigators say the last time the lovers were seen together was in Kisantu Botanical Garden, 120 kilometres from Kinshasa, which Odette owns.

Belgian police and De Witte's parents' lawyer, **Daniel Spreutels**, wonder why she waited three weeks before telling Congo-K police her friend had disappeared. They also wonder why she turned down several attempts by Belgium's Judge **Michel Claise** to obtain her testimony (AC Vol 49 No 12). The court wants to question her about claims that the wife of former Prime Minister **Adolphe Muzito**, **Chantal Ngalula**, was bribed. Some think Duferco wanted to buy the Maluku steel plant, 80 km. north-east of Kinshasa, others that Duferco President **Antonio Gozzi** and colleague **Massimo Croci**, charged with corruption in Belgium on March, wanted access to lottery ticket markets. Odette claimed last March that she had a file on the Duferco case and that De Witte had received 'threats' from people linked to it that he was 'blackmailing', wrote **French** magazine *Paris Match*.

Meanwhile German police wonder why Odette has disappeared from Frankfurt-am-Main since mid-2014, about a month after De Witte vanished. She used to be well-known. Her company for trading gold, columbo-tantalite (coltan) and cassiterite, the *Société minière du Maniema*, had opened an office in Frankfurt, where she was Congo's Honorary Consul and head of the German-Congolese Chamber of Commerce. Frankfurt police are also investigating allegations of embezzlement of the German-Congolese Youth Association, founded by Odette and which officially financed the scholarships of 150 children in Congo.

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BLUE LINES

Britain's Africa relations have been peppered in recent years with near misses, faux pas and a general lack of policy, but this may be changing with major conferences on migration, next month in Malta, and on climate change, in Paris in December. British diplomats are trying hard to get agreements in advance with African delegations. Britain has extracted itself from its declaration of 2013 that it would have 'only essential contacts' with Kenya's President Uhuru Kenyatta, then under indictment by the International Criminal Court. This reversal was due to some nimble diplomacy by Christian Turner, Britain's High Commissioner in Nairobi. Now British Prime Minister David Cameron is due in Kenya on a state visit next year.

Nigerian voters brought to an end the difficult relations between Britain and President Goodluck Jonathan, who had held an awkward meeting with Cameron a year ago. We understand that UK officials are now planning a meeting between Cameron and Muhammadu Buhari, Jonathan's well regarded successor. President Buhari has already been feted in Washington and Paris.

British-South Africa relations are still problematic: President Jacob Zuma failed to turn up at a scheduled meeting with Cameron last year, citing a calendar clash. However, this week Britain has welcomed to London Nkosazana Dlamini-Zuma, Chairwoman of the African Union Commission. She also happens to be the leading contender to succeed her former husband, Jacob Zuma, in the presidency.

ANGOLA

Hunger strike stirs dissent

As the oil price crash weakens the economy, protests against corruption and repression are gathering strength

President José Eduardo dos Santos's government has remained unmoved as the popular rapper and civil rights activist **Luaty da Silva Beirão's** health deteriorates sharply after almost a month on hunger strike in prison. Another of the 15 men detained four months ago, **Albano Bingo-Bingo**, is also in failing health after two weeks without food (AC Vol 56 No 15). Amnesty International says that Beirão, known as Ikonoklasta, is now being fed through an intravenous tube.

Beirão's protest has emboldened others, including the co-opted parliamentary opposition, to speak about worsening conditions in the country. Over the weekend of 20 June, police swooped on a meeting of a reading group in Luanda. The book under discussion was *From Dictatorship to Democracy* by **Gene Sharp**, an advocate of 'non-violent revolution'. Thirteen men were arrested that weekend and two more in the days that followed. They have been accused of 'preparatory acts' to staging a coup and an attempt on the life of the President. Two women are under investigation for the same crime but not in custody. Meanwhile, in a separate case in the oil-producing exclave province of Cabinda, human rights activist **José Marcos Mavungo** last month received a six-year gaol sentence for sedition.

Prosecutors announced this week that the trial of the 15 men and two women in Luanda would start on 16 November, nearly five months after the arrests. Many of the detainees have been kept in solitary confinement. In recent weeks, reports have emerged of torture and inhumane conditions. Angolan law allows for 90 days'

detention pending trial. Once that had expired, Beirão began his hunger strike.

Then President Dos Santos failed to appear for a state of the nation address to Parliament on 15 October, leaving it to Vice-President **Manuel Vicente** to read out a speech which made no mention of the hunger strikers and growing dissent. Vicente downplayed the effects of the oil price crash, announcing that although public investment would be cut by half this year, the economy would still grow by 4%. Few believe that as **Brazilian** and European expatriates have left the country in their tens of thousands and projects are grinding to a halt (AC Vol 56 No 20).

VICENTE'S ALLY ARRESTED

Once the presidential heir apparent, Vicente has his own particular political problem following the arrest of **Chinese** dealmaker **Sam Pa** (aka **Xu Jinghua**) in Beijing on 8 October as part of a crackdown on the Sinopec oil company, which has big operations in Angola and also **Ghana** (AC Vol 56 No 10). Vicente and Pa worked closely to establish the Hong Kong-based Queensway Group of companies. In turn, Queensway formed China-Sonangol, a joint venture with Angola's state oil company, which Vicente headed at the time (AAC Vol 6 No 9).

It was in March 2011 that Beirão called from a concert stage for Dos Santos to step down, prompting a string of street protests. People who had never been involved in protest action have turned out to demonstrate against the detentions and for church vigils in support of Beirão. The

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singer comes from a political family: his late father was a senior official in the

ruling *Movimento Popular de Libertação de Angola* and a friend of Dos Santos. The son is known beyond the small circle of the MPLA elite and his fate resonates with the urban middle and working classes. The simultaneous gaoling of so many people has ensured more dissent.

Although there has been little media coverage of the detentions outside the Lusophone world, Beirão has received visits from diplomats from the European Union, **Portugal, Spain, Sweden** and the **United Kingdom**. Lisbon's gesture was unusual from a country that had hitherto

been reluctant to condemn abuses in Angola for fear of losing more business to China. With signs of Beijing changing its policy towards Angola, that looks less of a risk.

Beirão has asked that he and his co-defendants be released on bail as a condition of ending his hunger strike. In rejecting this easy face-saving solution, the government may see one of its most famous dissidents die in gaol. Although civic activists are now more willing to speak out, the government's response so far has been harsher repression as social conditions deteriorate. ●

KENYA

Uhuru's frequent flyer card

The President has been trying to balance the country's domestic economic woes with some intense diplomatic glad-handing

When Pope Francis lands in Nairobi on his first visit to Africa on 25-30 November, it will doubtless be heralded as yet another foreign policy triumph for President **Uhuru Kenyatta**. The Pontiff will then go on to Uganda and, most controversially because of concern over security, **Central African Republic**.

Kenyatta, a Roman Catholic who was educated at Nairobi's prestigious St. Mary's School, had planned to meet Francis during his visit to the United Nations Sustainable Development Summit in New York at the end of September. The Kenyan delegation gave it much advance publicity but no appointment could be made because of the Pope's busy **United States** schedule.

Four months ago, Kenyatta was welcoming US President **Barack Obama** in a well-orchestrated homecoming trip. Despite the commotion surrounding the visit, little progress has been made on an agreed strategy to fight corruption, and US bankers are growing negative about Kenya's economy (ACVol56Nos11and17). As a result of his frequent travel abroad, Kenyatta's critics call him 'the frequent flier' or the 'president in transit in Nairobi'. They question the high cost of his entourage at a time when Kenya faces pressure from the International Monetary Fund to reduce the fiscal deficit and rein in government borrowing. Many Kenyans think he relishes the international travel and press coverage too much, as they bemoan his government's failure to deal with critical domestic problems such as insecurity and the six-week teachers' strike, which ended on 5 October.

The urbane Kenyatta cultivates a role for himself as a pan-African

spokesman and regional peace-maker, backed up by some smart and strategic thinkers. Yet the government's domestic agenda is crumbling under the weight of inaction, bureaucratic incompetence and rampant corruption. Those problems help to explain the worsening economic situation. The World Bank has cut its growth forecast this year from 6% to 5.4% because of currency volatility and the widening budget deficit. Last week, the New York-based rating agency Standard and Poors downgraded the country's credit rating from 'stable' to 'negative'. It forecasts the budget deficit will rise to 9.4% of gross domestic product this year, against an earlier forecast of 7.3%.

ECONOMIC AMBASSADOR

Doubtless the economy needs a good ambassador, which is the main justification for Kenyatta's incessant foreign travel. Kenya supplies about a third of the cut flowers that go to the European market and is one of the world's biggest tea exporters. Unlike his father, founding President **Jomo Kenyatta**, who flew outside Kenya only twice during his 15-year rule, Uhuru Kenyatta's foreign travel now exceeds that of his predecessor, **Mwai Kibaki**, in his ten years in office. Since his inauguration in April 2013, Kenyatta has already made 28 trips, mostly to countries in the region to promote African solidarity against what he describes as an overbearing West. He has also ventured to the West, to **Britain, Italy** and the **USA**, as well as **China, Qatar, Russia** and **Turkey**.

In the 2014/15 financial year, the Presidency, which combines the offices of Kenyatta and his deputy, **William Samoei arap Ruto**, spent 1.2 billion

Kenya shillings (US\$11.8 million) on foreign travel. That was 75% of the KSh1.6 bn. allocated to the Ministry of Foreign Affairs for international visits and had risen from KSh75 mn. in 2013/14. The presidential travel budget was so depleted at the end of last year that the Treasury had to allocate an extra KSh50 mn. in January. In a move seen as typical of 'UhuRuto' management – as the Kenyatta-Ruto coalition is often dubbed – the President had in April 2014 directed the government to cut all 'unnecessary foreign travel'.

Many of Kenyatta's trips during his first year in office were motivated by anger against the USA and Britain, which had said (during the 2012 elections) that they would contact his government 'on a need-only basis' given the pending International Criminal Court trials of Kenyatta and Ruto. Kenyatta's rushed visits to Russia and China in August 2013 were intended to slight 'the imperialist and racist' West. That view changed after the ICC dropped the charges of crimes against humanity against Kenyatta last December. Ruto still faces ICC charges (AC Vol 56 No 17). Obama's visit last July broke the ice.

DIPLOMATIC BREAKTHROUGH

The second diplomatic breakthrough was the camaraderie between British Prime Minister **David Cameron**, Kenyatta and their advisors at the Waldorf Astoria in New York in between the formal sittings of the UN General Assembly last month. Much work in advance had been done by the UK's outgoing High Commissioner, **Christian Turner**, and Foreign and Commonwealth Secretary **Philip Hammond**. On the Kenyan side, the thinking and talking was done as usual by Kenyatta, with Foreign Minister **Amina Mohammed** and presidential aides chiming in with support. The West needs Kenya's commitment to fight Islamists on the coast and in and from **Somalia**.

All the outstanding issues Kenyatta had raised seem to have been resolved:

the British Army Training Unit in Kenya (BATUK) will continue with military exercises for 10,000 soldiers a year in the desert conditions of the north but will be subject to Kenyan law for any infractions outside their base. Travel advisories warning British tourists against travel to Kenya in anticipation of terrorist attacks were said to be damaging to the Kenyan economy and 'not capable of deterring terrorism'. Meanwhile, Britain will upgrade its support for Kenyan defence and anti-terrorism initiatives. Kenyatta said relations between Kenya and Britain were 'warm and friendly' now and invited Cameron to pay a state visit early next year, an invitation that was promptly taken up. On 13 September, Turner unveiled a British-funded statue in Nairobi's Uhuru Park honouring the Mau Mau anti-colonial freedom fighters in the name of 'reconciliation' between Kenya and Britain, which has been well received.

Prior to his New York trip, Kenyatta spent three days on an official visit to Italy, after an invitation from Prime Minister **Matteo Renzi**, who visited Kenya last July in search of projects for Italian investors. A KSh34 bn. multipurpose dam, funded by Italy's Intesa SanPaolo and BNP Paribas, will be built in Kuresoi, near Nakuru, despite the Treasury and IMF warning against more government borrowing (AC Vol 55 No 14). The Tenth World Trade Organisation Ministerial Conference will be held in Nairobi in mid-December and Kenyatta has successfully lobbied **Japan** and African countries to

hold the Tokyo International Conference on African Development in Kenya next year.

Kenyatta's image looms large in eastern Africa. A lot of that is due to the fresh face he presents compared to the old faces of leaders such as **Uganda's Yoweri Kaguta Museveni**, **Rwanda's Paul Kagame** and **Congo-Kinshasa's Joseph Kabila**. As son of Jomo Kenyatta, he enjoys instant name recognition. He has been an active champion of greater cooperation between East African Community states, most recently pushing for unrestricted cross-border travel and facilitation of trade. In August, he signed a trade deal with Uganda and early this month, he hosted **Tanzania's** soon-to-retire President, **Jakaya Mrisho Kikwete**, for a state farewell when the pair opened a new road linking their countries at Taveta, 250 kilometres south-east of Nairobi. Kikwete observed that mutual trade had risen by 40% under their leadership, with Tanzania overtaking Uganda as Kenya's largest trading partner. This strengthens Kenya's position as the largest and most diversified economy in the region.

Quietly, Kenya has also been extending its security reach. Its Defence Staff College in Nairobi's Karen suburb trains senior military officers from **Egypt**, **Malawi**, **Rwanda**, **Sudan**, **Swaziland**, **Tanzania**, **Uganda** and **Zambia**. Kenya also trains Somalia's police force and civil servants from **South Sudan** at the Kenya School of Government. In addition to the 3,700 Kenyan soldiers in the African

Union Mission in Somalia who went to Somalia in 2012, Kenya increasingly plays a regional security role that Britain, the USA and Kenya itself want to see expanded, a function previously dominated by **Ethiopia**, **Rwanda** and **Uganda**.

Kenyatta's shuttle diplomacy in the region has been in part to assure his 'brothers and sisters' that their countries can work together, an effort more successful in style than in substance. As the 'rapporteur' for the Intergovernmental Authority on Development, he threw himself into the South Sudan peace process as the crisis peaked in 2013-14. He has not missed a single IGAD meeting or ceremony. Nevertheless, his much-hyped peace initiative for that country has not brought peace and is resented by all sides.

Kenyatta has been raking in international awards. In July, the All-Africa University Students' Union in Accra, **Ghana**, awarded him the Africa Leader of the Year Award. At the end of last month, he won the International Telecommunications Union award 'for promoting information and communications technology for sustainable development'. When Kenya moved up three positions in the **Mo Ibrahim** Africa governance rankings early this month, his office promptly took the credit. Meanwhile, Kenyans are bracing themselves for more frequent absences by their President when he takes the chair of the African Peer Review Forum at the next AU summit. ●

SOUTH AFRICA

ANC looks in the mirror

Losing over a third of its members under Jacob Zuma's presidency, the ANC is getting nervous about next year's local elections

It may have ended with a stirring rendition of the liberation struggle song *Mhla Sibuyayo* (The Day We Return) led by President **Jacob Zuma** but the governing African National Congress's three-day policy meeting had to confront some harsh truths about the ANC's standing in the country and the rivalries in its ranks. That was even before the more policy-minded cadres tried to raise questions about the latest doom-laden forecasts of falling economic growth and rising unemployment.

As South Africa's Deputy President, **Cyril Ramaphosa**, and the Chairwoman of the African Union Commission, **Nkosazana Dlamini-Zuma**, sang and danced on the podium alongside Zuma in 18 October, it was possible for a moment

to forget the eager manoeuvring to succeed him in 2017, when he is due to step down as ANC leader. He is also due to leave finally as national President after the elections in 2019. In fact, Ramaphosa and Dlamini-Zuma are rivals for the top job, although in ANC tradition, open canvassing in a leadership contest is regarded beyond the pale. At least one option was closed down at the National General Council (NGC) in Midrand, Gauteng, when Zuma emphatically dismissed the idea that he wanted a third term as party leader: 'Never ever. Even if they beg me, I won't stand,' he told journalists (AC Vol 56 No 20).

Talk of a Zuma plan for another term had dominated discussion in the ANC ahead of the NGC, so his

hand seemed to be forced. Indeed, the issue overshadowed the two main developments at the meeting: the 37% drop in ANC membership since 2012 and a recommendation that South Africa withdraw from the International Criminal Court (ICC). Zuma's rejection of a third term laid waste to any schemes that the 'Premier League' might have dreamed up. This lobby group of ANC provincial leaders – Mpumalanga Premier **David Mabuza**, North-West Premier **Supra Mahumapelo** and Free State Premier **Ace Magashule** – got their preferred candidates elected at the ANC Women's League and Youth league conferences this year.

That was not well received in some provinces, especially the Eastern Cape. So much so that Magashule and Mahumapelo gave detailed interviews to the public broadcaster, the South African Broadcasting Corporation, denying that the Premier League existed. The group was embarrassed by party members' strong views on how money politics is influencing the party leadership race, say insiders.

Zuma took a strong public stand against factionalism and money politics but failed to announce any effective measure to tackle it. This, some say, was his way of denouncing the Premier League. Yet Zuma has presided over the build-up of a massive personal following in his own province of KwaZulu-Natal, clearly contradicting the ANC strictures against ethnic recruitment. Significantly, the Zuma glitter is wearing off these days, even in KZN.

The ANC Women's League reiterated its call for a woman to lead the 103-year-old organisation, although we hear that there was little appetite for a female leader at the closed-door sessions at the end of the NGC (AC Vol 56 No 17). Ramaphosa is still seen as the natural successor for the top job and his campaign – dubbed CR17 – now has support from Gauteng, Limpopo, Northern Cape and parts of the Eastern Cape, KZN and the Western Cape. 'These provinces are seriously pro-Cyril and it seems, for now, the Premier League has been defeated,' an ANC delegate told *Africa Confidential*. However, delegates in the pro-Ramaphosa provinces are all too aware that 'two years is a long time' and 'anything can happen', with provinces shifting allegiances. The South African Communist Party quietly supports Ramaphosa for president and ANC Secretary General **Gwede Mantashe** for deputy president, while the Congress of South African Trade Unions is considering its options closely (AC Vol 56 No 16).

Former KwaZulu-Natal Chairman and current party Treasurer **Zweli Mkhize**, who was an ally of Zuma but is now an outside contender for the leadership, told a local radio station that there was 'too much speculation' about the leadership question. 'You have a President who will step down, so there is going to be lots of excitement and debates and there is nothing we should be surprised by it,' he added. Mkhize and his provincial allies do not want a repeat of the brutal leadership race of 2007, where **Thabo Mbeki** was ousted as ANC President. They are likely to lose from such a confrontation. 'The excitement of recalling of a leader is not going to happen,' said Mkhize.

PARTY PROBLEMS

Delegates discussed a range of measures to prop up the economy and to address power shortages (AC Vol 55 No 25). It was agreed that the state power utility, Eskom, together with private industry, should revamp old stations and look at the viability of new nuclear plants. Other issues on the agenda included state support for the steel and agricultural industries; resolving a standoff with the mining industry over black empowerment requirements; funding for infrastructure projects; finalising regulations for the oil

and gas industry to reassure investors; and the implementation of a minimum wage and national health insurance. Delegates also discussed corruption in party ranks, the party's tattered image, vote buying, gate keeping and factionalism.

Zuma stunned the 4,000 delegates when he said the party had lost 450,000 members – a 37% decline – since 2012. 'Our membership has dropped from more than a million members during the centenary in 2012 to 769,870 members,' Zuma said. Searching to explain this haemorrhage, Zuma said that many people believed the ANC had become 'self-serving' and at times 'deviates from its core values'. These are some of the commonest complaints about his leadership as he and his allies try to quash an investigation into the use of some US\$25 million of state funds on his Nkandla homestead. Zuma also condemned the practice of 'gate keeping', which means the bulk-buying of members to ensure specific people get party posts. 'People who want to join the ANC are unable to do so, while those who have joined find themselves being used as voting fodder or to rubber stamp decisions of those who control the affected branches,' he told members.

However, the ANC Deputy Secretary General, **Jessie Duarte**, attributed the drop in numbers to the fact that people 'didn't meet the deadline'. 'The drop in numbers is a lazy analysis,' a former ANC member said. 'The numbers are not the issue – patronage networks and administrative issues are also playing a role.' Mantashe's organisational report also took a hard stance on vote-buying: 'The risk is that of the ANC being sold to the highest bidder, with leadership structures becoming gatherings of various business interests. This poses a threat to the ANC – that of losing the essence of what it stands for and having its image dented in the eyes of the public.'

The party is worried its electoral support may dip to below 60% in next year's local government elections, which are expected to be fiercely contested. Mantashe told ANC members that this could be a 'psychological and political turning point' that signaled the demise of the party. ANC members calling into radio talk shows after the meeting wanted the leadership to account for the drop in numbers and start taking stronger action against corruption. They were scathing about Zuma, arguing that he had always been aware of the factionalism, especially the Premier League and vote buying. In his closing address, Zuma was adamant that the party would win back members and expressed confidence that it would have 1.3 million members by 2017.

Another policy recommendation was that the government should begin what would be a long process of withdrawal

from the ICC, which it joined in 1998 during Mbeki's presidency. 'The ICC has lost direction and it was unfair. Powerful nations are not members yet take decisions about others,' the head of the ANC's International Relations Sub-committee, **Kopeng Obed Bapela**, a Deputy Minister in the Presidency, argued, in line with a growing mood of criticism of the Court at the African Union. Beyond the ANC's argument that Africa should not be subject to the operations of a court that three permanent members of the United Nations Security Council, China, Russia and the United States, refuse to join, there are top officials in the ANC who believe South Africa can win some kudos in Africa by leading the campaign for the continent to pull out of the ICC.

MISSED OBLIGATION

This follows the ANC government's messy handling of **Sudan's** President **Omer Hassan Ahmed el Beshir's** visit to the AU Summit in South Africa in June. As an indicted war criminal, Field Marshal Omer should have been arrested by South Africa as part of its obligations as a member state of the ICC. Indeed, Zuma had earlier told journalists that Omer would be arrested if he stepped on to South African soil. However in the interim, a deal had been done granting him safe passage: it's unclear what South Africa got out of the deal, apart from a blemish on its reputation at the UN (AC Vol 56 No 13). After human rights activists launched an action for Omer's arrest under the ICC statutes, a panel of High Court judges ordered the government to comply; instead it organised a police escort to enable Omer to fly out from Waterkloof airbase on 15 June.

The High Court in Pretoria last month rejected an application by the State for leave to appeal an earlier ruling that it was obliged to arrest the Sudanese President. Rights activists across Africa and the opposition Democratic Alliance accused the ANC of abdicating its constitutional responsibilities and siding with oppressive regimes. Withdrawing the country from the ICC would be a tortuous process and could damage South Africa's bid for a permanent seat on the UNSC. Of the other two contenders, **Nigeria** is a member of the ICC but **Egypt** is not.

If South Africa formally started to quit the ICC, it would tip the balance against the Court at the AU. **Nigeria**, **Ghana** and **Senegal** – all ICC members – would be key countries. Zuma now talks about putting a reform agenda to the ICC's special conference of parties next month. We understand that Mbeki, who took South Africa into the Court, is arguing for radical reform not withdrawal and, on foreign policy matters, his voice still has weight within the party. ●

MOZAMBIQUE

Ambushing Dhlakama

Insiders detect the hand of former President Guebuza in a spate of attacks against the Renamo leader

Last month's attacks on **Afonso Dhlakama** and his stand-off with government forces are threatening the latest bid to broker a political and military settlement. People close to the negotiations suspect that a hardline faction in the governing *Frente de Libertação de Moçambique* (Frelimo), with links to former President **Armando Guebuza**, wants to sabotage President **Filipe Nyusi's** efforts to negotiate a deal with Dhlakama and his *Resistência Nacional Moçambicana* (Renamo) forces.

Professor **Lorenço Joaquim da Costa do Rosário**, Rector of the Universidade Politécnica and a mediator in talks between the government and Renamo, told the Maputo weekly *Savana* that 'there are people on both sides who think the best solution is military'. Some in Frelimo favour a 'Savimbi solution', he added. That means killing Dhlakama and forcing Renamo's remaining generals to join the government army. That's what happened in **Angola** after government forces killed rebel leader **Jonas Savimbi** in 2002 and then senior officers from his *União Nacional para a Independência Total de Angola* joined the government forces.

Nyusi's political authority is on the line after three armed clashes with Dhlakama over the past month. It marks a new, more fraught, phase of the negotiations. In September 2014, Dhlakama signed a peace accord ending his insurgency but refused to disarm until Frelimo had acted on outstanding issues (AC Vol 55 No 15, Frelimo and Renamo strike peace deal).

Reports of the clashes last month reflect the confusion and contradictions in the negotiations, as well as attempts by both sides' spin-doctors to exploit the events. Those who say the attacks on Dhlakama and his convoy are the work of rogue police and security officers suggest there are links with Guebuza and Manica Governor **Alberto Mondlane**, who was his Interior Minister.

The attacks on Dhlakama's convoy were followed by statements from the police blaming Renamo for the violence and the head of Mobilisation and Propaganda on Frelimo's Central Committee, **Damião José**, reinforced that version of events. However, several witnesses contradicted it.

In a 12 September incident, the

paramilitary police of the *Força de Intervenção Rápida* are widely reported to have attacked Dhlakama's group. In the second incident, Renamo says men in plain clothes and body armour ambushed the Renamo leader's motorcade, shutting down the main **Zimbabwe**-Beira road in a battle that lasted five and a half hours, killing one civilian and 19 of Dhlakama's bodyguards. Independent estimates are of 40 deaths, meaning that the Frelimo side took an equal number of casualties.

Eyewitnesses contradict a police story that a bus driver had been shot by a Renamo guard, and that other Renamo guards responded and ended up killing their own men in error. Even reporters from the pro-Frelimo *Domingo* newspaper and the state news agency, the *Agência de Informação de Moçambique*, confirm that an ambush and a major battle took place. Dhlakama left the scene on foot.

BACK TO THE BUSH

This attack sent Dhlakama back into the bush at a remote base in Gorongosa, Sofala Province, his headquarters during the last insurgency. This ended his recent campaigning. Renamo's new fleet of four-by-four vehicles was also destroyed.

At the time of the second attack, Nyusi was addressing the United Nations General Assembly in New York. The latest attack follows Dhlakama's acceptance of Nyusi's invitation to direct talks, following an accord brokered by another former President, **Joaquim Chissano**, in a closed-door meeting in Beira.

A third incident on 9 October, when Dhlakama's residence in Beira was surrounded by police and his personal security force detained, may prove to be a turning point. On the previous day, Dhlakama had agreed to leave a secret location in Gorongosa for Beira to prepare for a face-to-face meeting with Nyusi, facilitated by mediators Rosário and Bishop **Dinis Sengulane**, as well as a senior Interior Ministry official. The betrayal of the agreement on safe passage for Dhlakama raised new suspicion.

The stand-off at Dhlakama's residence in the posh Palmeiras area of the city, when police opened fire, lasted a day. It ended in a deal brokered by the Quelimane Mayor, **Manuel de Araujo**, from the opposition *Movimento Democrático de Moçambique* (MDM) and

the provincial Governor, former Labour Minister **Helena Taipo**.

In a significant climb-down, Dhlakama handed over his weapons and agreed to police training for a group of his guards. What is unclear is why, apart from the obvious military pressure, he made such a major concession.

Mediators who contacted Nyusi's office while the raid was under way say he appeared to have had no foreknowledge of it. The President has made no public comment about the attacks and nor have party moderates, such as Chissano.

Frelimo's propaganda unit, G-40, sprang back into action. It had been briefly silenced after Guebuza's resignation as party President (AC Vol 56 No 9, Frelimo's hit parade). The Group is behind a campaign in the pro-government private and public media calling for a 'Savimbi solution'. The G-40 accuses foreigners of funding Renamo and has been highly critical of **United States** Ambassador **Douglas Griffiths**, although the declared position of the USA and the European Union is that Renamo must disarm and take part in peaceful politics. Although the Sant'Egidio Catholic lay community, which brokered the 1992 peace accord ending Mozambique's civil war, has offered to assist in the negotiations, Frelimo hard-liners reject all forms of foreign involvement.

The harsh G-40 campaign has doused Mozambique's peace camp, which Nyusi had subtly endorsed. Among those calling for openness and a curb on Frelimo's intolerance are writer **Mia Couto** and academic **Carlos Nuno Castel-Branco**, fresh from a court victory over charges of defaming Guebuza.

Nyusi controls his cabinet but the real power on security issues is in the Frelimo Political Commission: that's where the Guebuza allies and hard-liners hold a majority. They take a tough position on Renamo. The main players in recent events hostile to Renamo are **José Candugua António Pacheco**, Frelimo's lead negotiator in the Renamo talks, Agriculture Minister and previously Guebuza's Interior Minister, and General Police Commander **Jorge Henrique da Costa Khalau**.

During the police raid on Dhlakama in Beira, mediators who contacted Nyusi's office were told to deal directly with Pacheco. Khalau subsequently issued a harsh statement that the police would continue security operations against Renamo to confiscate its weapons, whatever the consequences.

The aim of these operations seems to have been to pressure, rather than assassinate, Dhlakama and then force him to accept much less from the negotiations. Renamo has been pushing hard for provincial autonomy and a

say in appointing governors, as well as economic benefits for its stalwarts. It also wants to limit Frelimo's patronage and its authoritarian measures.

Instead, the new red line from Frelimo hard-liners and secuocrats is that Renamo must disarm unconditionally

and its members be integrated into the police and army. Once that happens, Renamo calculates that it will have lost all bargaining power.

If Frelimo cannot resolve its internal differences, the current crisis will have a wider political importance. The

emergence of two centres of power – one a moderate government headed by Nyusi and the other, a cabal of hard-liners headed by Guebuza – would replicate the political tensions of the 1990s, which slowed both political reform and economic growth. ●

ZAMBIA

Wing and a prayer economics

Battered by rising debt and deficits as copper mines close, the government searches desperately for alternatives

Despite looming elections, a sliding copper price, critical power shortages, the world's worst performing currency and record borrowing costs, Finance Minister **Alexander Chikwanda** has described his goal of almost halving the budget deficit by next year as 'reasonable'. He vowed in his budget on 9 October to cut the deficit to 3.8% of gross domestic product, despite plans to spend 14% more in the lead-up to next year's elections (AC Vol 56 No 18). Economic growth would recover from 4.6% this year to 5% next year, he said, and tax revenue would jump by 20%. Ratings agency Fitch, which has a B rating on Zambia's debt, forecast that the deficit would be more than 6% next year.

Zambia faces its worst economic crisis for a decade but President **Edgar Lungu's** government has rejected an International Monetary Fund aid package of US\$750 million because of deep policy differences, according to officials in Lusaka. Chikwanda has led the charge against the IMF while Lungu, who won January's presidential bye-election on a populist ticket, appears undecided. His main worry is that there is little sign of an economic recovery before next year's elections. Bars shut and football matches were cancelled across the country on 18 October as Zambians heeded Lungu's call for a national day of prayer for the embattled currency, the kwacha, which has plummeted 45% this year.

The expansionary budgeting system employed by the governing Patriotic Front (PF) since 2012, which sought to ramp up infrastructure to support growth, has instead hurt the country. The fiscal deficit has widened rapidly because of populist economic policies, including heavy subsidies on fuel and maize, a 2012 wage increase for public workers and the allocation of \$5.6 billion to build new roads under a five-year modernisation programme. Under the late President Michael Sata, the government decided to

front-load investment in infrastructure, says Secretary to the Treasury **Fredson Yamba**. Economic growth rates of around 6% 'were not enough to make a dent on high poverty levels because the infrastructure bottlenecks are still massive', he said.

'THOUGHT CONTROL'

Later moves to achieve fiscal consolidation failed, including a 2014 freeze on public service salaries, prompting calls for intervention from the IMF and World Bank. Yet, although the Fund projected the fiscal deficit to rise to 7.7% of GDP this year, up from 2.1% when the PF took over from the Movement for Multiparty Democracy (MMD) five years ago, Chikwanda has 'made it very clear that an IMF programme with its conditionalities amounts to controlling our thinking process', Finance Ministry sources say.

In 2011, GDP growth stood at 6.5% but it is expected to fall to below 4.6% in 2015 as a result of reduced copper output, depressed international copper prices and a reduction in exports by mining companies owing to unclear government policy. Foreign mining companies enjoyed a fruitful relationship with the MMD government, whose massive incentives of reduced energy costs and low taxation spurred growth. However, their relationship with the PF has been turbulent. Chikwanda, a former consultant to the mining industry on government relations, has accused mining companies of defrauding the public of billions of dollars through 'creative accounting' techniques, most of which border on transfer-pricing.

Chikwanda took advantage of the late President Michael Sata's flagging health to manipulate new legislation that abolished the corporate tax for mining firms and set higher mineral royalty levels, say cabinet sources. In its first budget of 2012, the PF government increased mineral royalty tax from 3% to 6% and then, in 2015, raised royalty tax for open-pit mines to

20% and for underground mines to 8%. 'Taxing them on royalties is the simplest because it is on gross. We tax them on everything they get out the ground and not this profit-based tax which has grossly failed,' Chikwanda declared.

Unsurprisingly, the legislation lasted only six months as the government succumbed to pressure from mine owners, who disputed the January-to-June tax regime and asked for deferment of their obligations. Government has since started charging royalties for underground mines and open mines at 6% and 9% respectively. It has also reinstated corporate tax at 30% (AC Vol 56 No 7). Mines Minister Christopher Yaluma blames Chikwanda's unilateral changes for the projected slump in copper prices. 'The mines didn't know what was happening with regard to mineral royalty tax and that affected the production plans,' he said.

A dwindling water level in Lake Kariba, the Zambia Electricity Supply Corporation's key reservoir, has damaged the mining industry further, cutting electricity by 30% at a time when the power supply was already below industry demand. 'The biggest challenge we are facing is the electricity shortage as it affects production and also increases your unit costs,' says **Jackson Sikamo**, general manager at Metorex-owned Chibuluma Mines. 'You have no power but all the labour is still there; all your overheads are still there.'

Key mining firms, with the exception of Lumwana Mining Company, have announced plans to cut labour to mitigate against weakening copper prices and electricity shortages. Swiss giant Glencore is threatening to axe almost 4,000 jobs at its Mopani mines, while China Non-ferrous Metals Mining Company (CNMC) has sent close to 2,000 miners home after it placed the Baluba mine on 'care and maintenance'. A source within the Mineworkers' Union of Zambia estimates that over 10,000 people will lose their jobs in the mines by the time the recession is over.

The chief government Spokesperson, **Chishimba Kambwili**, who might lead an internal revolt against Lungu next year, has warned Chinese and other major foreign mining companies to reinstate the workers but his threats are likely to be ignored because they do not represent Lungu's views. The abrasive

Kambwili is often seen as lacking clout and credibility in the Lungu government. The restive Copperbelt Province is the bedrock of PF support but massive job losses, an economy in sharp decline and increasing poverty might lead the crucial vote to swing towards the opposition.

Although Zambia's waning economic conditions are of international concern, the country is unlikely to seek formal engagement before next year's elections. Zambia's IMF representative and Alternate Executive Director for the Fund's Africa Group One Constituency, **Chileshe Mpundu Kapwepwe**, visited last month to try to persuade Lusaka to accept help. The government declined, although Kapwepwe, herself a Zambian former Deputy Finance Minister, remains under pressure to deliver the embattled economy, we understand. The IMF Africa Department told Managing Director **Christine Lagarde** in July that the Fund should be on standby with an aid package similar to Ghana's \$900 mn. deal over three years, Foreign Ministry sources told *Africa Confidential*.

To create room for populist expenditure before the elections, the government vehemently rejected the IMF

COPPER AND THE CASH CRUNCH

- Copper mining accounts for 68% of Zambia's foreign exchange earnings, according to data from local commercial banks. Output is this year expected to fall to just 650,000 tonnes from a peak of 881,108 tn. in 2011.
- In August, copper prices fell to US\$4,989 a tonne, the lowest since the summer of 2009. Although the price has since risen to some \$5,300/tn., the cost of underground production is \$6,600/tn. and \$4,700/tn. at open cast mines.
- The fall in export value and the appreciation of the US dollar have battered the kwacha, which has fallen 45% against the dollar this year, while yields on foreign bonds are nearing 12%.
- Foreign exchange reserves declined from \$3.7 billion in 2011 to \$2.2 bn. at the end of August 2015.
- The markets reflected the economy's sharp decline. Zambia sold \$1.25 bn. of Eurobonds, due in 2027, in July at a yield of 9.37%, the highest ever for an African issuer. Lusaka's debut \$750 million Eurobond in 2012 was sold at a yield of 5.625%.
- The country currently has contracted Eurobonds worth \$3 bn. since 2012, augmenting its external debt to \$5 bn. and pushing public debt to its current 41% of gross domestic product. ●

aid package. Last month, for example, Lungu announced the creation of five new ministries, a move expected to put more pressure on the country's fiscal position. The conditions of an IMF package would include a clause ending bye-elections, which the PF has used to increase its

numbers in Parliament, cabinet sources say. The government is increasingly looking to the international capital markets to meet its rising budget deficit. 'On paper, it is cheaper to get money from the IMF than hardcore markets but the conditions are tough.' ●

TANZANIA

CCM faces close vote

Demands for change resonate widely ahead of the elections but history and organisation favour the incumbents

In the presidential, parliamentary and local elections on 25 October, the governing *Chama cha Mapinduzi* party faces its toughest political challenge since Independence in 1961. This has been fuelled mainly by the presidential candidacy of **Edward Ngoyai Lowassa**, a long-time CCM stalwart who quarrelled with the outgoing President **Jakaya Kikwete** and defected to the opposition *Chama cha Maendeleo na Demokrasia* (Chadema) three months ago (AC Vol 56 No15 & 17).

Although the sources of Lowassa's substantial wealth remain obscure, he has won support by his simplistic mantra that he knows how to fight poverty. 'If you have one bicycle, you will have ten under my government. If you have one car, I will get you two,' he has been telling election rallies. Lowassa is pitted against the CCM's **John Pombe Magufuli**, an unexciting candidate who is highly regarded for technical competence and personal integrity. The CCM's continuing grip on society will help him tremendously.

This is Africa's longest surviving dominant party, which has maintained its cellular structure and community base established during the era of the one-party state. Its commitment to socialism was scuppered in favour of market economics in the early 1990s, a change driven partly by Kikwete, who was then a rising star in the party.

Tanzanians will vote against a background of political unease about unresolved constitutional matters, such as the status of Zanzibar and the management of the gas and mining boom. With its position on the edge of the Indian Ocean, Tanzania is an important trading partner for **China**, despite that country's slowing economy. Above all, though, it is Lowassa's entry into the race that has livened up the elections and given Chadema its best hope of victory yet. A former Prime Minister, Lowassa claims his supporters have infiltrated the CCM's structures and have persuaded many of its young activists to back him and Chadema.

Lowassa and Chadema head the opposition alliance of *Umoja wa Katiba*

ya Wananchi (Ukawa), meaning the Coalition of Defenders of the People's Constitution. It was formed last year in opposition to CCM's attempt to railroad a new constitution through the 2014 Constitutional Assembly. Electors seem little troubled that hubris was the main reason for Lowassa's defection from the CCM. He was rejected as its presidential candidate in the final stages of the party selection process in July. That decision was heavily influenced by Kikwete, who is concerned about his legacy. Lowassa had built a network of support in the CCM for over a decade but questions about his wealth have haunted him since the late former President, **Julius Nyerere**, first raised them publicly in the early 1990s.

Chadema has tried to distinguish itself as the party of clean politics. Its decision to adopt Lowassa as presidential candidate prompted its Secretary General and presidential candidate of 2005, **Wilbrod Slaa**, to resign from the party. Slaa is now endorsing the CCM's Magufuli. **Ibrahim Lipumba**, the Secretary General of *Chama cha Wananchi/Civic United Front* (CUF), the other significant member of Ukawa, has also stepped aside in response. Lowassa's campaign has been dogged as much by concern about his health as about his integrity. He has been unable to speak at at least five rallies and when he does, it is for no longer than 15 minutes.

Ukawa was formed to press for a

constitution that granted real autonomy to Zanzibar. CUF, the junior partner in the Government of National Unity that has ruled for the past ten years, expects to take power on the isles this month. If so, a concerted push for autonomy and a re-negotiated relationship with the mainland can be expected. If not, the issue will rumble on, fuelling political and perhaps politico-religious division.

Certainly the Magufuli-Lowassa contest has panicked the CCM hierarchy and set ministers racing around the

country addressing rallies and glad-handing their constituents. An Ipsos Synovate opinion poll conducted in the first half of the campaign showed party preferences of 60% for CCM and 29% for Chadema, and a similar ratio for their two candidates. The high proportion of 'don't knows' could make the race much closer. Although the CCM's resources and organisation, as well as Ukawa and the weaknesses of Lowassa, still favour Magufuli.

Magufuli is no unknown. Since

coming to Parliament in 1995, he has served in several ministries, gaining a reputation as an effective and often high-profile manager, but he has never cultivated a base within the party. Unless he quickly develops his political network, Kikwete, who will be CCM Chairman for the next two years, will remain highly influential. A Magufuli victory may lead to a shake-up of the opposition. Accepting Lowassa was a huge gamble. If it doesn't come off, Chadema may not recover. ●

SOUTH SUDAN

New maps, no peace

With little progress on the transitional government, redrawing state boundaries looks like a luxury

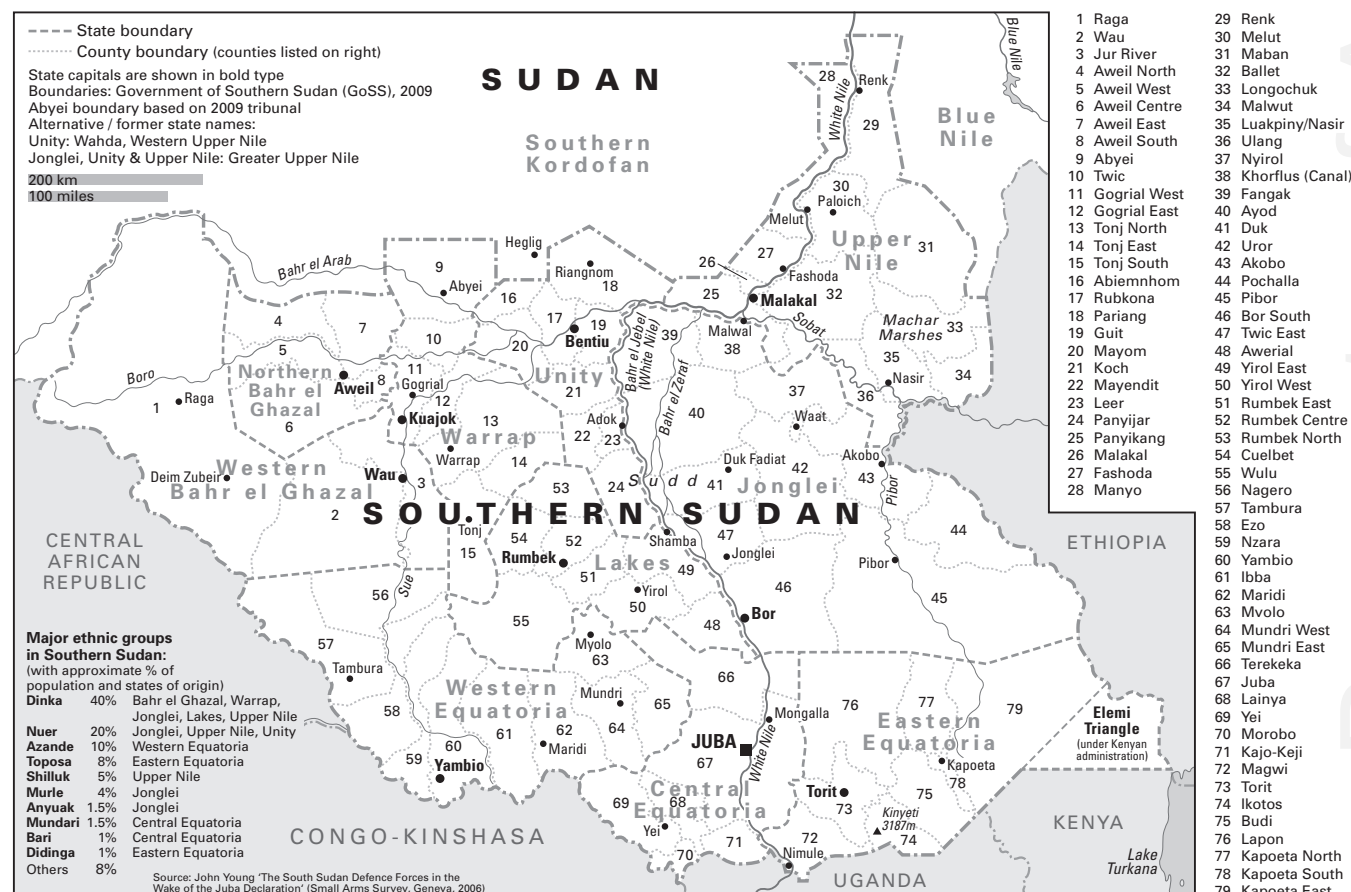
The government's decision to convert South Sudan's ten states into 28 may entrench ethnic divisions and is extravagant for a bankrupt country. Although many South Sudanese welcome decentralisation, they fear it may bring more conflict and corruption. Those countries propping up the government with aid have greeted the move with exasperated astonishment. Even the cautious regional Inter-Governmental

Authority on Development called it 'a violation' of the IGAD-mediated 26 August 'Compromise Peace Agreement' ending the 20-month civil war (AC Vol 56 No 17).

President **Salva Kiir Mayardit** had previously opposed decentralisation, which his rival, **Riek Machar Teny Dhurgon**, had wanted, IGAD complained. Now officially reintegrated as Vice-President but still not in Juba amid

disputes over police numbers, Riek has his own decentralisation plan with 21 states (see Maps). A main aim of Lieutenant General Salva's surprise decree on 2 October, which cabinet ratified on 13 October, is to stop Riek from gaining control through the Peace Agreement of the Unity State oilfields. Dividing Unity into three does that and Juba also hopes to secure a volatile area, where supporters of Riek's Sudan People's Liberation Movement-in-Opposition (SPLM-IO) live next to government-supporting clans and politicians, including Unity Governor **Joseph Nguen Monituel**, a medical doctor, and his militia leader brother, **Bapiny Monituel** (AC Vol 52 No 23).

This shows how the new arrangement will serve political and ethnic interests. The new borders reflect ethnic boundaries



but some groups have no state while others straddle borders. Diplomats say privately that they won't fund a plan that breaks the Peace Agreement, that a bankrupt government can't afford and which may entrench ethnic rivalries that have slaughtered tens of thousands of civilians since December 2013.

The **United States** is unhappy with the new system, as Secretary of State **John Kerry** told Vice-President **James Wani Igga** during his Washington trip last month. Overall, though, Juba was pleased with the outcome of Wani Igga's trip. That was partly because of the Kerry's treatment of Riek, who had hoped to get US support and expected some sympathy when he complained to journalists that his security could not be guaranteed if he returned to Juba. Instead, a frustrated Kerry told Riek to take peace more seriously. In response, Riek warned 'the Internet Warriors' (rabid Nuer tribalists based in North America) to work for peace.

The widespread perception of a power struggle between ruthless warlords exploiting ethnic hatred, especially between Nuer and Dinka, contains much truth but ignores the entrenched differences between the governing Sudan People's Liberation Movement/Army and what is now the SPLM-IO. Both sides see federalism as a means of tackling those differences.

The differences are deeply felt. Government supporters deride Riek's SPLM-IO as a reincarnation of the South Sudan Defence Force which, backed by Khartoum, fought the late Colonel **John Garang de Mabior's** SPLM during the North-South war. Riek's followers say they are simply resisting a government which massacred Nuer in Juba in 2013. Neither side wants to acknowledge or address the rift's root causes, which lie in the SPLM's 1984 and 1991 splits. Nuer oppositionists exploit the fear of Dinka domination while many other people see Riek as a perpetual spoiler for **Sudan's** hated regime, from which the SPLM/A won Independence in 2011.

Even if the guns fall silent, both sides will still compete bitterly for political space during the interim period before the elections due in 2018. All sides oppose the current Sudanese-designed, ten-state system and change has been long expected and discussed. Decentralisation to transfer more resources and power to local communities is a historical demand of many, especially Equatorians.

Some want to emulate the **Ethiopian** 'nationalities' model, which they see as empowering marginalised regions and reducing ethnic tension by minimising the dominance of large ethnic groups. Small states could use local languages more easily and tap into the energies of



The government's proposed 28 states



Riek Machar's proposed 21 states

the majority who don't speak English or Arabic and are currently ignored. That, supporters argue, would invigorate civil society, courts and local legislative assemblies. People could be attracted back to their regions to meet skill shortages and boost development, while releasing pressure on Juba. Government could share resources and job opportunities more equitably, runs the argument – not that there's much to share at present. Both Riek and Salva use these arguments to woo disgruntled minorities and those who stand to benefit from the new opportunities. Salva's plan

challenges the Compromise Peace Deal signed in August and creates further distrust among renegade rebel leaders trying to secure their own share of government largesse.

Oil provides major economic and political opportunities and Riek, who hails from Leer, in the second-largest oil-producing State, Unity, has made no secret of that. At the start of the war, he declared that the SPLM-IO intended to cut oil revenue from Juba and deal directly with Khartoum. His 21-state proposal keeps those oilfields firmly inside a single Unity State, renamed Liech. Historically,

'Unity' meant North-South Unity.

The weakness of Riek's strategy lies in the presence in Unity of the Ruweng Dinka and a pro-government section of the Bul Nuer. The Ruweng counties of Pariang (home to the main oilfields) and Abiem Nhom are traditional SPLM strongholds (AC Vol 41 No 4). The pro-government Bul group reflects old disputes involving Riek; his right-hand man, former Governor **Taban Deng Gai**; his elder wife, **Angelina Jany Teny**; and several leading commanders. These quarrels were major triggers of the latest war, say some Nuer sources.

Juba quickly torpedoed Riek's plan, allotting the pro-government Bul their own state, Northern Liech, with Ruweng State for the Ruweng Dinka. That leaves Southern Liech for the SPLM-IO. The government insists the 40% share of power in Greater Upper Nile which the peace deal gives the SPLM-IO will not change. Yet Juba is in fact working to ensure that opposition control over oil is limited and the loyalty of its own allies in the area secured.

The inclusion of Malakal in Eastern Nile State again shows that security and not local empowerment is the government's primary concern (AC Vol 55 No 4). The main catalyst here is the defection to the SPLM-IO of Major Gen. **Johnson Olony Thobdak**, a native of the area and a Sudan-backed militia leader who had turned government ally (AC Vol 56 No 17). His re-defection nearly led to the capture of the main oilfields in Paloich. Juba wants to prevent a recurrence and to secure the country's third city. This and the annexation of Pigi and Baliet to Eastern Nile will infuriate the Shilluk, who claim these areas.

Another major divergence from Riek's proposal is in Western Bahr el Ghazal State. His plan split it into Wau and Raga states; Salva has created Wau State but put Raga County and its surroundings in a new Lol State, which also takes in parts of Northern Bahr el Ghazal State. Raga's low population density and its location on a disputed border with Sudan in an area frequented by **Uganda's** Khartoum-backed Lord's Resistance Army make

it a security priority. That may be why Juba dropped the idea of a separate Raga State as a homeland for the Fertit peoples. Elsewhere, the government's state boundaries follow predictable ethnic lines, although lobbying by some communities may have led to some last-minute changes, we understand.

The government, in the form of Vice-President Wani Igga, uncharacteristically held out an olive branch to the SPLM-IO by offering to discuss the new dispensation. In the light of the continuing fighting in some areas and lack of progress so far on a power-sharing government, this looks like a very long shot, especially since the changes were tabled in Parliament on 20 October. Wani came to the rescue again on 20 October when he denied earlier reports that the SPLM had on 16 October been dissolved. Only the National Secretariat had been dissolved, he said, although other organs would be later. This is in preparation for the 16 November extraordinary convention: the effect was to spread further uncertainty. ●

SUDAN

Dialogue of empty chairs

The government was again talking to itself at its National Dialogue and even Thabo Mbeki boycotted the proceedings

Only one opposition delegation – two Darfur former rebels whose security was guaranteed by **Chadian** President **Idriss Déby Itno** – were at the opening of the government's vaunted National Dialogue on 10 October. Chaired by a grim President **Omer Hassan Ahmed el Beshir**, the gathering was boycotted not only by the Sudanese opposition but also by the chief African Union mediator, **South African** ex-President **Thabo Mbeki**, and other AU grandees. The Sudan Call Forces (SCF) coalition had agreed to join political talks with the ruling National Congress Party but the NCP has refused to meet their conditions on human rights, security and a neutral venue, conditions the AU has accepted.

Instead, the main opposition groups are organising their own meetings. Internal leaders of the National Consensus Forces (NCF) held three days of workshops last week inside Sudan where economists, academics, other professionals and former military met to discuss 'a programme for the day after', as oppositionists term the future without the NCP at the helm. Just before that in Dar es Salaam, **Tanzania**, the Sudan People's Liberation Movement-North held

a conference of civil society organisations, including women's and youth groups, to debate the future in the Two Areas, as Blue Nile and South Kordofan are known. Meanwhile, the Sudan Revolutionary Front (SRF), the umbrella organisation of which the SPLM-N is a member, has been meeting in Paris to sort out policy and leadership issues.

By insisting that the National Dialogue be inclusive, transparent and externally mediated, and gaining AU backing for this last August, the combined opposition, the SCF, has wrested the momentum from Khartoum. This in turn feeds opposition, public and international confidence. 'There's a definite scaling up of 'street corner rallies', said one senior oppositionist. 'Young activists are mobilising people on a level not seen since the demonstrations of September 2013'. That's when security forces killed over 200 demonstrators. Although it seemed to mark a failure of the *Intifadah* (uprising) at the time, it may yet look like a turning point.

Opposition leaders are well aware that while popular uprisings against authoritarian regimes succeeded in 1964 and 1985, it will take more to overthrow a far more complex and organised

Islamist regime that has entrenched its security officials throughout society. It will also take more serious policies and restructuring to avoid another rapid return to dictatorship. No one believes in quick solutions any more.

That doesn't stop rivalries among the opposition factions. The chair of the SRF, which met last week in Paris, is supposed to rotate, with Darfur agreed as next in line. However, Darfur leaders **Abdel Wahed Mohamed Ahmed el Nur** (Sudan Liberation Movement-AW), **Minni Arkou Minnawi** (SLM-MAM) and **Gibreel Ibrahim Mohamed** (Justice and Equality Movement) were unable for years to agree on a candidate. Minni and Gibreel, both from the Zaghawa tribe, have particular differences. Gibreel had proposed a committee to revamp the SRF structure, which was agreed by all. Then suddenly, as last week's meeting closed, the three announced that Gibreel would replace the SPLM-N's **Malik Agar Eyre**, who hails from Blue Nile, as SRF leader.

This didn't go down well with the rest of the SRF, who were not consulted. Many see Khartoum's hand in the sudden change, especially that of **Hassan Abdullah el Turabi**, an enthusiastic participant at the regime's National Dialogue in Khartoum. JEM was once widely seen as the 'armed wing' of Turabi's Popular Congress Party and JEM's leadership is still seen as Islamist. The group is certainly prone to infiltration by the National Intelligence and Security Service (NISS). Many leaders on the ground in Darfur are unhappy with this development and the three leaders

NOT SEALED WITH A KISS

The photograph of President **Omer Hassan Ahmed el Beshir** kissing a surprised young woman with a bouquet of roses at Algiers airport on 11 October provoked much mockery on Sudanese social media. As his country's economy has been further decimated by crashing oil prices together with grand corruption and mismanagement, Field Marshal Omer was in **Algeria** to lobby for aid and investment. Omer's surprise kiss looked like desperate diplomacy. On social media Sudanese were noting that couples can be arrested in Khartoum for walking down the street together, let alone kissing. Some joyfully described his breach of protocol as a sign of his nervousness at flying anywhere when, as one oppositionist put it, 'an unknown aircraft could force him down at any time in a hostile country'. That would send him to stand trial for genocide at the International Criminal Court in the **Netherlands**.

The failure of the National Dialogue meeting on 10 October was also fresh in the Sudanese President's mind. There, the only Sudanese party apart from the ruling National Congress Party was that of Omer's former boss, godfather of the National Islamic Front **Hassan el Turabi**. Now heading the Popular Congress Party, Turabi spoke strongly in favour of the Dialogue. We hear the pair talk almost daily in Khartoum. There was no mention here of Turabi's earlier supposed alliance with the Sudan People's Liberation Movement or the rest of the opposition.

One of the two splinter leaders chaperoned by **Chadian** President **Idriss Déby**, **Abu el Gasim Imam Haj**, formerly of **Abdel Wahed Mohamed Ahmed el Nur's** branch of the Sudan Liberation Movement, began criticising the government. His microphone suddenly went haywire: 'Shukran!' (Thank you!) roared Omer el Beshir. From the floor, a man called Abdullah began to criticise the agenda. President Omer intervened: 'Look, I've got the agenda! I will never change it for anybody! Is that clear?' Later, the Sudan Revolutionary Front's Foreign Relations Secretary, **Yasir Saeed Arman**, declared: 'Had we taken part in this dialogue, we would all have turned into Abdullah'.

One theory around is that even though its version of the National Dialogue is now under way, the regime will have to yield to African Union and other pressure at home and abroad and go to Addis Ababa for the preparatory meeting. There, it would again try to buy time. However, the opposition will now accept Dialogue only with international assurances of inclusiveness, the release of political prisoners and other freedoms which the regime has so far failed to provide. ●

behind it, we hear. As *Africa Confidential* went to press, Khartoum was trumpeting the demise of the SRF while attempts at mediation were under way.

This succession scramble may help to explain why JEM thought it useful to publish an expensively produced book earlier this year which repeatedly stressed that it is not Islamist (AC Vol 56 No 5). The book barely mentioned the SRF, including the Sudan People's Liberation Army-North, which is doing most of the fighting, especially since JEM's disastrous

defeat in South Darfur in April. The book appeared only in English with no publicity and, opposition sources assure us, has fallen on deaf ears.

Otherwise, the opposition has been holding together better than before. Before its National Dialogue gathering in Khartoum, the NCP regime tried to tempt the National Umma Party leader, **El Sadig el Sideeg el Mahdi**, on board, as in the past. The former Prime Minister stayed resolutely in his exile home in **Egypt**; non-Umma sources say they do

not expect him to jump ship this time.

The next challenge for the SCF will be if Khartoum ignores the AU's late November deadline for a National Dialogue preparatory meeting in **Ethiopia**. The NCP has so far refused but may come round, depending on the pressure (see Box). Mbeki's absence from Khartoum sends a clear AU signal but these are often reversible, as last month's human rights meeting in **Switzerland** demonstrated (AC Vol 56 No 20). ●

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POINTERS

Kenya

UHURU BANS BAD BILL

■ Parliament's attempts to crack down on journalists are on hold since 14 October, when President **Uhuru Kenyatta** intervened behind the scenes to excise two of the most heinous clauses from the Parliamentary Powers and Privileges Bill. Members of parliament had voted overwhelmingly in favour of the draconian Bill. The presidential intervention has its own irony: one purpose of the bill was to prevent journalists criticising the executive, as well as scrutinising MPs' activities. Kenya has one of the most vibrant presses in Africa and is home to a large contingent of foreign correspondents.

Two days before the parliamentary debate, Kenyatta presided over the CNN African Journalists of the Year Awards and spoke on the role of a free press that covers Africa's 'dignity and successes'. He knows the damage such a bill would do to the global statesman image he is cultivating (see Feature). Insiders see his hand on the damage control as he has almost daily contact with Speaker **Justin Muturi** and **Aden Duale**, leader of Kenyatta's Jubilee coalition, which has a comfortable parliamentary majority.

The Bill, which curbs press and public comment on Parliament, is at odds with the Chapter 4 of the country's constitution, which guarantees freedom of speech and the press. The private member's bill, tabled last year by the maverick MP, **Adan Keynan Wehliye**, has caused outrage for proposing a fine of 500,000 Kenya shillings (US\$4,900) for anyone who 'scandalises parliament' (AC Vol 55 No 4). It also makes 'defamation of parliament' a criminal offence.

During the Bill's second reading on 14 October, a seemingly repentant Keynan, with Duale's vocal backing, begged his fellow MPs to reject the two offending clauses. It was, however, too late. MPs on both sides of the aisle voted overwhelmingly in favour. Members from the opposition Coalition for Reform and Democracy were most vocal in resisting any dilution of the censorship clauses.

Kenya's MPs are among the world's highest paid, with total monthly earnings of over KSh1 million each. Parliament rarely has a quorum. Some take a nap on the benches. Others take bribes. Critical press coverage of all this is what lies behind the MPs' anger. Following public outrage and threats from the Senate to scuttle the Bill, Muturi ruled on 15 October that it should go back to the House Business Committee for scrutiny.

That could kill the Bill but stubborn MPs may not give in that easily.

Egypt

RICHER MILITARY, FEWER VOTERS

■ With the record low turnout for the general elections on 18-19 October likely to delegitimise Parliament and further strengthen the hand of President **Abdel Fatah el Sisi**, the military and the security services are grabbing more financial privileges. This is despite a worsening economic crisis and the government's desperate search for ways to bridge the budget deficit.

On 1 October, Prime Minister **Sherif Ismail** announced that seven agencies affiliated to the Armed Forces and Interior Ministry would be exempt from having to return their year-end budget surplus to the state, as stipulated in the Public Budget Law. This obliges all government agencies to repatriate '25% of their end-of-year budget surplus to the state budget' as a means of helping to close the current deficit.

The bodies that Ismail has exempted include the Public Services Agency in the Defence Ministry, the Interior Ministry's Land Projects Fund, the Military Museum Finance Fund, the National Services Projects Agency, the Armed Forces Lands Projects Agency, the Armed Forces Housing Fund, and the Industries and Maritime Services Agency.

Africa Confidential's inaugural Angaza File investigation reported in May that the Interior Ministry's Land Projects Fund held a total of US\$81 million in 2010 and was one of nearly 7,000 'special funds', a term used to refer to accounts operated by government agencies that collect public revenue but are not subject to oversight by the Central Auditing Organisation, and which have often been used to facilitate the embezzlement of state funds.

The report showed that during the 2010/2011 fiscal year, these funds took in \$14.1 billion in credit activity, based on official Central Bank of Egypt memos. The Public Budget Law gives the Prime Minister the authority to exempt 'public service, national and economic authorities,' from the Law's requirements, based on recommendations by the Minister of Finance.

However, no explanation has been given as to why these seven bodies were selected. 'Economic Authorities' refers to a number of large state-owned enterprises, including the Suez Canal Authority, Arab Organisation for Industrialisation, Egyptian General Petroleum Corporation and others, which took in \$4.9 bn. in credit activity during the 2010/2011 financial year, said our May report.

This comes as Egypt's Illicit Gains Authority (IGA) announced on 7 October that it may drop charges against four

businessmen in exchange for a \$1.19 bn. settlement that would be used to help close the national budget deficit. They are accused of squandering state funds during ex-President **Mohamed Hosni Mubarak's** rule and are now living abroad.

Among them are tourism and natural gas mogul **Hussein Salem** and former Trade and Industry Minister **Rashid Mohamed Rashid**. On 14 October, Finance Minister **Hany Kadri Dimian** also announced that Egypt would accept a \$3 bn. World Bank loan over three years to help provide relief to the state budget. It is unclear whether what amount under the Public Budget Law to secret subsidies to the military from the Prime Minister would contravene the conditions of financial transparency of the World Bank loan.

Guinea

CONDÉ'S SURPRISING KNOCKOUT

■ 'One Strike – Knockout!' That was the message from those who engineered President **Alpha Condé's** first round victory in the 11 October presidential election, with 57.9% of the vote. Standing on the *Rassemblement du peuple de Guinée* ticket, Condé left his main challenger, **Cellou Dalein Diallo** of the *Union des forces démocratiques de Guinée*, far behind, with only 31.4%.

It's a remarkable turnaround for Condé, who won less than a fifth of the vote in the first round in 2010. He scraped through in the second round thanks to an unwieldy 116-party coalition called *Arc-en-Ciel* (Rainbow). Condé pulled off the victory this time with a mixture of old fashioned political patronage with a highly polished communications campaign.

Condé appointed **Ibrahima Kassory Fofana**, a former aide to the late President **Lansana Conté**, as his campaign director. Kassory is also Minister to the Presidency and joined many other civil servants on the campaign trail (AC Vol 54 No 6). The flamboyant **Malick Sankhon**, Director of the National Social Security Fund, led an outfit called CRAC, the committee for the re-election of Alpha Condé. His deputy there was **Mohamed Lamine Yayo**, *chef de cabinet* to the Economic Affairs Minister. In similar vein, the Director of the Port Autonome de Conakry, **Mamadouba Sankhon**, openly campaigned for the re-election of Condé who was, in his unsurprising view, entirely responsible for the Port's good performance.

Voters received money and the incumbent made no effort to hide it. Surreptitiously shot footage appeared on YouTube, showing, it seemed, a President dishing out cash to members of the public. There was no apology or even an excuse: 'Should I stop giving money to people that need it?' Condé responded, when questioned about his largesse.

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BLUE LINES

Just in time to offer some respite from the China slowdown blues, enter India, hosting an Africa summit on 26-29 October. With 41 African heads of state in attendance, it seems Prime Minister Narendra Modi got the timing right, with promises to deepen trade and diplomatic ties.

Nobody expects India to repeat the dizzying rise of China's trade with Africa – from under US\$10 billion in 1995 to over \$220 bn. in 2015 – but India's attention is useful tactically for African leaders. They can play off India against China, just as they have played off Beijing against Washington, Paris and London, and even Moscow. There is also strategic substance in the India-Africa relationship. Like India, most African countries run multiparty political systems and Premier Modi has put some useful money on the table: \$10 bn. in soft loans over the next five years and \$600 million in grants. Much of China's aid disproportionately benefits local leaders' interests.

Most Indian trade with Africa is private sector-led, so the hope is that it will be more resistant to government budget cuts and slowdowns. Indian businesses have been implanted in Eastern and Southern Africa for the last century. As the two regions look across the Indian Ocean at each other, they are building closer security and diplomatic links. One predictable agreement from the summit was on reform of the United Nations Security Council: African leaders joined with Modi to press for new seats on the council to represent their regions. Cue deafening silence from Beijing.

TANZANIA

Zanzibar faces poll re-run

Although the CCM won two-thirds of votes on the mainland it risks unrest by annulling the election results on the islands

The status of *Chama cha Mapinduzi* as one of the continent's grand old parties was cemented this week. Victory in the presidential and parliamentary polls on 25 October sees **John Pombe Joseph Magufuli** as President-elect and CCM set to return to the National Assembly with a solid two-thirds majority (AC Vol 56 No 21). Yet a contested result in the vote for Zanzibar's President has caused a constitutional crisis that strikes at the heart of Tanzania, a union between the Tanzanian Mainland and Zanzibar in which the islands have always sat uneasily. The constitution stipulates that Zanzibar's electors vote for their own president and House of Representatives, in addition to a Union president and parliament. Islands opposition party Civic United Front's (CUF) threat of street demonstrations has receded as talks with CCM continued this week. CCM is unwilling to back down and is calling for a heightened security response and insisting that the election be re-run.

The crisis came on 28 October, when the Chairman of the Zanzibar Electoral Commission (ZEC), **Jecha Selim Jecha**, nullified the election results for the Zanzibar President and House of Representatives. On the day after the poll, 26 October, the CUF presidential candidate, **Seif Shariff Hamad**, declared that he had won, with 52.8% of the vote. The figure was deemed reliable. The CUF had a good tallying system in place this year (unlike 2010), while the results from 31 of the 54 constituencies published on 27 October bore out the claim of the CUF leader, who has been in politics for some 40 years.

That day, however, troops took over

the main counting centre at the Bwawani Hotel, letting nobody in or out for several hours. At one point, the Deputy Chairman of ZEC, Judge **Abdul-Hakim Ameir Issa**, was forcibly removed from the counting centre. When Jecha nullified the poll on 28 October, he cited irregularities, including voter intimidation, tampering with returns and votes outnumbering registered electors.

After Jecha's unilateral announcement, made without consulting his fellow commissioners, as the law requires, Zanzibar appeared to be on the brink of a conflict such as hasn't been seen since 2001, when security forces killed over 30 people and injured 600, while over 2,000 sought refuge in **Kenya**. The islands' CCM establishment, almost certainly in consultation with national leaders, illustrated the uncompromising ruthlessness of its determination to hold on to power, amid a continuous build-up of troops from the Mainland.

OMBUDSMAN SPEAKS

In a remarkable move, Tanzania's human rights ombudsman, the Commission for Human Rights and Good Governance (CHRAGG), issued a statement on the Thursday after the election clearly indicating that the issues raised were within the powers of the ZEC to resolve without nullifying the results. The Zanzibar Law Society and its Mainland counterpart, the Tanganyika Law Society, both concluded that Jecha's decision was illegal.

CHRAGG is presidentially appointed and its judgement, and those of the legal

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associations, may well contribute to resolving the affair. The first foreign reaction came from the **United States** Embassy in Dar es Salaam, which was 'gravely alarmed' by Jecha's statement and called for it to be overturned. Other international election observers issued a joint statement that the polls in Zanzibar had been well managed and asked for the specific polling stations where ZEC thought there had been problems. Though less forthright than the US Embassy, this had weight because it included the African Union, East African Community, Southern African Development Community and Commonwealth observer teams led by **Mozambique's** former President **Armando Guebuza** and other African statesmen.

On the Mainland, the political configuration remains fundamentally unchanged. CCM support has fallen somewhat, by about four percentage points in the presidential poll, while that of the main opposition parties has risen slightly. For the opposition *Umoja*

wa Katiba ya Wananchi/Coalition of Defenders of the People's Constitution (Ukawa), the gamble on **Edward Lowassa** as presidential candidate didn't pay off. Nevertheless, the four-party alliance dominated by *Chama cha Demokrasia na Maendeleo* and the CUF saw gains that will probably encourage it to continue. Chadema and the CUF now dominate Dar es Salaam, with majorities in the three district councils that govern the city, and six out of ten of its constituencies. In the south, CUF has gained three seats in Lindi Region, including the Mchinga constituency, which will be home to the liquefied natural gas plant, likely to be the country's biggest-ever single investment (AC Vol 56 No 9). The north of the country remains solidly Chadema.

By 2 November, the day when Zanzibar President **Ali Mohamed Shein's** second five-year term was to end, the crisis was coming to a head. The government claimed that he would remain in power until a new president was sworn in. This was rejected by CUF and questioned by former Zanzibar Attorney General **Othman Masoud Othman**. While talks continued to try to break the impasse, the CUF still held the threat of public demonstrations.

Ironically for the CCM, the impasse in Zanzibar may strengthen Mainland opposition. Ukawa was formed to push for a new constitution to be based on popular consultation led by a former Prime Minister, Justice **Joseph Warioba**, in 2013 but rejected by a CCM-dominated

Constitutional Assembly the following year (AC Vol 56 No 15). With gains by both the CUF and Chadema on the Mainland, they may feel emboldened to continue pushing for constitutional reform in the National Assembly and through popular mobilisation. If so, the next five years of politics may look much like the past five years.

The Zanzibar crisis makes the case for the constitutional reform of Union arrangements and a broad cross-section of the political class accepts the need for reconfiguration across the board. If that persists, President Magufuli's top agenda items will look much like those of his predecessor, **Jakaya Kikwete**. The question is whether Magufuli has the political clout to resolve these issues. He has little political base in the party, having spent all his political career as a technocrat at deputy ministerial and ministerial level.

Famously, after he had won the nomination race, one of his opponents, Professor **Mark Mwandosya**, said Magufuli had never held a party position, even at branch level, and suggested he was Kikwete's placeman. That charge resonated. Magufuli will depend, at least at first, on the support of Kikwete, who remains CCM Chairman for the next two-and-a-half years. Given that Kikwete is ending his days with his constitutional reform project in tatters and a constitutional crisis in Zanzibar, Magufuli may want to move fast to develop his own political base. ●

WHERE SCRUTINY BECOMES CYBER CRIME

As soon as **John Magufuli** was chosen as the presidential candidate for the governing *Chama cha Mapinduzi* on 12 July, his Wikipedia entry was updated. It's still sparse but that did indicate how seriously the CCM took social media for this election campaign. With up to 20% of the population having internet access and 70% under the age of 30, it made sense.

The party's formal campaign was slick. A special website was set up for the elections, regular email updates reached beyond party members, and well-managed social media accounts for the party and for Magufuli himself presented an image of a modern, switched-on, party machine.

Outside formal channels, social media campaigning on all sides was robust and lively. Anonymous sock puppet accounts popped up everywhere, while viral video clips ranging from presidential candidate **Edward Lowassa** calling for a Lutheran president to Magufuli doing press-ups on stage in Karagwe kept people outraged and entertained in equal measure.

Yet the internet's promise of better information and of well-informed citizens preventing electoral dirty tricks remains as elusive as ever. In the days following the elections, over 200 people were arrested under the controversial Cybercrime Act, passed in March. Some 191 of them were activists, staff and volunteers from the opposition *Chama cha Demokrasia na Maendeleo*, who were picked up on election night and their equipment seized.

They were suspected of tallying results in Dar es Salaam, based on information from agents in the constituencies across the country that was entered into a centralised results management system. In most democracies, this is standard party practice. In Tanzania, however, it can be an offence under the Cybercrime Act, under which some of the detainees were charged.

The next strike came four days later when a civil society election monitoring centre was raided and 38 arrests made. Again, the issue was suspected tallying of election results. The centre was run by the Tanzania Civil Society Consortium on Election Observation. Ironically, two days before the raid, the TACCEO Coordinator, **Helen Kijo-Bisimba** of the Legal and Human Rights Centre, declared that their observers were happy overall with the polls and she even condemned **Seif Shariff Hamad** for pre-empting the announcement of results in Zanzibar. In the same week, the popular political discussion forum Jamii Forums came under a sustained Distributed Denial of Service attack for five days. Jamii Forums was one of the few sources of reliable information about parliamentary results. The Cybercrime Act is rumoured to have been referred to as 'The Jamii Forums Bill' when being drafted in the Attorney General's office earlier in the year.

Specific incidents may recede but the message has been sent. Under Magufuli's government, Tanzanian civil society activists will think twice about using the internet to gather and share information and analysis. ●

NIGERIA

The cauldron boils again

High-tension state elections, low oil prices and the end of the amnesty add to brewing troubles in the Niger Delta

Although the threatened rebellion in the Niger Delta against **Muhammadu Buhari's** victory in March's presidential election didn't materialise, political and economic discontent in the region is mounting (AC Vol 56 No 8). There are fears among local politicians, business people and militant groups that President Buhari's government will cut funding for the region and launch a partisan crackdown on crime and corruption. Security officials concede that kidnapping is a growing problem. A wave of abductions has swept the region over the last few months, including of politicians, bishops, imams and respected journalist **Donu Kogbara**, who was later released.

So far, General (retired) Buhari has moved slowly and cautiously but with fresh governorship elections due in Rivers and Bayelsa states, and the termination of amnesty payments to militant fighters by the end of the year, the political mood in the Delta is heating up. Despite the wider failures of defeated President **Goodluck Jonathan** and his People's Democratic Party, the PDP had managed to keep an ill-fitting lid on the Delta's cauldron of troubles for the last five years (AC Vol 50 No 22 & Vol 56 No 8).

The government achieved this by buying off the most determined militant leaders and bring some 30,000 of their footsoldiers into an amnesty programme which was meant to retrain them for productive work. The PDP dominated Delta politics, controlling all the state and local governments and ran the regional development agencies as a well-funded patronage machine. The main criminal enterprises, oil theft and illegal refineries, were brought into the political settlement and run by local politicians and senior military and police officers. Although Jonathan's government failed to push the Petroleum Industry Bill, which would have sent more federal funds to the Delta, it did promote the interests of oil companies owned by business people from the region, such as **Igho Sanomi's** Talveras, **Tonye Cole's** Sahara Oil, **Walter Wagbatsoma's** Ontario Oil and Gas, and **Ben Peters' Aiteo** (AC Vol 55 No 4).

The death of the former Bayelsa Governor, **Diepreye Alamieyeseigha**, in a Port Harcourt hospital on 10 October prompted an upsurge of nationalist sentiment among his Ijaw people, the

Delta's dominant ethnic group. The PDP Governor, **Henry Seriake Dickson**, declared seven days of mourning and ordered flags to be flown at half-mast for the Ijaw 'Chief of Chiefs'. Alamieyeseigha had been Governor from 1999 until his arrest during a trip to **Britain** in 2005 (AC Vol 54 No 7). Then, militant leaders controlled the region and the country's oil production of over two million barrels a day was cut by as much as a third.

Buhari has brought in new people, such as Brigadier Gen. (rtd.) **Paul Tarela Boroh**, also from the Delta, to replace Jonathan's man, **Kingsley Kuku**, as director of the official Presidential Amnesty Programme (AC Vol 52 No 13). Boroh, who has master's degrees in peace and conflict, and in strategic studies, was until 2010 Commandant of the Nigerian Army Peacekeeping Centre (NAPKC) in Kaduna, under the former Chief of Army Staff, Lieutenant Gen. **Onyeabo Azubuike Ihejirika**.

Although the amnesty is due to end next month, Buhari says he will maintain its 'better aspects'. Bringing in such a senior officer to run the amnesty is meant to boost oversight of the various rackets linked to it and could presage a crackdown. Oil theft remains at record levels, costing over US\$5 billion a year, by most estimates. Piracy in the adjacent Gulf of Guinea is the world's worst, according to the International Chamber of Commerce (AC Vol 55 No 24).

AMNESTY WOES

The amnesty has been unravelling for over a year (AC Vol 55 No 15). Heads of the demobilisation camps have been taking half of the militants' monthly stipends of 65,000 naira (\$350), prompting growing anger. Some 30,000 militants signed up to the programme in 2009, of which about half have finished their training programmes. Yet fewer than 200 have found jobs where they can use their training. The national minimum wage is N18,000 a month. The Bayelsa home of former militant 'general' **Eris Paul** was bombed in March. Many younger militants see the veterans of the Delta rebellions a decade ago as compromised and politically irrelevant. Several corrupt military officers, from the Joint Task Force (JTF) that has been in the Delta for some 15 years, have stepped into the political vacuum since Jonathan and the PDP lost power. When people see

oil being tapped from flow lines during 'repairs', they see someone in uniform on guard duty. Over the past few months, there have been several skirmishes. A clash between river pirates and the JTF in August near Nembe, a notorious trouble spot, left a policeman and four soldiers dead.

In September, the JTF caught and arrested a former soldier who was training militants. It happened during an operation against a gang of 13 led by a local militant known as '**Kenneth**', in Kula Community, Akuku Toru, Rivers State. A JTF spokesman said the unnamed soldier's service record included a spell in the 331 Artillery Regiment at Kalapanzi Barracks in Kaduna, before he deserted in 2002. On 9 October, Shell announced that an attack by armed men on a sentry post at Kolo Creek Flow Station, Bayelsa, had killed a security guard.

Some see this upsurge of attacks as a restart of the oil war. Weary locals think it is the militants trying to secure their position and control of rackets before the amnesty winds up. All eyes are on High Chief **Government Ekpemupolo** aka **Tompolo**. He is seen as the Ijaw *capo di tutti i capi* and is untouched by the current crackdown. Having sat out the elections, Tompolo has retained his private navy of seven refitted Norwegian Hawk-class, high-speed, torpedo support ships.

Designed for coastal patrols, the armoured vessels were sold to his Global West security outfit for anti-piracy operations in June 2014. (AC Vol 56 No 3). The ships sailed from **Norway** to Ramsgate, England, then on to Nigeria under a **Togolese** flag, through an intermediary British security company, CAS Global. This meander through international legal loopholes allowed Norwegian authorities to get round European Union laws on military sales but it didn't stop Britain's National Crime Agency from arresting two CAS Global executives in January on suspicion of bribing a Norwegian civil servant with \$150,000 to secure the Hawk deal.

The growing collaboration between British and Nigerian authorities is also behind the investigation into the former Minister of Petroleum Resources, **Diezani Allison-Madueke** née **Abiye-Agama**. British police took her passports on 9 October along with those of four others, believed to include her brothers **Abiye Agama** and **Somye Agama**. Both are directors of Hadley Petroleum Solutions Limited, a company registered in Manchester, UK, but now dissolved. Its website contains not a single named official. The Metropolitan Police also hauled in 27,000 in cash (\$41,640), impounded by Westminster Magistrates' Court till April 2016 as evidence. That

coincided with a raid on Diezani's home at Asokoro, Abuja, by Nigeria's Economic and Financial Crimes Commission (EFCC).

Just after Britain had announced it was seeking Alamieyeseigha on money-laundering charges, Jonathan pardoned him for looting \$55 million from state bank accounts. Alamieyeseigha-loyalists, such as the Izon (Ijaw) Brotherhood and Governor Dickson, accuse Britain, the EFCC and Buhari of hounding an Ijaw hero to his death. Seriake Dickson stands for re-election as Governor on 5 December. His opponents, such as **Timipre Sylva**, a former Bayelsa Governor who has defected to Buhari's All Progressives Congress, accuse Dickson of playing politics with Alamieyeseigha's memory. In fact, there is a battle for the

Ijaw leader's legacy, with Sylva running on an APC ticket against Dickson for the governorship.

If it wants to head off the worsening violence in the Delta, the government will have to move decisively against the political and criminal networks in the region. Yet doing so will prompt accusations of victors' justice. Although Buhari's APC controls over two-thirds of the states in the federation, all those in the Delta, except for Edo, are controlled by the PDP. Currently, the party's regional chieftains see no reason to cooperate.

Changing the military guard in the region will be equally fraught. Many of the corrupt officers have strong local political associates who will cause trouble when their interests are threatened.

Officers coming in to close down the oil theft, illegal local refineries, kidnapping and piracy rackets could spark a regional rebellion if they don't shore up local community support first. That means getting resources and benefits to people at the grassroots without corrupt intermediaries taking the lion's share.

So far, the well meaning job-creation schemes, backed by the **United States'** and **Netherlands'** governments, have had little effect on the ground. An important starting point for the new government's plans for the Delta will be working out which chieftains to deal with and how to deal with them. Two very different figures, militant leader **Tompolo** and former Rivers Governor **Rotimi Amaechi**, are likely to play a critical role in the new order. ●

CÔTE D'IVOIRE

Ouattara walks it

A decisive victory brings a chance to ease out the corrupt militiamen in government and relaunch the economy

The Chairman of the Independent Electoral Commission, **Youssef Bakayoko**, had an easier time of it last month than five years ago (AC Vol 51 No 5). That's when one of ex-President **Laurent Gbagbo's** youth leaders, **Damana Adia Pickass**, tore up the election results on live television (AC Vol 53 No 21). On 25 October, as predicted, President **Alassane Dramane Ouattara** won his re-election with a big margin.

ADO garnered almost 84% of the vote, nine times as much as the man who came second, **Pascal Affi N'Guessan**, a former Prime Minister under Gbagbo and leader of the *Front populaire ivoirien* (FPI) faction that decided to take part in the polls. He got just over 9%. Third came **Kouadio Konan Bertin**, the young dissident from the once-omnipotent *Parti démocratique de Côte d'Ivoire* (PDCI), who got just under 4% (AC Vol 56 No 2). The scores of the four others were vanishingly small.

The other FPI faction, FPI-Sangaré, received the order to boycott from the Hague, where the trial of its leader, Gbagbo, at the International Criminal Court begins on 28 January. This faction will never take part in an election where Gbagbo is not standing. As he withdrew, the President of the National Assembly under Gbagbo, **Mamadou Koulibaly**, cited the inequality of the electoral battle (AC Vol 56 No 12). **Amara Essy**, the former Foreign Minister and Secretary

General of the Organisation for African Unity (the precursor to the African Union) enjoyed major support from the big cocoa planters in the centre of the country but he dropped out on 21 October, heavily criticising the Electoral Commission for tolerating what he called Ouattara's violations of the electoral law. Another former Prime Minister, **Charles Konan Banny**, left it until 23 October to retire from the race, citing a lack of transparency. Others suggest that he had run out of money.

Ouattara was indeed milking his advantages for all they were worth. His opponents accused him of election fraud but this accusation has rapidly lost its sting. More visible was the incumbent's blatant use of state resources and huge amounts of money. The alliance of his party, the *Rassemblement des républicains* (RDR), and the PDCI, known as the *Rassemblement des houphouëtistes pour la démocratie et la paix* (RHDP), was said to have a campaign budget of a staggering 10 billion CFA francs (US\$168 million), ten times more than the others combined, plus the use of private jets to have the run of the country. Ouattara and his equally prolifically campaigning wife and business partner **Dominique Ouattara** made a series of well-advertised 'state visits', which magically transformed into campaign rallies once the official opening date for the election campaign arrived.

The President's emphatic win also

rides on the strength of an economy that has, on the whole, received a clean bill of health from Ouattara's old boss, the International Monetary Fund. Abidjan has re-emerged as the economic capital and an investment hub: the return from exile in Tunis of the African Development Bank makes that case. Major infrastructural work has been completed and cocoa farmers, a crucial constituency, were placated just in time for the elections, as the government fixed the producer price at CFA1,000 per kilogramme.

Beyond Ouattara's resounding victory, things are looking less rosy and the first post-victory battles are now emerging. The self-effacing but effective Prime Minister, **Daniel Kablan Duncan** is said to be on the way out as his place is supposedly reserved for **Thierry Tanoh**, the Harvard-trained economist who had a meteoric career that took him to the top of the pan-African Ecobank before he was sacked as Chief Executive last year (AC Vol 55 No 6). Tanoh is currently Secretary General to the Presidency and a close friend of Ouattara's campaign manager, the RDR Secretary General **Amadou Gon Coulibaly**. If Kablan goes, he may well be locking horns with his predecessor, **Jeannot Ahoussou Kouadio**, for the leadership of the PDCI or, indeed, the RHDP, should the alliance finally decide to turn itself into a real political party. Ahoussou ran Ouattara's successful re-election campaign in tandem with Gon Coulibaly.

Meanwhile, the succession battles at Ouattara's RDR can now begin in earnest. The main protagonists will be **Guillaume Soro**, current Speaker of the National Assembly, and Interior Minister **Hamed Bakayoko**. The latter may well be getting the upper hand since bringing in Soro carries too many liabilities, not least his possible connection with the failed coup in **Burkina Faso** in

September. On 6 October, Soro's luxury home in Ouaga2000 was searched by the Burkinabè police (AC Vol 56 No 20). Colonel **Sita Sangaré**, the head of the military tribunal handling the failed coup, confirmed that 'some elements' had been taken from the house but gave no further details. The tribunal is likely to focus on telephone conversations Soro reportedly had with Burkinabè former Foreign Minister **Djibril Yipènè Bassolé**. The one-time African Union/United Nations mediator in Darfur, **Sudan**, is now in gaol on suspicion of being an accomplice to the failed coup in Ouagadougou. Bakayoko does not have such problems and he still

appears to have Ouattara's backing.

The most pressing issue must now be the army. An unreformed army is a threat to the country's security, as mutinies in November 2014 showed. Gbagbo's former militiamen in **Liberia** still have some nuisance power but the big racketeering operations are run by the former zone commanders, who pillaged the north between 2002 and 2011.

COPYCAT

First signs of change came just before the election, when reports suggested that Ouattara was preparing a new security and intelligence-gathering system, to be run

by his younger brother, **Téné Birahima Ouattara** (also known as 'Photocopie'), and himself. The plan, reportedly conceived with the help of former US Ambassador to Côte d'Ivoire **Lannon Walker**, provides for an American-style National Security Council. Crucially, it seeks to diminish or even abolish the roles of two security organisations, the *Direction de la surveillance du territoire* and the *Centre de commandement des décisions opérationnelles*. Both are relics of Soro's *Forces nouvelles* and its com-zones. As they are pushed further towards the exit, Soro's influence diminishes, too. ●

SOUTH AFRICA

Zuma man hangs on at SABC

A controversial figure fights to hold on to his multi-million rand job at the national broadcaster but is embarrassing the ANC

Attempts to get **Hlaudi Motsoeneng** out have dragged on for almost two years, ever since Public Protector **Thulisile Madonsela** recommended in February last year that the South African Broadcasting Corporation dismiss him for lying about his qualifications (AC Vol 56 No 20). Last month, he announced that he would take voluntary leave of absence until SABC's disciplinary hearing finished. That was due to happen on 30 October but the hearing was postponed last week after prosecutors requested more time to prepare their case.

The recommendation from constitutional lawyer Madonsela came after she had found out that Motsoeneng lacked a school leaving certificate, let alone a university degree; that he had nearly doubled his own salary as acting Chief Operating Officer in one year, from 1.5 million rand (US\$140,000) to R2.8 mn.; and that he had purged senior staff who disagreed with him. On 7 July 2014, the new Communications Minister, **Faith Muthambi**, opted to ignore Madonsela's ruling and instead confirmed Motsoeneng's permanent appointment as COO (AC Vol 55 No 15).

Motsoeneng's role as a supporter of President **Jacob Zuma** and a recipient of patronage is not unusual, nor is his status as a political football. The opposition Democratic Alliance has been pursuing a lawsuit against Motsoeneng and the SABC for ignoring Madonsela's recommendations. Last month, the country's highest court, the Supreme Court of Appeal, dismissed the appeal by Motsoeneng, the SABC and Muthambi against a ruling by the Cape High Court

which had upheld the Public Protector's findings.

Yet the governing African National Congress is growing tired of being dragged into Motsoeneng's continual court appearances and insiders say his days may be numbered. While the discreet occupation of sinecures by the State President's supporters is commonplace, both the ANC Subcommittee on Communications and Media, and Parliament's Portfolio Committee on Communications believe Motsoeneng is running the SABC 'like his own personal empire'. They think he has overplayed his hand. The parliamentary Communications Committee Chairperson, **Joyce Clementine Moloi-Moropa**, threatened to resign after clashing with ANC

colleagues over the SABC, say party sources.

Parliament also heard from the Auditor General, **Thembekile Kimi Makwetu**, that the SABC had notched up R18.8 mn. in wasteful expenditure for the 2014/15 period. Nevertheless, it is not the Auditor General, the Public Protector or the courts which are likely to cause Motsoeneng's downfall. The spat between the ANC and the Communications Minister is likely to be more deadly. 'The ANC has had enough. This man was just not strategic and all the money that the court cases are costing the SABC is going to be another nail in his coffin,' another senior SABC insider told *Africa Confidential*. Motsoeneng remains defiant: 'Some leaders are born. Like myself, I am a born leader, so you can't take that away from me,' he told the *Sunday Times* last month.

Motsoeneng has always boasted about his closeness to politicians, including Zuma, while Muthambi has been his biggest supporter, protecting him from any rebuke from ANC headquarters and insulating him from censure coming from Parliament and even the South

FAKE TICKET TO THE TOP

Hlaudi Motsoeneng started at the South African Broadcasting Corporation in 1995 as a producer of the Sesotho-language current affairs show on Lesedi FM. He later rose through the SABC ranks to the position of Executive Producer. A 2002 investigation by the auditing firm Deloitte and Touche described Motsoeneng as 'a semi-literate journalist' and recommended that he be removed as a senior specialist producer.

His curriculum vitae came under the spotlight after an SABC internal audit in 2003 found that he had lied about his qualifications and called for disciplinary action. He was nonetheless appointed as Executive Producer of Current Affairs at Lesedi FM in the same year. That job requires a degree or diploma in journalism, eight years' experience in radio current affairs and three years of management.

Despite his lack of qualifications, Motsoeneng's rise in the SABC has been spectacular. However, with crucial and potentially bruising local government elections in 2016, the governing African National Congress wants to be seen to be cleaning up its act and having Motsoeneng around might not be good for its image. In the meantime, Motsoeneng is receiving his full salary while his disciplinary hearing is under way. ●

African Communist Party General Secretary, **Blade Nzimande**. Muthambi supports Motsoeneng mainly because he is a favourite of Zuma's.

BABA LOVE

In leaked communications from a former SABC Board member, **Hope Zinde**, Muthambi is purported to have said, 'But Baba loves him; he loves him so much. We must support him.'

Muthambi allegedly used the term of endearment for Zuma, 'Baba', in reply to Zinde when she complained about Motsoeneng. A former SABC staffer, Zinde was forced to resign from the Board in March. The stakes are growing higher. Muthambi's ministerial position has come under threat because of her defence of Motsoeneng against the

Chair of the ANC's subcommittee on communications, **Jackson Mthembu**. Whatever Muthambi's motives for protecting Motsoeneng, insiders say that if Motsoeneng goes, she could go too.

Motsoeneng, who hails from the Free State, is not short of powerful supporters. He has boasted about his closeness to the provincial Premier, **Ace Magashule**, who belongs to the 'Premier League', a group of three powerful ANC provincial premiers that also includes Mpumalanga Province's **David Mabuza** and North-West's **Supra Mahumapelo**. At the recent ANC National General Council meeting, party members and Zuma decried the issue of 'vote buying' within ANC ranks and were dismissive of the power of the Premier League (AC Vol 56 No 21). Motsoeneng appointed his

close Free State ally, **Sophie Mokoena**, as SABC Acting Political Editor.

PAY RISE

The SABC's recent annual report says Motsoeneng's salary has increased from R2.8 mn. to R3.8 mn., including bonuses – despite Madonsela's ruling. In September, the ANC condemned his salary increase. In the charge sheet for the disciplinary hearing, which was leaked to several media in October, the SABC Chairperson, Professor **Mbulaheni Obert Maguvhe**, accused Motsoeneng of gross dishonesty, gross misconduct and abuse of position. It will be difficult for Motsoeneng to survive such charges but what will decide his fate is the view taken in the ANC headquarters, Luthuli House. ●

SOMALIA

The oil and the spoils

The quest for oil is hotting up and fuelling tension between Mogadishu and Puntland. A proposed moratorium may not cool tempers

Neither the whiff of scandal nor the investigation by the Serious Fraud Office (SFO) in Britain into the activities of the UK company Soma Oil and Gas have dampened investor enthusiasm for Somalia's fledgling oil sector. Since early September, at least two foreign firms have signed deals with competing Somali entities to carry out seismic survey work offshore.

These come despite calls from the United Nations Monitoring Group on Somalia and Eritrea, repeated in its latest annual report on 19 October, for a moratorium on further exploration. UNMGSE warns that without a sound legal framework, the search for oil threatens to intensify regional tension and conflict. Clan-based tension and other concerns are already major obstacles to the goal of a federal Somalia and competition for oil resources could make it harder still (AC Vol 56 No 20). The claims are supported by correspondence obtained by *Africa Confidential*.

The latest companies to enter the fray both deal in seismic services: Norway's Spectrum ASA and Houston-based ION Geophysical Corporation. Spectrum's agreement, signed in Mogadishu on 5 September, is with the federal government. It covers the collection of seismic data across 28,000 square kilometres. This will build on the work already carried out by Soma for the government, completed in June 2014. However, ION Geophysical's contract was awarded by the regional government in

Puntland, covering the entirety of the region's offshore margin.

The two deals typify Somalia's divisive oil politics. The federal government argues that only it has the authority to award exploration and exploitation licences, pointing to the 2008 Petroleum Law, even though Parliament has yet to approve it. Puntland contests this, saying the 2012 Provisional Constitution stipulates that oil licences may be awarded only after negotiation with the relevant regional authorities. With the drafting of a permanent constitution going nowhere and Parliament lacking the legitimacy of proper elections, few expect the dispute to be resolved at any time soon.

VESSELS AT RISK

The correspondence between Puntland's authorities and Spectrum, which AC has obtained, graphically reveals the tensions. In a letter to Spectrum's management dated 10 September 2015, the Director General of the Puntland Petroleum and Minerals Agency, **Issa Mohamud Farah 'Dhollawa'** claims that the company's deal with the federal government is illegal and he warns that company vessels will be seized and their crews arrested if they enter Puntland's waters. The Puntland Maritime Police Force has seized several foreign-owned commercial vessels involved in illegal fishing over the past year, suggesting the threats are not without basis. We did not see Spectrum's reply, if any.

In an apparent bid to undermine

attempts by the country's regions to issue licences, the federal government has restarted talks with some of the oil majors which held concessions before the collapse of the **Mohamed Siad Barre** regime in 1991. Those companies claimed force majeure as Somalia slipped into chaos and for years Mogadishu has pledged to resolve their claims to acreage in disputed areas. Nonetheless, different regional authorities have been issuing their own licences for overlapping blocks in Somaliland and Puntland. In addition, there is a maritime boundary dispute with Kenya, where Italy's ENI (*Ente Nazionale Idrocarburi*) holds acreage in contested waters. The other historical concession-holders include ConocoPhillips, ExxonMobil, Total, Chevron, BP and Shell.

The UNMGSE's latest report includes reference to an email from the federal Oil Ministry's Director of Hydrocarbon Exploration, **Abdulkadir Abiikar Hussein**, to ConocoPhillips regarding its pre-1991 concession that stretches across the Sool and Sanaag regions, both of which are actively disputed among Somaliland, Puntland and the self-declared State of Khatumo (AC Vol 53 No 6). The email reveals that Ministry officials met the ConocoPhillips Federal Affairs Manager **Kay Larcom** in Washington in August 2014 and it promises to resolve the issue surrounding blocks in 'North and North-east Somalia', a reference to Somaliland and Puntland.

Puntland meanwhile has attempted to launch its own negotiations with the pre-1991 concession-holders to demonstrate its authority over licensing within its territory. The Puntland Petroleum and Minerals Agency wrote to several oil majors in September reaffirming its claim to legal authority over the concessions under the constitution, we understand. The letter went on to demand that the

companies begin negotiations with the Puntland Ministry by 23 October this year or forfeit their right to the concessions. By the time the deadline had passed, only Shell had responded, to say it would provide legal documentation to support its claim, our sources said.

MORATORIUM

One area on which all the opposing Somali sides agree is their opposition to the moratorium which the UNMGSE called for. The governments in Mogadishu, Hargeisa and Garowe all recognise the value of revenue and political leverage associated with signing deals with foreign exploration companies and are unwilling to give that up.

In a bid to calm donor concern over the issue, the federal government called a meeting in the capital on 22 October. Oil ministers from each regional government attended, except for Somaliland. Afterwards, the Minister of Mineral Resources and Petroleum, **Mohamed Mukhtar Ibrahim**, jubilantly declared that an agreement had been signed pledging to create a task force that would determine how federal and regional authorities could share natural resources.

The regional ministers present are said to have felt pressured by Mogadishu into signing the pact and on returning to their respective regions, expressed their displeasure with the deal, we hear. In any case, the terms of the pact are said to be too vague to have a chance of sticking.

Meanwhile, the SFO investigation into Soma Oil and Gas is in its early stages. It began after the SFO had received a confidential report by the UNMGSE claiming that Soma had established a 'capacity-building programme' that paid the salaries of individuals at the Somali Oil Ministry (AC Vol 56 No 16). The aim of the payments, the report alleges, was both to secure influence for the company and to protect its seismic agreement from the scrutiny of the donor-backed Financial Governance

Committee. The SFO is believed to be investigating whether or not the payments contravene the Bribery Act (AC Vol 53 No 7).

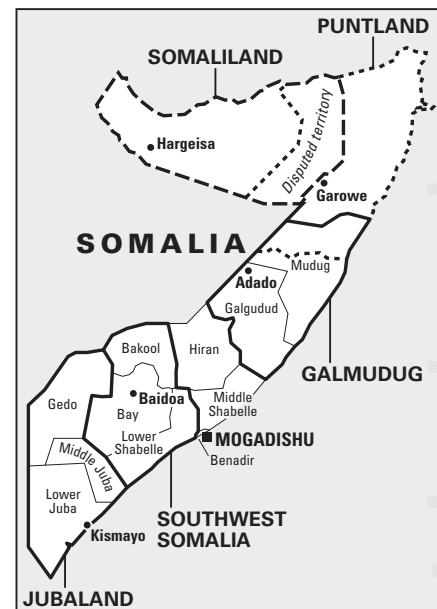
Soma insists it has done nothing wrong. Yet paying the salaries of civil servants is a far from typical oil industry practice, activists and the UNMGSE point out. Spectrum apparently had a similar capacity-building programme planned but scrapped it when the controversy over Soma began. In a document filed by Soma with Companies House in London on 30 September, the company warned the case had caused it 'significant financial and reputational damage'. Having sunk US\$41.3 million into exploration in Somalia, it said it was facing a full year loss of \$8.9 mn. and would need additional funding within two months.

Soma's strategy hinged on an agreement with Mogadishu that it would be awarded production-sharing agreements in return for the seismic data it collected, which – judging by the milestones for the company's directors laid out in the company's annual statements – it planned to sell on at a profit with no likelihood of investing in production. Soma has no exploration capacity and its seismic surveys were sub-contracted to Norway's SeaBird Exploration.

Some transparency campaigners were infuriated by the move, asking what good Soma was when it had no apparent expertise other than the ability to connect to senior members of the British Conservative Party establishment. A former Conservative Party leader, **Lord (Michael) Howard** of Lympne, is Chairman of Soma and **Basil Shibliq**, a major donor to the party, is the founder of the company.

MYSTERY INVESTOR

Soma has since gone to some lengths to prove its commitment to transparency. Immediately after the SFO announced its investigation, the company published many of the details of its 'capacity-



building programme' on its website and has since named several of its shareholders. One of its backers that has not been publicly disclosed is one of the individuals behind Kalyra Investments, a British Virgin Islands-registered company, which controls 5.5% of shares. Soma Soma says it is owned by a 'UK private businessperson'.

INVESTIGATION

The Somali government has also pledged to conduct its own investigation into Soma but this does not yet appear to have led anywhere. From the outset, there have been reports that President **Hassan Sheikh Mohamud** has taken a personal, possibly financial, interest in the Soma deal. Many of those who received capacity-building payments from Soma – which in several cases were more than three times their civil servants' salaries – are related to the President or belong to the Muslim Brotherhood splinter group, *Damul Jadiid* (New Blood), to which he belongs and which wields considerable influence in the government. ●

AID

Donors stop donating

The aid party is over. Industrialised countries are reducing their spending and postponing their promises

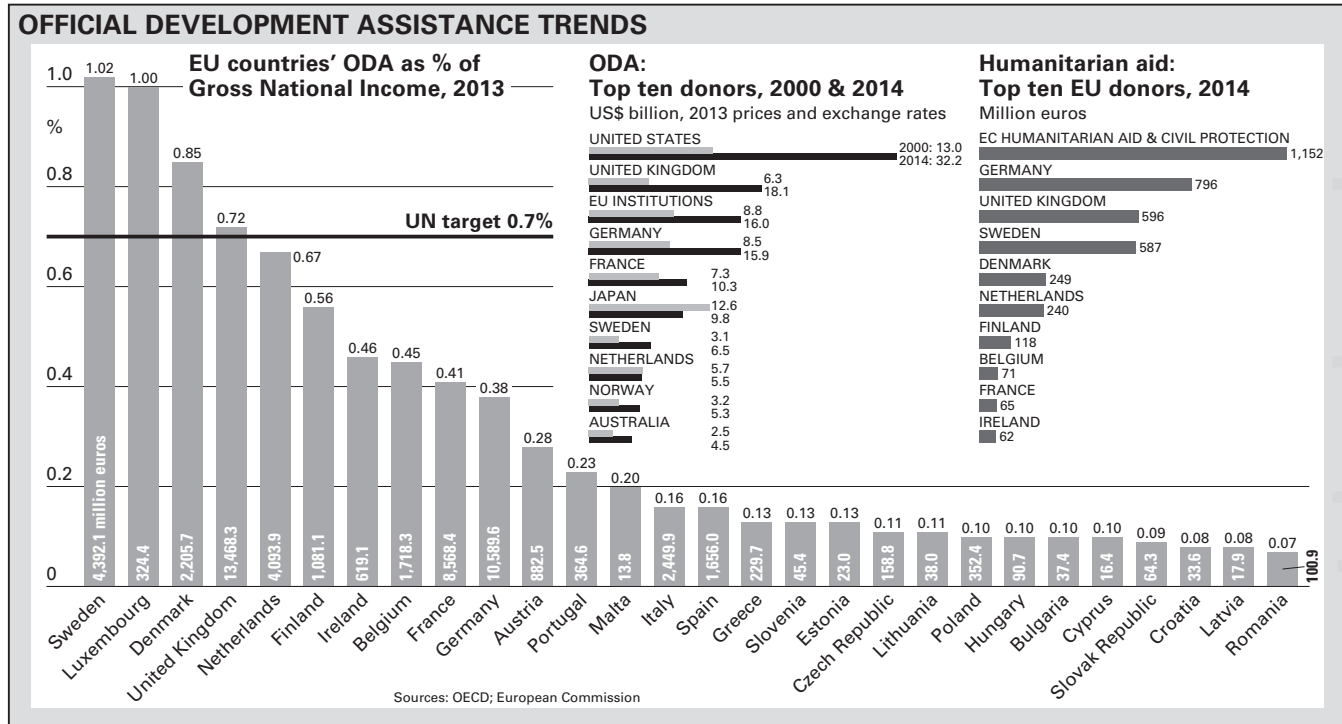
The message from the United Nations Financing for Development conference in Addis Ababa, **Ethiopia** last July could not have been clearer. At the summit, tasked with agreeing on how to fund the new

generation of development targets, known as Sustainable Development Goals (SDGs), only the European Union made a pledge on Official Development Assistance. It also pushed back to 2030 its promise finally to hit the target of

devoting 0.7% of gross national income to ODA (AC Vol 56 No 15).

'No civil society representative will describe Addis as a success,' commented **Tove Maria Ryding**, Secretary General of the European Network on Debt and Development (Eurodad). If the summit was disappointing for African governments and for non-governmental organisations, that could scarcely have come as a surprise. Overall development aid levels have been largely static since the global financial crisis hit in 2008-09.

The 0.7% aid commitment by the EU's 15 wealthiest members is already



45 years old but it is no closer to being met. The European Commission has projected that ODA will total 0.44% of the bloc's economic output in 2015. In 2014, ODA from the EU stood at 51.7 billion euros (US\$57.03 bn.), down from €53.6 bn. in 2013 and €53.5 bn. in 2012, and down from a peak of €56.5 bn. in 2010. That leaves the 28 EU countries and the Commission with a gap of €41 bn. between their promises and their spending. 'The failure of EU member states to meet their aid quality and quantity commitments over the last decade... represents a colossal failure of political will,' says the pan-European Confederation of Relief and Development NGOs, Concord, in its report *Aid beyond 2015*.

ODA spending among the 34 countries that belong to the Organisation for Economic Cooperation and Development more than doubled between 2000 and 2008, from \$54 bn. to \$122.8 bn., an increase of 66% in real terms. The spending surge started after the international community agreed on the Millennium Development Goals (MDGs), which aimed to drastically reduce extreme poverty, but it ended abruptly in 2009, the first financial year after the global financial crisis broke. That year recorded the first decrease in OECD aid since 1997. The aid pot then edged up to \$135.2 bn. by 2014.

The most obvious causes of the apparent shrinking of political will among the 28 EU countries are the 2008-09 crisis and the Eurozone's debt crisis, which have provoked a wave of austerity budgets across Europe from

north to south. In 2014, France cut its aid budget for the fourth year in a row. **Spain's** overseas aid spending is now at its lowest level since 1989. Even Scandinavian governments, whose countries are among the EU's highest donors, are now wielding the budget knife. **Finland** slashed its aid budget by 43% in 2015 and that was before the right-wing *Perussuomalaiset* (Finns Party, aka True Finns) entered government after April's elections. It demands deep aid cuts.

Many governments are cutting back by diverting ODA into spending associated with the surge in migrant numbers, leaving only subscriptions to UN bodies untouched. Overall ODA levels from Europe are stagnating rather than rapidly shrinking and, while centre-right governments in Scandinavia and the **Netherlands** are pursuing cuts, it is not all one-way traffic.

Italian Prime Minister Matteo Renzi has promised to increase his country's aid budget to 0.3% by 2018, while **Belgium** and **Ireland** have pledged to give 50% of their aid to Africa's poorest countries (the least developed countries, LDCs). **British** Prime Minister David Cameron's government has made a commitment to put the 0.7% aid target into national law. That also includes assistance for **Syrian** refugees in camps in **Jordan**.

European Commission statistics say that 15 governments increased their ODA by a total of €3.4 bn., while spending cuts in the other 13 governments amounted to €1.3 bn. 'The EU has upheld its place as the world's

leading provider of ODA, despite the difficult economic circumstances,' said the European International Cooperation and Development Commissioner **Neven Mimica** in April.

There is a similar mixed picture in the non-EU members of the OECD: **Australia**, **Canada**, **Japan**, **New Zealand**, **Norway**, **South Korea**, **Switzerland** and the **United States**. Australia, Canada and Japan have cut aid spending by between 15% and 25% since 2012, though others have maintained gradual increases.

QUALITY NOT QUANTITY

What is undeniable is that the fashion for austerity in the 'north' has prompted governments to demand more bang for their aid bucks. 'There has been a shift towards talking about the quality rather than the quantity of aid,' says Oxfam's EU aid policy advisor **Hilary Jeune**. This is where the discussion on blending public and private sector loans and grants, and tying aid to specific projects, has evolved, encouraging governments to seek tangible results that they can show and sell to their public. 'Using aid to generate more money is easier to sell, and to justify keeping existing aid spending,' says Jeune. 'It becomes much more of a business plan. The development minister has to justify his spending to his finance minister and if development policy is not an integral part of the government's agenda, then it becomes difficult to maintain.'

Yet if cutting development assistance has been seen as low-hanging budget fruit in some capitals, public support

remains undimmed. A poll by the Commission's in-house pollster, Eurobarometer, in December 2013, found that 61% of Europeans favoured an increase in aid despite the budgetary austerity prompted by the financial crisis.

AID REDEFINED

One way for wealthy countries to deal with scrutiny of their aid budgets would be to redefine what constitutes aid and that is precisely what has been put on the table. In 2014, the OECD altered the way in which concessional loans – where the donor country offers a cheaper interest rate than a recipient country could obtain from financial markets – are treated so that only the 'grant' portion of loans can be classified as aid. The new rules also lowered the maximum interest rates that can be attached to loans. Elsewhere, the likes of Belgium, France and Portugal want to include additional military, peace and security expenses to be covered by a new definition of ODA.

Meanwhile, talks at OECD level on the new measurement known as the Total Official Support for Development – for which TOSD is the unfortunate acronym – began several years ago, with

the OECD given a mandate in December 2014 to draw it up. The Paris-based body is due to present its first proposal at its next high-level meeting early next year. The Netherlands intends to push the idea as a major theme during its EU Presidency, which begins in January, said a diplomatic source in Brussels.

If nothing else, the new measurements are likely further to cloud the already complicated business of accurately measuring aid spending. For example, Concord states that at least €5.2 bn. of the EU's €53 bn. aid pot in 2013 is the result of creative accounting which allows donor countries to classify student and refugee costs as aid. EU governments declared €1.7bn. of student costs as bilateral aid in 2013 and €1.7 bn. for refugee costs. For people granted refugee status, governments can count transport, food, housing and training expenses as aid. That includes €514 mn. in Sweden and €372 mn. in France. Refugee costs account for 83% of Malta's entire bilateral aid, while student costs accounted for 88% of Greek bilateral aid and 82% of Romania's.

While the EU may have re-committed itself in public to hitting the elusive 0.7% target, this 45-year-old promise remains a pipe dream. This

year, only ten EU countries will allocate more than 0.33% of their economic production to ODA and this group is unlikely to grow in size by 2020. The overall aid pot is not going to get any smaller but, short of rediscovering the political will that sparked that 66% pre-credit crunch surge, it is difficult to see how development policy priorities, particularly in Africa's poorest countries, will be reached.

FLEXIBLE AID

The 34 countries in the OECD want to make the definition of what constitutes aid spending more flexible to accommodate loans and funding tied to specific projects. That suggests that the political will for ever-increasing aid has evaporated. The public-private partnerships and leveraged loans which have been advertised as filling the gaps will not do so at any time soon. As a British think tank, the Overseas Development Institute, warned in a report last month, 'current levels of government revenue and aid will not be enough to implement the poverty, education and health SDGs'. Population growth is believed to be the main problem. It is far from clear where the extra money will come from. ●

CONGO-KINSHASA

Katumbi treads a fine line

Critics claim the Katangese billionaire is in cahoots with Kabila but supporters say he wants to stand on his own terms in his own time

Moïse Katumbi Chapwe, the man that opposition politicians hope could unseat **President Joseph Kabila**, has spoken out against the government announcement that national and presidential elections should be postponed for 'two to four years'. On 31 October, the billionaire businessman, who was the governor of Katanga from 2007 until the province was dismembered during a rushed decentralisation process earlier this year, said the call was 'troubling but unfortunately not surprising' (AC Vol 56 No 7).

Katumbi said the Congolese people had demonstrated that they wanted two-term presidents and regular, free, fair and transparent elections, and called on them to 'share' their displeasure, but only through peaceful, non-violent means (AC Vol 56 No 9).

Timid stuff, but this was the first time that Katumbi had openly called on people to protest what the Congolese

call 'glissement' (slippage). *Glissement* is the process by which Kabila and his entourage get to prolong their time in power beyond the end of his term in 2016 by engineering endless delays to the electoral process (AC Vol 56 No 4). In the latest episode of *glissement*, the President of the *Commission électorale nationale indépendante*, Father **Apollinaire Malu Malu Muhlongu**, and the vice-president André Mpungwe, both recently resigned, apparently following relentless pressure from Kabila loyalists. This has further weakened the bankrupt commission's already feeble capacity to organise any polls.

Yet **Leon Kengo Wa Dondo**, the wily octogenarian President of the Senate, a former Prime Minister under the late President **Mobutu Sese Seko**, and more recently a persistent thorn in Kabila's side, has said he believes that Katumbi and Kabila are secretly in league with each other and that the public image of their fall-out is a smokescreen.

Kengo is telling friends – but not so far the general public – that Kabila and Katumbi have met several times alone this year, without any advisors, and for hours at a time. Kengo's theory is that the two are hatching a plan for Katumbi to succeed Kabila and then to protect Kabila from prosecution, as well as to let him and his cronies keep their wealth.

Kengo also cites as evidence Katumbi's strikingly downbeat reaction to an open letter written to the President recently by seven leaders of parties who have for years been part of Kabila's coalition, calling on him to make his political intentions clear. The 'G7' letter provoked a furious response from Kabila, who sacked all its signatories from the cabinet, expelled their parties from the coalition, and ordered a purge of party members from state positions. The letter's signatories, who included then Minister for Planning **Olivier Kamitatu Etsu**, former special security advisor **Pierre Lumbi Okongo** and former Katanga Governor and leader of the *Union nationale des fédéralistes du Congo*, **Gabriel Kyungu Wa Kumwanza**, made it clear afterwards that were Katumbi to declare his candidacy for the presidency, they would back him. Yet Katumbi pointedly failed to endorse the open letter, and further indicated that it was nothing to do with him.

But another source, who is in communication with Katumbi and also

has good links to the presidency, has dismissed Kengo's analysis. 'Kengo is not really close to either Kabila or Katumbi,' the source said, 'and I very much doubt that if they were scheming, they would share this kind of thing with him. I really don't think that is what they are doing. Katumbi's opposition to Kabila is real. I think Kengo is just saying these things to make trouble and to keep himself relevant.'

There was another explanation for the long, private meetings, the source said. 'Both Kabila and Katumbi are billionaires, and both got their money in roughly similar ways, by exploiting the opportunities presented to them by their political office. And of course, they both know a great deal about how the other has got rich. Both know things that could really hurt the other person. It is in both their interests that these stories do not come out.'

Another source who knows Katumbi well said that he had spurned the G7 initiative out of pride. 'It was the same when UNC [*Union pour la nation congolaise*] leader **Vital Kamerhe** seemed to be offering Katumbi his endorsement. Kamerhe made it plain that he would back Katumbi for President if he would endorse him for prime minister, but Katumbi did not react. He does not want to be seen to be bargaining with opposition politicians yet. He wants them to come to him on his terms, not theirs.'

Another factor, said a senior businessman who is close to both Katumbi

and Kamitatu, is timing. 'Kamitatu is my friend, but I have to say, he got this one wrong. He mistimed it. It is too early. Kabila could still hang on for a while yet, and it is poor strategy to be making a move like this at this stage. Katumbi knows this. He is waiting for Kabila to box himself in, to be forced to commit himself, to be forced to tell the Congolese people that he cannot offer them elections on time... Only when Kabila has revealed his hand does Katumbi intend to reveal his.'

The late October announcement by Kabila's spokesperson that the country was not ready for elections and that the President should remain in place for another few years was, in all probability, a gambit by Kabila to gauge national and international reaction. If there turns out to be a sharp reaction from the United Nations Security Council or from the Kinshasa street, the President will reconsider. But if there is barely a ripple, Kabila will be emboldened.

ZUMA MESSAGE

Kabila took some comfort from the soft message brought by **South African** President **Jacob Zuma** when he travelled to Kinshasa in mid-October. Zuma told Kabila that he should respect the constitution, but that if more talks and some delay were needed before the polls, he should not expect strong opposition from South Africa. The South African government appears to have concluded that, unlike its own university students, Congolese opposition supporters

ultimately lack the stomach to see their resistance to Kabila through to the end, and that if the President obstinately and violently clings to power, he will probably get away with it (AC Vol 56 No 3).

Senior civil servants in the presidency in Kinshasa cite the example of **Burundi** as one where, for all the wringing of hands, the international community does not really mind that the incumbent is staying on beyond two terms.

The real reason for the UN Security Council's prevarication on the issue in Burundi is that the **Chinese** government and, to a lesser extent, the **Russian**, are backing President **Pierre Nkurunziza** (AC Vol 56 No 14). Neither China nor Russia has indicated their position on Kabila staying in office, though current form suggests both might back him purely because the **USA**, **Britain** and **France** do not. If that is the case, that could leave the Congolese people as the main potential obstacle to Kabila clinging on. If the South African government's analysis is correct, the President has little to fear here either. But Kabila and his entourage are fretting that the South Africans might be wrong and that instead, they might be swept away by a popular uprising, **Burkina Faso**-style.

So, they are exploring their options. Sources at the US embassy say that Kabila's emissaries have told them that his bottom line is immunity from prosecution. If Katumbi, backed by the Americans, is offering Kabila that, perhaps Kengo's theory is not so far-fetched after all. ●

DJIBOUTI/BRITAIN

Guelleh battles in court

It started as a legal dispute with a business partner but now the President's credibility is on trial and his wealth is on open display

It points to the fragility of President **Ismail Omar Guelleh's** position that a mismanaged legal battle with one of his political rivals in London's High Court could undermine his plans to change the constitution again and run for the presidency next April (AC Vol 56 No 19). Among other embarrassing details, the London Court has heard that, although Guelleh's monthly salary is under US\$5,000 a month, he was able to buy an apartment for 2.74 million euros (\$2.98 mn.) in the 16th arrondissement of Paris in 2001 and invest in an \$8 mn. complex of luxury villas at Haramous, Djibouti.

Although Guelleh's opponents in Djibouti seize on such stories of

presidential largesse, we hear the strongest pressure is coming from **France** and the **United States**, his main Western backers. Apart from the deepening economic morass at home, it is Guelleh's courting of **China's** military and clumsy dealmaking with regional Islamist factions that most alarm Paris and Washington. Although he has told both US Secretary of State **John Kerry** and French Defence Minister **Jean-Yves le Drian** that he doesn't want to run next year, nobody believes that.

Guelleh has been trying to burnish his security credentials with the arrest of 20 people accused of links with the veteran opposition party, the *Front pour la restauration de l'unité et de la démocratie*

(FRUD), at the beginning of October. That and other harassment of oppositionists has merely prompted more rebukes from a human rights organisation, the *Ligue djiboutienne des droits humains*, and other civic groups.

It seems that Guelleh's case in London against **Abdourahman Boreh**, an exiled businessman and former presidential advisor who now says he wants to run for the presidency, is upsetting his political plans. In a case that is costing the Djibouti government millions of dollars in legal fees, Guelleh is suing Boreh for damages and accusing him of corruption when he was chairman of the Djibouti Ports Authority. However, the case against Boreh has been critically weakened: first, by Judge **Julian Flaux's** ruling that Guelleh's lawyers had deliberately misled the Court through incorrectly dated evidence; and secondly, by Guelleh's refusal to accede to Justice Flaux's request that he testify in court personally.

Guelleh sent his regrets but offered to testify by Skype, which Sir Julian Flaux rejected. Then, as the case was getting under way in London, Guelleh

flew to Riyadh for an official visit to King **Salman bin Abdul Aziz al Saud** on 18-19 October. **Saudi Arabia** is the latest country on a lengthening list – which already includes **Ethiopia**, China, France, **Germany**, **Italy**, **Japan**, **Russia**, and **USA** – to secure military basing rights in Djibouti's Gulf of Tadjoura (AC Vol 56 No 20). Saudi Arabia wants to use Djibouti as a staging-post in its war against the pro-Houthi militias in **Yemen**. Three months ago, the USA closed its military mission in Yemen and moved its officers to Djibouti, where the US Africa Command has a substantial presence.

SAUDI DISQUIET

Like many other would-be allies, Saudi is unenthusiastic about Guelleh. Its Ambassador, **Ibrahim ben Abdul Aziz al Noufal**, did not even attend the official delivery of five Saudi-made patrol boats to Guelleh's government on 4 October. With most foreign allies highly sceptical about Guelleh's reliability, the outcome of his case against Boreh becomes much more important. If Guelleh wins and gets some face-saving damages, the gamble will have paid off and Boreh, a wealthy and well-connected political foe, may be terminally damaged. Yet if Guelleh loses – and the signs are not good two weeks into the eleven-week trial – his reputation will have been publicly ripped apart in a foreign court with Djibouti footing the bill. Even if Guelleh chooses to negotiate a deal to halt proceedings, he may save some money but he will still look weak.

Meanwhile the trial, at which Boreh is testifying this week, is providing fascinating details of how Guelleh has been running Djibouti and its main economic assets. Boreh's counsel, **Richard Waller**, says that Guelleh has declined to explain where he got the €2.24 mn. to buy the Paris apartment. Boreh contributed €457,000 towards the full sale price of €2.74 mn. agreed with one **Dominique Bunford**, according to a letter Waller read out in court. Boreh also paid for the renovation of the flat.

FLAT FEES

Waller showed the court invoices from the flat's architects, Espaces Parisiens-Planning, invoicing Boreh for €200,000 in two instalments. While Guelleh's brother was a senior official in the Djibouti-headquartered Intergovernmental Authority on Development (IGAD), he made a modest payment for work on the flat, according to Flaux, quoting from a statement by French bank Crédit Lyonnais. Then, while running the central bank, the Banque Centrale de Djibouti, the brother of the First Lady, **Kadra Mahmoud Haid**, chipped in €50,000 for more renovation. Then the President's Office paid €86,000 towards Ismail Omar's Paris accommodation, according to a July 2004 document quoted by Waller.

Waller then told the Court about an invoice from Le Touessrok, a five-star golfing hotel in **Mauritius**, addressed to Boreh International for the sum of €44,955 in July 2005, stating: 'As per

instructions of Mr. Boreh, please find attached a pro forma invoice for 16 days stay of HH Ismail Omar Guelleh and his kids. Kindly do the needful.' According to Waller, Boreh made such payments because he felt he 'had to comply', given the fate of those who had challenged the President in the past. He also referred to the murder 20 years ago of French Investigating Magistrate **Bernard Borrel**, who had been enquiring into the operations of the secret police when Guelleh was head of security (AC Vol 56 No 10).

Since 2008, Guelleh has viewed Boreh as a rival, which led him to try to 'systematically destroy Mr. Boreh,' according to Waller. Representing Guelleh in Court, Lord **Charles Falconer**, who was Lord Chancellor under Prime Minister **Tony Blair**, argued that Boreh's allegations were 'factually irrelevant' to the dispute in hand over the Doraleh Container Terminal concessions.

Justice Flaux added that if Boreh's case was that he was siphoning money out of projects and capital shares in order to give them to the President, 'it is absolutely no defence to Mr. Boreh of a charge of corruption...' although it is a '...discreditable allegation against the President of huge seriousness.' Beyond the laundry list of presidential benefits publicly disclosed in court, the Judge said there 'may be any number of reasons why the President has eight residences and 80 cars, assuming he does.' The case continues. ●

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POINTERS

Angola

ISABEL'S AUNTIE

■ International broadcasting companies fret about how to cover Africa as they lose audiences to nimbler, African-owned stations. The alacrity with which top executives from CNN flew to Kenya to apologise for referring to it as 'a hotbed of terror' provoked ridicule from local viewers. International networks compete to carry soft, sponsored reports on the 'economic reforms' of governments whose political record wouldn't stand up to scrutiny.

Until now the BBC has stayed aloof and largely rejected the intrusion of grubby commercial imperatives. Now, with its budget and independence under fire from Britain's Conservative government, the bean-counters are piling pressure on journalists.

Take the BBC coverage of Angola's 40th anniversary of liberation from Portuguese rule. We hear Luanda has approached the Corporation's commercial arm, BBC Worldwide, to celebrate the achievements of President **José Eduardo dos Santos's** government with a series of one-minute vignettes.

Staff at the BBC admitted the project was a 'compliance minefield' but said they were trying to find 'successful Angolans that have not been associated with any form of corruption, exploitation or crime.' Eventually, they alighted on the figure of **Isabel dos Santos**, the presidential daughter of the President who has amassed over a billion dollars without the benefit of any practical business experience (AC Vol 56 No 6). We understand that her office gave strict instructions that she 'would not comment on politics' in her interview.

South Sudan

MINORITY REPORT

■ The government's claims that it was defending itself against a coup attempt when war broke out in December 2013 have been dismissed in two reports released by the African Union on 27 October. Their findings are likely to undermine further the credibility of President **Salva Kiir Mayardit's** government, just as it announces a security deal in the capital with rebel forces led by sacked Vice-President **Riek Machar Teny Dhorگون**.

Mediated by the Intergovernmental Authority on Development, the deal allows Salva to keep 3,420 troops in Juba, and Riek, 1,410. Riek is due back there for the launch of a power-sharing government, when he retakes his position as Vice-President on 15 December, the second anniversary of the outbreak of

violence.

Neither side emerges from the war with any credit, says the AU Commission of Inquiry on South Sudan, which investigated abuses committed at the start of the conflict (AC Vol 56 No 21). The reports conclude that the fighting was triggered by Salva-loyalists attempting to disarm Nuer in the Presidential Guard after crisis talks in the governing Sudan People's Liberation Movement (SPLM) collapsed.

Led by **Nigerian** ex-President **Olusegun Obasanjo**, the Commission released two reports, one approved by four of the five-man team and a dissenting opinion from **Uganda's** Professor **Mahmood Mamdani**. The minority report is virtually identical to March's leaked copy except that witnesses' names have been anonymised (AC Vol 56 No 6). The majority version is longer, more anodyne and doesn't call for those suspected of involvement in atrocities (most leaders on all sides) to be banned from a future transitional government. Both catalogue horrific crimes by both sides' senior officials, including mass murder, rape and forced cannibalism, all of which are defined as war crimes and crimes against humanity.

The timing of the release suggests the AU feared the findings would become irrelevant if they failed to appear before a coming United Nations' investigation. At the launch, the AU complained the UN Mission in South Sudan hadn't helped the inquiry enough.

Gabon

CAPITAL FLIGHT

■ An embarrassing airing of the wealth, extravagance and lavish use of private jets by President **Ali Bongo** and his family and vast entourage is in store, once a lawsuit by a **Swiss** aviation consulting company gets going in Geneva. Last week, Travcon AG, which arranges the charter of private jets for the super-rich and heads of state, was given leave by the Swiss courts to sue Gabon for US\$11 million in allegedly unpaid bills.

The President and his father, the late **Omar Bongo**, spent an estimated \$125 mn. on private jet travel between 2006 and 2011, including \$4.3 mn. for one trip to **China** and Paris, according to Travcon. The late President would fly to Paris in Travcon's Boeing 777 VIP jet almost every weekend to see his wife at a cost of \$2 mn. per trip.

When Omar Bongo died Ali continued to hire Travcon but stopped paying their bills. The debt appears to be a casualty of the power struggle between the President and his sister, **Pascaline** (AC Vol 55 No 22).

Travcon is determined to recover the money but has made an offer to **Serge Abessolo**, a senior legal advisor to the

Gabon government, it thinks will help settle the case. If Gabon pays the full \$11 mn., Travcon will donate \$1 mn. of that to charities including UNICEF and Save the Children. The offer potentially embarrasses the President because he recently undertook to donate part of his inheritance to the youth of Gabon.

The Bongo fortune – estimated at \$1 billion – is made up mainly of real estate, much of it in **France**. Several French judicial investigations into the President's wealth have taken place, notably into the role of the family's secretive holding company, Delta Synergie. The Bongo fortune was also part of the notorious '*biens mals acquis*' case (AC Vol 52 No 3). As *Africa Confidential* went to press, the Gabon government had not responded to the offer.

Sudan

TURABI SANS PAPIERS

■ Paris last month refused a visa to the Islamist regime's founder, **Hassan el Turabi**, *Africa Confidential* hears. Turabi used to regularly visit the city where he got his doctorate and was seen as a useful go-between with Khartoum. Despite much posturing, he remains close to President **Omer Hassan Ahmed el Beshir**. Now, **France** helps the opposition, hosting the August 2014 Paris Declaration by the Sudan Revolutionary Front (SRF) and **El Sadig el Mahdi's** Umma Party faction.

Turabi's timing suggests he thought that by the time he arrived, Justice and Equality Movement leader **Gibreel Ibrahim Mohamed** would head the SRF. On 17 October in Paris, JEM's boss declared himself SRF Chairman, backed by his former rivals from the Sudan Liberation Movement factions, **Abdel Wahed Mohamed Ahmed el Nur** and **Minni Arkou Minnawi**, but in defiance of agreed SRF procedure (AC Vol 56 No 21). France is trying to mediate: it hosts Abdel Wahed who, we hear, confided privately that he'd backed Gibreel reluctantly. The two SRF wings are expected soon at talks with Khartoum in **Ethiopia** as separate groups. They would 'coordinate', said an oppositionist. This is a gift to Khartoum which wants to divide the Darfur opposition.

Turabi's new enthusiasm for Khartoum's 'National Dialogue' has reinforced suspicions that he had a hand in Gibreel's 'coup'. JEM, which the **United States** Central Intelligence Agency once described as 'Turabi's armed wing', was weakened by April's military defeat in Darfur and many leaders are 'half-hearted', sources said. The JEM-Turabi linkman, ex-minister **Ali el Haj Mohamed**, this week took a call from President Omer and then said he would return from years of exile in **Germany** – where the Darfur trio last week visited the European Union government seen as closest to Khartoum.

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BLUE LINES

As the global media spotlight stayed on the Da'ish attacks on Paris and the aftermath, a suicide bomber killed more than 80 people in a vegetable market in Yola, Nigeria, attracting little attention. In fact, there was more fuss about the demand from Africans for Facebook to extend its safety service – which allows friends and families in areas hit by terrorist attacks to check up on each other – to Africa. Ever image-conscious, Facebook quickly made the service cover Kenya and Nigeria.

This points to a bigger truth: that Africa is disproportionately targeted by Islamist and other terrorist attacks. Researcher Olivier Roy of the European University in Florence makes the point that the attacks on Paris are a sign of Da'ish's strategic limits in the Middle East, bounded as it is by Kurdish forces in the north, Iraqi Shiites in the west, and President Bashar al Assad's forces in the east. Da'ish will step up its international recruitment and efforts on spectacular international terrorist attacks as it did on 13 November, Roy says.

What Roy omits to point out is that Da'ish has already opened a second front: in Libya, which has become an important base for it. Alarming, the military stalemate between Libya's secularist forces and an Islamist coalition, with which Da'ish cooperates, continues to rip apart the country and its people. More alarmingly still, Da'ish has started a push in southern Libya to corral the Islamist and jihadist factions there to reinforce their attacks on Mali, Mauritania and Niger.

NIGERIA

Buhari resets the clock

After six months of deliberation, a new team of largely technocratic ministers faces daunting economic and security challenges

It is called 'Buhari Mean Time' in Abuja. It started as a jocular description and then became a warning: President **Muhammadu Buhari** will not be rushed into decisions, especially when it comes to appointments. The new cabinet has been six months in the making (AC Vol 56 No 20).

Yet the naming of a potential 36 ministers, amid insistent demands for factional and regional balancing, was always going to be tortuous for a President and retired General who remains deeply sceptical about partisan politics. On military and civilian matters, Buhari values strategic thinking over tactical coups. Since June, he and his highly effective Vice-President, **Yemi Osinbajo**, have taken extensive soundings about how to make institutions and officials work better.

The new commanding officers and intelligence directors were appointed several months ago, as were the directors and top managers of the main parastatal companies. More recently, the government has named the top management of key institutions such as the Nigeria Customs Administration, the Economic and Financial Crimes Commission (EFCC), and the Nigerian Ports Authority.

Then a week before Buhari named the slimmed down government – 24 instead of 36 ministries – he replaced all the permanent secretaries. All this amounts, says one Abuja insider, to a new way of running government: 'Buhari has chosen professionals who have to focus on critical problems in their ministries. No more jobbing politicians doling out patronage to the ruling party's main supporters. That's

due to financial realities as much as Buhari's personal style.' Then he added, 'We're working under budgetary pressure although people are expecting positive changes. The toughest decisions on spending and allocations haven't even been taken yet.'

Although Buhari, closely advised by his Chief of Staff and long-time ally **Abba Kyari**, has reorganised the senior ranks of the civil service and the state-owned enterprises, he is likely to give the ministers substantial autonomy to manage their portfolios under the new division of labour (AC Vol 56 No 9). 'Set the rules, the goals, and make sure the system works,' was the ethos, according to another insider.

Within that system, Buhari is taking the lead on security, anti-corruption and oil industry reform, and Osinbajo heads the economic team. The three key ministers on security matters will be General **Abdulahman Bello Dambazau**, Minister of Internal Affairs; Gen. **Mohammed Mansur Dan-Ali**, Minister of Defence; and **Geoffrey Onyeama**, Minister of Foreign Affairs, a barrister and previously Deputy Director for Development at the World Intellectual Property Organisation in Geneva, Switzerland.

The National Security Advisor, Gen. **Mohammad Babagana Monguno**, will remain a key figure in shaping strategy both on the Islamist fighters of *Boko Haram* in the north-east and on rumblings of renewed militancy in the Niger Delta and efforts by pro-Biafran secessionists to push their case in the south-east (AC Vol 56 No 22). In a government where the Delta and the south-east are still under-represented, Onyeama,

ERITREA	4	RESOURCES	5	KENYA	7	WEST AFRICA	8	ZAMBIA	9
Issayas looks north		Curses and compliance		The figures don't add up		Poor turnout in Dakar		ZIMBABWE	10
The President is helping the Saudi and UAE war in Yemen in return for much needed cash		Oil, gas and mining giants are doing battle with NGOs to minimise regulation		Despite foreign plaudits for record growth, the opposition plays on creeping economic woes		Few governments bothered to show up to President Macky Sall's regional security forum		TANZANIA	12
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brother of the celebrated author **Dilibe Onyeama**, could play an important role outside his main brief on regional and international diplomacy.

Back in September, Buhari explained that he would be his own Oil Minister with **Emmanuel Kachikwu**, who is shortly to leave his post as Group Director of the Nigerian National Petroleum Corporation (NNPC), as his deputy. An Assistant Commissioner of Police and experienced investigator, **Ibrahim Mustafa Magu**, a Kanuri from Borno State, replaces **Ibrahim Lamorde** as head of the main anti-corruption agency, the EFCC (AC Vol 56 No 16). Both Lamorde and Magu worked closely with London's Metropolitan Police on the prosecution of **James Onanefe Ibori**, former Governor of Delta State and now in gaol in Britain, for money laundering. Buhari wanted to double, at least, the resources and staffing of the country's anti-corruption agencies, he told *Africa Confidential* earlier.

Before making the ministerial announcements, Osinbajo had been spelling out the government's economic plans, which include a near doubling of this year's US\$20 billion federal budget

but with the bulk of the new spending directed into development investment. Osinbajo, Kyari and Buhari combined the strategy of economist **John Maynard Keynes** in their belief that Nigeria must spend and invest its way out of the current recession with the austere rigour of **Britain's** post-war Finance Minister, **Stafford Cripps**, with their promised clampdown on wasteful state spending.

Key figures in the team are:

- Minister of Finance: **Kemi Adeosun**, former Finance Commissioner for Ogun State and ally of its Governor, **Ibikunle Amosun**; with experience of investment banking and accountancy in her birthplace, Britain; she will focus on the Treasury and federal allocations.
- Budget and National Planning Minister: **Udoma Udo Udoma**, a veteran lawyer, businessman and former Senator, he will work closely with Osinbajo on strategy and longer-term policy development.
- Trade, Industry and Investment: **Okechukwu Enyinna Enelamah**, the banking star who established African Capital Alliance and built it into the country's biggest private equity company, will work both on economic diplomacy and on rebuilding and widening international commercial links.
- Energy, Housing and Works: **Babatunde Raji Fashola**, the popular former Governor of Lagos State, has been given a super-ministry overseeing some of the government's biggest budgets but also its politically critical power sector reforms.

- Solid Minerals: **Kayode Fayemi**; although tipped for Foreign Affairs or a security job where, as a former assistant Professor of Security Studies at Fort McNair's National Defense University, **United States**, he has proven expertise, he has a demanding task to fast-track mining development, including in large tracts of the Middle Belt and north, at a time of sluggish commodity prices. If he succeeds, Fayemi could reset the economic balance of power: mineral reserves are estimated to be worth some US\$100 billion.
- Transport: **Rotimi Chibuike Amaechi**; the Rivers State ex-Governor takes this big spending ministry at the centre of the government's infrastructure development plans (AC Vol 54 No 16).
- Agriculture and Rural Development: **Audu Innocent Ogbah**; a veteran politician (once Chairman of the previously governing People's Democratic Party) rather than a technocrat, he will rely heavily on the structures and procedures established by his predecessor **Akinwumi Adesina**, now African Development Bank President.
- Environment: **Amina Mohammed**, a former Special Advisor on post-2015 Development Planning to the United Nations Secretary General, **Ban Ki-moon**; this is an astute appointment just weeks ahead of the UN Climate Change Conference in Paris, France.

All ministers will face tough constraints,

BUHARINOMICS AND THE NEW TEAM

Godwin Emefiele, former Managing Director of Zenith Bank and now Governor of the Central Bank of Nigeria, has become a leading practitioner of 'Buharinomics'. For six months, he has run the much-criticised no-devaluation policy. Now, he is ordering local banks to double their provision for bad loans.

Non-performing loans were up 70% in the first six months of this year. Falling oil prices and state earnings, combined with growing foreign exchange risks, account for most of the bad loans.

Described by a bank economist as tackling economic woes with one arm behind his back, Emefiele will get some relief thanks to the new economic team under the leadership of Vice-President **Yemi Osinbajo**. Just as the new ministers start work, the National Bureau of Statistics has announced that growth for the third quarter has slipped to 2.84%, compared with 6.23% a year ago. This is not due just to low oil prices but to a slowdown in the non-oil sectors, in particular, services and agriculture.

Yet the price of oil, which provides over 70% of state revenue but less than half of national income, dominates economic planning. The financial firm PricewaterhouseCoopers, whose high-profile 'audit' of the finances of the Nigerian National Petroleum Corporation may yet be redone, predicted in May that average oil prices of around US\$55 a barrel in 2015 and around \$15 per barrel more in 2016, combined with a stable political environment, would be relatively benign for the country. Far more difficult would be a scenario where prices average \$45 this year, combined with worsening unrest in the north-east, because of *Boko Haram*, and in the Niger Delta, and only modest oil price recovery in 2016.

Other analysts have warned that oil prices could dip below \$30 a barrel. Lagos-based FBN Quest suggested that prices falling towards \$20 per barrel could pose a challenge in those banks financing oil operations. Lower oil prices would force a revision in the benchmark oil price for next year's federal budget: this year's was based on a benchmark of \$53 a barrel.

In recent months, bank economists and the World Bank and International Monetary Fund have cut estimates of Nigeria's growth this year, even if most predict a recovery in 2016-17. While Ecobank and Citibank economists forecast gross domestic product growth at 3.5% and 3.6% respectively, Standard Chartered and Renaissance Capital predict growth of 2.75% and 2.8% respectively. These pessimistic forecasts compare with the 4% now estimated by the IMF and growth of over 6% last year. ●

such as sharply lower state revenue and a system of zero-budgeting. Each ministry will be allocated an annual budget for which it must account at the end of the year and which cannot be rolled over to the following year. Foreign travel will be minimised, as will all the ministerial accoutrements and retinues of advisors. 'No one is going to work for Buhari if they want to make money,' joked a communications advisor in Abuja.

Capital spending will take priority over recurrent spending, said another official. There will be a relentless focus on agriculture and power, to generate jobs and revenue. None of these strategies is revolutionary: for many years, the previous Economy Minister, **Ngozi Okonjo-Iweala**, had tried to corral all government departments – including the Department of Petroleum Resources, which was earning up to \$100 bn. a year – into depositing all their revenue in the Federation Account at the Central Bank of Nigeria (CBN). Instead, the ministries held myriad accounts with Nigerian, British and US commercial banks which complicated and sometimes obstructed efforts at accountability.

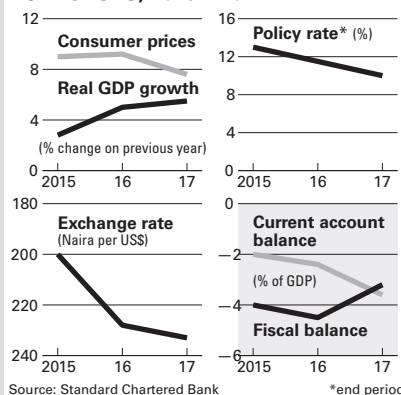
ACCOUNTING

At a stroke of the pen, the Buhari government has compelled all ministries to direct all their revenue first to the CBN or else their chief accounting officers will be asked to explain themselves. Such new rules have prompted howls of protest from the country's big banks, whose balance sheets have relied on such state-sponsored largesse. However, it makes much sense for a government that has lost about half of its revenue because of crashing world oil prices.

This also reflects a tougher attitude towards government revenue, an attitude which is working its way through to local and international companies in Nigeria. After Abuja recalculated its national income last year, the chronic lack of domestic revenue from tax outside the dominant oil sector became apparent. A massive overhaul of tax assessment and collection is under way: officials say they don't want to raise tax rates, just ensure that individuals and companies obey the law.

That may be part of the background to the telecommunications regulator's decision to fine **South Africa's** MTN mobile telephone company \$5.2 billion for failing to disconnect 5 million unregistered SIM (subscriber identity module) cards. To outsiders, the fine seems draconian but so does the \$400 million a year that MTN has been transferring in management fees from its Nigerian subsidiary to a tax-free entity in **Mauritius**. The case follows other fines imposed on First Bank, Skye

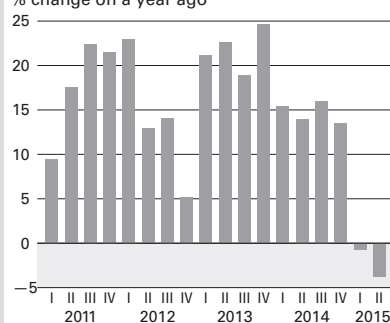
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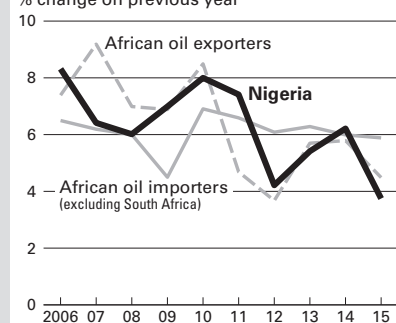
FOREIGN EXCHANGE RESERVES AND SAVINGS US\$ million



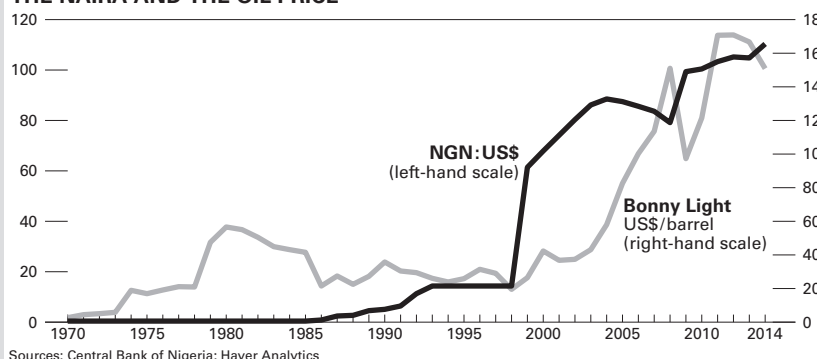
MANUFACTURING SECTOR GROWTH % change on a year ago



REAL GDP GROWTH % change on previous year



THE NAIRA AND THE OIL PRICE



Bank and Stanbic IBTC Bank for other regulatory infractions, officials say. Nigeria's formerly hyper-profitable banks are in for a much tougher ride under the new Buhari order. Over a trillion naira (\$5.02 bn.) has been taken out of the banking system and transferred to government accounts over the past three months.

Both the World Bank and Renaissance Capital highlight the effect of Nigeria's stagnant manufacturing output and warn of the impact of its and South Africa's economic woes on trade and investment across Africa. The Bank argues that unreliable electricity supply and the falling output of the oil refineries has dragged down growth. RenCap economist **Yvonne Mhango** points to the slowdown in the food, beverage, tobacco and textile sectors caused by

fuel shortages and fewer dollars to import manufacturing inputs. Standard Chartered Bank economist **Razia Khan** sees signs of recovery in agriculture. Yet progress across the economy depends on a sustained boost to electricity generation and a revamped transmission network. The N213 bn. fund, managed by the central bank, to help companies operating under the privatised Power Holding Company of Nigeria should help to speed things up (AC Vol 52 No 18).

The Transmission Company of Nigeria, managed but not owned by **Canada's** Manitoba Hydro International Incorporated, says it needs billions of dollars of investment to meet the target of 10,000 megawatts of power. Some are calling for its immediate privatisation. Domestic power output has recovered to well over 4,000 MW, up from the

doldrums of some 3,000 MW or so. This is still paltry for an economy of Nigeria's size and is due to an unreliable gas supply to the power plants. Policy issues such as the price of the gas for the turbines and electric power itself are yet to be resolved. The Nigerian Electricity Regulatory Commission (NERC), headed by **Samuel Amadi**, now favours higher power tariffs for consumers.

Critical to all this are the linkages between the power sector and the oil and gas industry, which is the government's next target for reform. Alongside security and anti-corruption, it is Buhari's main interest, having previously been Oil Minister in the 1970s. Much speculation surrounds the role of his Deputy oil Minister, **Kachikwu**. Like Amadi in NERC, he is an alumnus of Harvard Law School with extensive corporate experience; his last job was legal advisor to ExxonMobil. **Kachikwu** has his foes both in the governing All Progressives Congress and the oil industry. The hunt is already on to find his successor as head of the NNPC and his main task now is to steer the much delayed Petroleum Industry Bill through the National Assembly (AC Vol 44 No 20).

Meanwhile, **Kachikwu** has been busy at the NNPC, presiding over far-reaching and sometimes unpopular management changes, revisions and reallocations of controversial oil swap and oil lifting

contracts, and negotiating a \$1.2 bn. financing package with a consortium of foreign and domestic banks to support onshore and offshore oil exploration. This last is particularly important, given the lack of investment in the country's oil resources and complaints from the big oil companies about the NNPC's failure to stick to funding commitments. A key element in the oil industry reforms is to raise finance from local and international money markets but that would be impossible unless both the NNPC and private oil companies submitted to a far higher degree of financial scrutiny and auditing rigour than has been the case for the past five decades.

Kachikwu's pledge that the NNPC may seek more favourable terms in production-sharing contracts with the big companies has riled executives, who argue that the weak global oil market should prompt Nigeria to offer better incentives.

For the government, dealing with its fiscal crisis will take priority over being nice to oil companies. Following its \$2 bn. bail-out package for state governments agreed in July, the federal government now wants to raise funds for sharply higher capital budgets to speed up development in the gas and electricity industry, the road and rail network, and agricultural modernisation. **Osinbajo's** ambitious national regeneration project

sounds like a mini-Marshall plan but it requires a tight lid on recurrent spending and far tougher controls on state contracting procedures, which have been the main income source for many local and foreign companies. The government also reckons it can recover as much as N3 trn. from monies stolen from state companies and trade mispricing scams over the past decade.

CALMING JITTERS

Problematic as the short-term prospects appear to be, Nigerian and foreign economists still talk up the medium-term future of Africa's biggest economy. Whatever their doctrinal differences with the Buhari team, there is a growing respect for the government's more methodical approach to the reigning administrative and financial dysfunction. Citibank economist **David Cowan** argues that the second phase of the Buhari government, when the new cabinet consolidates, will calm most of the market jitters about delays in appointments and policy responses. Many economists, such as Ecobank's **Angus Downie**, expect to see signs of a strong economic revival if the government is able to launch its ambitious investment programme. The lack of good growth prospects elsewhere could attract new money into Nigeria if the new team can quickly establish its credibility. ●

ERITREA

Issayas looks north

The President is helping the Saudi and Emirates' military campaign in Yemen in return for desperately needed money for the flagging economy

Long isolated in the Horn of Africa, Eritrean President **Issayas Afewerki** is expanding his alliances and horizons. He has forged a new strategic military relationship with **Saudi Arabia** and the **United Arab Emirates**, say United Nations monitors and other sources. Asmara is allowing the Arab coalition to use Eritrean land, air space and territorial waters in its military campaign against the **Iranian-backed Houthi forces in Yemen**. Satellite imagery published in September shows at least one UAE warship docked in Eritrea's port of Assab.

In return, **Issayas** is understood to be receiving desperately needed foreign currency to prop up the ailing economy. This is difficult to confirm because his government does not publish a budget, has no financial reporting mechanisms and has not made public its new relationship with Riyadh and

Abu Dhabi. On 6 November, the Central Bank of Eritrea announced that it would withdraw currently circulating nakfa bank notes and replace them at par with a new series by the end of the year (AC Vol 39 No 11).

This was widely viewed as a crackdown on money-laundering, counterfeiting and the parallel currency market. The official exchange rate is 16 nakfa per US dollar and the unofficial is N60 for a dollar. This means that the projected gross domestic product of \$3.8 billion, if adjusted to take account of the widely used unofficial market exchange transactions, would amount to only \$950 million.

The regime is exploring all options to boost the economy. The mining boom remains its biggest source of foreign exchange and could raise even more funds when other projects come online. **Canadian-based** Nevsun Resources

reported that it had given Eritrea a total of \$755 mn. since its Bisha mine broke ground in 2011 (AC Vol 53 No 24). In correspondence with officials of the United Nations **Somalia** and Eritrea Monitoring Group (SEMG), Eritrea said that 17 mining firms had active exploration licences. The country's lack of financial transparency is concerning donor officials at a time when the European Union is considering an aid package of 200 mn. euros in an attempt to reduce migration from Eritrea (Vol 56 No 19).

Eritrea may also benefit from the €1.8 bn. Emergency Trust Fund which the EU set up at its Summit on Migration in Valletta on 11-12 November. The Fund aims to reduce poverty and increase jobs in the poor African countries in which increasing numbers of migrants originate. **Issayas** sent Foreign Minister **Osman Saleh Mohammed** to Malta. 'European countries have followed policies that have fed irregular migration, harmed Eritrea as well as the interests of the destination countries themselves,' he told EU leaders.

Some EU countries were critical of the plan to give aid to the Eritrean regime. French President **François Hollande** said on 11 November that while the EU had

to deliver in terms of international aid to curb the flow of migrants from Africa, maximum pressure should be applied to Eritrea's leaders to address the situation of why migrants were leaving. 'Nobody is talking about [Eritrea]. It is a country that is becoming empty of its own population with unscrupulous leaders who let their people go.'

In a **British** parliamentary debate on 10 November, **Matthew Pennycook**, Labour MP for Greenwich and Woolwich, a London area of high immigration, criticised EU aid to Eritrea: 'Money will not alter the simple fact that repression, rather than economic prospects, is the main driver of migration from Eritrea,' he said. In response, Europe Minister **David Lidington**, said: 'I give a commitment that any further Department for International Development assistance will be carefully assessed against Eritrea's commitment to its partnership principles, including on civil and political rights.' The United Kingdom had pushed for Eritrea to implement its constitution, release prisoners that had been arbitrarily detained and crack down on human rights abuses, said the Tory Minister. 'We shall continue to press those matters on the Eritrean authorities bilaterally and through our multinational work in Europe and elsewhere.'

Since the UN imposed sanctions and an arms embargo in December 2009, the Asmara regime has offered minimal

cooperation to the outside world. This year, it did not allow the SEMG into the country, despite promising last year that it would. It has also refused to provide most of the information that the monitors asked for. They wanted to know about revenue from mining and the controversial 2% diaspora tax but got nothing. Asmara would say only that mining and diaspora tax revenue goes towards development projects (AC Vol 54 17).

The monitors also asked Asmara for more information about the contents of the Shaker 1, a **Togolese**-flagged Ro-Ro cargo vessel that docked at Eritrea's Massawa port on 15 January. It was loaded with weapons originating from Port Sudan and was heading for the International Defence Exhibition and Conference, an annual arms fair in Abu Dhabi. One week after the ship left Eritrea, it docked in Somaliland. According to the monitors, the captain told weapon inspectors that eight empty containers and two civilian vehicles had been unloaded in Massawa. However, this was contradicted by paperwork obtained from UAE-based shipping company Wadi Al-Neel Clearing and Forwarding, which showed that two full containers, marked 'agricultural refrigeration room and spare parts' were offloaded in Massawa, in addition to a Toyota Land Cruiser and a GMC pick-up truck.

The monitors did not find evidence that Asmara is supporting the Somali

Islamist insurgents *Al Haraka al Shabaab al Mujahideen*, which was the original reason for the weapons ban in December 2009. They did, though, find evidence that Eritrea harbours the **Ethiopian** Tigray People's Democratic Movement groups, which it said are stationed near the border with Sudan, and in Massawa and its surrounding areas. TPDM, the monitors said, has joined a 'newly formed unified front of armed Ethiopian opposition groups'. TPDM's Chairperson, **Mola Asgedom**, was reported to have escaped to Sudan following political disagreements with the leader of the unified front in September.

The UN report showed growing ties between Eritrea and **Qatar**. Doha told monitors that it had 200 soldiers stationed along the **Djiboutian**-Eritrean border. Its Foreign Minister, **Khalid bin Mohamed al Attiyah**, said he had held four meetings with senior Eritrean government officials, including President Issayas, who travelled to Doha in August to meet Qatar's Emir, **Sheikh Tamim bin Hamad al Thani** (AC Vol 54 No 2).

Other countries have been raising tension with Eritrea and monitors noted 'an escalation in the rhetoric of Djibouti against Eritrea'. In February, Djiboutian President **Ismail Omar Guelleh** and Ethiopian Prime Minister **Hailemariam Desalegn** held a joint meeting to accuse Eritrea of sabotaging regional stability. ●

NATURAL RESOURCES

Curses and compliance

Mandatory disclosure is new to oil, gas and mining giants. They are still doing battle with NGOs to minimise regulation

Until very recently, the Extractive Industry Transparency Initiative (EITI), launched in 2002 by then British Prime Minister **Tony Blair**, was widely seen as the gold standard for regulating mining industry relations with the countries they operate in. Corporations were against it at first, but now EITI has 29 'compliant' countries and is backed by around 90 firms operating in the sector (AC Vol 52 No 6). Many non-governmental organisations, on the other hand, complain that EITI compliance is used by repressive regimes as evidence of accountability that in reality does not exist. Also that the scheme is voluntary and carries no effective sanctions for non-compliance except being declared 'non-compliant'.

Now, the regulatory playing field is changing. Voluntary codes like EITI are being superseded by a swathe of laws in

North America and Europe prescribing mandatory country-by-country reporting (CBCR) for an increasing proportion of extractive firms.

The **United States** Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law in 2010 to overhaul the US financial services industry in the wake of the 2008 financial crisis, was the first to break the mould. However, Section 1504, which requires extractive firms to report all payments made to foreign governments on a project-by-project basis, has not yet been implemented because of a lawsuit filed by the American Petroleum Institute (API), an oil industry lobby group (AC Vol 53 No 5).

While Dodd-Frank remains in the hands of lawyers, the European Union's Accounting Directive, which came into force in July, is arguably more ambitious. Painstakingly argued over for two years,

the rule requires companies in the extractive and logging sectors to publish annual reports disclosing the details of all tax, bonuses and other payments made to governments for each individual project or contract undertaken by a company, over a threshold of 100,000 euros (US\$108,000). The threshold was the biggest bone of contention and the NGOs were fiercely opposed to it, fearing that the turnover of many projects would be deliberately kept under the threshold. But private sector lobbying prevailed.

The CBCR rules in the EU's Capital Requirements Directive (CRD) IV apply to all publicly-listed and large private companies registered in the EU. They must report their payments to governments worldwide annually for financial years starting after or from January 2015 with the first reports due to be filed in January 2016. Extractive industry lobbyists initially complained that the provisions would put them at a competitive disadvantage to **Chinese**, **Russian** and **Indian** rivals.

One of the amendments bitterly fought over was a so-called 'criminal exemptions clause' that would relieve companies from having to report payments if disclosure would breach local

law. This move did not succeed because it was clear that corrupt developing country elites would quickly enact such laws if they didn't have them already. But the US and EU laws appear to have become the international standard.

Canada's project-level reporting legislation came into force in April, while **Norway** has also adopted similar provisions, although it exempts companies from reporting on countries where they have placed subsidiaries with so-called 'support functions' (AC Vol 55 No 6).

Between them, these legal frameworks cover 84 of the world's 100 largest oil and gas companies, 58 of the world's 100 largest mining companies, and more than two-thirds of the value of extractive company output in the world's major capital markets, including Chinese, Russian, **Brazilian** and other state-owned companies. It leaves **Australia** as the only major western mining country not to have committed itself to CBCR.

REGULATORY DELAY

Five years after its adoption, the country-by-country reporting elements of Dodd-Frank have still not been enforced. The lawsuit filed by the API in October 2012 has proved an effective filibuster on the implementation of clause 1504. Three years on, the NGOs Oxfam America and Earthwatch International tried to break the logjam by asking a court to compel the Securities and Exchange Commission to come up with a set of procedures that would allow the legislation to come into force. On 2 October the SEC finally filed a notice that it would propose and adopt final rules within 270 days.

The API is lobbying hard for anonymised reporting – potentially making it impossible to see which company was making the payments – and for projects to be calculated only at the [US] State level (i.e. one rung below central government). 'We will probably see an SEC rule later ... with the same reporting thresholds as the last one,' says one optimistic transparency campaigner.

Dodd-Frank has been a political football between libertarian philosophies popular in the US with Republicans and big business, and regulators and NGOs. For example, corporate lawyer **Keir Gumbs**, the latest nominee to become an SEC commissioner, represented the API in its lawsuit against the Commission, which some might consider to be a clear conflict of interest.

In the EU, too, the adoption of a law has proved to be the beginning rather than the end of the process. The 28 member states are required to draft their own national laws to implement the CRD IV regime, and it is in the detail of these implementing measures, typically

prepared on the back of guidance drafted by industry representatives, that the true strength of their regulatory impact lies.

One issue of concern to transparency campaigners is the sanctions imposed for non-reporting. **France's** law implementing the EU rules includes a €4,000 fine for companies which do not file reports, a level too low to act as a deterrent.

France is not the only offender. The Dutch law includes a €20,000 fine for non-compliance, compared with a €50,000 fine under Germany's legislation. Commission officials have indicated that even these sanctions go against the spirit of the directive and are not 'effective, proportionate and dissuasive'. The EU's executive branch is likely to threaten all three countries with legal challenges if their laws are not revised.

But despite such frustrations, civil society groups are generally upbeat about the process from the statute book to implementation. Having been the quickest to transpose the EU regulations into national law, British and French companies will issue their country-by-country reports in 2016 for the 2014-15 tax year, while most other EU countries will see disclosure in 2017.

'The good news is that this law is already making a difference,' says **James Royston** of Publish What You Pay, a coalition of transparency activists. 'But like in the US, the industry is using every legal avenue to delay or water down the directive,' he adds.

FIGHT OR FLIGHT

Elsewhere, the reporting laws in Norway and Canada are already in force. In Norway, Statoil and around 20 other sizeable firms are covered. For their part, Canadian companies will start to disclose their payments early next year.

There is still a divide within industry on whether to embrace the rules or try to take them down through the courts or legal loopholes. 'Companies are split. Some are still fighting the US law, but some are seeing that transparency is in their interest,' says **Ian Gary**, Oxfam America's Senior Policy Advisor for Extractive Industries.

Tullow, the Anglo-Irish oil firm working with **Kenya's** new-found oil reserves and active in several African countries, voluntarily published country reports in March. Norway's Statoil, a leading player in neighbouring **Tanzania**, followed suit several months later.

Tullow's claims of good practice – which are largely supported by civil society groups – are the exception in the oil and gas sector. 'Miners tend to be more progressive than oil firms, generally because they operate on

people's doorsteps,' says Royston. 'Most of the global mining industry has realised that this is going to happen so we'd better support it,' he adds.

TRANSPARENTLY GOOD

While civil society welcomes increased transparency for its own sake, its usefulness in developing countries goes beyond regulating business practices. Many believe that making companies and governments alike accountable for their transactions helps improve democracy and gives local communities opportunities to lobby for fairer shares of the financial rewards from the exploitation of natural resources.

'How can you negotiate when you don't have the information,' asks **Charles Wanguhu**, a social activist and coordinator of the Kenya Civil Society Platform on Oil and Gas. He adds that civil society groups such as his own have to work on making complicated reports filled with corporate legalese and spreadsheets understandable for ordinary members of the public.

That said, some campaigners have concerns that many African countries lack the resources and capacity to make use of the data. 'A lot of information is going to be published and we have to prove that we can use it,' says **Carol Kiangura**, Publish What You Pay's co-ordinator for East Africa.

To **Alvin Mosioma**, director of the Tax Justice Network, Africa, the key point is that the information is available. 'You don't have to read everything, you can do spot-checks to maximise your resources,' he says.

Civil society groups are now under some pressure to show that CBCR is more than just an administrative headache for the extractive industry. For example, the EU legislation has a three-year 'sunset clause' written into it, meaning that it will be re-examined in 2018. Failure to demonstrate that the new transparency rules have changed business practices could lead to the law being repealed.

Ultimately, however, lawmakers in Europe and America tightening the rules on their own companies can only provide part of the solution. African governments will have to make their own national laws more robust to consign the 'resource curse' to history. 'It will make a difference if African governments domesticate it,' concludes Kiangura.

A fragmented and murky legal framework allowing multinationals and politicians to cut deals without being held accountable goes a long way to explaining why Africa's so-called resource curse has persisted for so long.

'Twenty years ago there was a lot more trust and it was taken for granted. Companies could just say "trust me";

says **Jeroen De Zeeuw**, Programme Manager Extractives for the Catholic Organisation for Relief and Development Aid. 'Communities now want more, they want companies to "tell me what you are doing",' he adds.

CBCR promises to bring light to some of the murkiest, and most lucrative, business deals in Africa. While a group of companies continues to do its damndest to water down and delay the new transparency regimes, the rules give

citizens tools to hold their governments and companies to account. The onus is on civil society groups – as much as the likes of Shell, BP and Rio Tinto – to use CBCR to shine light where once there was darkness. ●

KENYA

The figures don't add up

The opposition makes political capital from the gap between foreign plaudits for the economy and daily realities of corruption and job losses

Not all Kenyans seem to know it but it has been a tremendous few years for the economy, at least according to the World Bank and International Monetary Fund. In March, the Bank published a glowing report on Kenya's role as a growth centre in East Africa and lauded the country's elevation to number 108 in its global business rankings from 129 in 2014 following several legal and bureaucratic changes. Meanwhile, the Mo Ibrahim Foundation ranks Kenya as one of the most improved countries in its governance index. Diplomats in Nairobi refer to the government as one of the most business-oriented ever, an accolade that cuts both ways.

Yet some Kenyans are more sceptical, such as **Jared Osoro**, Research and Policy Director at the Kenya Bankers' Association. Last month, he questioned the accuracy of the IMF's projection of 6.5% growth in gross domestic product this year, up from 5.3% last year. The Fund's Resident Representative in Nairobi, **Armando Morales**, insisted that Kenya's growth prospects were among Africa's brightest at the 5 November launch of the IMF's African Economic Outlook. Most independent economists predict around 5.5%.

Morales also debunked the argument that with a 49% debt-to-GDP ratio, Kenya was vulnerable to default on a scale of **Greece**, **Iceland** and **Argentina**, as argued by columnists aligned with the opposition Coalition for Reform and Democracy (CORD). He said that by IMF criteria, Kenya was a 'low debt-stress case', as opposed to the 'high debt-stress' which **Ghana** was in earlier this year.

Osoro bases his concern on the damage wrought on tea production by drought and the fall in tourism earnings because of attacks in the north and along the coast by Islamist militants, mainly crossing over from **Somalia**. Tea and tourism are the main foreign exchange earners: their weakness is reflected in a plunging stock market and currency and in higher borrowing costs. The budget deficit is reckoned to be some 9-10%

this year, despite efforts to cut state spending.

Trying to face down these pressures, President **Uhuru Kenyatta** has pressed ahead with multi-billion dollar energy and transport projects. These have become a key target of the opposition's anti-corruption campaign, which criticises the lack of transparency in the contracts and their poor value for money.

In its September assessment of Kenya's standby loan programme, the IMF declared that, '...growth hasn't suffered that much from what we can see, except for tourism.' Since then, the World Bank has cut its growth estimate for this year to 5.4%, down from its earlier projection of 6%. Although the Kenya shilling has strengthened in the past few weeks and Central Bank Governor **Patrick Ngugi Njoroge** has been stepping up surveillance and regulation of the banking sector, investors were rattled by the placing of Nairobi-based Imperial Bank in administration last month.

Such economic jitters, combined with many job losses in the tourism and transport businesses, have prompted **Raila Amolo Odinga's** CORD to go on the political offensive after months of confusion and inaction (AC Vol 56 No 17). CORD accuses the government of incompetent economic management and failing to tackle rising corruption. These charges have a growing popular resonance despite doubts about the opposition's coherence. In effect, the opposition has launched its campaign for the 2017 elections on an economic reform and anti-corruption platform.

OPPOSITION PLATFORM

At the heart of this is the opposition's proposal for a constitutional referendum that would allocate 45% – instead of the current minimum of 15% – of national revenue to the increasingly mismanaged and corrupt county governments. CORD has already submitted the one million signatures necessary to initiate a referendum to the Independent Electoral and Boundaries Commission.

Kenyatta's government has become particularly vulnerable on the corruption charges. The President sent a list of 175 officials suspected of corruption to Parliament last March but not one case has been successfully prosecuted (AC Vol 56 No 9). The Ethics and Anti-Corruption Commission (EACC) says this is mainly because investigations were incomplete and the President had not sought its advice before acting. The Director of Public Prosecutions, **Keriako Tobiko**, has refused to proceed with some of the cases because of inadequate evidence. The latest case dropped for lack of evidence was that against the Labour Minister, **Kazungu Kambi**. Hearings in other cases, such as those of Lands Minister **Charity Ngilu** and Infrastructure Minister **Michael Kamau**, have been delayed by multiple legal technicalities and appeals in higher courts.

Officials from the European Union, **Britain**, **France**, **Germany**, **Japan** and the **United States** (but not **China**) met the EACC all day on 12 November to discuss improvements to the process. They yet again pledged to deny visas to those gaining from corrupt deals and to freeze their assets. This assumes the corrupt can be identified with certainty, which is far from being the case yet. The fanfare of the March anti-corruption initiative has become a whimper.

'OVER-BRAGGING'

CORD is rallying its dispirited supporters and arguing that the Jubilee Coalition government's economic woes – rising external debt, fiscal deficit and interest rates, as well as the depreciation of the shilling – is all a result of corruption. That's winning converts. In Odinga's words, 'The government has over-borrowed, overspent, over-stolen and over-bragged about its economic achievements.' The rhetoric is repeated by CORD-supporting columnists in the daily press. In his widely-read *Daily Nation* column, CORD's in-house economic policy advisor, **David Ndii**, claims that Jubilee's mega-projects – such as the Chinese-funded US\$4 billion Mombasa-Nairobi standard-gauge railway – are a conduit for mega-corruption that will incur an unsustainable foreign debt and he accuses Jubilee of incompetence and of 'lying about the government wage bill' (AC Vol 55 No 4).

The opposition has also strongly attacked the government's debut \$2 bn.

bond, contracted in June 2014, saying that some of the proceeds went to line private pockets and that it is unclear which local projects the money has funded (AC Vol 55 No 14). Here, at least, the Treasury has provided a more convincing factual rebuttal. Inflation last month was 6.7%, lower than in **Tanzania** or **Uganda**. The shilling has firmed against the US dollar and interest rates are falling. Business groups in Kenya, however, worry about the growing government deficit, a view shared by the IMF and World Bank.

Yet popular anger about corruption has denied the government any opportunity to take credit for the factors in its favour. Like the CORD leaders, most Kenyans are convinced the state has over-borrowed and cannot fight corruption, even though few believe the opposition could do better. Its three leaders have a tainted past while in government.

Little has angered Kenyans, even in Kenyatta's Mount Kenya home base, as much as his avid defence of his close ally, **Anne Waiguru**, Minister for Planning and Devolution. She faced impeachment by Parliament for gross misconduct and prosecution for corruption. Although running the largest department in government, she has no previous experience in politics or top-level public

service. Those who know Waiguru say she is ambitious, haughty and vain. In June 2014, it took the President's personal intervention to get Jubilee member of parliament **Franklin Mithika Linturi**, who represents Igembe South, Meru, in the Mt. Kenya area, to drop an impeachment motion over procurement fraud allegations against Waiguru.

Last week, on the day before foreign officials spoke about targeting corruption, the Speaker of Parliament, Uhuru's confidant **Justin Muturi**, rejected the tabling of another impeachment motion against Waiguru by **Alfred Kiptoo Keter**. The member for Nandi Hills is nominally in the Jubilee party but is a CORD sympathiser. He gathered 180 signatures from both CORD and Jubilee MPs in support of the motion. Muturi, however, dismissed the motion, saying the accusations levelled against Waiguru fell short of the legal threshold for impeachment.

Few Kenyans are convinced by these exonerations of Waiguru and many believe that Kenyatta is intervening to protect her. She takes credit for playing whistleblower to the electronic pilferage of 791 million shillings (\$8 mn.) from the National Youth Service (NYS). Some of those accused of complicity have claimed

that some shell companies which won tenders from the Service have links to the minister's friends and family. Waiguru has repeatedly denied all wrongdoing.

Suspicious are being voiced about the role of political scientist **Mutahi Ngunyi**, who worked out of Waiguru's office in Harambee House, Nairobi, and whose firm, The Consulting House, which describes itself as a 'policy and security think-tank', was allocated KSh. 38.9 mn. to prepare a 'Vision Strategy' for the NYS, a complete in-house version of which had already been prepared.

INVESTIGATIONS

Detectives also have 33-year-old **Josephine Kabura Irungu** in their sights. The three companies in which she is involved with two associates, which were registered last December, account for a disproportionate share of the contracts supplying goods to the NYS. Another new company called Ms Things of Desire supplied KSh. 37.5 mn. worth of rice to the NYS at more than twice the market price. As Kenyatta energetically defends Waiguru, the growing tally of corruption scandals will damage his chances of re-election in 2017 and energise the opposition, civil society and Kenya's vibrant press against him. ●

WEST AFRICA/SECURITY

Poor turnout in Dakar

It was supposed to be a showcase of West African determination to tackle jihadism but few governments bothered to show up

This was meant to be President **Macky Sall's** moment. The second Dakar International Forum on Peace and Security in Africa was held on 9 and 10 November at the King Fahd Palace Hotel, Dakar's most expensive and the best secured against attack. With Islamists on the rampage throughout West Africa, the Sahel and beyond, Sall knows it may not be long before his country suffers the kind of attack most of his neighbours have known. Senegalese citizens have fought for jihadist groups in two countries, **Nigeria** and **Syria**, and are working with at least one such group, **Ansar Eddine**, in **Mali**. Some may well be in **Libya**, too, and when they come home, they are likely to bring their violent fanaticism with them.

Yet all this was not enough to draw more than a paltry showing of heads of government. Sall was the only African head of state present and he had to make the most of it, deploying

many ministers, including Defence Minister **Augustin Tine** (previously at Justice), **Mankeur Ndiaye** from Foreign Affairs and Premier **Mahammed Boun Abdallah Dionne**, who closed the proceedings on 10 November.

Mali sent its Defence Minister, **Tiéman Hubert Coulibaly** (previously Foreign Minister), while Nigeria dispatched its National Security Advisor, General (retired) **Mohammad Babagana Monguno**. The United Nations sent its Undersecretary General for Peacekeeping, **Hervé Ladsous**, and **Mongi Hamdi**, the Special Representative of the UN Secretary-General in Mali and head of the unhappy UN mission there, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali* (Minusma). The **United States** contented itself with sending its Acting Assistant Secretary of Defense for International Security Affairs, **Elissa Slotkin**.

The Forum was organised by **Cheikh**

Tidiane Gadio, a former Foreign Minister under ex-President **Abdoulaye Wade** and a failed presidential candidate in 2012. He is Director of the Pan-African Institute of Strategy, a Dakar think-tank. None of the 18 specifically invited African leaders came, not even **Chad's Idriss Déby Itno**, who was at the first Forum last December. His absence was especially conspicuous: he is, after all, the centrepiece of **France's** anti-terrorism strategy in Central and West Africa.

BRAVE FACE

Putting on a brave face amidst this avalanche of snubs, Sall announced a response to the cultural war in progress between the Islamic traditions that are peculiar to Africa and the Salafist practices being lavishly funded by **Saudi Arabia** and Gulf states such as **Qatar**. His government, he told the Forum, planned to train imams in the finer points of West African Islam and to ban the full veil, which is not part of local Islamic tradition.

Senegal's particular brand of Sufi-inspired Islam, run by family-based brotherhoods such as the **Mourides**, the **Tidjanes** and the **Khadriyas** (**Qadiriya**), is supposedly strong enough to act as a dam against incoming jihadism (AC Vol 55 No 12). Nevertheless, local imams took immediate issue with the veil

ban, saying the government needed to consult them first before acting on such proposals. These are just the kind of cracks in the anti-jihad front that the extremists look for.

Sall intends to back his cultural counter-attack with a more conventional reply. The national intelligence services will be thoroughly revamped and have been ordered to perform better. The army, already beefed up with unmanned aerial vehicles (drones) and other modern surveillance equipment, is to get two new jet fighters, said a former Defence Minister, Gen. (rtd.) **Lamine Cissé**, who made the announcement at a panel during the Forum (AC Vol 39 No 8). Yet they are probably not intended for domestic use. Senegal has just been elected a non-permanent member of the UN Security Council for four years and it wants to gain prestige by continuing to contribute to various UN peacekeeping missions around the world.

There was also action against extremists in the run-up to the Forum. The state arrested five people: two

women and three imams, including the notorious firebrand **Alioune Badara N'dao** from the central city of Kaolack, and the equally truculent **Ibrahima Sèye** from the poor south-eastern town of Kolda. The authorities claimed they had satellite telephones and large sums of cash on them when they were detained. Both have been under surveillance for months and are suspected 'apologists for terrorism', a criminal offence. Meanwhile, extraditions are expected from Nigeria, where the authorities picked up one **Makhtar Diokhané**, allegedly a *Boko Haram* fighter.

In spite of Sall's efforts to project his country's determination to combat this existential threat to African governance, France's presence dominated proceedings. As if to reinforce the point, French Defence Minister **Jean-Yves le Drian** caused consternation when he addressed his host simply as 'Macky Sall' and used the familiar 'tu' (you) form of address in French, instead of the more formal 'vous'. These moments were not lost on

the audience and local media seized on the mistake to paint France as still colonial at heart.

The French Armed Forces Chief-of-Staff, Gen. **Pierre le Jolis de Villiers de Saintignon**, was prominent both during the proceedings and afterwards, setting out the battle lines as France saw them (AC Vol 55 No 21). The Forum was advertised as a joint French-Senegalese venture but most Forum events were coordinated by French people. Perhaps that was a clue to the non-attendance of so many regional powers – a perception that France is still a dominant partner in its African relations. There are 350 French military personnel in Senegal, charged with helping to maintain peace and security in the region. Who is willing to bet that the new fighter aircraft that Gen. Cissé was talking about will turn out to be the omnirole Dassault Rafale for which France is desperate to find markets? When asked about that, Le Drian coyly directed Senegalese journalists to Tiné, their own Defence Minister. ●

ZAMBIA

PF scrambles for support

As the copper price goes into free fall, the crisis in the governing party grows ever more severe

The latest rupture in the front ranks of the Patriotic Front came when former presidential aspirant **Miles Sampa** resigned as Deputy Commerce Minister at the end of October (AC Vol 55 No 24). On the surface, he leaves with the consent of party leaders and there is no quarrel with President **Edgar Lungu**. As reported in the government-owned *Zambia Daily Mail*, he simply wants to prepare his own campaign for the PF nomination for presidential candidate in the 2017 election. Yet the real reason for his resignation is that Sampa claims that the PF Politburo is helping itself to public resources while poverty levels rise wildly, PF insiders say. He also told friends he could not bury his head 'in the sand and pretend that everything is fine'.

Sampa is also repelled by Lungu's apparent pact with ex-President **Rupiah Banda** and the consequent appointment of 'outsiders' to full cabinet positions. Former Vice-President **Guy Scott**, who was part of the PF's more radical strand, which is sometimes called 'the cartel' and included President **Michael Sata** and former PF Secretary General **Wynter Kabimba**, said that Sampa felt

'humiliated' that top cabinet positions had been given to close associates of Banda. Sampa has been toying with joining the United Party for National Development (UPND), say some insiders.

'I am just noticing there is a lot of dissatisfaction amongst the original "true green" [the party colour] in the PF because it is apparent that greater priority is being given to the Banda/Movement for Multiparty Democracy [MMD] and I think they should seriously sort that out,' Scott said in his reflections on the anniversary of Sata's death on 28 October. During his presidency, the PF tried to increase its representation by poaching members of parliament from the opposition but none made it to the full cabinet.

Yet Lungu is attempting to steer the PF away from its predominantly ethnic Bemba support base by adding mostly non-Bemba MPs to his cabinet, many of them from the MMD. Sources in the PF believe that Lungu knows he has weak support among the Bemba, as well as being unpopular in the Copperbelt, a traditional source of strong electoral support for the PF. In the presidential election, Banda donated massive

resources to Lungu's campaign (AC Vol 56 No 2).

Lungu has appointed two of Sata's fiercest critics, ex-MMD Spokesperson **Dora Siliya** and the party's former Vice-President, **Michael Kaingu**, as ministers of Energy and Higher Education respectively. On the floor of Parliament in September 2012, Kaingu tore into Sata's state-of-the-nation address saying it was 'disgusting' and did not address serious issues. Early this year, Siliya likened Sata's rule to the wave of xenophobic terror that swept South Africa earlier this year, angering PF founder members such as Information and Broadcasting Minister **Chishimba Kambwili**. Siliya was investigated for corruption over election expenses and the privatisation of the state shareholding in the Zamtel mobile telephone network but was not proceeded against.

In 2012, Siliya was also investigated for alleged abuse of office in regard to the procurement of a radar system for Kenneth Kaunda International Airport during the time she was a minister in Banda's government. The case is still before the courts. In 2013, she had to resign her parliamentary seat after the electoral authorities found 'massive corruption'. The presence of such people is hard for PF traditionalists to swallow.

The feeling is mutual. Secretly, Lungu has referred to Sampa as a unrepentant *mukukulu* (crook), we hear. The two fought fiercely for the PF presidential nomination after Sata's death and almost split the party down the middle.

Lungu has also appointed the

UPND MP for Sinazongwe, **Richwell Siamunene**, as Defence Minister, and made the UPND's **Greyford Monde**, from the constituency of Itezhi Tezhi, Minister in charge of Livestock. It is at least partly a bid for Tonga voters' support. Former MMD Minister **Kapembwa Simbao** has become Minister of Communication and Transport and **Margaret Mhango Mwanakatwe**, Commerce Minister.

Lungu is determined to end the Bemba domination of the PF and is not too particular about how he goes about it, regardless of its key role in past electoral victories. 'We know Bembas, especially those who worked closely with the late President Sata, are now targets of humiliation and victimisation by the Lungu administration,' said **Alex Bwalya Kanyebele**, a member of the Bemba Royal Establishment, in a statement sent to the *The Post*, which is published and edited by left-winger and former 'cartel' member **Fred M'membe**.

The economy is in an even worse state than the politics. Finance Minister **Alexander Chikwanda** is taking a lot of flak for persisting with investment in infrastructure at a time of falling copper prices and electricity shortages which have reduced what little copper production

there was. Zambia is currently running a fiscal deficit of about 8.3% of gross domestic product, its largest in the period since the Highly Indebted Poor Countries initiative. Chikwanda, 77, has told family and friends that he plans to retire next August, just before the presidential election. His deputy, **Christopher Mvunga**, has told close confidants that 'Chikwanda is too old for [this] job and the current challenges'. Mvunga is closer to Lungu than Chikwanda anyway, Finance Ministry sources said (AC Vol 56 No 7).

Traditionally, the Treasury is the key to mobilising campaign funds for the governing party's election campaign because procurement contracts are based on the would-be contractor's financial support for the party in power. Many PF insiders, especially those previously close to Sata, are worried by the thought of Mvunga being in charge of government finances.

An International Monetary Fund team is in Zambia at the moment for consultations on how to cope with the extraordinary shocks the economy is suffering. Austerity measures are certainly in store and this worries the PF. Bank of Zambia Governor

Denny Kalyalya, a former World Bank Executive Director, said Zambia needed an austerity programme with the Fund. He emphasised how useful the IMF could be, particularly in obtaining support for the balance of payments. The political cost will be high for the PF but an obvious political alternative is not yet apparent.

The main area where Lungu has to staunch the outflow of votes is the Copperbelt. He extended a four-day visit to the Copperbelt that had been due to end on 2 November by two days because there 'was so much work' for him to do.

Lungu has told aides he wants to go back soon to try to shore up his position but he is not leaving it all to his political skills. In a move that many saw as a deliberate attempt to foil UPND efforts to woo voters, the government banned all opposition rallies in the Copperbelt. 'You know that Copperbelt is experiencing a lot of problems, so for a political party to take advantage of that situation cannot be allowed,' Vice-President Inonge Wina told Parliament on 13 November in a statement. Disaffection is damaging efforts to renew the electoral register and registration in the Copperbelt has been running well below target, according to the Electoral Commission of Zambia. ●

ZIMBABWE

Grace plots for power

A cabal is backing President Mugabe's wife to replace Mnangagwa as Vice-President at the ruling party's congress next month

A dramatic bid, backed by President **Robert Mugabe**, to evict **Emmerson Mnangagwa** as one of the country's two vice-presidents, is set to dominate the national congress of the Zimbabwe African National Union-Patriotic Front next month. The plan is for First Lady **Grace Mugabe** née Marufu to replace Mnangagwa and so position herself as her husband's likeliest successor, ZANU-PF insiders told *Africa Confidential*. However, Mnangagwa's allies, who include some leading military and intelligence officers, are unlikely to concede without a fight.

The Generation 40 (G-40) group, linked to Local Government Minister **Saviour Kasukuwere**, plans to propose that a woman be included in the party presidium, which currently comprises Robert Mugabe and his two vice-presidents, Mnangagwa and **Phelekezela Mphoko** (AC Vol 56 No 17). The Mashonaland West Women's League held a meeting on 14 November to demand that the women's quota that

ZANU-PF used to have be restored; this may be part of a wider move in the league to help Grace's candidacy. Mphoko was catapulted into the vice-presidency due to his close business ties with Grace. The presidium used to include ZANU-PF's national chairman but that position was scrapped after the purge of former Vice-President **Joice Mujuru** and her allies at last year's congress. The then National Chairman, **Simon Khaya Moyo**, a Mujuru loyalist, was demoted to party Spokesman.

G-40 supporters aim to table the motion for Grace's elevation from the floor, at next month's party conference, with members from different provinces working with the group to show overwhelming support among the delegates. A second motion would then propose that the First Lady, who assumed the position of Secretary of the ZANU-PF Women's League at the last congress, as the best candidate for the job, according to details of the plan seen by AC. Mnangagwa would then be asked to step

down to become National Chairman or Secretary for Administration, a position currently held by **Ignatius Chombo**, Minister of Home Affairs. 'If that plan succeeds, we would have vanquished Mnangagwa in the race [to succeed Mugabe] while positioning Amai to succeed her husband,' a G-40 member told AC. (Amai is an honorific, Shona for 'mother' or 'woman'). Some sources, however, say Chombo has fallen out with the G40 group, which would compromise the plan's chances of success.

G-40 members include Kasukuwere; presidential nephew **Patrick Zhuwao**; **Jonathan Moyo**, former government Spokesman and now Higher Education Minister; and **Phillip Chiyangwa**, who is campaigning to take over as the Zimbabwe Football Association President after the dismissal of **Cuthbert Dube**, an ally of Mujuru. Mugabe has informed Mnangagwa and members of the security services about the plan to have his wife succeed him, says a senior ZANU-PF source. They neither rejected nor endorsed the idea, we hear, even in private.

OBSTACLES

Despite winning the President's blessing, the G-40 plan isn't guaranteed to succeed. Jonathan Moyo's usefulness to the project has been affected by the tragic death of his daughter, **Zanele**, in South Africa, and some rallies may have been cancelled as a

result. Also, Kasukuwere, who was a keen supporter of Mnangagwa a year ago, may have failed to corral enough followers, especially in the provinces, to back the plan to promote Grace. When Mujuru's allies and followers were removed from positions of influence last year, many were replaced by Mnangagwa loyalists: they are unlikely to abandon him and switch their support to Grace.

In Masvingo Province, which borders Mnangagwa's home province of Midlands, Kasukuwere and his allies have failed three times to win over local party branches. The G-40 members were pushing their candidate, provincial Treasurer **Killer Zivhu**, to become local party Chairman. However, they failed to win over the old-guard and Mnangagwa's supporters, who backed **Paradzai Chakona**, the acting Chairman.

Restructuring in Bulawayo, Midlands, Manicaland and Matebeleland South has stalled but Kasukuwere succeeded in removing **Godwills Masimirembwa** as acting Chairman in Harare. He was replaced by the Harare South member of parliament, **Shadreck Mashayamombe**, who is known to sympathise with Grace.

GRACE LANDS

Grace has been on a national tour. She visited Manicaland to win over the provincial leadership but failed. She has been trying to get support by giving out farm equipment bought by the government using a US\$70 million loan facility from Brazil. Her visit to Masvingo, a stronghold of Mnangagwa,

was cancelled after it seemed the turnout would be embarrassingly low. At a rally in Mashonaland Central, Grace dismissed the contribution of liberation war veterans as 'minimal', adding that they could be subject to party disciplinary processes' for misbehaving. The attack was clearly aimed at Mnangagwa and his allies. Neither Grace nor the G-40 are old enough to have fought in the war and they reject the idea that any national or ZANU-PF leader must be a veteran.

This issue was first raised by military officers, then led by Lieutenant General **Vitalis Zvinavashe**, who insisted that **Morgan Tsvangirai**, leader of the opposition Movement for Democratic Change, could not be President because 'the highest office in the land is a straitjacket whose occupant is expected to observe the objectives of the liberation struggle'.

VETERANS AT WAR

During one political dust-up, Kasukuwere had described war veterans as 'drunkards and taxi drivers'. War veterans have been baying for his blood ever since. This row has drawn in senior officers in the military. Having formerly stayed above the fray of ZANU-PF factional battles, the top brass see their positions as under threat. When Kasukuwere tried to purge Mashonaland East provincial Chairman **Joel Biggie Matiza** – an ally of Mnangagwa who had earlier replaced Mujuru's ally **Ray Kaukonde** – he was checked. The head of the Air Force, Air Vice-Marshal **Perence Shiri**, intervened

to save Matiza in what has been seen as the most blatant support for Mnangagwa by a senior military officer.

Mnangagwa now has the backing of all the top army generals, one army officer told us. The commander of the Zimbabwe Defence Forces, Gen. **Constantine Chiwenga**, who had toyed with supporting Grace, has decided to back Mnangagwa, wrote the Harare weekly *Zimbabwe Independent*. Mnangagwa can also count on the support of top army major generals **Engelbert Rugeje** and **Douglas Nyikayaramba**, a military source said. It is not known so far whether the head of the Zimbabwe National Army, Lt. Gen. **Philip Valerio Sibanda**, a former guerrilla fighter in the armed wing of the Zimbabwe African People's Union, has yet made his choice.

The anti-veteran rhetoric has done nothing to endear Grace to the senior officers, who want their privileges protected after the succession. Grace's campaigners have alluded to the role of Mnangagwa and his associates in the Gukurahundi massacres in Matebeleland in the early 1980s and to violence between the first and second round of the presidential elections in 2008 (AC Vol 54 No 2 and Vol 44 No 23). Rugeje was involved in the Gukurahundi campaign, in which some 20,000 Ndebele-speakers were killed by the **North Korean-trained Five Brigade**, then led by Shiri. Open discussion of responsibility for the massacres has long been suppressed. To reopen it now could tear the increasingly fractious ruling party apart. ●

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POINTERS

Tanzania

BIG BAD JOHN

■ In the fortnight since his swearing in, President **John Pombe Magufuli** has made his presence widely felt, dropping in unexpectedly at the Ministry of Finance and asking pointed questions. He also surprised staff at the troubled Muhimbili National Hospital, sacking the Director and dissolving its Board. He has even banned foreign travel for public servants.

For all this new-broom bravado, the new President has been silent on the big issue: the constitutional crisis caused by the annulment of the elections in Zanzibar (AC Vol 56 No 22). The leader of the islands' opposition Civic United Front, **Seif Shariff Hamad**, who claimed victory after parallel tabulation at polling stations gave him the lead, made sure to meet outgoing President **Jakaya Kikwete** on his last day in office. President Magufuli has not met him nor been involved in the closed-door talks in Zanzibar to resolve the impasse. These involve Zanzibar President Mohammed **Ali Mohamed Shein**, Hamad, former Zanzibar presidents **Salmin Amour** and **Amani Abeid Karume**, and former Union President **Ali Hassan Mwinyi**.

Magufuli hopes to keep public attention on his air of plain-speaking and commitment to hard work that won him respect and affection as a minister. He has caused consternation among business people by directing the Tanzania Revenue Authority Commissioner General, banker **Rished Bade**, to go after 'big businessmen' and tax-avoiders. Such talk has been heard before. At over 3% of gross domestic product, tax exemptions are extremely high and increased sharply in the past decade, particularly benefitting politically-connected food importers and some foreign investors. Magufuli is seen as Kikwete's man, which may temper his prosecutorial zeal, particularly as the previous President remains positioned over Magufuli as Chairman of the governing party, *Chama cha Mapinduzi*.

Sierra Leone

UNCLEAR FOR TAKE-OFF

■ President **Ernest Bai Koroma's** government informed the International Monetary Fund it had abandoned his flagship project, the Mamamah international airport, during its team visit in September, *Africa Confidential* has learned. Ten days later, however, Koroma told the local media that he had secured a pledge from **Chinese** President **Xi Jinping** that the project would go ahead.

According to a secret briefing which AC has seen, the IMF said that Freetown had agreed to kill off the project after it threatened to end its programme if it did not. The Fund did not want to continue working with a country prepared to put itself at such high risk of debt distress. The IMF calls the airport, for which no feasibility study has been done, a 'vanity project' which Sierra Leone cannot afford. The plan has been to finance the construction of the airport by the China Railway Group with a US\$315 million loan from China's Export Import Bank. The Fund says the airport would cost Sierra Leone about 11% of its gross domestic product.

At a 15 September press conference at the end of the Fund's visit, team leader **John Wakeman-Linn** refused to be drawn on the airport, saying it was up to the government to decide, but it needed to avoid increasing the external debt. However on 27 September, during the United Nations General Assembly, Koroma was pictured shaking hands with Xi after 'pleading', said pro-government media in Freetown, 'not to allow the Mamamah Airport project to collapse.' Koroma had secured a pledge from the Chinese leader for the airport to go ahead, he was reported as saying. Chinese state media reporting the encounter made no mention of such a promise.

The IMF noted that Koroma's government had made other pledges which they did not expect it to honour. This year, the economy would contract by 21.5%, the briefing said, and the IMF was contemplating raising Sierra Leone's access to its Extended Credit Facility to US\$67 million in three tranches, the first to be used to cover the 2015 budget deficit (AC Vol 56 No 23). Freetown may have to decide between an IMF loan for the economy and a Chinese one for an airport.

Uganda

MUSEVENI'S PIPELINE DREAM

■ Confusion still reigns over the route of Uganda's oil pipeline, which is essential to begin production and export. Having signed a deal in August with President **Uhuru Kenyatta** for a pipeline via **Kenya**, Uganda's Energy Ministry announced on 13 October that a new memorandum of understanding had been signed with **Tanzania** and **French** company Total SA. This will assess the viability of an alternative route to Tanga port, in Tanzania, skipping Kenya.

Regional power rivalries are key. Kenya thinks the northern route vital to starting production in the Lokichar Basin and to realising its flagship project, the Lamu Port-South **Sudan-Ethiopia** Transport (LAPSSET) corridor (AC Vol 55 No 16). But Kampala considers the

transit fees Nairobi is asking too high. Tanzania is said to be offering a lower rate and would benefit if the new route lessened the viability of the planned Lamu terminal, which would compete with Tanzanian ports.

Meanwhile, the oil companies operating in Kenya and Uganda are all playing their own hands. Total claims the Tanzanian route is cheapest and it avoids the volatile **Somali** border. Anglo-**Irish** Tullow Oil, with assets both at Lake Albert and the Lokichar Basin, opposes the Tanzanian route as this requires an additional pipeline from its Kenyan fields to the coast. The third upstream company in Uganda, **China** National Offshore Oil Corporation, appears to want only a decision one way or another so it can begin developing its Kingfisher field.

Ugandan President **Yoweri Museveni** seems to have played the region's two main powers brilliantly, with Kenyan officials reportedly reconsidering their transit rates. None of this helps Uganda move towards production, though. Tullow said on 27 October that without the route confirmed, production would not begin at its fields until 2020 at the earliest, considerably later than the government's 2018 target.

Mozambique

FIGHT, DON'T TALK

■ The government has decided to 'disarm' *Resistência Nacional Moçambicana*, in what is being seen as a victory for hardliners over President **Filipe Nyusi's** previous, conciliatory approach. Renamo's demands for more regional autonomy have been the subject of talks, but now the security forces are attacking Renamo bases (AC Vol 56 No 21). Fighting is worst in Sofala and Zambézia provinces, where homes have been burned and civilians killed. Supporters of ex-President **Armando Guebuza** dominate *Frente de Libertação de Moçambique's* all-important Political Commission, which has imposed the new line, sources in Maputo say.

The government is orchestrating a show of unity behind the harder line against Renamo by having ministers make statements in its support. They include Defence Minister **Atanásio Salvador Ntumu** and Interior Minister **Jaime Basílio Monteiro**. Prime Minister **Carlos Agostinho do Rosário** said the state would 'continue to collect weapons that are in illegitimate hands', if necessary 'coercively'.

President Nyusi made comments during a recent state visit to **Angola** which appear to endorse the new line. He was reported as saying on 9 November that Mozambique needed to follow Angola's example of disarming guerrilla groups. Pundits say Nyusi's efforts at reform have suffered a body blow.

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BLUE LINES

An early winner in the diplomatic gamesmanship around the COP21 Climate Change Conference in Paris, where 150 world leaders gathered this week, is China. Environmental degradation and fossil fuel pollution have become physical dangers for hundreds of millions of people in its mega-cities but China is now producing over half the world's solar panels and is said to be nearing a breakthrough in the production and storage of solar electricity.

The next stage is establishing a new generation of green power stations in the world's sunniest continent: Africa. China also produces about 40% of the world's electrically powered high-speed trains and 20% of its wind turbines.

Hours after President Xi Jinping addressed the Paris conference on 30 November, he flew to Zimbabwe for glad-handing and on to South Africa for the Forum on China-Africa Cooperation. Since Beijing's economic rebalancing has depressed world commodity prices and shaken several African countries, Xi wanted to reassure his audience. Accordingly, its delegation to Johannesburg has come with funding for new transport and power projects. A week later, China will take over the chair of the Group of 20. Although it is still not a member of the World Trade Organisation, Beijing wants to use its G-20 leadership to push for a conclusion to the Doha round of trade reform negotiations – in the process having a jab at those rich countries and their agricultural subsidies which suppress the price of African farm products.

SIERRA LEONE

Stalemate over Koidu diamonds as economy sinks

After inconclusive talks in London, the government is at odds with the mine-owners and their bankers as it tries to keep the operation alive

Britain's Standard Chartered Bank is caught in the middle of an increasingly bitter feud between the Sierra Leone government and the heavily-indebted Octéa Limited, owner of the country's biggest diamond mine at Koidu. After tense and unsuccessful talks in London starting on 16 November, Freetown officials called on Octéa to suspend operations at Koidu for 90 days, pending a detailed technical and financial assessment. Officials said they feared that short-term actions by the company could endanger the mine's future (AC Vol 56 No 23).

As the biggest bank in Sierra Leone, Standard Chartered has a particularly close relationship with the government and is under scrutiny for the way in which it spends funds there through a US\$50 million credit facility with the CDC. The CDC is a development finance company wholly owned by the British government and the policies of the former Commonwealth Development Corporation are decided in coordination with the UK Department for International Development (AC Vol 51 No 9).

At the same time, Standard Chartered is the biggest lender to Octéa, a wholly-owned subsidiary of Beny Steinmetz Group Resources. The Bank, we understand, also has exposure to other entities linked to BSGR. Citing client confidentiality, its officials told *Africa Confidential* they were unwilling to talk about these relationships.

However, AC has seen a letter from Standard Chartered to Octéa dated 5 August 2015 informing the company that it was in default on a \$92 mn. loan from

January 2011. Octéa had 'failed to comply' with its obligations, the Bank wrote, by missing five consecutive monthly repayment instalments, as well as missing a 25 March deadline for payment of the deferred principal amount. BSGR is guarantor of the loan.

The Sierra Leone government, to which Octéa owes payroll and other taxes of more than \$13 mn., has raised concerns about the company's solvency. Government officials say they expect Standard Chartered, the company's biggest creditor, to take a constructive initiative on the Koidu crisis, which is further weakening the economy after a disastrous 18 months of falling growth and growing unemployment.

OXYGEN NEEDED

However, **Dag Cramer**, who led BSGR's team in the negotiations with the Freetown government and Standard Chartered, insisted that all substantive issues over Koidu were being resolved: 'All the creditors are being paid. We have agreed a payment plan with the government as a gesture of our good faith.' Cramer argued that BSGR's 'resilience' should be recognised: 'We are the last people standing in Sierra Leone after African Minerals and London Mining... now we need some oxygen.'

At stake is the future of Koidu, the country's last big mining operation following the collapse of the heavily indebted African Minerals Ltd. and London Mining earlier in the year (see Feature & AC Vol 56 No 19). Both companies claimed they were hit by the ravages of the Ebola epidemic which forced them to stop producing iron

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ore for export (AC Vol 56 No 13). The International Monetary Fund estimates that Sierra Leone now has the world's fastest shrinking economy.

This latest dispute has taken on regional political overtones. BSGR, owner of debt-laden Octéa, is also embroiled in a legal fight with the **Guinea** government over ownership of the Simandou iron-ore mine. BSGR's operations in Guinea are also the subject of criminal investigations by the **Swiss** and **United States** governments.

The public dispute over the Sierra Leone mine comes at an awkward time for Standard Chartered, which is undergoing radical restructuring, the dismissal of a quarter of its senior management and redundancies among its 90,000 other staff. With one of the most comprehensive networks of branches throughout Africa and Asia, Standard Chartered is one of the seven biggest lenders in Britain but failed to meet the minimum capital requirements in particularly rigorous stress tests which the Bank of England set last year. It has since bolstered its capital reserves, officials say.

SELLING ON

A year ago, Standard Chartered was trying to sell Octéa, on behalf of BSGR, for a price of around \$330-400 mn. based on its preliminary valuation of the company. The main bidder for Octéa was the New York-based Keffi Group, owned by **Jide J. Zeitlin**, an American businessman formerly with Goldman Sachs, and **Jeffrey Wright**, an award-winning US actor with other mining interests in Sierra Leone. Keffi had offered to invest \$300 mn. in the mine, to finance the opening of underground shafts to mine kimberlite diamonds which could extend the life of the mine.

Negotiations between Keffi and BSGR stalled, though, apparently over how to deal with Octéa's \$120 mn. debt to Standard Chartered and diamond-dealer Tiffany and Company, which had an off-take arrangement with the mine. In a 5 August letter to the Sierra Leone government, Keffi Group reported that negotiations had broken down, adding: 'BSGR is no longer in control of this situation. The key decision-maker is now

Standard Chartered Bank.'

Octéa has three diamond concessions in the country – Koidu, Boroma and Tonguma – and employs more than 900 people. Mines Minister **Minkailu Mansaray** has sent Octéa several letters warning it that it was in breach of its statutory obligations and that its mining licence would be cancelled.

STANDSTILL

In the continuing talks, Octéa has so far failed to convince the government it can run Koidu as a going concern or that it has a long-term mining plan in place. That's why Freetown demanded the standstill. 'During this period [of 90 days] they should be in a position to supply us with all the details we have requested and make all the relevant payments,' Mansaray told us after attending the London talks. 'We agreed that they're going to provide us with a financial analysis that will indicate their working capital that will show us how they plan to raise revenue.'

Officials at the meetings said that both Standard Chartered Bank and BSGR were taken aback by the hard line adopted by the Sierra Leone government towards them. 'We went very, very hard – the outcome of the meeting was not friendly because we took them to task,' said a senior government official. 'We found the presentation [they offered] to be very inadequate. It lacked a sound financial model, business plan and detailed analysis. It did not give a life of mine plan and there were technical gaps.'

If fully invested in and developed, the three mines could run for another 20 years or more. Yet government officials fear that in the wake of BSGR's legal woes in neighbouring Guinea, Octéa could choose to mine only one more 'cut' at Koidu in the next year – generating some \$40 mn. – and then shut down, owing tens of millions of dollars.

Such concerns were also voiced by **Brett Richards**, who as Chief Executive Officer of Octéa met government officials in Freetown in August to warn them of the risks facing Koidu. At the meeting, covertly recorded, he told the officials that he wanted to take off his 'BSGR hat', adding that: 'I don't like the direction the shareholder is taking the business... I don't want to be part of that solution.'

According to Richards, who has since resigned from Octéa, the company's solution would be to 'run it, stop it and run away... In the absence of having investment, this business stops next July,' he told the minister. He then explained to the government that it should retake control of the Koidu mine, then open discussions with companies willing to make the capital investment that could

extend its life by 20 years.

Although Richards concedes that he made these remarks, he argues that they were taken out of context. BSGR's Cramer appears to take a relatively benign view of Richards' intervention and has taken no legal action against him: 'Richards walked off the reservation,' chuckled Cramer. 'In fact he drove off the reservation so fast that [British racing driver] **Lewis Hamilton** might have been driving...'

Keffi Group spelt out a remarkably similar assessment to Richards in its August letter to Sierra Leone Finance Minister **Kaifala Marah**: 'As best we know, the only serious alternative to a sale to the Keffi Group is for Standard Chartered or BSGR to simply harvest the cash from Cut 3 at Koidu – which net of expenses might equate to US\$20 to US\$40 million. The problem with this alternative is that it would result in a dead mine at Koidu by this time next year. The local community and the national government would be left with substantial liabilities and no ongoing employment.'

NO PLAN

Such risks have concentrated government minds and officials said they were not addressed in an 87-page 'study update' which Octéa presented at last month's London talks. Octéa has not produced the technical details previously requested by government and offered no investment plan to develop the other concessions.

'The bank [Standard Chartered] and the company [Octéa] accepted that they have not done their homework properly... we gave them a standstill for three months, during which period they should be in a position to supply us with the information we requested,' said the official. 'But from all indications... they will not be able to provide it.'

BSGR and the Sierra Leone government were to release a joint statement after November's talks announcing the 90-day standstill but could not agree on the text or indeed, on what they had agreed on. The government had wanted to set out clearly that Octéa had promised to make all statutory payments as they fell due and pay off arrears on all taxes and tariffs owed to government within four weeks of 18 November.

Standard Chartered then proposed a line stating that it would commission an independent project manager to represent Octéa's creditors and provide detailed reports of progress over the 90 days. Octéa favoured a blander, more upbeat version avoiding all reference to creditors and speaking about the ratification of the agreement made in London.

Beyond the 90-day standstill, there is a little on offer currently to resolve the crisis. Even if BSGR were willing again

to try to sell Octéa, the company's \$150 mn. debt could still prove a stumbling block. Some prospective buyers have offered to buy the debt at a deep discount

but Cramer says they are not living 'in the real world'. He says that any sale would have involved the buyer taking on the entire Octéa liabilities. With neither

government nor Octéa able to agree on a solution in this game of nerves, it seems both sides are looking again to Standard Chartered Bank to take the initiative. ●

MOZAMBIQUE

Nyusi's nightmare

The new President is still struggling for mastery of the state, while a legacy of chronic corruption hangs over the latest IMF deal

As the austere consequences of an International Monetary Fund emergency loan sink into public consciousness, **Filipe Nyusi** is still struggling to gain the control that election as President should have given him over party and state. It is nearly a year since he started his term of office on a wave of good will. A humble leader who promised to bring about better governance and transparency, he built support at an impressive speed. The fact that he was not a veteran of the governing *Frente de Libertação de Moçambique's* liberation war was a breath of fresh air after the authoritarian rule of **Armando Guebuza**. Much of that good will has faded and the country now feels less indulgent and is demanding results.

Mozambique is in a critical phase. Tension between Frelimo and the opposition *Resistência Nacional Moçambicana* (Renamo) deters foreign investment. Yet Nyusi's efforts to build a lasting peace are continually undermined by recalcitrant Guebuza-loyalists and Stalinist Frelimo die-hards.

Mismanagement in the past now brings the prospect of social problems as the sudden depreciation of the metical pushes up the cost of living. Fears are growing that, with Nyusi struggling, party politics will prevail at the expense of the economy. The biggest shock for Nyusi's team on taking office was the empty cupboard of public finance (AC Vol 56 No 8).

The IMF has now given the government a US\$286 million emergency loan. It follows massive debt repayments in September, including \$103 mn. on behalf of the state tuna fishing company, *Empresa Moçambicana de Atum* (Ematum), which were the final straw for the Bank of Mozambique's already depleted reserves (AC Vol 56 No 14). It is this, rather than the more frequently noted crisis in commodity prices, that has exacerbated the shortfall.

The government had said it would renegotiate to extend the repayment schedule and reduce the interest rate on

the \$850 mn. Ematum loan but it has failed so far. The IMF intervention is intended to bolster the reserves before they fall below the minimum acceptable level of \$2 billion. Currently close to this threshold, Mozambique can cover little more than three months of imports.

The loan is a desperate move that comes as part of an 18-month IMF package of austerity measures to stabilise the economy and the metical. After years of what the Fund called 'excessively expansionist policies' – in other words, a reckless spending spree – this year's cuts are set to deepen. The government must slash its 2016 budget by a further 2% of gross domestic product in order to meet IMF deficit reduction targets. The targets and the debt service will have an impact on public sector pay and investment in infrastructure, which respectively fell by 0.4% and 2% of GDP in this year's budget.

The public is likely to feel the shock most dramatically in increased import prices. Now the second-worst performing currency in Africa, after **Zambia's**, the metical has depreciated by over 50% against the US dollar since January. On 12 November the central bank ran out of US dollars with which to support the currency, and last week the value of the metical fell another 21%. One dollar buys M59, with predictions widespread that it will reach 70 by Christmas.

Nyusi and Finance Minister **Adriano Maleiane** blame external factors, namely the crash in commodity prices, a strong US dollar and reduced general budget support from donors, a theme that most major media picked up. This is only part of the story. Mozambique's inability to cope with these external shocks is largely self-inflicted. Guebuza left behind a political and financial mess that has transformed the economy from one of the most promising on the continent to the brink of crisis, with no safety net to protect it from the effects of a rapid decline in its inflow of dollars. Last week, Prime Minister **Carlos Agostinho do Rosário** acknowledged that the trade deficit was

also a problem. Rising imports mean a greater demand for dollars, while little has been done to boost exports.

Despite the crisis, political interference persists in the Bank of Mozambique. The government ignored private warnings from the IMF in 2013 that it should allow some natural depreciation of the metical to prevent a sudden, uncontrolled crash as occurred this November. Guebuza was determined to keep the metical strong at 32 to the dollar to avoid price increases before the 2014 elections. As well as excessively propping up the currency, the Bank also wasted dollars by selling them to companies at a discounted exchange rate, *Africa Confidential* has learned. Critics of the scheme, known as the 'administrative exchange', say it benefitted companies belonging to Guebuza and his allies. One source close to the Bank estimated that it drained hundreds of millions of dollars from the reserves. Although the country was already in dire financial straits, the scheme was stopped only a few weeks ago. Meanwhile, the shortage of dollars is exacerbated by a worsening security situation that encourages people to move their dollars overseas, especially among the wealthy Asian business community, against whom a kidnapping campaign shows no sign of abating.

With most of it in dollars, the metical's crash has made the external debt more expensive, pushing it up to 40% of GDP, which is on the threshold of high risk of debt distress. Unless it takes drastic action immediately, the government risks insolvency.

PRIVATE SECTOR GRIEF

In the private sector, the shock has been too great for many and senior banking sources say they expect a wave of businesses to default on their loans from this week. The business confederation, the *Confederação das Associações Económicas de Moçambique*, says the private sector will have to put up prices by 30% across the board. Meanwhile, prices of food and drink in general are already starting to rise.

As a consequence, the government faces a high risk of public discontent, especially as Christmas approaches. It has lost the option of introducing fuel subsidies, as it did in 2008, because there is no more money. It has not paid the bread subsidy for six months. With the looming threat of losing public transport subsidies, strikes are planned. Salaries have not yet risen but when they do, it

EMATUM DEBT ERODES IMF TRUST

Mozambique's current financial drama is testing its relationship with the International Monetary Fund to the limit. It raises questions about the IMF's policy of dialogue in a country still so lacking in transparency and accountability. President **Filipe Nyusi's** government wants to rebuild trust with the Fund, which has decided to stay and give the government a final chance.

That won't be easy for either party. The new US\$286 million emergency loan is the most that the IMF can allow, given its calculations based on the size of the economy. On top of stringent measures to set the economy back on track, it may need to demand more unpleasant policy adjustments to ensure that its loan will achieve its intended purpose. Some critics say the loan is not enough and that the Fund should be more flexible about how much it can lend, especially in contrast to the immense sums expended in recent European bailouts.

The government has made its choices and in going to the IMF, it has no option but to swallow higher interest rates and spending cuts that will stifle its economic boom. It's a necessary price for stabilisation, says the Fund, and is being paid only because of irresponsible past behaviour. Mozambique has lost much donor support over Ematum, and the Fund is helping bring in overdue reforms aimed at preventing similar scandals. So, how did things get so bad?

The former President, **Armando Guebuza**, ignored the IMF's warnings, say sources close to the Fund. In the wake of the Highly Indebted Poor Countries programme, which saw massive forgiveness of developing country debt by industrialised country creditors, the IMF allowed the recipient countries to chart their own courses.

During this period, Guebuza's government progressively indebted itself further and further while the Fund's laissez-faire view forbade intervention. Then, just as the IMF was trying to coax the government back on to a more prudent path, it was blind-sided by the deal for the *Empresa Moçambicana de Atum* (Ematum), which overnight doubled the annual national debt obligations, from \$200 mn. to \$400 mn. Although it was Guebuza's government that borrowed, it is Nyusi's that has to make the repayments. The situation has strained relations between the government and the Fund, leaving the latter with the most distrust to overcome, the sources said.

In order to restore public finances and avoid burning through the IMF Loan, Mozambique needs to renegotiate the \$850 mn. Ematum loan. The next \$100 mn. tranche is due in March and the \$200 mn. annual payments come at the expense of priorities such as education and health – if they can be sustained at all. Talks are going badly, we hear from sources close to the banks. The government insists the company is still viable, giving the banks little incentive to restructure the debt.

Failing to come clean about the enormity of the Ematum disaster could place the government in a disastrous position. Yet fears are growing that Nyusi won't do this and that worse scandals lie under the Ematum veil that Maputo cannot allow sight of. ●

will not be in line with inflation. At the Ministry of Fisheries, salaries have not been paid at all for two months, we hear.

There is some hope on the horizon, with the prospect of hundreds of millions of dollars of gas sector investment arriving next year. Ten days ago, difficult negotiations between **United States'** oil company Anadarko and the government over the firm's liquefied natural gas project in the north made sufficient progress for \$1.2 bn. of early works to begin next year, sources close to the negotiations tell AC.

MORE DOLLARS

Around \$400 mn. of that is expected to enter the local market. It isn't revenue for the Treasury but an increase in dollars in circulation will help to stabilise the metical. The results of the fifth bidding round for oil and gas concessions in October are also good news, with the entry of US major ExxonMobil, as well as **Norwegian** state oil company Statoil in partnership with ENI and **South Africa's** Sasol.

Yet relying on the still uncertain developments in the gas sector is risky, as Mozambique has already discovered. Also, the IMF loan is meant to stay in the reserves, bringing down the debt-to-GDP ratio. Mozambique is supposed to free up cash through serious spending and import cuts.

There is a consensus amongst analysts that realistically, the country needs closer to \$800 mn. to avert crisis. Meanwhile, security sources tell AC that more military equipment is arriving – including around ten more naval interceptors – accompanied by expensive training programmes. It is unclear where the money is coming from at a time when government can't pay school teachers. ●

TANZANIA

How real the zeal?

The President has taken some notable scalps over corruption but if his campaign persists, he will face organised high-level resistance

Four weeks into President **John Pombe Magufuli's** new government, many are still scratching their heads. Some see him as a compromise candidate who is dependent on and subservient to his party Chairman and presidential predecessor, **Jakaya Mrisho Kikwete**. Others admire his apparent asceticism and see him making a mark not only within Tanzania but across East Africa.

He hasn't just put the fight against corruption at the top of his agenda, he has ordered several senior arrests. His longer-term plans include an old-school vision of Tanzania's much-needed industrialisation. Ultimately, both are connected. If he is to succeed in the first and deliver the foundations for the second, he will have to withstand mighty pressure from home and overseas. By suspending the Tanzania Revenue

Authority head, **Rished Bade**, Magufuli may finally deliver what has eluded his predecessors: a high-profile conviction (AC Vol 56 No 23). Yet the proof of his zeal will be his attitude to prosecuting the preceding TRA chief, **Harry Kitilya** (AC Vol 49 No 2). He was named in a London High Court judgement this week as an intermediary in a US\$600 million bond placement two years ago.

On 27 November, the new Prime Minister, **Majaliwa Kassim Majaliwa**, made a surprise visit to the TRA's head office where, in front of the media's cameras, he suspended Bade, along with eight others, pending an investigation into the disappearance of 349 shipping containers from the TRA's records. They had been transferred to an inland container terminal owned by one of the country's wealthiest men, **Said Bakhresa**

(AC Vol 56 No 19). The duty evaded was over \$37 mn. for these containers alone, Majaliwa claimed.

The suspensions at TRA are significant. They include Deputy Director **Lusekelo Mwaseba** and four department heads in charge of Customs, Customer Care, Information Technology and Inland Container Terminals. If they are proved to be involved, it could show that customs-related corruption networks stretch from the port to the top of the TRA and probably other agencies, as well as the privately owned and operated inland container terminals.

The targeting of Bade needs to be seen in the wider context of a **British** Serious Fraud Office investigation into the issue in 2013 of a \$600 mn. bond through **South Africa's** Standard Bank under unusual private placement conditions. The Deferred Prosecution Agreement – its first – that the SFO finalised on 30 November describes an intermediary company in the deal, Enterprise Growth Management Advisors, which took a \$6 mn. or 1%, fee, though there was no evidence of any services rendered. One of the three EGMA directors was, according to Lord Justice **Brian Leveson** in his preliminary judgement, Bade's predecessor, Kitilya, who stepped down as Commissioner General of the TRA five months before the bond was finally released. The extra 1% led to Standard Bank's fee rising from 1.4% of the transaction to 2.4%. Questions may now be asked about the real destination of the \$600 mn. raised and if it met the fate of **Kenya's** \$2.75 billion Eurobond, 14% of which is unaccounted for.

Investigations by the Swahili daily *Nipashe* indicate that avoidance of duty at the port is well organised and surprisingly simple. Easiest of all is to pick up your container and drive it out the gate,

unrecorded. Sometimes, false paperwork may be needed. The more complex scams involve collusion with officials in the bank where the payment is made who can later void the payment as an error. The payment of \$6 mn. into a company account and its rapid withdrawal was no more sophisticated.

The lack of sophistication suggests high-level protection and, if Magufuli and Majaliwa are serious, they will soon find obstacles in their way. The scene of the container crime is managed by the Tanzania Ports Authority (TPA), whose Director General, **Madeni Kipande**, was suspended last year over alleged corruption in awarding contracts to build two new jetties that have been on the drawing board for seven years.

TRAIN ROBBERY

The TRA, the TPA and the Weights and Measures Agency have been in dispute over the use of flow meters to measure petroleum products as they are discharged. Consequently, there has been no metering of oil imports at Dar es Salaam since 2011 and thus no reliable way of determining the amount of duty owed. The port has also been the scene of more dramatic crime in recent years. In 2012, police on duty there attempted to steal a cargo of copper, making their getaway in a locomotive. The same night, there was an armed robbery of oil drums.

The networks in the port extend beyond public agencies. The case of the missing containers has touched one of the country's biggest firms, Said Salim Bakhresa & Co Ltd. Some, if not all, of the missing containers were destined for an inland container depot owned by Azam ICD, a member of the Bakhresa Group of Companies. Bakhresa is widely believed locally to

be the beneficiary of generous import duty exemptions. He has interests in agribusiness, food-processing, television and transport.

These are the intersections of business, politics and public administration that President Magufuli spoke of in his first speech to Parliament last month. When laying out the need for the development of Tanzania's industries and its failure to attract investment, he identified two enemies: 'leaders like us in here and crooked, deceptive businessmen'. He first wants to examine those industries that were privatised. Two weeks after President Magufuli was sworn in, the Treasury Registrar issued a notice to all privatised firms, giving them 30 days to report on the progress made since privatisation, failing which the entities would be returned to the state for resale.

INTOLERANCE

He next wants to attract investors, in the first instance into sectors that process local materials and serve the local market primarily. 'We import shoes from countries that have no cattle!', he told members of parliament. Apart from developing infrastructure, how those investors will be attracted, other than 'not tolerating officials who block our efforts', he did not say. With two successive TRA chiefs implicated in grand corruption cases in the space of four days, there will no doubt be plenty more to be tackled. As the issues of Dar es Salaam's port and the 2013 government bond indicate, corruption is deeply rooted, with powerful backers in public service and the private sector.

If Magufuli is serious about taking on corruption and industrialising the economy, he'll have to battle this hydra again and again. ●

SIERRA LEONE

Chinese inherit law suit

While villagers sue a major mine over human rights abuses, all the country's iron ore mines remain out of action

Bankrupt iron-ore mining company African Minerals Limited is being sued for millions of dollars by 142 Sierra Leonean villagers in the High Court in London claiming human rights abuses at its former mine at Tonkolili. The multi-million pound lawsuit has been filed by **British** personal injury lawyers Leigh Day, who appeared in court on 30 November seeking compensation from AML for several alleged abuses, including false

imprisonment, battery, assault and its involvement in the death of a 24-year-old woman during an outbreak of violence at Tonkolili in 2012 (AC Vol 54 No 6). AML went into administration in March, so it is its successor as owner of Tonkolili Iron Ore Ltd., the major **Chinese** steel-maker Shandong Iron and Steel Group (SISG), which finds itself defending the action.

Leigh Day has already won over US\$150 million against major corpora-

tions on behalf of individuals and communities affected by their activities. It successfully brought a case against Shell in **Nigeria** and represented 30,000 claimants in **Côte d'Ivoire** against oil-trading company Trafigura over the dumping of toxic waste in Abidjan (AC Vol 50 No 18). It has also brought cases against BP, Xstrata, Anglo American and Unilever, as well as the governments of **Morocco**, **Japan** and the UK.

AML halted iron-ore production at Tonkolili in December 2014 amid a sharp decline in world prices. SISG is yet to restart production there, leaving thousands of workers jobless and denting government tax revenue. Frustrated by promised dates for restarting production being pushed back, President **Ernest Bai Koroma**, is putting pressure on SISG and the AML founder and former Chairman,

Vasile Frank Timis, who now owns the Marampa iron-ore mine, to commit to a firm timetable.

Timis Corporation, the privately owned investment vehicle for Frank Timis, has been told that it must restart operations at Marampa or risk losing its mining licence (AC Vol 56 No 18). It's all part of a new campaign led by Mines Minister **Minkailu Mansaray** for better utilisation of mineral assets (AC Vol 56 No 23). Output at the mine halted in June. Timis picked up the Marampa mine in October 2014 after its previous owners, London Mining, went bust. The deal provoked an outcry from investors in AML, which was producing iron-ore from Tonkolili, 100 kilometres or so further inland. AML collapsed in March after failing to secure funds from its biggest investor, SISG, to carry on operations amid tumbling iron-ore prices (AC Vol 56 No 19).

SISG now runs the Tonkolili mine. Koroma pledged in May that under its stewardship, Tonkolili would be up and running again 'soon' but the Chinese group is yet to restart exports. SISG has been busy tidying up the site, *Africa Confidential* hears, painting buildings and ensuring that machinery works in an effort to look serious about restarting exports.

Meanwhile, contractors at Tonkolili are attempting to recoup millions of dollars in unpaid fees. Many still have equipment there and hope to return to work when SISG restarts operations but they are reluctant to accept new orders from the company until some of the outstanding debt has been cleared. Although SISG agreed to pay off the debt as part of the deal to take over Tonkolili, it has put contractors under significant pressure to accept discounted payments, say local sources. Some

larger contractors have received part payment from Shandong but are yet to receive new orders. 'They indicated to the government that production would start at the beginning of December but nothing has happened on site yet,' said one insider. 'I think with [SISG]'s type of approach, they will manage to get out of promised timelines to the Sierra Leonean government.'

Koroma met Chinese President **Xi Jinping** in New York at the end of September, where they reiterated their desire for mutual cooperation, and discussed industrial and infrastructure plans. Official accounts made no mention of SISG's commitment to Tonkolili.

While contractors wrangle with SISG over debt payments, the iron-ore market remains at its lowest point for a decade and analysts forecast that restarting mines will drive prices down further. ●

MALI Attack targets peace deal

The Bamako hotel attack is meant to hinder the Algiers accord, which recently showed signs of gaining greater acceptance

The days since Islamist gunmen attacked the Radisson Blu hotel in Bamako on 20 November, killing 20 civilians, have confirmed both the scale and complexity of the security challenge Mali faces. As they search for the killers and their accomplices, the government and its international allies struggle to contain the threat from terrorist groups in the north, centre and even far south of the country.

Last week a **French** soldier died and two were wounded when their vehicle hit a mine. With opposition agreement, the government has postponed regional and municipal elections that were already overdue because of insecurity. That means yet more delay to the decentralisation that is a key element of June's Algiers peace agreement ending the conflict with the northern autonomist rebels of the *Coordination des mouvements de l'Azawad* (CMA; AC Vol 56 No 13).

First to claim credit for the hotel attack was *Al Mourabitoun*, led by the Algerian jihadist **Mokhtar Belmokhtar**, in alliance with *Al Qaida* in the Islamic Maghreb. Yet soon afterwards, the *Front de libération du Macina* said it had carried out the assault jointly with *Ansar Eddine*.

All these groups had motives for reasserting their profiles at this time. Belmokhtar and AQIM need to remind the

world that they are still major players at a time when **Syrian**-based *Da'ish* ('Islamic State') and its affiliates, including in **Libya**, have been grabbing the headlines with attacks in rapid succession in **Turkey, Lebanon** and **France**. After being linked to a spate of attacks in the Mopti region, the FLM suffered a setback when the authorities detained **Allaye Bocari Dia**, who has played a key role in its financing and is seen as the right-hand of the FLM leader, fiery preacher **Amadou Koufa**. *Ansar Eddine* is under pressure to reassert its profile for fear that its appeal to disenchanted young Tuareg could be eroded by the gathering momentum of the northern peace process. In recent weeks, an audio recording made in October has emerged in which *Ansar Eddine* leader **Iyad ag Ghali** condemns the Algiers deal.

Ag Ghali is both a committed Islamist and a bitter personal rival of leading secular autonomists, who stymied his 2011 bid to become leader of the *Mouvement national de libération de l'Azawad* (MNLA), which is now part of the CMA (AC Vol 53 No 8). Although the FLM and *Ansar Eddine* had motives to stage a big attack, it is not clear whether they were equipped to carry one out. The FLM, which recruits mainly from local Peul (Fulani), would have been

operating well beyond its usual comfort zone around Mopti.

Al Mourabitoun is still widely viewed as the more likely organiser of the Bamako attack. The large-scale targeting of foreigners – besides Malians, the dead included people from **Senegal, Belgium, China, Russia** and the **United States** – is reminiscent of 2013's attack on the In Amenas gas plant in **Algeria**. That was organised by Belmokhtar and 40, mostly foreign staff, were killed (AC Vol 54 No 2). Despite reports that Belmokhtar died in a US air strike on Libya last summer, he is believed to be still alive and operational. Moreover, there are suggestions that the two attackers killed by the Malian, French, US and United Nations special forces that ended the Radisson siege, had been overheard speaking English with **Nigerian** accents. *Al Mourabitoun* was born of an alliance between Belmokhtar and the remnants of the *Mouvement pour l'unicité et le jihad en Afrique de l'Ouest*, whose activities in eastern Mali in 2012-13 were reported to have attracted some *Boko Haram* fighters (AC Vol 56 No 1).

Whoever was ultimately responsible, the hotel attack shows that Mali faces both a conventional urban terrorism threat, as well as attacks in the provinces. Obvious targets are the sort of places in the capital favoured by foreigners, as happened in the attack on a restaurant, La Terrasse, in Bamako's Hippodrome district on 7 March. The hotel attack can also be seen as a follow-up to the attacks in Paris one week earlier, on 13 November, particularly given France's heavy military engagement in the struggle against Islamist militants in Mali. There are unconfirmed reports that the gunmen made a particular effort to

find the Air France crew staying at the hotel: all twelve were safely evacuated.

But jihadists could also have had strong domestic Malian motives for the hotel attack. **Mongi Hamdi**, head of the UN peacekeeping operation, the *Mission multidimensionnelle intégrée des Nations Unies pour la stabilisation au Mali* (Minusma), pointed out that it had been launched just as the main parties to the Algiers peace deal were meeting in Bamako for talks on how to take the process forward. The peace process is starting slowly to gather pace and could begin to shift the political momentum in the north away from the Islamist agenda.

After their earlier squabbles over territory and positions on the implementation committee, the CMA and the pro-government militia alliance known as *Plateforme* have begun joint patrols near Gao. Preparations for demobilisation have been slowly under way for several weeks, with fighters trickling into three designated assembly camps, including sites at Toya, between Goundam and Timbuktu, and at Ber, east of Timbuktu.

Progress is fragile. Civil servants and elected officials have been targets for jihadist attacks, undermining the efforts to restore basic administration and services for the northern population as officials quit the area. **Ansar Eddine** claims responsibility for a 28 November

attack on a Minusma base in Kidal, killing three; and the next day four migrants were killed when gunmen attacked the vehicle they were travelling in near Anéfis. Political decentralisation and the relaunching of development programmes are supposed to be the next step, followed in the more distant future by long-term projects such as the building of a new university at Timbuktu. None of this can happen, however, so long as security is weak.

DISRUPTION

In the short term, the hotel attack will disrupt efforts to support the peace process, as meetings are postponed and international partners review security precautions. Among those murdered was **Geoffrey Dieudonné**, a young Belgian specialist in parliamentary affairs. Survivors included **Adama Ouane**, the Malian deputy head of the *Organisation internationale de la francophonie*, who was preparing a visit by its **Canadian** Secretary General, **Michaëlle Jean**. The OIF is now postponing the two missions planned for December. Domestic and international players engaged in the peace process need to restore its momentum quickly. Ouane insists the OIF will come back to Mali and continue its work.

The CMA and the *Plateforme* rapidly issued a joint condemnation of the attack. Minusma has been operating joint patrols with Malian security forces in Bamako.

At a regional level, the G-5 grouping of Sahel countries (**Burkina Faso**, Mali, **Mauritania**, **Niger** and **Chad**) has decided to create a joint regional force, and a defence and security committee (AC Vol 55 No 9). The G5, established in early 2014, initially focused on coordinating government security and development strategies; the new plan to create a joint force would be a step change in the scale and status of G5 activity.

There were tough private debates among UN Security Council members in the run-up to the presentation of a situation report by **Hiroute Guebre Sellassie**, the UN Special Envoy for the Sahel. She gave a stark warning of the dangers of Islamist radicalisation in the region.

COMMITMENT

Many key external partners are pressing forward with reinforced support and not allowing themselves to be hamstrung by the diplomacy. The European Union had already reiterated its financial commitment to the Sahel some weeks ago, while donors pledged continued support for Mali at talks in Paris in October (AC Vol 56 No 20). Now, in the wake of the Paris and Bamako attacks, **Germany** has announced that it will send 650 troops to join Minusma, in addition to the 200 soldiers it contributes to the EU mission retraining the Malian army. **Ireland** may also contribute troops to Minusma. ●

SOMALIA

The Brits are coming

Curiosity is growing as to why business people close to the Conservative Party are so interested in such an unstable part of the world

Somalia has long been seen as too risky for even the hardest foreign investors but now a new band of **British** money-men, adventurers and politicians is setting up shop there. A former Home Secretary and Conservative Party ex-leader Baron **Michael Howard** of Lympe QC, who took the chairmanship of Soma Oil and Gas in 2013, is merely the most prominent of the bunch (AC Vol 56 No 16). All the ventures are related to resource exploitation or construction. Some have attracted criticism from the United Nations Monitoring Group on Somalia and **Eritrea** (UNMGSE) because a legal regime for tax and regulation does not exist.

Soma has been the subject of a criminal investigation in London since

August as to whether its 'capacity building programme', which paid the salaries of key figures in the Somali Oil Ministry, amounts to bribery.

Regardless of the impeccable British establishment connections of many of the business people, claims of British government involvement do not stand up to scrutiny. The most recent placing of clear blue water between the businessmen and the government came in a reply by **Grant Shapps**, who until last weekend was Minister of State at the Department for International Development, to a letter from the Earl of Clanwilliam, **Patrick James Meade**, known as **Paddy Gillford**. A former special advisor to the Tory Party, Gillford had written in October to ask for the British government's assistance

in opposing a proposed moratorium on oil exploration in Somalia that is under consideration at the UN Security Council. Shapps refused sharply, citing UNMGSE concerns about the absence of a local regulatory framework. Then with the Soma experience with the Foreign and Commonwealth Office no doubt in mind, he added, 'We do not – and have not – lobbied on behalf of oil companies for contracts in the sector.'

Suspicion about British business involvement in Somalia was fuelled mainly by the party links between Howard and the leadership role Prime Minister **David Cameron** said he wanted to take on Somalia at the London Conference on Somalia in February 2012 (AC Vol 53 No 4).

FISHY DEALS

A notable British Tory leading the charge in Somalia is Sir **Anthony (Tony) Brian Baldry**, who was Conservative member of parliament for Banbury from 1983 until he stepped down on 30 March 2015. Baldry has a long history of working in Somalia, both in a personal capacity and as an MP promoting international recognition for Somaliland. On 26 February, in

his final month in Parliament, Baldry incorporated a company called Anglo Somaliland Resources Limited (ASR). The company then signed a contract with the breakaway government of Somaliland in August, the terms of which were revealed in the UNMGSE annual report in October. ASR would be given exclusive rights to fish the territory's coastal waters, the report said, and to sell fishing licences to third parties. In return, it would pay the Hargeisa government a US\$500 signing bonus, as well as \$2,000 annually and 40% of revenue from the sale of fishing licences.

Baldry claims the UNMGSE had 'completely misunderstood the nature and the meaning of the contract'. In a series of terse responses to a Bloomberg news agency reporter published on the ASR website, Baldry denies that ASR has been granted 'exclusive' control of Somaliland's fisheries and says it has only the right to grant 'sub-licences'. He argues that the deal is solely a 'marketing and promotion exercise on behalf of the Somaliland government' that will assist responsible companies to 'properly acquire fishing licences from the Ministry of Fisheries'. Bloomberg has not published any report on ASR since.

On 18 November, ASR published a letter inviting tenders for fishing licences offshore Somaliland to be addressed to Sir Tony at ASR's business address in the village of Pulborough, West Sussex. Baldry has considerable experience working in Somaliland, during which time he has established a close relationship with political and business elites in both Hargeisa and Mogadishu. While an MP, he travelled regularly to both Somalia and Somaliland, and in February 2014, met Somali President **Hassan Sheikh Mohamud** at the British Embassy in Mogadishu, along with the then British Ambassador, **Neil Wigan**. Baldry said they had discussed plans for restoring stability in Somalia, though no minutes were kept of the meeting. Just days later, Baldry was made an honorary citizen of Somalia.

Baldry was also an advocate of Somaliland's independence in Westminster, co-chaired the Somaliland All-Party Parliamentary Group and chaired Parliament's International Development Committee. He stepped down from this latter position in 2005, shortly after he was found to have breached the MPs' code of conduct for failing to declare a financial interest in a mining company called Red Eagle Resources, which operated in Sierra Leone. As recently as mid-November, Baldry was lamenting the failure of the international community to respond to Somaliland's calls for independence, saying its claim was a lot stronger than

that of countries such as Eritrea or **South Sudan**.

Alongside his parliamentary roles, Baldry was a non-executive Director of a mining company in Somaliland called Invicta Africa Ltd. The most recent record of his involvement is in Parliament's 2007 register of members' interests. His Invicta partner was the London-based businessman **Mohammed Yusef**, one of Somaliland's wealthiest individuals who has the ear of President **Ahmed Mohamed 'Silanyo'**. Much of Yusef's wealth is tied up in his private equity firm Invicta Capital, headquartered in London's St. James's Square, but he too has invested in Somaliland's emerging fishing industry through Pontus Marine Ltd. This is based at the same St. James's address, with offices in the fishing ports of Berbera and Yusef's home town of Maydh.

Pontus counts among its directors another leading Tory, **Henry Bellingham**, MP for North West Norfolk. He became non-executive Chairman in 2013 and receives £1,955 a month for two to four hours' work, advising on strategy and corporate governance. He was awarded the position just ten months after losing his post as junior Minister for Africa and the Caribbean in a September 2012 reshuffle.

UNREGULATED FISHING

The greatest concern about the involvement of foreign companies in fishing in the Horn of Africa lies in the absence of a legal and regulatory environment, itself problematic while Somaliland remains internationally unrecognised. There is also concern that foreigners handing out licences to other foreigners could well lead to clashes with local fishermen. Opinions about the state of the fisheries differ. Baldry's business partner, **Ian Fenwick**, calls the offshore waters an 'overstocked pond' because of the absence of officially sanctioned fishing. Some environmental organisations, however, such as the

United States-based One Earth Future Foundation, claim there has been massive over-fishing. A One Earth report says unregistered or illegal foreign fleets make annual catches of 132,000 tonnes, worth some \$306 million and more than three times the amount caught by local fishermen. Many trawlers have been seized by pirates, however, and their crews held for ransom, confusing the picture about fish stocks. The ASR tender document says Somaliland can sustainably yield up to 250,000 tn. a year.

British business people have been accused of wanting to plunder Somalia's resources but it is easy to come unstuck. The UNMGSE has repeatedly

highlighted the case of another British company, Somalia Fishguard Ltd., which moved its registration from London to Mauritius. It signed a deal with Somalia's Transitional Federal Government in 2013 to sell fishing licences to bidders while also managing maritime security by forming a Somalia Fisheries Protection Force. In its 2014 report, the UNMGSE warned of the dangers of such a dual role. The Ministry revoked the Somalia Fishguard deal and then signed contracts with nine Chinese-flagged long-liners to fish for tuna this year instead, cutting Fishguard out.

Somalia Fishguard is undeterred, however. One of its government supporters was **Abdirizak Omar Mohamed**, Natural Resources Minister at the time of the signing and now Internal Security Minister. He was Oil Minister when Soma signed up with his government (AC Vol 56 No 4). Somalia Fishguard hopes to launch a security arm in Somalia, Saladin Security, which bills itself as the oldest Western private security company in operation. Saladin uses the same Kensington address as Somalia Fishguard did. **David John Walker**, a former member of Britain's elite Special Air Service, is on both their boards. He helped to set up the private security and business intelligence company Control Risks in the 1970s. Saladin already has relations with the Somaliland government, with which it plans to form an Oilfield Protection Unit.

Saladin may also benefit from its relationship with **Abdullahi Haider**, a senior figure in Mogadishu's Oil Ministry who, the UNMGSE says, introduced the company to President Hassan Sheikh in 2013. Abdullahi is known to be close to the President, some say a distant relative, and is thought to have been instrumental in all oil deals between government and foreign companies. He is also one of the recipients of capacity-building payments from Soma Oil and Gas.

NEW MOGADISHU

One of the more surprising deals involving British political personalities concerns **Afzal Raza Amin**. A former captain in the British army's Royal Engineers, he came to prominence when he was standing as Conservative Party candidate for Dudley North in the 2015 general election. Amin was the target of a *Daily Mail* sting operation in which he was exposed for making a secret pact with the far-right English Defence League. According to the report, he plotted with the EDL to plan an inflammatory march against a local mosque that he would later claim the credit for defusing. He was subsequently forced to resign his candidacy.

Afzal Amin, who served in **Afghanistan** and **Iraq**, has now popped

up in Somalia with his company UKS3, which describes itself as 'an international strategy advisory specialising in fragile states and frontier markets'. It is attempting to launch a major building project 25 kilometers from the capital. A UKS3 brochure says it has 'successfully negotiated the acquisition of a 25 sq. km. beach front site' that will house a secure enclave for luxury villas, hotels, a diplomatic area and shopping malls. In addition, it boasts of being awarded six licences to support the enclave in telecommunications, infrastructure, livestock, fisheries, banking and energy.

Observers familiar with the deal told

Africa Confidential they doubted the project would get off the ground. UKS3 reckons \$200 mn. in capital investment will be necessary in the first year, a huge sum for such a risky project, not least for a company with no apparent track record and a nominal value of £10,000 (\$15,000). The project has not received the approval of the donor-backed Financial Governance Committee, which oversees contracts awarded by the Somali government and would be necessary for the award of licences.

RIGHT PEOPLE

What is surprising, though, is the appearance in the brochure of

photographs of Amin beside the President and with other ministers at a 'planning conference' in London in 2014. Among the dozen or so people pictured posing with Amin at the London meeting, AC has identified National Security Advisor **Abdirahman Sheikh Issa** and **Abdikarim Hussein Guled**, leader of the Galmudug interim administration, a former Security Minister and a founding member of *Damul Jadiid*, the Muslim Brother splinter group to which President Hassan Sheikh also belongs (AC Vol 56 No 14). These, at least, suggest that the proposal is being seen by the right people. ●

SOUTH AFRICA

Cyril looks to his heartland

Everything seemed to be going the President's way in the succession battle but then his deputy rallied his troops

Deputy President **Cyril Ramaphosa's** prospects of succeeding President **Jacob Zuma** in 2019 – in steep decline recently – changed for the better last week with his endorsement by the Confederation of South African Trade Unions at its elective conference at Midrand. Most of the unions present, including the powerful public sector ones, threw their weight behind his bid to become President. Cosatu remains a key third of the battered but not yet broken Tripartite Alliance, which also comprises the African National Congress (ANC) and the South African Communist Party (SACP).

Cosatu had campaigned for Jacob Zuma's presidency against **Thabo Mbeki** in 2007. Its unions have for years also provided the foot-soldiers and financial muscle for the ANC's election campaigns. After nearly giving up hope before the seemingly unstoppable bandwagon within the ANC for the African Union Commission Chairperson, **Nkosazana Dlamini-Zuma**, Ramaphosa's camp is now emboldened (AC Vol 56 No 23).

The largest Cosatu affiliate, the National Education, Health and Allied Workers' Union, called for 'consistency and stability'. Without naming Ramaphosa, it said it wanted the 'Deputy President of the party to become the ANC President'. Nehawu insiders don't want the 'Premier League' – a group of three Zuma-supporting ANC provincial premiers – to 'parachute Dlamini-Zuma to the presidency', they said. The SACP

Secretary General, **Blade Nzimande**, also addressed the gathering to voice his anger at the Premier League's machinations in favour of Dlamini-Zuma. The League comprises the North-West Province's **Supra Mahumapelo**, Free State's **Ace Magashule** and Mpumalanga's **David Mabuza**. The pro-Dlamini-Zuma bloc also includes KwaZulu-Natal Chairman **Sihle Zikalala** and the ANC Women's and Youth leagues.

As its Deputy General Secretary, **Nkosana Dolopi**, pleaded for 'stability', the South African Democratic Teachers' Union led the charge at the Cosatu gathering for Ramaphosa to become President. 'It cannot be that each time the ANC goes to a national elective conference, it suffers from instability which affects the country alliance and the country as a whole,' he told delegates to loud applause. He was supported by the Democratic Nursing Organisation of South Africa, the Police and Prisons Civil Rights Union and the South African Municipal Workers' Union. On the other hand, the SA Transport and Allied Workers' Union argued that Cosatu had no business supporting a particular ANC faction and that in so doing, it was following a script written by the leaders of the SACP.

Several Cosatu leaders, including its President, **Sdumo Dlamini**, are on the SACP Central Committee and they want Ramaphosa elected. The Southern African Clothing and Textile Workers' Union offered compromise by asking for

the issue to be discussed only after the May 2016 municipal elections. Noticeably absent from the debate was the union Ramaphosa helped establish in 1982, the National Union of Mineworkers (NUM).

NEW ROLE

A major issue in these debates is the prominence of Cosatu in ANC factionalism. Its role comes increasingly under question as its ability to win victories for its members diminishes. As it celebrates its 30th anniversary and its status as Africa's biggest trades union federation, its record in defence of workers compares increasingly poorly with that of dissident unions, such as the Association of Mineworkers and Construction Union. AMCU has cut a swathe through the NUM's membership figures, for example (AC Vol 53 No 17).

Cosatu insiders at the conference admitted privately that the federation was a 'product of its time' and had served its purpose by playing a major role in the ending of apartheid and the advent of democracy. Now, one leader told *Africa Confidential*, 'it's time for something else'.

The issue of whether Cosatu should have a primarily political or industrial role has led to bitter internal strife, including the expulsion of its biggest affiliate, the National Union of Metal Workers of South Africa (NUMSA, AC Vol 55 No 22). With its 340,000 members have also disappeared the dues that were vital to Cosatu. The federation is in the humiliating position of having to accept the largesse of big business to stage its conference. Its sponsors were billionaire mining magnate **Patrice Motsepe** of African Rainbow Minerals, and the investment groups Investec and Old Mutual.

NUMSA's expulsion followed its decision in 2013 not to support the ANC in the May 2014 elections. NUMSA leaders called Dlamini, a staunch Zuma-

SOUTH AFRICA'S CREDITWORTHINESS IN DANGER

Credit rating agencies are warning South Africa that it is close to having its rating downgraded. President **Jacob Zuma's** government is struggling to abide by its target of maintaining debt at less than 50% of gross domestic product.

The cost of insuring against a default by the government is now just a fraction below that for **Russia**, which markets had already given junk bond status. 'I've heard it said that we are sleepwalking into a downgrade,' the Managing Director and Sub-Saharan Africa Regional Manager of Standard and Poor's, **Konrad Reuss**, is quoted as saying. Drought, power cuts and a slowing demand for exports from **China**, the largest trading partner, are all to blame.

There is a growing unease about overall economic management, exemplified by the revelations that **Dudu Myeni**, a close presidential ally and friend, and Chairperson of South African Airways (SAA), personally intervened in a 9 billion rand (US\$624 million) deal with the European multinational Airbus Industrie. Myeni was apparently determined to take charge of the deal, which had already been signed, to try to include a South African partner of her choice.

Taken aback by this, Airbus executives invoked a penalty clause. As a result, SAA faces demands for an immediate payment of R240 mn., which threatens further to undermine the already weakened company. It had previously been bailed out by the government, which now guarantees a large part of its debt – R11.5 bn. since 2012.

The SAA revelations are only the latest sign of the way the wind is blowing. Like Eskom and other state-owned companies, top management is staffed with loyalists of the President, rather than the best qualified staff (AC Vol 56 No 16). The distribution of patronage is critical to the fortunes of rival factions in the governing African National Congress. Those rivalries, mainly over the succession to Zuma in 2019, are already so intense that some ANC leaders are prepared to put the safe management of the economy in second place. If South Africa is relegated to the status of a 'junk bond pariah' international borrowing will become considerably more expensive. ●

supporter, a 'tsotsi' (thug), bent only on delivering Cosatu to the ANC on a platter. NUMSA has since been flirting with parties such as the Economic Freedom Fighters of ex-ANC Youth League leader **Julius Malema** and has taken soundings on forming a new union federation and a new political party as well. It even took a road-show to solidarity organisations in the United States to try to undermine the Tripartite Alliance. 'Let's not get sentimental. It's not 1985 [the year Cosatu formed],' one founding Cosatu leader told AC.

According to the latest Quarterly Labour Force Survey by Statistics South Africa, the official employment rate was 25.5% in the third quarter of this year, up half a percentage point from the second quarter, with 5.4 million

people unemployed and 14.9 million not economically active. The sectors hardest hit by the slowdown include transport, with 24,000 fewer jobs over the year; private households, down 11,000 jobs; utilities, down 9,000 jobs; and finance, down 4,000 jobs. Of 36.1 million people of working age, some 15.8 million had jobs.

Cosatu has plenty of other disputes going on among its 1.9 million members and the disarray was symbolically on show as President Zuma was kept waiting for several hours while affiliates bickered over credentials. He had to leave and then return once the procedural questions had been resolved. After this unseemly display of disunity, continuity was the order of the day and only one new appointment to the executive was made, that of Deputy

General Secretary. The winner was **Solly Phetoe**, a supporter of former General Secretary **Zwelinzima Vavi** from North-West Province.

Many thought the federation's re-elected President, **Sdumo Dlamini**, reflected the new reality when he eschewed quoting Marx or Lenin when seeking to sum up Cosatu's activities since expelling NUMSA and Vavi. Instead, he quoted **Albert Einstein**: 'Insanity is doing the same thing over and over again and expecting different results.'

'At some point Cosatu is going to break up. That is the reality we have to face,' confessed one of Cosatu's old sweatshirts from the founding leadership. The ANC is terrified by the prospect. For some, Ramaphosa is the man to deliver unity and avert the unthinkable. ●

ZIMBABWE

Pepsi's political partner

The drinks company's lucky new 'indigenisation' partner just happens to be married to Robert Mugabe's niece

PepsiCo Incorporated has appointed **Adam Molai**, a businessman married to President **Robert Mugabe's** niece, **Sandra Molai**, as its partner for a new bottling plant in Zimbabwe, *Africa Confidential* has learnt. Molai has been given a 15% stake in the business, with the option to increase his shareholding 'over time' (AC Vol 55 No 18). The **United States'** multinational food, snack and beverage corporation, will not be investing in Zimbabwe directly but through an **Indian** firm owned by

billionaire businessman **Ravi Jaipuria**.

The decision to appoint Molai as the 'empowerment' partner was made after Jaipuria failed over the past three years to secure the requisite approvals to open the plant in Zimbabwe, our sources say. Under the terms of Zimbabwe's Indigenisation and Economic Empowerment Act of 2008, foreign investors have to give a 51% shareholding to black Zimbabweans but implementation of the law has been controversial and uneven. The government has recently approved

several transactions that have allowed foreign investors to take over struggling local firms completely (AC Vol 50 No 5).

'They were not happy with Ravi's white partners in the business,' said one source in the manufacturing sector. This was corroborated by a source in the ruling Zimbabwe African National Union-Patriotic Front. 'PepsiCo's partners were flatly rejected by regulatory authorities and were asked to take on board Molai. There were no questions asked,' said the highly placed ZANU-PF source.

Jaipuria is setting up the plant in Harare through Varun Beverages Limited, whose Zimbabwean subsidiary will be called Varun Beverages Zimbabwe. Varun is part of the RJ Corporation Group of India. It describes itself as the 'largest bottler for PepsiCo with interests in beverages, food, beer, milk, ice-cream, stem-cell, real estate [and]

education'. Molai's investment vehicle in the Zimbabwe venture is called Glaciem (Private) Ltd.

Glaciem was registered on 12 March 2015 and lists its directors as **Kim Lynette Driscoll, Janine Kaschula, Andrew Lowe and Elizabeth Hundermark**. The listing indicates that Driscoll and Kaschula are the 50-50 shareholders of Glaciem but we understand that this information was given simply to facilitate the registration of Glaciem in Zimbabwe. Driscoll and Kaschula work for Virgin Management Services, which does consultancy work for Molai related to the project. Lowe is said by sources close to Molai to be working with him 'in helping to complete the deal'.

Molai owns a cigarette manufacturer, Savanna Tobacco, the largest in the country after British American Tobacco's Zimbabwean subsidiary. The two firms have been involved in nasty exchanges over the past few years, with Savanna accusing BAT of sabotage.

After a row in 2012, Mugabe issued threats against BAT Zimbabwe. Speaking at the launch of the multinational's employees' share ownership scheme – where 26% of shares were issued to employees and locals to comply with the Indigenisation Law – Mugabe said, 'I am dismayed by the information we have received over the week that BAT operating with groups in **South Africa** have been taking action, illicit action, against another group called Savanna and lots of things have been happening, trucks with cigarettes from Savanna

being stolen'. He went on: 'And these are briefings from the security... those are the things that have been happening in order to kill competition and you try to undo a competitor in that ugly way. That's not acceptable; some people will have to answer for it.'

THREATS

Vice-President **Emmerson Mnangagwa** made similar threats this year after touring the Savanna plant. 'We need to protect our industry from the bigger boys and with my military background, I am used to dealing with such situations. We must investigate the allegations [against BAT] so that we move from the allegations to real facts on the ground,' he said in what most took to be an attempt to ingratiate himself with the President.

Molai has capitalised on his relationship with Mugabe to ensure he expedites the setting up of the factory, sources say. It will be built along Harare's Beatrice Road linking the capital with Masvingo and Beitbridge on the border with South Africa.

When Mugabe flew to India in October for the Africa-India summit, which he jointly chaired with Indian Prime Minister **Narendra Modi**, Molai had already arranged a meeting between Mugabe and Jaipuria on the sidelines to discuss 'specifically this deal', said a source in the presidency. After the summit, Mugabe instructed all government bureaucrats to ensure the quickest turnaround for the project and indeed, just over a fortnight later, a groundbreaking ceremony took

place, presided over by Industry and Commerce Minister **Michael Bimha**. Together with the Ministry of Finance and Economic Development, and the Ministry of Youth, Indigenisation and Economic Empowerment, Bimha's Ministry had previously been accused of hampering the project. That was before Molai got involved.

At the groundbreaking ceremony, Bimha announced that the plant cost US\$30 million and would produce the PepsiCo products Pepsi, Mirinda, 7up, MountainDew and Aquaclear water, employing 600 people. State media have reported that the project was initiated by Mugabe 'early this year when he visited India to engage investors to invest in the country and met 16 Indian companies that promised to invest in the country'.

It would appear that Molai's contribution to the 15% shareholding will not be in the form of cash but of high-level contacts and facilitation. Much of that, we hear, has been achieved. The 15% stake is valued at nearly \$5 mn., judging by Varun's financial contribution to the project. The business may be able to profit from tax breaks because its regional distributors and local raw-material sourcing could benefit the local economy strongly. While Molai has proven his acumen as a businessman, much of his success inevitably depends on his relationship with Mugabe. Molai is a member of the National Indigenisation and Economic Empowerment Board, where he chairs the Manufacturing Sector Committee. ●

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POINTERS

Nigeria

THE RETURN OF OPL 245

■ The government has reopened the can of worms known as Oil Prospecting Licence 245. President **Muhammadu Buhari** has sent investigators after the beneficiaries of the US\$1.1 billion that the government gave **Dan Etete**, an Oil Minister under the late General **Sani Abacha**, and his business associates (AC Vol 55 No 21). The man most prominent in the government cross-hairs since Buhari appointed **Abubakar Malami** his Attorney General and Justice Minister, is **Aliyu Abubakar** (AC Vol 56 No 20). Under the notorious arrangement brokered by ex-President **Goodluck Jonathan's** Attorney General, **Mohammed Adoke**, Shell and ENI paid \$1.1 bn. to the government for the licence and most of it went to Etete.

The Economic and Financial Crimes Commission, which was quiescent under Jonathan, has leapt into action and hauled Abubakar in for questioning. About half of the money the Western oil majors paid to Abuja went to accounts controlled by Abubakar and thence to other accounts.

Perhaps coincidentally, Etete had been named in the London High Court in the previous week as being at the centre of a series of transfers that formed a 'corrupt arrangement' involving Etete's shell company, Malabu Oil and Gas. A **British** government lawyer described Etete as a 'bagman. He has distributed the funds to prominent Nigerian figures.' Perhaps it was no coincidence. Some media reported that Nigerian and British prosecutors have been collaborating in investigating corruption. Without that, it is improbable that Jonathan's Oil Minister, **Diezani Allison-Madueke**, would have been arrested in London in September over alleged bribery and corruption. The authorities reportedly raided one of her homes in Nigeria at the time of her arrest in London.

In the High Court, Etete sought to release \$85 mn. of Malabu funds frozen on the application of middleman in the OPL 245 deal, who claimed that Etete had refused to pay him his commission. Judgement is expected soon.

Namibia

HAGE'S BIG TENT

■ An overwhelming victory in the 27 November regional and local elections sees the SWAPO Party ever more dominant. Winning over new voters from outside its traditional Oshivambo power base, President **Hage Geingob's** party won all but eight of 121 constituencies, taking control of all 14 regional councils

for the first time. It also consolidated its hold on the 57 local authorities, including Windhoek and Walvis Bay.

The only opposition party left standing is the right-of-centre Democratic Turnhalle Alliance, which held on to most of the council seats it won in 2010 and gained a few local authority seats. Both the United Democratic Front, whose main support comes from Geingob's own Damara community, and the Rally for Democracy and Progress, the SWAPO breakaway formed by **Hidipo Hamutenya** in 2007, saw their support collapse. The UDF, whose former leader and Damara King, **Justus Garoëb**, had urged supporters to vote for Geingob in 2014's presidential election, lost all three seats in Kunene to SWAPO and looks finished as a national force. The RDP, in disarray since Hamutenya's defection to SWAPO in August, failed to win a single seat. Hamutenya is expected to be appointed Presidential Advisor on Trade Issues. Geingob's presidential and other special advisors have already swollen to over 20. New RDP leader **Jeremiah Nambinga** has accused Geingob of trying to wipe opposition parties off the political map.

None of this has done anything to dent Geingob's popularity. Economic growth remains strong at 5% thanks to a booming construction sector and new gold, copper and uranium mines. Geingob's anti-inequality agenda – the latest proposal is for a 'solidarity tax' to fund poverty-alleviation – has further burnished his populist credentials.

Djibouti

BASE MOTIVES

■ As **China** deepens its commitment to a base in Djibouti, a London court has heard how illicit Chinese funds may have indirectly helped President **Ismail Omar Guelleh** win elections. On 25 November, the Commander of the **United States Africa Command**, General **David Rodriguez**, revealed that China's new military base in Djibouti was now backed by a ten-year treaty.

Meanwhile, in the High Court in London, the ex-Chairman of the Djibouti Ports and Free Zone Authority and would-be presidential candidate, **Abdourahman Boreh**, was being cross-examined. He says Guelleh owes him money and that has brought fascinating revelations of presidential wealth, which Boreh claims was acquired through rampant corruption (AC Vol 56 No 22). Guelleh is suing Boreh and accuses him of corruption. Boreh served as a go-between between Guelleh and the **United Arab Emirates** in Dubai Ports World's disputed contract for the Doraleh Container Terminal (DCT).

Boreh's evidence to the Court

includes claims that US\$1.5 million in commission from crane-manufacturers Shanghai Zhenhua Heavy Industries (ZPMC) went 'only in his [Guelleh's] pocket and nowhere else'. Guelleh acquired the windfall, Boreh said, when 15% of the DCT was sold to the Chinese state-owned China Merchants Holdings (International). 'To sell the assets of Djibouti that I work hard, that I built, and then he sells it and puts it in his pocket, that's what I call corruption,' Boreh told the Court.

In April 1999, when Guelleh came to power, Boreh received \$224,385 in commission fees from ZPMC, the Court heard. Guelleh demanded he hand it over, Boreh said, to help his election campaign. Boreh could recoup the funds after ZPMC had paid the remainder of the commissions, he said. After the pair's relations cooled, Boreh found himself outside all the agency arrangements. Guelleh seeks re-election next April.

Burkina Faso

VIVE LA DIFFERENCE

■ In one of the continent's most peaceful transitions, Burkina Faso has elected a new President. **Roch Marc Christian Kaboré** romped home in the first round with 53.49% of the vote, against 29.65% for his rival, **Zéphirin Diabré**, on a 60% turnout.

Kaboré represents less change than many presume. Born in 1957 into an influential banking family, he was a supporter of **Thomas Sankara's** 1983 coup, which ushered in the country's revolutionary phase, but he also went along with **Blaise Compaoré's** 'rectification' four years later, when Sankara was murdered. Kaboré became a pillar of the regime, leaving only 26 years later in January 2014 when it became clear that with 'Beau Blaise' around, his own chances of becoming President were nil. He and two other close allies of Compaoré – **Salif Diallo** and **Simon Compaoré**, former Mayor of Ouagadougou – then set up the *Mouvement du peuple pour le progrès* (AC Vol 55 No 2). Blaise was furious.

Kaboré's style is unlikely to be much different from his predecessor's. Many thought his campaign slick, lavish and long on rhetoric, short on substance. 'Kaboré is the old regime, only in different clothes,' pundits have scoffed. The test of this will be how strongly he pursues the prosecution of the generals involved in September's failed coup and the investigations into the deaths of Sankara and journalist **Norbert Zongo**. 'We have supped with the devil [Compaoré] but we are not him,' Diallo reportedly said. Burkinabè will be the judge of that. They have a record of being swift and ruthless once they have made up their minds. Just ask Blaise.

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BLUE LINES

Wobbly governments, imploding companies and crashing commodities mark out a coda to the past decade of high growth and political self-confidence. Economists argue about how much rising national incomes could be attributed to better macro-economic management and the role of Asia's gargantuan appetite for oil, metals and soft commodities. Although deficits, inflation and debt all fell as economies grew and currencies strengthened, some old ailments are returning. Alarm bells are ringing louder as so many countries issue sovereign bonds just as interest rates rise again.

A new chapter has opened with China's economic rebalancing and reduced demand for Africa's resources. A strengthening United States' economy and some consolidation in Europe are prompting renewed interest in African economies, at least outside the mining and oil industries.

Of necessity, tough economic changes are on the agenda: governments will have to boost tax collection and cut illicit financial outflows. And more ambitious structural changes will need finance for local production: to process local crops and more manufacturing, as well as the region's fast-growing service sector. Money and technology from both China and the West could foster these changes but these will require some hard bargaining by African governments. So far, only a few governments seem set to navigate the choppy economic waters.

SOUTH AFRICA

Jacob Zuma's costly week

The President kicked a hornets' nest when he sacked his Finance Minister. The ensuing crisis hit his authority and the economy

The impromptu alliance of African National Congress leaders and business interests which forced President **Jacob Zuma** to rethink his unilateral decision to sack Finance Minister **Nhlanhla Nene** and replace him with a little-known back bencher has opened a new political chapter. Last week's man-made crisis, which has proved hugely expensive for both working class and corporate South Africa, has greatly weakened Zuma and strengthened his growing band of critics within and outside the governing ANC. It was Zuma's greatest blunder since he assumed the presidency in 2009.

After the ANC and business barons met on 13 December in a meeting coordinated by Deputy President **Cyril Ramaphosa** and ANC Secretary General **Gwede Mantashe**, it took their envoys, **Zwele Mkhize** and Presidency Minister **Jeff Radebe**, less than an hour to persuade Zuma to back off and again appoint **Pravin Gordhan** as Finance Minister.

THE ANC STANDS UP

Zuma has lost much of his power to determine the outcome of the presidential succession race between his ex-wife, **Nkosazana Dlamini-Zuma**, and **Ramaphosa**. In the short term, he has made himself much more politically vulnerable if ANC-loyalists want to try to recall him. For the first time, the ANC leadership, which he was accustomed to bypassing, took a stand and imposed itself.

It has since become clear that Zuma was aiming for direct control of the Treasury and state finances when he sacked the

respected Nene. He was holding the line on reckless government spending on an unaffordable US\$100 billion nuclear power station programme and a threatened re-arrangement of a \$624 million leasing deal with Airbus Industrie (see Feature & AC Vol 56 No 24). We hear that a powerful business family, the Guptas, who are close to Zuma and have major interests in uranium mining, has been pushing hard for the nuclear deal and may have influenced Nene's dismissal (AC Vol 52 No 5).

Nene was insisting on the full observance of lawful procurement procedures in the nuclear programme and on major if not indefinite delays. The proposed recasting of the Airbus deal to introduce a third party to it would have been at the insistence of **Dudu Myeni**, whom amid much criticism, Zuma appointed head of South African Airways (AC Vol 56 No 16).

Very pointedly Gordhan said, shortly after his re-appointment, 'It's time that individuals stop playing with SOE's [state owned enterprises] as if it's a personal toy when you want to extract money when you feel like it. These are public institutions.'

Nene's sacking shocked the country to the core and seemed to be triggered by a combination of paranoia, pique and a belief that South Africa no longer needs to heed the warnings of Western investors as it has billions of dollars worth of cheap loans on tap from **China** and will benefit from the new development bank created for **Brazil, Russia, India, China** and South Africa – the BRICS countries. It also accords with Zuma's personal pan-African vision of a united continent where political freedom

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is matched by economic freedom and all traces of colonial power have vanished.

A slide to disaster – and collapse of the currency – was averted by the appointment of the respected former Finance Minister Gordhan late on 13 December. Among other things, he has confirmed that the procurement procedures on which Nene was insisting will be followed in the nuclear programme and also that the Airbus leasing deal will go forward as originally designed. The Treasury issued a formal statement on 16 December seeking to reassure the country on public spending. 'Any extra expenditure would only be accommodated if extra revenue is raised,' it said.

The sacking galvanised the country. Protests poured in from civil society and church leaders, and Treasury civil servants threatened to resign if it were not reversed. Leading academics called on Zuma to stand down. Two respected ANC veterans and lifelong stalwarts, **Ben Turok** and **Barbara Hogan**, the partner of one of the late President **Nelson Mandela's** closest associates on Robben Island, **Ahmed Kathrada**, called on Zuma to resign.

REVERSAL

The eventual reversal of the dismissal and the appointment of Gordhan followed a statement by Presidency Minister Radebe. 'The ANC have heard the people of South Africa,' he said. Zuma's de facto admission of defeat read, 'we emphasise the importance of listening to the people and to respond to their views... I have received many representations to reconsider my decision.'

These concessions followed a meeting on 13 December of Radebe and Mkhize with an extremely high-powered business delegation that included the Barclays Africa Group Chief Executive Officer, **Maria Ramos**; Goldman Sachs' South Africa head **Colin Coleman**; Investec Bank's global Chief Executive Officer, **Stephen Koseff**; Imperial Holdings' CEO, **Mark Lamberti**; Sanlam CEO **Ian Kirk**; Business Leadership South Africa Chairman **Bobby Godsell**; Toyota Europe CEO **Johan van Zyl** and FirstRand CEO **Johan Petrus Burger**.

They presented a four-page document itemising how, if Nene's sacking stood, the rand would continue its plunge, foreign investors would flee, the cost of borrowing by the state and state corporations such as Eskom and Transnet would become exorbitant and inflation would soon hit the poorest people hard. This was the decisive meeting, insiders say, and Gordhan's appointment was announced about two-and-a-half hours after it ended.

The business community had also been pressuring the ANC leaders who came to Zuma. Before the business people made their démarche on the Sunday, ANC leaders had met at the home of former President **Kgalema Motlanthe**, who lost to Zuma in the 2012 ANC presidential election.

Motlanthe is one of three former leaders of the National Union of Mineworkers who now play a key role in the succession to Zuma by a new ANC leader who must be elected at the party's five-yearly conference in 2017, before general elections in 2019. Another key figure is Deputy President Ramaphosa, also a former NUM leader. He is married to **Tshepo Motsepe**, a former Deloitte risk analyst and sister of the billionaire **Patrice Motsepe**, who is one of the ANC's main financial backers and sponsored the last conference of the Congress of South African Trade Unions. Ramaphosa was on the brink of resigning after Nene was sacked, *Africa Confidential* understands.

The Motsepes' other sister, **Bridgette Radebe**, is married to Jeff Radebe, whose job at the presidency was earlier believed to be under threat. Zuma had become suspicious of Bridgette because she had been flirting politically with the opposition Economic Freedom Fighters' campaign to stop foreign companies from engaging in transfer pricing, a form of tax evasion. The Mmakau Mining Company which she chairs is estimated to be worth around \$100 mn.

NEW DYNASTIES

The Motsepes, along with the Ramaphosas and the Radebes, via marriage, are the closest equivalents to the diamonds-and-gold Oppenheimer dynasty (the late **Harry** and **Nicky Oppenheimer** and son **Jonathan Oppenheimer**) which opposed apartheid while having to cooperate with the National Party government on business compliance.

The Motsepe dynasty, while instrumental in supporting the ANC and at the centre of power, is quite apart from the coterie of rich business associates who keep Zuma afloat financially and enjoy his patronage in return. This group includes **Robert Gumedede**, **Vivian Reddy**, **Sandile 'Gwabs' Zungu**, the

Independent News and Media baron **Iqbal Survé**, and the **Gupta** brothers (**Ajay**, **Atul** and **Rajesh**) who have massive influence with Zuma and benefit from extensive patronage in return.

Other key figures whose influence would have been felt in the lobbying prior to the reversal were former SA Reserve Bank Governor **Tito Mboweni**, Godsell, former Eskom boss **Reuel Khoza**, Eskom Chairman **Brian Molefe**, and banker **Martin Kingston**, CEO of Rothschild in South Africa.

RAMBLING

To many, the most worrying aspect of the whole affair was the rambling speech that Zuma delivered at a gala evening of the African Business Leadership Programme on the night that he fired Nene and which, astonishingly, was carried live on national television. Zuma abandoned his prepared speech after formally addressing the host, Patrice Motsepe, and assembled guests, who included business leaders from at least ten African countries, and he extemporised vaguely for nearly an hour.

Zuma spoke about the suffering of Africans, first under slavery and then under colonialism and apartheid, and repeatedly returned to the theme of the impotence of political power if it were not accompanied by economic power. He kept coming back to how the **British** and **French** colonialists in particular had developed ways of creating Africans in their own image. These Africans, who have not found their true identity as Africans, are unconsciously manipulated to serve the interests of the colonialists rather than the interests of Africa, he explained. What became apparent was a distinction in his mind between true Africans who identified with the continent and those who were obstructing the realisation of the economic kingdom. It was clear to many that he saw Nene as one of those in the latter group. Such Africans had gone astray and were preventing the access to state funds that was needed to create a new class of African industrialists. He seemed almost to be asserting his entitlement to personal control of state funds.

IMPACT

Although national elections are due only in May 2019, the ANC is expected to suffer greatly in next year's municipal polls, at least if the opposition parties can capitalise on its woes. That much is a given in political debate in South Africa but Zuma has set up obstacles to through his extensive re-engineering of the ANC and of key institutions, particularly in intelligence and the police. He has also introduced a raft of legislation designed

CHRONOLOGY OF A CRISIS

- 25 May 2014:** President **Jacob Zuma** makes shock transfer of respected Minister of Finance **Pravin Gordhan** to a lesser portfolio, Cooperative Governance and Traditional Affairs. He appoints his deputy **Nhlanhla Nene** as the first black Finance Minister.
- 27 August 2015:** Nene says he will not sign off on a controversial US\$100 billion deal to build nuclear power stations, struck between Zuma and Russian President Vladimir Putin, if it is unaffordable.
- 23 October 2015:** Zuma surprises by capitulating to a student demand to scrap a 6% increase in tuition fees after protests around the country culminating in a march in Pretoria.
- 2 November:** Former Acting President **Kgalema Motlanthe** says the Tripartite Alliance of the governing African National Congress (ANC), Congress of South African Trade Unions (Cosatu) and the SA Communist Party is dead and criticises the Zuma leadership for not sticking to the constitution.
- 5 November:** Zuma launches attack on Motlanthe for his 'cowardly' criticism.
- 8 November:** In a boost to the Zuma succession plan, pro-Zuma candidate for the ANC provincial chair of KwaZulu-Natal, **Sihle Zikalala**, narrowly beats the incumbent **Edward Senzo Mchunu**. Zuma says that he (Zuma) puts the ANC's interests before those of South Africa.
- 24 November:** Cosatu gives tacit backing to Deputy President Cyril Ramaphosa as presidential candidate. Zuma's backers have made it clear they want his ex-wife, **Nkosazana Dlamini-Zuma**, the African Union Commission Chairperson, to succeed him.
- 27 November:** Standard & Poor's and Fitch downgrade South Africa's investment status respectively from BBB to BBB- and from BBB stable to negative, taking the country to the brink of 'junk status'.
- 7 December:** It is revealed that Finance Minister Nene has written to the South African Airways Chairperson, **Dudu Myeni**, instructing her not to interfere with a deal with European manufacturer Airbus Industrie over the lease of new aircraft to save the national carrier from financial ruin. Zuma is reported to have had a love child with Dudu Myeni, which he later denies.
- 9 December:** Zuma sacks Nene, replacing him with a little-known member of the parliamentary Finance Committee, **David van Rooyen**. The move is met with shock and disbelief in all sectors at home and abroad. Zuma cancels an appearance at the African Business Leadership Forum in Johannesburg to attend a crucial cabinet meeting where he reportedly pushes through an agreement to support the Russian nuclear deal. He appears late at the ABLF black-tie gala and makes a rambling 55-minute speech on Pan-Africanism which SA television broadcasts live.
- 10 December:** Hundreds of billions of rand are wiped off the value of banking and financial shares and the battered currency, the rand, goes into freefall losing around 5% of its value. In one year, it has lost nearly half its value against the dollar and sterling.
- 11 December:** The currency rout continues with the rand touching R16 to the US\$ and R24 to the British pound. There is a massive backlash in all sectors and widespread calls for Zuma to go.
- 12 December:** Civil society and church leaders write open letters appealing for urgent meetings with the President. Academic leaders call for him to go. Social media is abuzz with #Zumamustfall.
- 13 December:** Captains of industry hold urgent meetings with ANC leaders who later meet with Zuma and urge him to reverse the Finance Minister's appointment to save the country from economic meltdown. Zuma reconsiders and announces the reappointment of Gordhan.
- 14 December:** The ANC's National Working Committee meets and endorses Gordhan's appointment and commends Zuma for his act of leadership. ●

to empower tribal chiefs and – through a combination of legislative coercion and patronage – to keep them and some 18 million people beholden to their power.

While the 2014 general elections showed that the ANC was losing support in key cities such as Johannesburg, Pretoria and Nelson Mandela Bay in the

Eastern Cape, the party's support in the rural areas is still solid and Zuma and his allies have been working hard to make sure that remains so. Within government and the governing party, however, the centre of gravity has shifted away from the President. There are strong rumours that a cabinet reshuffle is likely after the

ANC birthday celebrations in Rustenburg on 8 January. Ministers most associated with the Communist Party and whom Zuma no longer trusts may be on the chopping block: **Rob Davies** (Trade and Industry), **Tina Joemat Patterson** (Energy) and **Blade Nzimande** (Higher Education). ●

SOUTH AFRICA

Dissent dogs DA leadership

Lindiwe Mazibuko's political comeback has come to a sudden stop. Some feel ex-leader Helen Zille retains too much power behind the scenes

Once upon a time, **Lindiwe Mazibuko** was the golden girl of opposition politics: she was articulate, respected and quoted in the media every day. She was the youngest Democratic Alliance leader in Parliament and one of the first to question the

millions of dollars being spent on President **Jacob Zuma's** private Nkandla homestead (AC Vol 55 No 6). She was key to the strategy to increase the DA's black vote and seemed bound for glory. And then she wasn't.

At the end of 2014, she fell out with

the then party leader, **Helen Zille**, who admitted that 'there was a serious and fundamental breakdown' in their relationship. Mazibuko left to do a master's degree at Harvard University in the **United States**. Many DA members blamed the split on what they see as Zille's confrontational manner – some call it bullying – and followed Mazibuko out of Parliament. They included the shadow Energy and Finance ministers, **Lance Greyling** and **Tim Harris**, who took up local government posts in Cape Town. Others, including former Federal Leader **Wilmot James**, chose to stay on in the hope that Mazibuko would make a political comeback (AC Vol 56 No 10).

The scene was set, we understand, for Mazibuko to become DA mayoral candidate in Johannesburg. The party has set its sights on winning the major metropolitan municipalities of Johannesburg and Tshwane (Pretoria) in Gauteng and Nelson Mandela Bay in the Eastern Cape. Many felt Mazibuko was an ideal candidate to get black middle-class voters to support the party and make serious inroads into the support base of the African National Congress (ANC).

The DA leadership then decided against Mazibuko because the party's new leader, **Mmusi Maimane**, was against it, say insiders. He may have feared that if she succeeded in winning the contest for Johannesburg mayor, it might invite unfavourable comparison with his failure to win that post in 2011. It could set her up as a rival for the leadership, only months after he had taken over himself. The lavishly funded 2011 campaign had, however, put Maimane on the political map and he experienced a rapid rise through party ranks to become National Spokesperson, then contesting the Gauteng premiership in 2014 and then becoming party leader, a few months after Mazibuko left for Harvard.

Maimane and his inner circle, which includes rising stars like members of parliament **Geordin Hill-Lewis** and **Gavin Davis**, were not about to allow Mazibuko back into the fold just seven months after his own election as leader. 'Some felt that it would be too soon and that Mazibuko can't have such a high-

profile position. Mmusi needs time to put his mark on the party,' a party insider in Gauteng told *Africa Confidential*.

Solly Msimanga, who campaigns around Pretoria in a van, is the DA candidate for mayor of the Tshwane Metro Council and Maimane's Eastern Cape ally **Athol Trollip** hopes to be elected mayor of the Nelson Mandela Bay Metro. The DA has not selected its Johannesburg candidate but the front-runner so far is the black businessman **Herman Mashaba**. The founder of the hair-product brand 'Black Like Me' said, 'It was time for honest and hardworking people to make themselves available for public service.'

PUBLIC ROW

Mazibuko's allies are reconciled to her staying at Harvard for now. 'We decided that it's best we sit this one out, let Maimane's leadership run its course and in a few years' time, we can always make a comeback,' one told us. Implicit support for her has come from an unexpected quarter, deep in the DA's Western Cape heartland, where the maverick member of the provincial parliament **Lennit Max** started a very public row with Zille. In a letter, part of which he leaked to the local press, the lawyer accused Zille of 'using him', saying he wouldn't allow her to 'destroy' him 'the same way she did to Lindiwe Mazibuko, Wilmot James and **Mamphela Ramphele**'. Zille famously fell out with Agang party leader Ramphele in early 2014 (AC Vol 55 No 3). Max has also accused Zille of humiliating people and using state resources to hire

private investigators to spy on him. 'Rest assured that Lennit Max will not leave the DA because of you. The DA doesn't belong to you,' he wrote.

Zille rejects Max's claims and says she believes he wants to defect to the ANC. One insider familiar with her approach and this long-running dispute said, 'She personalises politics – she shows her colours, that she is tight-fisted and still has control in the party. When you upset her she comes back to haunt you. She is vicious.'

The ANC has been happy to use Zille's combative reputation against her. ANC Western Cape leader **Marius Fransman** led an attempt to impeach her and so remove her from the Western Cape premiership. He says she 'forces her poor party members to defend her or else they will face her wrath'. Zille survived the impeachment attempt but it bruised the party.

The Max dispute could not have come at a worse time for the party, which is gearing up for the 2016 municipal elections, where it must do well in order to live up to rising expectations, especially in Gauteng, Eastern Cape and Northern Cape. The rift with Mazibuko and the Max affair are also bad for Maimane, since he is seen as unable to impose himself and bring party members into line because his debt to Zille is too great. Many believe Zille's leadership still looms large despite Maimane's best efforts to show he is really in charge. 'Sadly, Mmusi can't suspend or expel Helen. She owns him,' observed one commentator. ●

SOUTH AFRICA

EFF's economic roadshow

As Malema's following grows, a dialogue has begun with investors worried by talk of nationalisation and price controls

Foreign direct investment is vital to the South African economy and the only confident prediction is that there will be deep change. As **Julius Malema's** Economic Freedom Fighters look set to double their vote in next year's local elections, the EFF is attracting the attention of international investors concerned by what they consider the disastrous handling of the economy by the governing African National Congress (ANC).

At a meeting of the ANC National Executive Committee in late November, President **Jacob Zuma** told members that those who opposed him wanted him back in prison and he did not want to

go back to Robben Island, the notorious former prison where he spent ten years from 1963. Some of these opponents were currently in London, he said. This meant Malema's EFF delegation which last month went on a four-day tour of **Britain**, where he addressed meetings and talked to key investors and policy think-tanks.

Far from seeing his party break up from a lack of funds or because of sabotage by the ANC, the persuasive and demagogic Malema has created one of the strongest brands in South African politics. The EFF's 25 members of parliament have displayed surprising resilience in pursuing their campaign to

force Zuma to pay tax-payers back the millions spent on his Nkandla private compound in KwaZulu-Natal. The party has balanced its filibustering in Parliament with extra-parliamentary protest aimed at demanding greater empowerment for black workers.

With a mixture of Marxist-Leninist, anti-colonial Fanonist and pro-black rhetoric, and demanding nationalisation of the land and banks along with workers' participation in corporate decision-making, and helped by its red overalls and matching berets, the EFF has positioned itself as the instantly recognisable fiercest opponent not only of Zuma but of the 'arrogance' of the ANC.

Malema presents himself as the leader who can champion the cause of South African youth, who face unprecedented levels of unemployment. The national rate is at 25% but among young people, it is often double that in some parts of the country. He recently showed that he could mobilise tens of thousands of disciplined protestors,

much as he had when he led the ANC Youth League, as they marched in red on the financial district of Johannesburg and demanded that companies listed on the Johannesburg Stock Exchange give shares to their workers.

While South Africa was absorbing the implications of a double downgrading of its investment ratings to the lowest level above 'junk status' on 27 November and the national currency, the rand, reached all-time lows against the US dollar, Malema and his key advisors were appearing on the hallowed platforms of the British establishment in a bid to engage investors. Malema talked at Chatham House, addressed students at Oxford University, met a group of wealthy investors in Africa at an exclusive Mayfair club and joined a group of South African expatriates and investors at the headquarters of Deloitte.

Investors were surprised to find behind the red overalls and radical rhetoric a more strategic and thoughtful politician than they had expected. They asked about the EFF's strategy to encourage business to adopt share participation schemes for workers and representation on corporate boards. They readily acknowledged Malema's diagnosis that the country's core problems of corruption, patronage, unemployment and poverty had been exacerbated by the enrichment of a few politically-connected individuals at the expense of the many.

The business people that Malema interacted with tried to persuade him to tone down his rhetoric about nationalising land and mining companies, and not to create state-owned banks in a country where the state had failed to show that it could run any commercial company successfully. They also urged him to play a leadership role in creating a united opposition. 'You are a smart fellow and I agree with much of what you say but you need to tone down your rhetoric and soften your message if you want to have a dialogue with business,' said a senior South African banking executive in a sustained and remarkably frank dialogue held under the Chatham House Rule in the Mayfair club. Malema wore his red beret and EFF T-shirt at Oxford and the Royal Institute of International Affairs but sported a suit and open-neck shirt at the two engagements with investors.

On his various UK platforms, Malema made clear that:

- The EFF would under no circumstances enter into pre- or post-election alliances with the ANC should any party fail to achieve an outright majority in next year's local government elections. Differences between the two parties were irreconcilable, he said.

- The EFF would consider alliances with 'opposition parties' in the case of a hung result, including the Democratic Alliance (DA) and new formations that might appear on the left.
- The EFF was committed to peaceful revolutionary change and would resort to civil disobedience only once all other avenues were exhausted. It would never resort to violence.
- The EFF was not anti-business but wanted to work with investors and businesses to extend what was rightfully due to black South Africans who had been denied rights and opportunities in the past.
- The EFF was not anti-white but it was pro-black and wanted to correct historical injustices committed against black South Africans which had put them at a disadvantage.

He urged South Africans of all races who were working and gaining experience and skills abroad to return and help to build a better country based on economic justice and freedom.

The EFF team which met investors in London included its Chairman, **Dali Mpofu**, the former business executive and the lawyer who represented the families of the miners killed at the Lonmin mine in Marikana in 2012, and **Nyiko Floyd Shivambu**, the EFF Deputy President and leading business strategist who did his master's thesis at Wits University on the role of business in the 1994 transition to democracy (AC Vol 49 No 13 & Vol 53 No 17).

The EFF delegation was at pains to impress on potential investors how a broader distribution of wealth to employees would both stabilise companies and give workers a vested interest in the economy which in turn would defuse the confrontational relationship between trades unions and companies. At a lunch hosted by **Rob Hersov**, the founder and Chairman of the business network Invest Africa, which also has a capital-raising arm, African Capital Investments, the EFF team engaged in animated conversation with some heavy-hitting bankers and investors in South Africa and elsewhere on the continent who were eager to assess the firebrand leader face-to-face. Connections were made and several follow-up meetings have already taken place in Johannesburg and in London. Many of the business people want to remain anonymous for now.

Shivambu returned to London a week later in a delegation from the South African Parliament's Select Committee on Finance. At the head was its Chairman, veteran Communist journalist **Yunus Carrim**, a former Local Government and

later Information minister, along with two other ANC MPs and one each from the EFF and the DA. The group took a five-star tour of financial institutions and spent a day each at the Treasury, Bank of England, London Stock Exchange and the regulatory body, the Financial Conduct Authority.

They met banking associations and financial analysts from Old Mutual, Barclays and Nomura International. On 7 December, after a presentation on constraints on investment in South Africa, the group met a team from Old Mutual, including Group Strategy Director **Ian Gladman**, Chief Risk Officer **Sue Kean** and Group Financial Director **Ingrid Johnson**.

Just as the delegation was concluding a 11 December meeting with **Ashok Vaswani**, the Chief Executive Officer of Barclays' Personal and Corporate Banking Division, the news broke that Finance Minister **Nhlanhla Nene** had been sacked and that one of their Select Committee colleagues, ANC MP **David van Rooyen**, had replaced him. Trying to recover their composure after the shock news (see Feature), they then met Nomura's **Peter Attard Montalto**, one of the most quoted financial analysts on South Africa in the City of London, who subsequently led the media commentary on the disastrous implications of Nene's sacking.

DETERIORATING

Investors see the economic and political deterioration in South Africa accelerating and are therefore keen to have first-hand contact with political players, particularly those who might represent organisations that will in future challenge the ANC, which they believe is leading the country to financial ruin. Said one London-based **United States** investor in African property: 'Anyone who wants to do business in the US needs to talk to Wall Street... The EFF needs to talk to business in South Africa and to investors in the African continent. It gives us an opportunity both to gauge and help forge their thinking.'

The potential investors urged the EFF to moderate its policies and focus more on engaging business in finding collaborative models, rather than scaring off investors by pushing nationalisation and increasing state ownership of the private sector. Further meetings are arranged for the fringes of international conferences, such as February's Investing in African Mining Indaba in Cape Town and May's World Economic Forum on Africa in **Rwanda**. This was, said one investor, 'Not in any way to encourage the EFF's policies but to expose them to the realities of the investment community and to the financial world.'

At one meeting, Malema was at a loss to answer a question from an institutional investor on why he should continue to invest in South Africa. Malema invited him to be part of empowering workers in South Africa while the investor was seeking reassurance on a consistent and sustainable policy framework and strategy for economic growth.

Business people who met the EFF said that South Africa had huge potential to attract far higher levels of foreign investment across a broad range of sectors but the current trajectory of state intervention in the economy, the barrage of investment-hostile legislation awaiting the President's signature and the mismanagement of the economy were scaring away foreign investors and causing South African investors to move their money abroad. The investors clearly hoped the EFF's opposition to the ANC could signify a retreat from such measures but the EFF's rhetoric often implies that the ANC has not gone far enough in that direction.

CHALLENGES

In spite of its strong popular support-base and its ability to dominate opposition media coverage, the EFF faces major challenges before it can become a fully-fledged political party which could negotiate coalition arrangements to govern municipalities or challenge the DA for the mantle of official opposition party in 2019 or 2024. Its most immediate problem is to raise enough funds to fight an election. Malema is known to command significant wealth despite his earlier problems with the South African

Revenue Service and the party manages to get by on contributions from members and credit lines from service-providers for its political rallies (AC Vol 55 No 20). It is looking for some R100 mn. to fight next year's municipal elections.

Secondly, the party knows it has neither the financial nor human resources to run cash-strapped municipalities in Malema's far northern home province, Limpopo, where it could win two or three local councils outright. The EFF could also have coalition options in some other municipalities. It is also concerned that recent legislation enables government to cut back selectively on funding local governments if they don't achieve prescribed goals; this becomes a 'Catch 22' when they are not given sufficient funds to meet those goals in the first place and cannot collect enough rates and taxes.

The EFF is afraid of winning more than two or three municipalities because it could be setting itself up for failure. The coming polls will represent its first major electoral test, a key moment in its ambitions to become the official opposition or at least a senior partner in a broad opposition front. The party aims to more than treble its 1.1 mn. votes in the local government elections and is almost certain to double that, according to independent estimates and internal research by both the ANC and DA. The party has growing appeal to both the urban underclass and to upwardly mobile and educated urban youths who see no hope of getting a job despite their qualifications. They are deeply disillusioned with the government.

Thirdly, the EFF is acutely aware that it is in danger of becoming an ethnic party with its power-base in Limpopo and in North-West Province, where it has formed a strong informal alliance with the growing Association of Mineworkers and Construction Union led by **Joseph Mathunjwa**, and in parts of Gauteng and the Free State. The party has yet to make significant inroads in the ANC's troubled Eastern Cape heartland or in KwaZulu-Natal, where the pro-Zuma **Sihle Zikalala**, Malema's predecessor as head of the Youth League, last month emerged victorious in a bitter battle for the post of ANC provincial Chairman, tipping the presidential succession race in favour of **Nkosazana Dlamini-Zuma**, Jacob Zuma's ex-wife and his preferred candidate (AC Vol 56 No 23).

REACH

The EFF will have to demonstrate it has a national reach if it is ever to challenge for the official opposition slot. It is more likely that it will emerge as a powerful component of a left-wing alliance with a yet-to-be-formed party of the left, the United Front, aligned to the National Union of Metalworkers of South Africa and affiliated unions which broke away on the left of the ANC-supporting Congress of South African Trade Unions (Cosatu). The EFF is expected to pick up a flood of unsuccessful ANC candidates who had hoped for nomination in next year's local government elections. They were to be finalised by 15 December and the defections will give a good indication of how well the EFF is likely to do in next year's polls. ●

INFRASTRUCTURE

Pig-in-a-poke or panacea?

Some see PPPs as ideal for investing in Africa's infrastructure. Others believe it's a way for Western governments to save on aid expenditure

Nobody doubts that Sub-Saharan Africa needs heavy investment in public infrastructure. 'An acute infrastructure deficit is evident, especially in energy and roads.' So warned the World Bank's *Economic Prospects* report at the beginning of this year. Yet it didn't suggest who should pay or how.

In Europe, governments appear to have abandoned the idea of publicly funded infrastructure projects in Africa, instead favouring lending and private finance. The centrepiece of **Jean-Claude Juncker's** presidency of the European Commission between 2014 and 2019 is

a planned 300 billion euro (US\$327.98 bn.) investment programme based on €15 bn. of loans from the publicly funded European Investment Bank (EIB). The idea is that investors managing long-term portfolios, such as pension and sovereign wealth funds, will be enticed into funding roads, bridges and energy infrastructure that will pay a return over a long time-frame. Whether that is true or not, private-public-partnerships (PPPs) are in vogue across the world.

As part of the EU's Partnership Agreement with the Africa-Caribbean-Pacific states signed in Cotonou, **Benin**, in 2000, Western governments are

encouraged to focus their development policies on building infrastructure and expanding the private sector in Africa. Partly as a result, the idea that private finance can pay for public works projects has become increasingly prevalent in Sub-Saharan Africa, where the fiscal space enjoyed by governments is even tighter than in Europe. The average budget deficit in the region is far higher than the 2.9% average in Europe: the lowest budget deficit in 2014 was 6%, in **Rwanda**.

'There are huge opportunities but government does not have the money to fund the infrastructure gap,' says **Gitahi Gachahi**, East Africa Chief Executive of accountants Ernst and Young. The expectation, increasingly encouraged in Western capitals by government international development departments, is that private capital will plug that gap. How capital will earn back its investment is less clear.

Total investment in PPPs in developing countries has increased by a factor of

PRIVATE FINANCE, PUBLIC UTILITIES

The European Union-backed Electricity Access Fund, launched in June 2015, is directed by Aster Capital, a Paris-based private equity firm. The Fund plans to invest up to €55 million (US\$60 mn.) in around 20 businesses providing renewable energy over the next five years, with investments ranging from €500,000 to €3 mn. Target countries include **Kenya, Rwanda, Tanzania** and **Uganda**. Under the plan, the European Investment Bank (EIB) will stump up €10 mn. of the Fund's capital, which aims to provide access to electricity to one million low-income people.

Renewable energy firms, particularly those offering customers pay-as-you-go solar kits, are booming in the region. At a summit on entrepreneurship that Kenya's President **Uhuru Kenyatta** hosted with **United States** President **Barack Obama** in July, Kenyatta name-checked M-Kopa, a Nairobi-based firm which offers customers basic pay-as-you-go solar energy products for a \$30 deposit and around 50 Kenya shillings (\$0.49) per day.

'Innovative use of financing has the potential to unlock the benefits of private investment and build electricity supply for millions of people and small businesses,' said **Erik Habers**, development head at the European Union Embassy in Nairobi, at the launch. The target is undeniably valuable: 600 million people in Sub-Saharan Africa live without electricity, a vast potential market. Many therefore question why European public money in the form of cheap loans and grants should be managed by a private equity firm, which will inevitably seek a return on its investment and will profit to a far greater extent than the European public.

Another ambitious scheme is the \$1 billion project to establish a bus and commuter rail network. It is the centrepiece of plans to end traffic chaos in Nairobi. The EU is providing €120 mn.: a €20 mn. European Commission grant and a €100 mn. EIB loan. This money is being matched by the World Bank and the African Development Bank, alongside the Kenyan government. ●

six over the past decade, according to the European Network on Debt and Development (Eurodad), an alliance of non-governmental organisations working on development finance. While investment in PPPs in Latin America, the Caribbean and South Asia has fallen, in Sub-Saharan Africa it has been surging and PPP investment totalled over \$10 bn. in 2013 and 2014.

IN THE BLENDER

The new buzzword in the PPP field is 'blending'. That means combining a taxpayer-funded grant from a government or soft loan from a European development bank with private investment. 'We can use development aid to absorb risk, build investor confidence and accelerate economic growth for a wider number of people,' says **Erik Habers**, head of Development Cooperation at the EU mission in Nairobi.

Using loans from international finance institutions such as the EIB or the African Development Bank (AfDB), in combination with grant aid or concessional finance, eases the financial burden not only on cash-strapped governments of less-developed countries in Africa but also on their counterparts in Europe which are increasingly keen to reduce public expenditure. The EIB regards its investment strategy in African PPPs as an extension of Brussels' policy priorities, focusing on projects related to renewable energy, transport and water. In **Kenya**, for example, the EIB is the largest single lender in a €200 million wind-farm in Turkana and it continues to plough money into the Olkaria geothermal power stations in Naivasha.

The EIB and other international financial institutions acknowledge that such infrastructure projects are a cheap form of development financing. The EIB has a triple-A credit rating and so can

borrow at rates far below those available to African governments and their commercial banks. Thus, it fills a gap in the market, it argues. 'We can offer very large amounts, with very long maturities, at very low rates,' said **Francesco Totaro**, a PPP advisor for the EIB at the seventh annual Africa PPP conference in London in November.

The EIB, which is jointly owned and financed by the EU's 28 member states, has invested €3.4 bn. in PPP or other private finance initiatives outside the EU, and this summer opened an office in Addis Ababa, Ethiopia. It has had an office in Nairobi for ten years. The fashion for this type of finance is growing. The French and German national development banks – respectively the *Agence française de développement* and the *KfW Entwicklungsbank* (formerly *Kreditanstalt für Wiederaufbau*) have a growing number of representatives in East Africa, says EIB Nairobi office chief **Kurt Simonsen**.

PRIVATE EQUITY

The activities of international financiers in Sub-Saharan Africa go beyond investment in infrastructure and include support for the local banking sector. The EIB has provided €700 mn. for Kenya's growing financial sector over the past five years, offering 20-year loans in Kenya shillings and ten-year US dollar and euro loans. In what has become a typical move in the sector, in February the EIB paired up with the development finance arm of the Common Market of Eastern and Southern Africa, the Preferential Trade Area Bank, to launch a €160 mn. investment facility which can be tapped by agribusiness, as well as firms operating in the energy, manufacturing and service sectors. The PTA Bank is also open to states that are not Comesa members. Private equity funds are also becoming

increasingly involved in directing public and privately sourced funds.

For example, European governments are using the Paris-based venture capital firm Aster Capital to direct a €55 mn. Electricity Access Fund which is scheduled to invest in up-and-coming renewable energy firms in East Africa (see Box). The AfDB has now subscribed to this fashion, too, and it has investments in over 40 private equity companies.

While governments North and South recognise that investors do not put their money into risky ventures, the question remains as to whether investment should simply follow commercial opportunities or the dictates of development policy. Can, many are asking, private equity follow development imperatives?

Eurodad is one of the sceptics and has been trying to resist the momentum behind this new fashion in development economics. 'Promoting PPPs entails many risks and is not always the best way to trigger development,' says Eurodad's Policy and Advocacy Manager, **María José Romero**.

At July's United Nations Financing for Development summit in **Ethiopia**, the language of the final communiqué, as well as the mood in the corridors, panel discussions and many fringe events, was firmly focused on how to increase the use of PPPs (AC Vol 56 No 15). The communiqué, which was agreed by ministers, even stated that PPPs 'serve to lower investment specific risks and incentivise additional private sector finance across key development sectors'. It also says that 'projects involving blended finance, including PPPs, should share risks and reward fairly, include clear accountability mechanisms and meet social and environmental standards.' The sceptics wonder if such assurances should not have been more strongly tested before adoption.

Another question mark hangs over whether projects funded by PPPs would go ahead without the concessional donor loans or grants. A report published by the European Court of Auditors in October 2014 found that almost half of the 40 projects which it assessed would have gone ahead without the EU money. The private sector could have covered all the costs itself, in other words. Indeed, the higher the leverage ratio of donor aid to private finance, the less convincing becomes the need for the aid in the first place. 'If we can leverage private finance, then fantastic,' says Oxfam Policy Advisor **Hilary Jeune**, who argues that the lack of transparency about PPP funding is a cause of major concern. 'We know

how much of the public side goes into leveraging but we don't know the other side. We are continuously asking for information and updates... but getting very little information.'

SMALL PIE, BIG HYPE

The buzz surrounding PPPs should not, however, obscure the fact that they still account for a small slice of the investment pie. The International Monetary Fund's World Economic Outlook 2014 states that PPPs account for 'less than a quarter of public investment in emerging market and developing economies'. Nevertheless, many African governments are trapped in a vicious circle. They need new roads and power stations now but have not got

the public money or the political will to pay for them by themselves. Donor countries, for their part, are not prepared to increase their aid pots. Commercial lenders will not finance infrastructure at affordable rates. So, like it or not, PPPs fill a gaping hole in the project finance market but potentially at the expense of leaving a long-term public liability.

As Britons have learnt from their experience of the Private Finance Initiative policy pioneered during **Gordon Brown's** term as Chancellor of the Exchequer, 1997-2007, the bill for a new school or hospital does eventually have to be borne by the public and since it has been postponed, it is far more expensive. ●

NIGERIA

Taking down Tompolo

As politics fizz and oil prices crash, the government targets the capo di tutti i capi of the Niger Delta militants

One of the shrewdest and wealthiest militant leaders in the Niger Delta, High Chief **Government Ekpemupolo**, alias **Tompolo**, faces a legal battle that could provoke a new political showdown in the region. State investigators have already unearthed enough material to ask some awkward questions about Tompolo and his business partners: senior politicians, oil companies and **British** and **Norwegian** officials who approved the delivery of a fleet of armed vessels to him two years ago (see Box & AC Vol 56 No 22).

Tompolo's career path, from military commander of the Movement for the Emancipation of the Niger Delta (MEND) to the boss of security company Global West, to which the then President **Goodluck Jonathan's** government awarded a US\$103 million contract, made him one of the most powerful figures in the Delta. Given President **Muhammadu Buhari's** determination to end the still thriving piracy, oil theft and sabotage rackets, his officials will need either to cooperate with Tompolo or to confront him. For now, it seems they have chosen the latter.

Under **Ibrahim Magu**, the Assistant Commissioner of Police appointed as acting Chairman of the Economic and Financial Crimes Commission, the EFCC is spearheading the probe into Tompolo's operations. Last month, it demanded that he attend a hearing on 17 December; should he fail to appear, EFCC officials say they will declare him a wanted man. Tompolo insists that far from being a

fugitive, he is counter-claiming. He wants compensation from the government for freezing his bank accounts in October: the accounts were linked to his companies Global West Vessel Specialists Limited and Mieka Divers Ltd.

The government's investigation into Tompolo's affairs follows its launch of investigations into former top officials in Jonathan's government: Colonel **Sambo Dasuki**, the former National Security Advisor; **Diezani Allison-Madueke**, Petroleum Minister; **Kingsley Kuku**, Presidential Amnesty Programme chief. Dasuki was arrested this week on money laundering charges and Kuku was arrested in November.

State agencies are closing in on Tompolo. Their first point of interest was Norway's sale, via Britain, of seven decommissioned Hawk-class Norwegian naval vessels to Tompolo's company. The intermediary in this deal was the Nigerian Maritime Administration and Safety Agency, close to Jonathan (AC Vol 56 No 3). The Nimasa Director General, **Patrick Akpobolokemi**, was forced out in July after EFCC agents stormed his offices. He was interrogated about 13 billion naira (\$65.31 mn.) said to be missing from Nimasa funds.

Yet Tompolo insists that all his business dealings with state bodies have been above board and claims the EFCC enquiry is part of a wider political vendetta: 'As a full blooded Ijaw man and citizen of Nigeria, I have done everything in my power to follow the laws of Nigeria. Since the amnesty declared in 2009 by

late President **Yar'Adua** I have strained myself to ensure that we all live in peace in this country,' said Tompolo. 'The real reason this All Progressives Congress-led Government is after me is that I bluntly refused to join APC and to support their Governorship candidate in Bayelsa State. We cannot all be in APC... I will only add this: let the will of the people of Bayelsa prevail.'

A lot of business is at stake in the investigation, namely the multiple contracts Tompolo has with Nimasa for pipeline security and anti-piracy patrols, which are not subject to review until 2021. There are myriad claims and counter claims about the largest of the Norwegian vessels, the KNM Horten, which some officials say is currently used by the navy as a training vessel for cadets. Tompolo's Spokesman, **Paul Bebenimibo**, denied any knowledge of the ship. Certainly, any investigation of Tompolo's business empire is likely to try to unravel the mysteries surrounding Norway's supply of seven naval vessels to the former militant leader. A wider question is the risk that a campaign against Tompolo might reignite the conflict in the Delta. Tompolo intends to stand his ground, so it could lead to a firefight in the creeks. At their peak in mid-2009, the battles between Tompolo's fighters in MEND and the army's Joint Task Force (JTF) became so fierce that the government decided that an amnesty and political cooption was the best strategy.

Since Buhari came to power in May, the web of political, business and military interests in the Delta have been in flux. Furious at the rampant criminality and oil theft, estimated at over 200,000 barrels a day, more than 10% of national production, Buhari is determined to crack down. Under Jonathan's government, many of the oil theft and related rackets were tolerated and sometimes actively promoted by senior politicians, military

WHITE HATS, BLACK SAILS

From Oslo to London and Abuja, the legend of the militant commander's private navy has prompted apologies, police investigations, cover-ups and outright denials. The core claim is that two years ago, High Chief **Government Ekpemupolo** alias Tompolo acquired a fleet of seven decommissioned Hawk-class Norwegian naval vessels, some of which were partly paid for with state funds. By all accounts the transactions broke the law in **Norway, Britain** and **Nigeria**.

'Does this mean that anybody can buy these boats, as long as they sign a declaration?' a Norwegian Conservative member of parliament, **Erik Skutle**, asked the Defence Chief, Admiral **Haakon Bruun-Hanssen**, at a parliamentary inquiry in April. 'Even terrorists? How on earth could this happen?' he asked. 'The fact that the vessels have landed in Nigeria under the Nigerian flag reflects a breakdown in our systems and I apologise for that,' Bruun-Hanssen told the inquiry, which is continuing.

Norwegian politicians and journalists have been exercised about the story since the armoured ships designed for coastal patrol were sold in 2014 to Global West Vessel Specialists Limited, an outfit linked to Tompolo, for anti-piracy operations (AC Vol 56 No 22). On 14 October 2014, Norway's Parliamentary Standing Committee on Scrutiny and Constitutional Affairs began an inquiry.

There was little that could be done from Oslo: the seven ships, which had sailed from Norway to Ramsgate, England, on 12 March, had sailed to Nigeria within days of the Norwegian inquiry commencing, on 16 October. They sailed under a **Togolese** flag, through an intermediary British company, CAS Global.

Britain's National Crime Agency arrested two CAS Global executives in January 2015 on suspicion of bribing a Norwegian civil servant with US\$150,000. Their Norwegian counterparts have arrested Norwegian civil servants. The first London court hearing in the case is scheduled for March. Yet the fate of the seven ships remains unclear. Some reports suggest that the navy impounded the biggest ship, the *Horten*, on arrival and that the Nigerian Maritime Administration and Safety Agency ordered another one. Images obtained by the Norwegian daily *Dagbladet* appear to show one of the six support ships to the *Horten* refitted with a 20 millimetre cannon.

In correspondence with *Africa Confidential*, Norway's Foreign Ministry said in November: 'The ships were bound by the UK export control regulations after entering UK jurisdiction. Norwegian export control authorities never assessed the export of the ships as a sale to Nigeria.'

Yet the exchange of letters between Norway's Defence Minister **Ine Marie Eriksen Søreide** and the Parliamentary Committee tells a different story. On 24 October 2014, she told the Committee that in January 2012: '...in the firm's end-user certificates for the ships, it was confirmed that the vessels would operate in fishery inspections in the ECOWAS [Economic Community of West African States] region... Demonstration of the vessels for representatives of CAS Global was later arranged, including Nigerian nationals'. The UK's Department for Business, Innovation and Skills hasn't replied to our questions about the end-user certificates for the deal and its compliance with regional conventions on light weaponry.

The only explanation for Norway's and Britain's role in the export of the ships is 'incompetence or corruption', says **Andrew Smith** of Campaign Against Arms Trade. He and other campaigners want a full investigation: 'The licence for these warships should never have been agreed and the priority must be to ensure it is revoked. The UK government needs to end its silence and join the Norwegians in investigating how this was allowed to happen in the first place.' ●

officers and business people. So far, Buhari has reshuffled many of the military's top brass in the region.

Most tendentious are the political alignments, because the governors of the states in the Delta sign off on big contracts and wield enormous influence over police and security matters in the region. The victory of **Ezenwo Nyesom Wike**, candidate for Jonathan's People's Democratic Party in March's gubernatorial election in Rivers State, has been contested in the courts and there will be a rerun. Rivers' former Governor **Rotimi Amaechi**, who triggered a national political realignment when he walked out of the PDP in 2013, is now Transport Minister and a senior member of the APC. He keeps a close watch on developments in the Delta.

The governorship election on 5 December in neighbouring Bayelsa pitted **Timipre Sylva**, now with the APC but a former PDP member, against incumbent Governor Henry Seriake Dickson, who is standing again on the PDP ticket. So far, the result has been inconclusive: each side accuses the other of bribery and violent attacks which are said to have killed about ten people. Sylva was formerly a close ally of Tompolo but the

two have fallen out. The result of the Bayelsa election is a critical signal for the PDP, which was reduced to a rump party controlling just the South-South and south-east geopolitical zones after Buhari's landslide victory.

As *Africa Confidential* went to press, **Seriake Dickson** was leading by 30,000 votes but officials of the Independent National Election Commission called off voting in the Southern Ijaw area, traditionally the Ijaw seat of government, where both Tompolo and Sylva have support bases. The Bayelsa vote may have to go back to court, again, and may be rerun.

In the political blame game, Sylva's enemies say he was behind August's attack on the army's JTF base at Ogbolomabiri, which killed four soldiers and a mobile policeman. The Deputy Inspector General of Police in Southern Ijaw, **Hashimu Arugugun**, dismissed accounts that APC-supporting traditional chiefs had been murdered. He called the reports 'psychological projections'.

Despite Tompolo's initial antipathy towards Jonathan (in 2009 a band of his fighters blew up Jonathan's house in Bayelsa), the two have established a relationship of sorts. For now, Tompolo

is standing by Dickson and PDP. Sylva has his own support network, including **Africanus Ukparsia Tuwonwei** aka **General Africa**, and **Eris Paul** aka **General Ogunboss**. In this contest between the two main political parties, the Bayelsa State election points to the battle lines in the Delta. Essentially, the PDP wants to protect the systems and networks that thrived under Jonathan and the APC wants to dismantle them.

Although the oil price is falling rapidly, to perhaps as low as \$20 a barrel, the stakes in the Delta remain high in both monetary and political terms. The region still hosts the biggest oil fields in Africa and without stability there, Buhari cannot begin to implement his plans to step up gas production to fuel all the new power stations. That is quite apart from the personal fortunes which have been built on the criminalisation of the oil industry in the Delta.

Should the PDP lose control of some or all of the Delta states, it risks becoming a very narrow regional party, cut off from the national mainstream. Accordingly, politicians, military officers and militants are energetically mobilising for the battles ahead, which could dominate much of 2016. ●

CÔTE D'IVOIRE

Soro has phone trouble

The former rebel leader is a problem for the President, who may now have the means to dispense with his disreputable ally

The Speaker of the Ivorian Parliament, former rebel leader and ex-Prime Minister **Guillaume Soro**, made a lot of telephone calls to the men responsible for September's attempted coup in **Burkina Faso**. Recordings were leaked on to the internet. Some of the calls were to **Djibril Yipènè Bassolé**, a Burkinabè Gendarmerie General, Foreign Minister and earlier Security Minister under the then President **Blaise Compaoré**. Bassolé is now in a military prison in Ouagadougou on suspicion of taking part in the attempted putsch.

Most damaging to Soro's standing are the 16 minutes of taped conversation on 27 September in which he offers money and outlines a plan to get the army out of Ouagadougou and free up the rebellious *Régiment de sécurité présidentielle*, the now disbanded presidential bodyguard. There are also discussions about getting rid of **Salif Diallo**, the former ruling party stalwart who is now a key member of President-elect **Roch Marc Christian Kaboré's** *Mouvement du peuple pour le progrès*, and **Chérif Moumina Sy**, chairman of the transitional Parliament (AC Vol 56 No 4 and Vol 55 No 24).

Soro's people insist the tapes are fake but those who leaked them, journalists close to ex-President **Laurent Gbagbo**, insist they aren't. The Gbagbo-supporters who leaked them certainly want to damage the recently re-elected President **Alassane Dramane Ouattara**. However, there are no obvious edits and the tapes rang true to *Africa Confidential*. An exiled former ally of Soro's, **Doumbia Major**, who knew Soro well before they fell out, is certain the voice on the tapes

is his. Interim Prime Minister **Yacouba Isaac Zida** also said the voices were those of Soro and Bassolé. Soro was already suspected of involvement in the coup attempt and his home in the Burkina capital was searched in early October. Soro is fighting the allegations hard and has hired a raft of lawyers and public relations experts in several countries to help him.

COMPETITION

It is not yet known if Ouattara will use the tapes to diminish Soro's influence. He sent for his Interior Minister and intended successor, **Hamed Bakayoko**, while attending this month's United Nations COP21 Climate Change Conference in France. Bakayoko and Soro are vying for the top spot in Ouattara's party, the *Rassemblement des républicains*.

Ouattara has promised to handle the matter in cooperation with Burkina's new rulers, probably when he attends the inauguration of Kaboré. It appears that Ouattara and Bakayoko are quite happy to keep Soro bailing out for some time, as further political, military and judicial developments conspire to fill his boat with water.

The pro-Gbagbo newspaper *LG Info* reported that a large gold mine, which was run and protected by Lieutenant Colonel **Issiaka Ouattara** (aka 'Wattao'), a friend and ally of Soro, was closed in November on Ouattara's orders. The mine appears in various UN Group of Experts' reports. The most recent, last April, says it employed almost 16,000 people including children and has produced gold worth US\$96.8 million. Armed with

a massive majority from the elections, President Ouattara has abandoned his previous timidity in tackling the old Com-Zones, of whom Wattao is one (AC Vol 54 No 10).

There is also increased activity at the International Criminal Court and it is once again looking for translators who speak Guéré (Wè), a prominent language in western Côte d'Ivoire and Moré (Mosi), the most widely spoken in Burkina Faso. Observers think that this is linked to its slow-moving inquiry into the massacre at Duékoué, in March 2011, shortly after the town fell to rebel forces (AC Vol 55 No 7). It was the worst single incident of the entire post-electoral crisis. Soro could be implicated, as he was at the time at the helm of the rebel *Forces nouvelles*, which received support from Burkina Faso.

Soro may have glimpsed an omen of things to come while he was in Paris for COP21, when French magistrate **Sabine Khéris** on 5 December issued an arrest warrant for him for an alleged kidnapping of Laurent Gbagbo's son **Michel Gbagbo**. Nevertheless, Soro was covered by diplomatic immunity and the warrant was withdrawn.

TRIAL

Next year, though, another of his old friends, Gen. **Gilbert Diendéré**, the security pillar of Compaoré's fallen regime, will be tried for killings related to the failed coup and also for his role in the death of Captain **Thomas Sankara** in 1987. This trial is likely to cause embarrassment in numerous capitals, including Yamoussoukro, Paris, Washington and Lomé. For years, the Compaoré regime enjoyed great freedom in **Togo** and in other West African countries where it was considered a reliable ally and friend. Diendéré's potential revelations about Burkina Faso's links with the rebel forces in Côte d'Ivoire are certain to further damage Soro, whose presidential aspirations look increasingly shaky. ●

CONGO-KINSHASA

The Kinshasa shell game

The President has been wooing rival parties to come into his big tent but some have their own agendas

The Tshisekedi clan has done it again. **Félix Antoine Tshisekedi**, son of **Etienne Tshisekedi wa Mulumba**, the octogenarian leader of the opposition *Union pour la démocratie et le progrès social* (UDPS), appears to

have got the better of President **Joseph Kabila** just as his father did in 1991 to the late President **Mobutu Sese Seko**. That September, Tshisekedi Senior convinced Mobutu that once he was Prime Minister, he would recognise

Mobutu's authority as President. Yet on taking office and receiving his first big payment, he promptly made it clear he was determined to oust Mobutu. The President had appointed Tshisekedi only because he was under Western pressure to 'democratise'. He found he could not tolerate him and sacked him a month later.

Fast forward to 2015 and a marathon series of talks in Brussels and Paris, during which Tshisekedi Junior managed to win over **Kalev Mutond**, head of the intelligence service, the *Agence nationale de renseignements*, and the man Kabila has tasked with persuading opposition

parties to join a proposed dialogue. He convinced Mutond that the UDPS would, once a suitably large payment had been made and certain conditions met, not only participate in the dialogue but also join a new transitional government of national unity.

Kabila was delighted with the UDPS's commitment, backed by what presidential Spokesperson **Lambert Mendé Omalanga** later said were signed 'secret documents' that he could not reveal. He then authorised the payment to the Tshisekedi family, we hear. The President then announced on national television on 28 November that there would soon be a new national dialogue, probably with international mediation, that would address and resolve all the pressing political issues of the day.

Most opposition parties, including the seven Kabila had recently expelled from his coalition, the *Alliance pour la majorité présidentielle* (AMP), immediately condemned the planned dialogue as a trick intended to prolong Kabila's presidency.

CHURCH OPPOSED

Some churches have backed the dialogue but the most influential, the Catholic Church, has not, even invoking Article 64 of the constitution, which entitles Congolese to bring down a dictatorship. Its position drew an immediate reaction from the government: the Prosecutor General, **Flory Kabange Numbi**, held a press conference the next day, 2 December, where he said the same

article forbade attempts to bring down a democratically elected government by force. Protests being planned by opposition parties and churches for early next year were 'near treasonable', he concluded.

What Kabila needed was for the UDPS to take part in the dialogue. That would allow him to go to the Constitutional Court to make a case that both the AMP and the main opposition party agreed on the need for a transitional government. The Court could then rule that an extension to Kabila's presidential mandate was required to make that happen (AC Vol 56 No 22). The government could then say it had no choice but to accept the Court's ruling.

The Constitutional Court has not been long established but has already carried out a similar manoeuvre. Earlier this year, it ruled that the 'constitutional crisis' created in the aftermath of the government's unfunded decentralisation process, which saw eleven provinces turned into 26, meant that the government 'had to' appoint 'interim' commissioners to run the new provinces, instead of elected governors. Pleading that it was constitutionally obliged to respect and implement the Court's ruling, the government appointed the commissioners.

Yet a few days after Kabila's 28 November announcement, the UDPS said it would not in fact take part in the dialogue because its demands had not been met. Félix Tshisekedi announced that he was instead returning to **Belgium**

for Christmas and would be back 'some time in the New Year'. In the meantime, however, Kinshasa's central road, the Boulevard du 30 Juin, had been festooned with banners proclaiming the national dialogue, calling it a 'Congolese tradition' and invoking the apparently sacred name of the late President **Laurent-Désiré Kabila**. His son Joseph had promised in his speech that the dialogue would start imminently and that he would report on its progress in his New Year's address. Without the UDPS, however, he knows there is no point and the dialogue has yet to begin. Instead, the UDPS and other opposition parties have since met in **Dakar, Senegal**, where they agreed to withdraw from Parliament in 2016.

PAY AGAIN

The speculation in political circles is that even so, Félix will be back in January to solicit another massive payout from the President, promising that this time, things will be different. Even if Kabila again pays up, things are unlikely to change. The Tshisekedi strategy has revealed the weakness of Kabila's position, and his apparent dependence on the family of the man to whom he denied the presidency after the disputed elections of 2011, the 'Sphinx of Limete', as the elder Tshisekedi is sometimes known, in reference to his area of Kinshasa. It has also generated a handsome payout for the Tshisekedi family. If they can pull off the same stunt twice, they will be all the richer and Kabila will have been humiliated again. ●

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POINTERS

Ethiopia

EDMONDS IN ETHIOPIA

■ Controversial **Zimbabwean** mining entrepreneurs **Andrew Groves** and **Phil Edmonds** have embarked on a new project in Ethiopia to construct a bottling plant 45 kilometres north of Addis Ababa. The venture comes as many of their other projects in Africa are struggling. Their London and Nairobi-listed firm Atlas Development, formerly Africa Oilfields Logistics Ltd, bought Ethiopian bottling company East Africa Packaging Holdings in November, announcing that Atlas was diversifying away from oil and gas logistics due to poor market conditions. This was followed in December by the closure of its operations in **Kenya**.

Groves and former England cricketer Edmonds have a large portfolio of businesses across Africa in mining, agriculture, private hospitals and other sectors. The pair have attracted controversy for their gung-ho attitude to deal-making and their relations with governments. Their Central African Mining and Exploration Company came under fire for its links to Zimbabwean President **Robert Mugabe's** government, while their White Nile oil venture in **Sudan** failed after a concession dispute (AC Vol 53 No 7 & AC Vol 48 No 15).

The move into Ethiopia comes as progress on the pair's **Guinean** iron-ore mining venture has ground to a halt. Their Sable Mining venture has had major problems with getting access to the railway line for bulk exports (AC Vol 56 No 15). Groves has considered pulling out of Guinea altogether should Sable not secure access to the line, *Africa Confidential* hears. Collapsing iron-ore prices haven't helped either.

Oil and gas/mining

NEW SEC RULES

■ Oil, gas and mining companies will be forced to publish payments made to foreign governments under new rules from the **United States** Securities and Exchange Commission. According to a draft published on 11 December, any company that is publicly quoted in the USA and so files reports to the SEC would be required to disclose its payments to governments of over US\$100,000 on a case-by-case basis (AC Vol 56 No 23).

Although signed into law as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, Section 1504, which dealt with the extractive industries, has not been implemented because of delaying tactics by oil industry lobbyists. In July 2013, a

Washington district court ruled in favour of an American Petroleum Institute (API) plea that the SEC should re-examine its requirement that all company payment reports be made public.

The European Union, **Canada** and **Norway** all introduced similar reporting requirements this year for all companies operating abroad. After years of litigation, the new SEC proposal, which is almost identical in value to the EU's 100,000 euro reporting threshold, will be viewed as a partial victory for transparency campaigners over industry. In 2014, the non-governmental organisations Oxfam America and Earthwatch sued the SEC for undue delay in issuing new guidelines. 'This is the only way to meet the needs of investors and allow citizens in resource-rich countries to follow the money governments receive from oil and mining companies,' said Oxfam's **Ian Gary**. The NGOs, however, fought hard to prevent the establishment of the \$100,000 threshold.

The API may take the SEC back to court to try to further water down Section 1504. The SEC's four commissioners divided on party lines, with its three Democrat representatives backing the rule and Republican **Michael Piwowar**, former Republican chief economist on the Senate Committee on Banking, voting against. A public consultation on the rule will run until 25 January. It is set to enter into force next June.

Ethiopia

'GREATER ADDIS' ANGER

■ Human rights groups have accused the security forces of killing more than 40 people in Oromia state after renewed student protests broke out over the planned expansion of Addis Ababa. The protests spread to more than 100 towns, leading to confrontations with armed police. Gruesome photos of injured protesters were widely shared on social media with the hashtag #OromoProtests.

The students are calling for a halt to the government's Addis Ababa and the Surrounding Oromia Special Zone Integrated Development Plan, better known as the Addis Master Plan which, according to **Bekele Gerba**, the deputy leader of the opposition Oromo Federalist Congress (OFC), will see the capital expand by 21 times its current size. 'This is at the expense of the territory around Addis Ababa that is under the jurisdiction of the Oromo,' he told *Africa Confidential*. The Oromo are Ethiopia's largest ethnic group, making up 40% of the population, and fears of being discriminated against run high.

Similar protests erupted in March 2014 after the plan was first published (AC Vol 55 No 10). Oromo cultural and linguistic identity is maintained within

Oromia province but Addis Ababa is officially Amhara.

This year's demonstrations began on 12 November in a school in Ginci town, in the West Shewa zone, spurred by the sale of Ginci stadium and the clearing of nearby Chilamo forest to make room for construction projects. There are unconfirmed reports that dozens of people have died in continuing ethnic clashes between Oromo and Amhara.

Government spokesman **Getachew Reda** said that only five had died but warned the figure could rise. 'Armed gangs are terrorising civilians, killing government officials, unarmed security officers and farmers,' he told Reuters. Some critics believe the dispute turned violent because of the inability of protesters to find legal ways of objecting to the plans.

Zambia

LUNGU HANGS ON

■ President **Edgar Lungu** told the International Monetary Fund delegation which left Lusaka on 3 December that he intended to call general elections well before they are due next September, a leaked IMF report says. He rejected the offer of an interest-free US\$1 billion loan to help the economy ride the current storm of low copper prices, electricity shortages, a plunging currency and high debt, but asked the Fund to remain 'engaged'. Lungu is desperately seeking finance elsewhere to hold at bay until after the polls the drastic austerity measures demanded and which the Fund would attach to any loan.

Lungu told the Fund he was turning it down because the programme would be 'politicised by opposition parties'. He said he needed to 'get the politics out of the way' to address the economic situation and therefore was considering early polls. The Patriotic Front's electoral party machine is getting ready for a vote as early as May, we hear. Lungu also hopes to use the Public Order Act against rival parties, PF insiders say. He will also try to avoid reducing fuel subsidies, which cost \$300 million a year. Some \$200 mn. in subsidy payments are already in arrears.

Lusaka obtained \$1 bn. from a Eurobond issue in July and owes \$3 bn. Analysts expect it to borrow more but interest rates will be punitive. Lungu's measures to stave off the economic worst include ordering the Bank of Zambia to spend foreign exchange to maintain the kwacha's value. It is about 40% down on its value at the start of the year but without the intervention, would be far lower. BoZ governor **Denny Kalyalya** is 'not a fan' of the policy, which has cost the Bank some \$780 mn. this year, a BoZ source says: 'He hopes the forex interventions can hold but otherwise he thinks we are just throwing money down the drain.'